

**Name of the Issue: Pipavav Defence and Offshore Engineering Company Limited (formerly known as Pipavav Shipyard Limited)**

- 1 **Type of issue (IPO/FPO)** IPO
- 2 **Issue Size (Rs. Cr)** 498.67
- 3 **Grade of issue alongwith name of the rating agency**

<b>Name</b>	Credit Analysis & Research Limited
<b>Grade</b>	3

- 4 **Subscription Level (Number of times)** overall 6.91

*Source: Post Issue Report dated October 14, 2009*

*Note: The above figure is net of cheque returns, but before technical rejections*

- 5 **QIB Holding (as a % of outstanding capital) as disclosed to stock exchanges**

<b>Particulars</b>	<b>%</b>
(i) allotment in the issue <sup>(1)(3)</sup>	7.65%
(ii) at the end of the 1st Quarter immediately post listing of the issue (March 31, 2010) <sup>(2)</sup>	22.54%
(iii) at the end of 1st FY (March 31, 2010) <sup>(2)</sup>	22.90%
(iv) at the end of 2nd FY (March 31, 2011) <sup>(2)</sup>	19.45%
(v) at the end of 3rd FY (March 31, 2012)	18.62%

Source:

(1) Basis of Allotment

(2) Clause 35 Reporting with the BSE (representing the sum of the "Institutions" category in the reporting)

(3) Allotment does not include any pre issue QIB holding and restricted to QIB allotment in the Issue

- 6 **Financials of the issuer**

(Rs. Crore)

<b>Parameters</b>	<b>March 31, 2010<sup>(1)</sup></b>	<b>March 31, 2011<sup>(1)</sup></b>	<b>March 31, 2012*</b>
Income from operations	629.38	859.93	1867.06
Net Profit for the period	(46.07)	43.69	21.65
Paid-up equity share capital	665.80	665.80	691.20
Reserves excluding revaluation reserves	988.22	1,020.55	1257.16

\* it will be updated in due course

(1) Figures are based on consolidated financials obtained from the annual reports

(2) Figures are based on consolidated financials obtained from the financial statements filed with BSE Limited under Clause 41 of the equity listing agreement

## 7 Trading status in the scrip of the issuer

Company's Equity Shares are listed on both the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

Particulars	Status
(i) at the end of 1st FY (March 31, 2010)	Frequently Traded on BSE and NSE
(ii) at the end of 2nd FY (March 31, 2011)	Frequently Traded on BSE and NSE
(iii) at the end of 3rd FY (March 31, 2012)	Frequently Traded on BSE and NSE

Source: NSE and BSE websites

## 8 Change in Directors of issuer from the disclosures in the offer document

Particulars	Name of the Director Appointed / Resigned	
(i) at the end of 1st FY (March 31, 2010)	Mr. Vimal Kishore Kaushik	Resigned
	Mr. Sunil Chawla	Resigned
	Mr. Luv Chhabra	Appointed
	Mr. Mahesh Gandhi	Resigned
	Mr. Atul Punj	Resigned
	Mr. Luv Chhabra	Resigned
(ii) at the end of 2nd FY (March 31, 2011)	Mr. Michael P Pinto	Resigned
(iii) at the end of 3rd FY (March 31, 2012) <sup>(1)</sup>	Mr. David Rasquinha (in place of R.M.V Raman) <sup>(2)</sup>	Appointed

Source: Notification sent by Company to BSE as required under Clause 30 of Listing Agreement

(1) Changes in Directors for the period from April 1, 2011 till March 31, 2011 have been disclosed , it will be further updated in duecourse

(2) Export Import Bank of India has appointed Mr. David Rasquinha in place of Mr. R.M.V. Raman

## 9 Status of implementation of project/ commencement of commercial production

### (i) as disclosed in the offer document

Project Name	Scheduled Completion Date
Construction of Pipavav Shipyard (other than the offshore yard)	Oct-09
The Offshore Yard	Mar-10

### (ii) Actual implementation

Construction of Pipavav Shipyard included (i) conversion of a wet dock into dry dock; (ii) construction of fabrication & block assembly facilities; (iii) installation of two Goliath cranes along with mechanical equipments including fit-out berths and (iv) establishment of offshore yard for Offshore Business Products along with load-out facility. All this activities relating to construction of Pipavav Shipyard (excluding Offshore yard) were completed on progressive basis by June 2011. Scope of work of the Offshore yard was considerably enhanced post IPO. The platform & module design and load-out weight was increased from 6,000T to 10,000T. Civil construction of the Offshore yard including load-out jetty has been substantially completed.

