



DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.

30th Annual Report 2008-2009



KEY EVENTS

- 1979 – Commencement of diving operations for Oil & Natural Gas Corporation (ONGC)
- 1985 – Operation & maintenance of ONGC owned offshore vessels
- 1991 – Established Ship Repair & Projects Division
- 1991 – Spud can repairs of Jack-up Rig Sagar Kiran using a cofferdam
- 1993 – Major leg repair of Jack-up Rig Sagar Jyoti
- 1993 – Operation and maintenance of ONGC owned Dynamically Positioned Multi Support Vessel (DP MSV)/ Geotechnical Vessel (GTV) for 6 years
- 1994 – Public Listing of Company
- 1995 – Major rig repairs using a semi submersible
- 2003 – Acquired ISO 9001:2000 certification for all services by American Bureau of Shipping (ABS), Houston
- 2003 – Awarded US\$ 10 million, nine platform clamp on structures and topside modification works project
- 2004 – Awarded US\$ 45 million Redevelopment of South Pipelines and Platform Modifications (RSPPM) from IOEC for Pipe lay support services
- 2004 – Acquired Brahmaputra Dolphin
- 2005 – Awarded US\$ 9 million SH Complex Reconstruction Project, involving, for the first time ever, lifting of a helicopter deck using jacks for inserting living quarter
- 2006 – Awarded Pipeline Replacement Project for NQP platform. Shut down work completed in 12 hours as against 48 hours allotted thereby saving considerable income to ONGC
- 2006 – Issued Foreign Currency Convertible Bonds (FCCB) of US\$ 15 million & US\$ 20 million debt to place order for two 63 meter workboats and one dynamic positioned construction barge
- 2006 – Acquisition of Procyon, (owning seven harbour tugs and one offshore utility vessel)
- 2006 – MOU with IMPaC Offshore Engineering GmbH, Hamburg, for setting up a design and engineering Joint Venture company
- 2006 – Award of barge bumper, boat landing and riser protector (BBBLRP) contract in consortium with Naftogaz. This was the first direct EPC contract awarded to the Company.
- 2006 – Award of 6 clamp-on project in consortium with Larsen & Toubro. Company's share is 56%
- 2008 – BBBLRP and 6 clamp-on projects completed successfully
- 2008 – Award of ICP and NQD revamp projects, the first EPC contracts won by the Company independently



DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.

BOARD OF DIRECTORS

Rear Admiral Kirpal Singh	Executive Chairman
Mr. S. Venkiteswaran	Vice Chairman
Mr. Arvind K. Parikh	Director
Mr. Bipin R. Shah	Director
Dr. Faqir Chand Kohli	Director
Mrs. Manjit Kirpal Singh	Director
Mr. Robert D. Petty	Director
Mr. S. Sundar	Director
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director

COMPANY SECRETARY

Mr. V. Surendran

AUDITORS

Haribhakti & Co.

BANKERS

State Bank of India

REGISTERED OFFICE

1001, Raheja Centre, 214, Nariman Point, Mumbai - 400 021.
Tel.: 2283 2226 / 34 / 42

CORPORATE OFFICE

L.I.C. Building, Plot No. 54, Sector 11, Next to K. Star Hotel,
C.B.D. Belapur (East), Navi Mumbai - 400 614
Tel.: 6602 6602
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‘Life to me is a journey - you never know what your next destination may be’ ~ David Russell



The booklet you are holding in your hand would have been unimaginable 30 years ago. When I left the Indian Navy in 1977, I had been associated with the sea for 37 years. The sea was my first love and the discovery of oil at Bombay High in the 70s, has kept me tied to it. Today, both maritime security and energy security are on top of the nation’s agenda – for me, they have encompassed the best years of my life.

The formation and growth of Dolphin Offshore Enterprises (India) Ltd is covered in the rest of this booklet. It has been the most rewarding experience of my life. Starting with a paid up capital of Rs 5,500 on our Dining table in ‘79, we were awarded seven projects in excess of US\$ 100 million last year. This magnitude of growth could not have been possible without the participation of family and friends, but most of all, my dedicated shipmates, our share holders and business associates to whom I pay tribute today. A special word of gratitude is due to Taylor Diving and Salvage Co. Inc, of U.S.A., who opened the door for us in offshore diving and petroleum technology at the very start of our journey.

