



Pipavav Defence and Offshore
Engineering Company Limited
(PDOC)

Q1 FY2014 Results Presentation

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Some of the statements in this presentation that are not historical facts are forward looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate.

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Further, this presentation may make references to reports and publications available in the public domain. Pipavav Defence and Offshore Engineering Company Ltd. (PDOC) makes no representation as to their accuracy or that PDOC subscribes to those views / findings.

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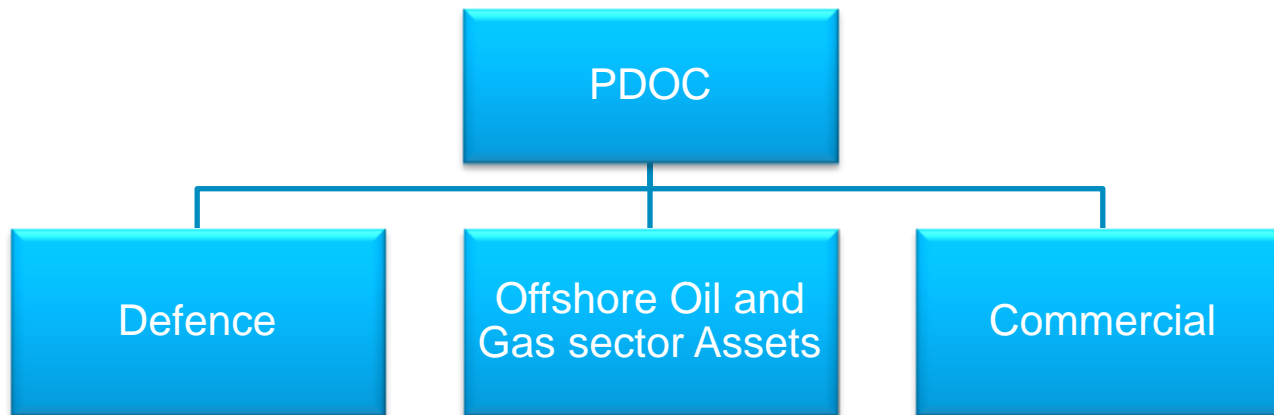
COMPANY OVERVIEW

Financial Snapshot

Q1 FY2014

Total Income Rs. 7,107 Mn	 22%
EBITDA Rs. 1,590 Mn	 22%
PBT Rs. 116 Mn	 321%
PAT Rs. 73 Mn	 261%

Business Segments



Offset

Based on GOI's Policy of 'Make Indian Buy Indian'
(Indigenization)

Defence opportunities with friendly nations

Process of working with friendly nations to build warships at
the Company's facilities

Unique business model positioned to benefit from substantial demand in
Defence and Offshore sectors



FINANCIAL OVERVIEW

Chairman's Message



Commenting on the Q1 FY2014 results, Mr. Nikhil Gandhi, Chairman, said:

"We are glad to start the first quarter of this fiscal on a positive note. We continue to strengthen our infrastructure by way of our phase II expansion plan.

During the quarter, we launched yet another Ice Class Panamax Bulk Carrier (The largest of its class ever been built in India). We have also made progress in the offshore space by bagging orders for maintaining and dry docking of deep water draft oil rigs and also have won a contract to build two specialised Offshore vessels for a European client.

Our Naval Warships Contract's (NOPVs) design underwent successful Model Tests at Vienna Test Basin. The Indian Navy appreciated the sea keeping, maneuvering and stability characteristics of our design. Also all key structural and system drawings have been approved by the Classification Society. Having cleared these critical review steps, we proceeded further with construction for the said NOPVs.

Recent orders from the Offshore sectors have further strengthened our order book which now stands in excess of US\$ 2 billion. Our capacity utilisation has improved further during this fiscal year. Our defence order pipeline is also strong and we believe that we are well positioned to contribute significantly to the Government's objective of indigenization of the country's defence infrastructure. We are working predominantly with the Indian Navy for warship development program and with coast guard. Simultaneously, we are well placed to tap the growing global demands of warships and submarines through our JV with Mazagon Dock."