### (iii) Reasons for delay in implementation, if any

Project Name	Scheduled Completion Date	Reasons
Construction of Pipavav Shipyard (other than the offshore yard)	Oct-09	Installation of Goliath Cranes was delayed due to restriction on issuance of visas to Chinese technicians required for the installation
The Offshore Yard	Mar-10	Yard has been delayed because the changes in platform designs from originally planned 6000T capacity to modified 10000T loads. Further, large boulders were encountered in piling. There was also some delay in mobilisation of equipment like piling rigs and accessories by the contractors

Source: IDBI Bank Monitoring Report dated May 28, 2010

**10 Status of utilization of issue proceeds**
**(i) as disclosed in the offer document**

(Rs. Crore)

Expenditure Items	Total Estimated Cost	Amount deployed as of August 15, 2009	Amount to be financed from Net Proceeds	Estimated schedule of deployment of Net Proceeds for Fiscal		
				March 31, 2010	March 31, 2011	March 31, 2012
Construction of facilities for ship building, ship repair and the Offshore business	2,566.14	2,022.08	179.27	179.27	NA	NA
Margin for Working Capital	429.04	103.29	244.04	NA*	NA*	NA*
General Corporate Expenses	-	-	23.12	NA*	NA*	NA*
Issue Related Expenses	52.25	-	52.25	NA*	NA*	NA*
<b>Total</b>	<b>3,047.43</b>	<b>2,125.38</b>	<b>498.67</b>	<b>179.27</b>	<b>N.A.</b>	<b>N.A.</b>

\* Not Applicable

**(ii) Actual utilization**

(Rs. Crore)

Expenditure Items	Total Estimated Cost as disclosed in the offer document	Total amount utilised up to March 31, 2010
Construction of facilities for ship building, ship repair and the Offshore business	2,566.14	179.27
Margin for Working Capital	429.04	244.04
General Corporate Expenses	-	24.17
Issue Related Expenses	52.25	51.20
<b>Total</b>	<b>3,047.43</b>	<b>498.67</b>

Source: IDBI Bank Monitoring Report dated May 28, 2010

**(iii) Reasons for deviation, if any**

Not Applicable

## 11 Comments of monitoring agency, if applicable

### (a) Comments on use of funds

Company had collected an amount of Rs.498.67 crores through IPO proceeds and has utilized the entire IPO proceeds upto March 31, 2010 as certified by its auditors

### (b) Comments on deviation, if any, in the use of proceeds of the issue from the objects stated in the offer document

Not Applicable

### (c) Any other reservations expressed by the monitoring agency about the end use of funds

Not Applicable

Source: IDBI Bank Monitoring Report dated May 28, 2010

## 12 Price-related Data

Issue Price (Rs.): 58\*  
 Designated Stock Exchange: NSE  
 Listing Date: 9-Oct-09

\*Premium of Rs. 2 per equity share to Anchor investors

Price parameters	At close of listing day (October 9, 2009)	At close of 30th calendar day from listing day (November 9, 2009) <sup>(3)</sup>	At close of 90th calendar day from listing day (January 6, 2010)
Market Price	56.70	56.65	56.75
NSE Nifty	4,945.20	4,898.40	5,281.80
BSE Capital Goods Index <sup>(2)</sup>	13,687.81	13,140.20	14,228.95

AS at the end of FY 11 after the listing of the issue (March 31, 2010)

Closing price	High (during the FY) <sup>(1)</sup>	Low (during the FY) <sup>(1)</sup>
70.20	74.95	50.10
5,249.10	5,329.55	4,538.50
14,081.74	14,335.08	12,462.02

As at the end of 2nd FY after the listing of the issue (March 31, 2011)			As at the end of 3rd FY after the listing of the issue (March 31, 2012) <sup>(4)</sup>		
Closing price	High (during the FY) <sup>(1)</sup>	Low (during the FY) <sup>(1)</sup>	Closing price	High (during the FY)	Low (during the FY)
	78.85	119.70	62.00	80.0	50.1
	5,833.75	6,312.45	4,806.75	5,295.6	4,531.2
	13,233.89	16,860.58	12,145.72	10,027.92	7,806.90

(1) High and Low are based on intra day prices

(2) BSE Capital Goods Index is a BSE index which includes companies belonging to capital goods including Pipavav Defence and Offshore Engineering Company Limited