My shipmates have shown that dreams can become reality when we raise ourselves not just to meet a challenge but to set new benchmarks for excellence.

As they say, “He who dares to dive, gets the pearl!” There have been many firsts and many milestones that have brought Dolphin to where it is today. However, with growth come new responsibilities.

Today, the oceans, on which mankind will increasingly depend on for our hydro carbons and mineral resources are being threatened by climate change, which impacts all aspects of life on the planet. Also, as divers, ROVs (Remotely Operated Vehicles) and submarines explore deeper depths, the importance of safety regulations and procedures cannot be underestimated. In a high-risk industry, Dolphin is proud of a safety record we strive to maintain.

This year, I handed over management of the company to Satpal Singh, one of my oldest shipmates, who has risen from Assistant Operations Manager in 1980. I now want to focus on the orderly growth of the underwater technology industry, which today faces many problems and offers great opportunities. India has the potential to create a state-of-the-art International Underwater Technology Training and Research Institute, which can be a hub for all of Asia and the Middle East. We also need to have a professional search and rescue organization for our divers and others who work underwater. The company is launching its own in house training program for divers. I invite leaders of industry, industry organizations and government officials to join in this new adventure. Let us together show the world that India can do it.

Rear Admiral Kirpal Singh
Chairman

DIVING AND UNDERWATER SERVICES



Dolphin Offshore has been offering comprehensive underwater services, including Air, Mixed Gas and Saturation diving services, to the Indian Offshore Oil & Gas Industry since 1979. It has since, provided these services overseas as well in places including but not limited to Vietnam, China and Malaysia. The Company has also been providing ROV services on drill ships, since 2000.

The team of professionals in this division is made up of highly qualified Diving Superintendents, Supervisors, Divers and Technicians. All of these have been trained to meet international standards and are certified by Health & Safety Executive of the UK, International Marine Contractors Association (IMCA) etc. This team has great experience in inspection, maintenance, repairs, non-destructive testing and construction work related to offshore structures.

The Company has made considerable investments for the acquisition of equipments for Air, Mixed Gas and Saturation Diving, Underwater Welding and Cutting, NDT Inspection, CCTV and Hydraulic equipment and Air Lift equipment. The company has a diving workshop located at Turbhe for the main purpose of storage and maintenance of such equipment.

The areas of activity covered are:

- Under water construction services entailing modification and redevelopment of existing offshore facilities.
- Pre-engineering surveys.
- Diving support for pipe laying, including pipe line stabilization.
- SBM and SPM installation, change outs, operation and maintenance.
- Inspection, maintenance and repairs of platforms.
- Installation and replacement of pipelines, risers and conductors.
- Underwater ship repair and maintenance.
- Rig support Diving services including UWILD surveys.
- Inspection required for various certifying bodies such as ABS, DNV and USCG certifications.
- ROV services which until now have been carried out for ONGC in board their drill ships, in collaboration with Oceaneering International.

Diving Assets that are owned by the Company include:

- SDS 01 - 300 meter 10 man saturation diving system
- SDS 02 – 200 meter 8 man saturation diving system
- 7 Air and Mixed Gas Diving Systems
- Underwater NDT equipment / cameras
- Various underwater tools and equipments
- 2 high pressure water blasters



FABRICATION/ INSTALLATION (ONSHORE AND OFFSHORE)



Dolphin Offshore has over 15 years Offshore experience in procurement, fabrication, installation, hook up and commissioning of major plants and equipment on offshore platforms, drilling rigs and onshore facilities including refineries, power plants and ports.

We have a large team of qualified engineers, technicians and welders with extensive experience in undertaking onshore and offshore fabrication work, providing quality services to our clients. We also own fabrication yards located near Navi Mumbai which are well equipped with generators, welding and gas cutting equipments, lathes, shaping machines, pipe bending machines, grinders, radial drilling machines, power hack saw, hydraulic press, air compressor, installation and lifting equipment including EOT Crane, Chain Blocks and Tackles, Scaffolding, Submersible as well as Diesel operated fire pumps and Pneumatic tools.