Performance Review – Q1 FY2014

	Q1 FY2014			Q4 FY2013	Q1 FY2013
		QoQ	YoY		
Total Income	7,106.8	-3.1%	22.2%	7,336.4	5,814.7
Expenditures	5,516.4	-7.5%	22.3%	5,963.9	4,509.6
Operating Income	1,590.5	15.9%	21.9%	1,372.5	1,305.2
<i>Operating Income Margin</i>	22.4%			18.7%	22.4%
Depreciation	395.0	27.2%	31.5%	310.5	300.5
Profit Before Interest and Tax	1,195.4	12.6%	18.9%	1,062.1	1,004.7
Finance Costs	1,079.3	13.7%	10.5%	949.6	977.1
Profit Before Tax	116.1	3.3%	320.7%	112.4	27.6
Provision for Tax	43.3	44.3%	485.1%	30.0	7.4
Profit After Tax	72.8	-11.7%	260.5%	82.4	20.2

Rs. Million

Performance Review – Q1 FY2014

REVENUES
22% ↑
At
Rs. 7,107 Mn

- Improvement in production and utilization of facilities

EBITDA
22% ↑
At
Rs. 1,590 Mn

- Significant efficiencies have been achieved and the same has led to reduction in overall production cost and improvement in EBITDA
- EBITDA margin stands at 22.4% in Q1 FY14 as compared 22.5% in Q1 FY13

PAT
261% ↑
At
Rs. 73 Mn

- Profit of Rs. 73 Mn in Q1 FY14 compared to a profit of Rs. 20 Mn in Q1 FY13



Outlook

Media Highlights

INS Vikramaditya all set to sail sans all-essential air defence system

DailyBhaskar.com | Aug 05, 2013, 04:11AM IST

Source: DailyBhaskar.com

FDI in defence: Raising cap may help reduce dependence on imports

Urban NS, ET Bureau | May 5, 2013, 03:57AM IST

Source: Economic Times

Indian Navy aiming for technological self-reliance: Admiral Soni

HWS

KeralaDefenceSecurity, Fri, 03 Nov 2013

Source: NEWS TRACK India

In a first, pvt Indian firms can bid to make artillery guns

PrasadChellamurthy, New Delhi, Fri Apr 12 2013, 02:20 hrs

Source: The Indian Express

Defence Ministry allows pvt sector to participate in howitzer upgrade

Source: Business Line

hindustantimes

Thu, 15 Aug 2013

"If the Scorpenes get delayed any further, the Indian Navy will be left with just about four or five submarines by 2020," said a senior navy officer, requesting anonymity.

Indian Navy to launch its first indigenous aircraft carrier on August 12

IANS | NEW DELHI, AUGUST 1, 2013 | UPDATED 08:58 IST

Source: India Today

Six Scorpene submarines are currently being built in Mumbai in collaboration with French firm DCNS. The first of these will be ready by 2016-17.

Defence procurement policy: A step in right direction, but more clarity needed

Source: Business Line

Panel wants FDI hike in defence production

Mamun Purohit | New Delhi, Tue Apr 30 2013, 02:14 hrs

Source: The Indian Express

INS Arihant, India's N-powered submarine, to be operational soon

Reported by Pallava Rajan, Edited by Sreedha Suresh | Updated: May 04, 2013 09:04 IST

Source: NDTV

India Inc races to bag orders from defence sector

L&T, Tatas, Pipavav in race to bag orders worth \$247 bn

Source: Business Standard

Navy all set to double its aviation fleet

By N C Bipindra | ENS - NEW DELHI | 04th May 2013 08:12 AM

Source: The New Indian Express

'Buy Indian' gets priority in new defence procurement rules

Express news service | New Delhi, Mon Apr 22 2013, 08:42 hrs

Source: The Indian Express

SANS | New Delhi | April 22, 2013 | Last updated at 06:30 IST

Defence procurement policy will boost local industry: FICCI

Source: Business Standard

hindustantimes

Thu, 15 Aug 2013

A senior navy officer, requesting anonymity said, "There are chances that India will have to operate with about six submarines by 2020."