(3) 30<sup>th</sup> trading day happens to be a Saturday and hence closing price as on November 9, 2009 has been considered

(4) March 31, 2012 being a Saturday, price data is taken till March 30, 2012

### 13 Basis for Issue Price and Comparison with Peer Group & Industry Average

Accounting ratio	Pipavav Shipyard Limited	Face Value (Rs.)	As disclosed in the offer document <sup>(1)</sup>	At the end of 1st FY (March 31, 2010)	At the end of 2nd FY (March 31, 2011)	At the end of 3rd FY (March 31, 2012)
EPS	<b>Issuer:</b>	10	0.08	-0.82 <sup>(3)</sup>	0.60 <sup>(3)</sup>	0.27 <sup>(2)</sup>
	<b>Peer Group:</b>					
	Bharati Shipyard Limited	10	48.40	40.90 <sup>(4)</sup>	39.90 <sup>(5)</sup>	1.9 <sup>(5)</sup>
	ABG Shipyard Limited	10	33.60	50.20 <sup>(4)</sup>	37.20 <sup>(5)</sup>	35.4 <sup>(5)</sup>
	<b>Industry Avg:</b>			NA		
P/E	<b>Issuer:</b>	10	NA	NA <sup>(3)</sup>	131.42 <sup>(3)</sup>	296.30 <sup>(2)</sup>
	<b>Peer Group:</b>					
	Bharati Shipyard Limited	10	3.30	6.10 <sup>(4)</sup>	8.90 <sup>(5)</sup>	38.2 <sup>(5)</sup>
	ABG Shipyard Limited	10	5.40	5.00 <sup>(4)</sup>	3.40 <sup>(5)</sup>	10.7 <sup>(5)</sup>
	<b>Industry Avg:</b>			Not Applicable		
RoNW	<b>Issuer:</b>	10	0.39%	-3.36% <sup>(3)</sup>	2.39% <sup>(3)</sup>	1.00% <sup>(2)</sup>
	<b>Peer Group:</b>					
	Bharati Shipyard Limited	10	26.50%	21.60% <sup>(4)</sup>	23.50% <sup>(5)</sup>	12.4% <sup>(5)</sup>
	ABG Shipyard Limited	10	25.60%	21.00% <sup>(4)</sup>	18.00% <sup>(5)</sup>	16.3% <sup>(5)</sup>
	<b>Industry Avg:</b>			Not Applicable		

	<b>Issuer:</b>	10	21.63	24.81 <sup>(3)</sup>	25.23 <sup>(3)</sup>	28.63 <sup>(2)</sup>
	<b>Peer Group:</b>					
NAV per share based on balance sheet	Bharati Shipyard Limited	10	252.80	211.20 <sup>(4)</sup>	243.70 <sup>(5)</sup>	316.4 <sup>(5)</sup>
	ABG Shipyard Limited	10	164.80	300.10 <sup>(4)</sup>	320.30 <sup>(5)</sup>	279.1 <sup>(5)</sup>
	<b>Industry Avg:</b>			Not Applicable		

**Source/Notes:**

(1) As disclosed in the Prospectus dated September 27, 2009. Disclosures relating to financials of the Issuer in the Prospectus were made on a standalone basis

(2) Sourced from the Annual Report (Standalone Accounts) of the Company for fiscal year 2010 & 2011 and from the financial statements filed with BSE Limited for fiscal year 2012 except for share price information which has been sourced from NSE's website. Key ratios for the Company have been calculated as follows:

(i) EPS - Fully diluted EPS as reported by the Company in its Annual Report

(ii) P/E - Closing Price as of March 31 of each year / EPS

(iii) RoNW - Net Profit After Tax / Average network. Network is defined as Share Capital plus Reserves and Surplus minus Miscellaneous expenses and doesn't include convertible instruments

(iv) NAV per share - Closing Network / Shares Outstanding as of fiscal year end

(3) Information has been sourced from Capital Market Magazine Vol XXVI/08 dated June 14, 2010 - June 27, 2010

(4) Information has been sourced from Capital Market Magazine Vol XXVI/09 dated June 27, 2011 - July 10, 2011

(5) Information has been sourced from Capital Market Magazine Vol XXVII/10 dated July 9, 2012 - July 22, 2012