Our Onshore activities include:

- Turnkey Projects for revamp of plant piping and structural works including pre-engineering surveys, preparation of ISO's and Bill of materials, transportation, prefabrication of spools as well as supports and structures at site, storage of equipment and we also provide materials, erection, hook up and commissioning of equipments/ systems.
- Onshore Fabrication services to Oil and Gas refining and processing facilities, ports and nuclear power plants.

Offshore activities cover:

- Topside modifications on unmanned and process platforms, installation of riser clamps and protectors, deck extensions, boat landings, clamp-on structures and running conductors.
- Platform revamp work including painting.
- Hook-up and commissioning work on platforms.
- Electrical and instrumentation works on unmanned and process platforms.
- Installation of walk-way bridges and revamp of living quarters in process complexes.
- Replacement of Cranes, FG Skids, Chlorinators, Deluges System etc. on unmanned and process platforms.
- Piping work on platforms such as riser pipes flow arm and riser piping, water injection and gas lift lines using CS, NACE, SS, DSS, Incolloy and Cu – Ni material.
- Structural work comprising of steel modules and assemblies including painting of the same.
- Turnkey repairs to spud-can, mud-mats, shock-pad foundation on jack-up rigs using semi submersibles heavy lift barges and cofferdam techniques.



TURNKEY EPC PROJECTS



Dolphin Offshore qualified earlier on as an EPC (Engineering, Procurement and Construction) contractor with ONGC, but has been till recently working as a subcontractor to companies like L&T. However, with the award of the NQD & ICP contracts in September 2008, Dolphin has commenced work as an independent main EPC contractor to ONGC. Dolphin is now one of the few companies, which provide all the three dimensions of marine construction services, i.e. Marine operations, Diving/ Subsea services and Topside/Fabrication services, to execute offshore projects on a turnkey basis independently.

Some of the Marine Construction projects, which require all three or at least two of the above mentioned services include:

- Pre-engineering, pre construction and post installation surveys of offshore structures/ pipelines.
- Hook-up and commissioning of new platforms.
- Revamp/painting of offshore structures.
- Free span corrections and crossovers.
- Topside modification work on existing platforms.
- Installation of walkway bridges and other structures including PLEM, deck extensions, etc.
- Marine loadouts, sea fastening and transportation.
- Installation of riser, conductor, l-tube, anodes and relocation clamps.
- Diving and topside support during rigid and flexible pipelay operations.
- Repairs of jack-up rig's, spudcans and mudmats using semi submersible barges.



MARINE OPERATIONS AND MANAGEMENT SERVICES

All marine activities of Dolphin Offshore are the responsibility of

PROCYON OFFSHORE SERVICES LIMITED,

a Company registered under Companies Act 1956 and has its registered office at 1001, Raheja Centre, Nariman Point, Mumbai – 400 021. The ownership and Management of the Company changed with effect from 1st September 2006 and the company is now a wholly owned subsidiary of Dolphin Offshore Enterprises (India) Limited.

Procyon currently provides the following services:

- Marine Owning of tugs and offshore vessels.
- Operation and management of offshore vessels.
- Operation and management of tugs.
- Offshore Marine Operations.
- Marine Logistics Management.
- Ship Repairs and Equipment Overhaul.

Procyon owns 3 OSVs (Offshore Supply Vessels)/ workboats and six Harbor Tugs, all of which are chartered out to reputed clients. These are:

- Brahmaputra Dolphin
- Ganga Dolphin
- Kamrup
- Everpower
- Pioneer Star
- SCH-3
- Marina Venus
- Marina Mercury
- Time Skipper

Three new builds are expected to join the Dolphin fleet, which will be managed by Procyon on bare boat charter. These are

- Beas Dolphin – expected in May 2009.
- Betwa Dolphin – expected in June 2009.
- Vikrant Dolphin (DP Barge) – expected in October 2009.

To cater to Dolphin Offshore Projects and other client requirement marine logistics has been set up in Procyon which gives marine spread cover to clients. Approximately, 12 workboats/ OSVs/ Tugs/ Barges are on charter with Procyon for this purpose.