Navy designs India's largest ever hip, focuses on stealth and futuristic rigates

UTAM DATT | NEW DELHI, AUGUST 5, 2013 | UPDATED 10:45 IST

Source: India Today

Myanmar Navy seeks arms from India

By N C Bipindra | ENS - NEW DELHI | 30th July 2013 08:34 AM

Source: The New Indian Express

India's decision on FDI a positive step: US defense industry

PTI | Jul 18, 2013 | 02:38PM IST

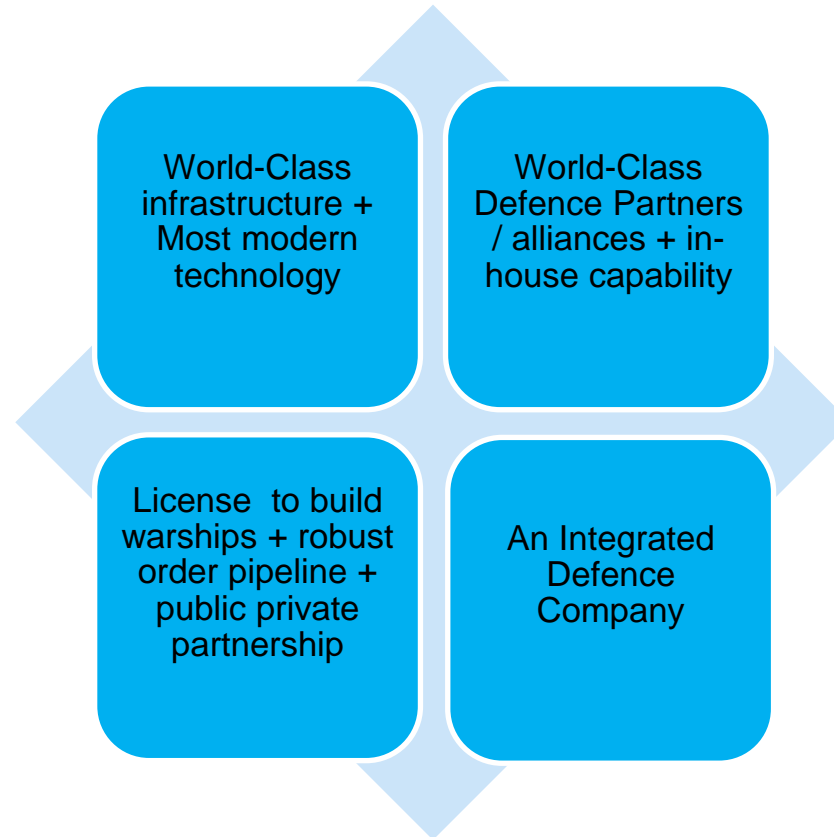
Source: Economic Times

"INS Vikramaditya will serve Navy for 30 years"

Source: The Hindu

PDOC – A winning Combination

As a first mover in the defence industry in private sector (first to secure the license, first to receive a naval order) and following the JV with Mazagon Dock, PDOC is well positioned to deliver long term value in the defence sector.



- Largest Maritime Infrastructure in India
- India's largest and one of the world's largest dry docks
- Spread across 840 acres of land on the Gujarat coast

- Modular ship building facility significantly reduces production time
- Expansion Project (Phase II) under implementation
- Existing facility can accommodate 400,000 DWT vessel

Combined with the most modern technology and the best in-class infrastructure, equipped with its inhouse design / R&D outfit, and supported by the top global defence majors, PDOC aims to provide indigenous technology and defence infrastructure of the best caliber.

For further information, please visit www.pipavavdoc.com

THANK YOU

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