**14 Any other material information**

Date	Announcement
20-Oct-09	Company has signed the Contract with Oil and Natural Gas Corporation Ltd. ('ONGC') for construction and supply of 12 Nos. Offshore Support Vessels ('OSVs') at an aggregate value of approximately US\$ 111.849 Mn (approx. INR 513.83 Crores). Vide the said Contract ONGC also reserved the right to place order for Spares upto US\$ 1.764 Mn (approx. INR 8.10 Crores) for the OSVs
8-Jan-10	Setaf sas of France, one of the customers of the Company has cancelled the order for one 74,500 DWT Panamax Vessel with aggregate contract value of US\$ 36.00 million. The vessel was to have been delivered in 2009, but was delayed. The installation of Gollath crane was delayed on account of delay in issue of visas for expatriate Chinese workmen
29-Mar-10	Company have been intimated that, SKIL Infrastructure Ltd. ('SKIL'), SKIL Shipyard Holdings Pvt. Ltd. ('SKIL Shipyard') and Punj Lloyd Ltd., have executed a Share Purchase Agreement dated March 27, 2010 pursuant to which Punj Lloyd Ltd. agreed to sell 129,360,538 fully paid up equity shares of Rs. 10/- each of Pipavav Shipyard Ltd. ('the Company') representing 19.43% of the paid up share capital of the Company to SKIL and SKIL Shipyard in two tranches, for an aggregate consideration of Rs. 6,564,644,312/-. SKIL and SKIL Shipyard are joint acquirers in terms of the SEBI (SAST) Regulations, 1997 ('the Takeover Code'). The said shares shall be placed in an escrow account until the completion of any Open or Public Offer that SKIL and SKIL Shipyard may be required to undertake in accordance with the provisions of the Takeover Code. The sale of the said shares is also subject to the satisfaction of certain, conditions precedent

29-Mar-10	JM Financial Consultants Pvt Ltd ("Manager to the Offer"), on behalf of SKIL Infrastructure Ltd and SKIL Shipyard Holdings Pvt Ltd ("Acquirers"), has issued this Public Announcement ("PA") to the Shareholders of Pipavav Shipyard Ltd ("Target Company"), pursuant to and in compliance with, among others, regulation 11(1) and regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations")
8-Jun-10	JM Financial Consultants Pvt Ltd ("Manager to the Offer"), on behalf of SKIL Infrastructure Ltd and SKIL Shipyard Holdings Pvt Ltd ("Acquirers"), has issued this Corrigendum to the Public Announcement to the Shareholders of Pipavav Shipyard Ltd ("Target Company"), which is in continuation of & should be read in conjunction with the Public Announcement ("PA") issued on March 29, 2010 and Corrigendum to the PA dated June 03, 2010 published on June 04, 2010. Clause 6.18 of Letter of Offer dated May 31, 2010: Return on Networth figure for year ending March 31, 2010 be read as "-3.08%" instead of "-2.96%" and Networth
2-Jul-10	As part of strategic corporate restructuring Mr. Jai Prakash Rai, the ex-Chief Executive Officer of the Company has moved as Group Chief Executive Officer of SKIL Infrastructure Ltd, the promoters of the Company w.e.f. July 01, 2010. The Company further informed that Cmde (Retd) M. Jitendran, VSM has been appointed as the Chief Executive Officer of the Company w.e.f. July 01, 2010
9-Jul-10	One of the customers of the Company viz. Golden Ocean Group Ltd. had referred the shipbuilding contracts to arbitration, and that both parties were exploring the option, of resolving the issues bilaterally. Negotiations with the said Golden Ocean Group Ltd and its two associate/group companies ('GOGL') have been concluded successfully. GOGL has withdrawn arbitration proceedings initiated against the Company
14-Jul-10	JM Financial Consultants Pvt Ltd ("Manager to the Offer"), on behalf of SKIL Infrastructure Ltd and SKIL Shipyard Holdings Pvt Ltd ("Acquirers"), has issued this Post Offer Public Announcement to the Shareholders of Pipavav Shipyard Ltd ("Target Company"), which is in continuation of & should be read in conjunction with the Public Announcement ("PA") dated on March 29, 2010, under the Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulations, 1997 ("Regulations" ) to acquire upto 20.00% of the Voting Capital of the Target Company at price of Rs 61.50 per equity share, payable in cash
23-Sep-10	In terms of the Special Resolution passed by the Members of the Company at the Extraordinary General Meeting held on September 07, 2010, the Securities Allotment & Transfer Committee of the Board of Directors of the Company at its Meeting held on September 22, 2010, has allotted for cash 2,52,21,612 convertible Share Warrants of face value of Rs. 99.10 (Rupees Ninety Nine & Paise Ten Only) each, on a preferential basis, to SKIL Infrastructure Ltd, each convertible into one fully paid-up Equity Share of the Company
3-Nov-10	Pipavav Shipyard Ltd has informed BSE that the Company has received Industrial licence to build warships for Indian Navy
9-Dec-10	Company has signed Protocol with M/s. Rosoboron Export which is a Russian Government arm for Defence co-operation with foreign Governments
23-Dec-10	Company signed a Memorandum of Understanding with SAAB Dynamics AB, a part of Swedish multinational giant - Wallenberg Group



17-Feb-11	Company has signed a Memorandum of Understanding with Northrop Grumman Overseas Service Corporation, Delaware, USA ("Northrop")
24-Mar-11	With reference to earlier announcement dated November 03, 2010 regarding the Company received License to build Warships for Indian Navy, Company has also received clearance from Foreign Investment Promotion Board (FIPB), Ministry of Finance, Government of India which permits foreign direct equity investment. The Company has obtained all statutory clearances required for warship building for defence sector
28-Apr-11	Company has signed a Memorandum of Understanding with Babcock Group, UK to build next generation aircraft carriers for Indian Navy
15-Jun-11	Company submitted a Press Release relating to launching of two (2) Panamax bulk carries, each of 74,500 DWT by Pipavav Shipyard Ltd
27-Jun-11	Company's name changed to "Pipavav Defence and Offshore Engineering Company Limited". Company is in the process of bidding for two significant contracts for Indian Army using its existing infrastructure capabilities. Company is in discussions with two international defence majors to set up production facilities at Pipavav for the Indian Armed forces
12-Sep-11	Company announces JV with Mazagon Dock Ltd. - "Mazagon Dock Pipavav Ltd."
28-Sep-11	Company, SKIL Infrastructure Limited, and Airbus Industry, France, have signed a Memorandum of Understanding (MOU) to develop state-of-the-art M.R.O. (Maintenance, Repair and Overhaul) facilities and associated infrastructure in India
17-Oct-11	The Income-Tax department visited the premises of the Company. IT officials visited for verification of certain issues for which required information was provided to their satisfaction. The management of the Company extended full co-operation to the authorities
16-Nov-11	Securities Allotment and Transfer Committee at its meeting held on November 14, 2011 had made preferential allotment of 1,05,00,000 convertible warrants of face value of Rs.78/- each for cash. Securities Allotment and Transfer Committee, at its meeting held on May 19, 2010, had allotted 2,54,00,000 10% Fully, Compulsorily and Mandatorily Convertible Unsecured Debentures ("CCDs") of face value of Rs. 70/- each to Valiant Mauritius Partners FDI Limited. Foreign Investment Promotion Board has approved conversion of 2,54,00,000 CCDs into 2,54,00,000 fully paid-up equity shares of Rs. 10/- each of the Company at a premium of Rs. 60/- per equity share to Valiant. Accordingly, the Securities Allotment and Transfer Committee has allotted 2,54,00,000 fully paid-up equity shares of Rs. 10/-each to Valiant

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22-Nov-11	Issue of upto 81,880,000 fully paid-up equity shares of the Company to an International Strategic Investor in one or more tranches at a price not less than Rs.110/- per share or price to be determined pursuant to formula prescribed in SEBI ICDR Regulations, 2009, whichever is higher, subject to approval of Members of the Company and other requisite approvals
14-Dec-11	Pursuant to the Special Resolution passed by the members of the Company at the 14th Annual General Meeting held on October 05, 2011, in-principle approval received from Stock Exchange, the SAT Committee has allotted 1,00,00,000 Convertible Warrants ("Warrant") of face value of Rs. 78/- (Rupees Seventy Eight only) each for cash, to Grevek Investments and Finance Pvt. Ltd., one of the Promoters of the Company

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*Source: Stock Exchange Filings*

*For further updates and information, please refer stock exchange websites i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com)*

**The merchant banking business of Enam Securities Private Limited has vested with Axis Capital Limited which has been granted SEBI registration under the SEBI (Merchant Bankers) Regulations, 1992, as amended, in lieu of the earlier registration.**

Note: The equity shares of the Company were listed on the BSE and NSE on October 9, 2009. The above track record has been updated upto March 31, 2012 - since three financial years have elapsed from the date of listing.