RIG REPAIRS & SHIP REPAIRS

Dolphin Offshore provides repair facilities to ships and drilling rigs, in dry dock as well as in floating condition. We have 18 years of experience in this area. Our range of repair services include electrical, air conditioning, refrigeration, engines (overhauls and replacement), piping and deck as well as Hull repair work.

We have an excellent team of highly qualified personnel, whose collective expertise covers all areas in the repair and maintenance of rigs and ships. We also have workshops near Navi Mumbai and related facilities which are equipped to undertake ship and jack-up rig repairs. Finally, Dolphin Offshore is registered with Director General for Shipping and has a license for Dry Dock repairs at Mumbai Port Trust.

Our services pertaining to Ship Repair include:

- Floating/Dry Dock and in situ emergency repairs.
- Underwater repairs and maintenance, including underwater cleaning of Propellers and painting of Hull.
- Hull plating, piping and structural repairs and replacement.
- Engine repairs/ overhauls and replacement.
- Electrical, Electronic and Hydraulic systems repairs.

For Jack-up Rigs we cover the following activities:

- Under water repair of rigs without dry docking using coffer dams or semi submersible heavy lift barges.
- Repairs to spud can and legs as well as to shock pads and coamings replacements.
- Repairs and refurbishment of accommodation quarters.
- Repair/ Replacement of shale shaker, leg bracings, jacking unit, raw water tower and high pressure piping.



DESIGN ENGINEERING

The design engineering activities of Dolphin Offshore are handled by

IMPac Oil and Gas Engineering (India) Pvt. Ltd.,

which is a joint venture between Dolphin Offshore Enterprises (I) Ltd., Mumbai, and IMPac Offshore Engineering, GmbH, Hamburg, Germany. This joint venture Company was incorporated in July, 2008 with an initial investment capital of Rs. 20 lakhs. The Board consists of 3 directors from IMPac, Germany and 2 from Dolphin Offshore, with Mr. Navpreet Singh as Chairman and Mr. Peter Rischmueller as Managing Director.

IMPac, Germany is an engineering consultant company which has worked with many international clients in the oil and gas sector with experience gathered in more than five hundred projects. Their core competency is in overall consultancy, conceptual studies, FEED, Feasibility studies, Basic Engineering and detail engineering. IMPac also provides Procurement services, site supervision and commissioning.

The present strength of IMPac, India extends 11 individuals. This number is expected to be augmented to 30 by this year end. The main focus of IMPac, India will be to cater to the design engineering needs for future jobs of Dolphin Offshore, as well as of other Indian companies working on EPC contracts.



IMPac Oil and Gas (India) Pvt. Ltd. has carried out two projects till date on oil and gas pipelines with estimated revenue of more than USD 55000. One project was for the client Network E&P of Nigeria and FUN group of Nigeria, while the other was for UERL/SIPEC Joint Operating Body (Nigeria). An extension of the projects by way of required changes/ modifications may also be expected.

IMPac Oil and Gas (India) Pvt. Ltd has just begun marketing activities for engineering services and studies, with very encouraging responses. Further vigorous marketing is being planned.



THE SEA – EARLY BEGINNINGS

When Rear Admiral Kirpal Singh walked out of the Gun Gate at the Naval Dockyard, Mumbai, for the last time on 31st March, 1977, the farewell speech kept troubling him. The words ‘After a lifetime of service, enjoy your retirement’ did not accord with his own feelings that he still had much to contribute.

Born on 5th September, 1925, in the desert of Rajasthan, his parents took him to the arid Northwest corner of Western Punjab, where he received his schooling. Reading from the books in his father’s library, the young Kirpal began to yearn for a life of adventure at sea. This dream became a reality in January 1940 when he gained admission to the Merchant Navy Training Ship Dufferin in Mumbai. On its completion in 1943, he joined the then Royal Indian Navy in a highly competitive process and set sail for Liverpool, where he entered the Royal Naval College, UK, and graduated with a First Class Certificate.

In the bitter cold of January 1944, Kirpal Singh stepped on board a warship for the first time. It was the HMS Anson where he soon had a baptism by fire, protecting Russian convoys through the Arctic Ocean. Kirpal Singh spent the remaining years of the Second World War on board HMS King George V, sailing through the Mediterranean, Sri Lanka, Australia and Okinawa. Here, they faced another fiery encounter with the formidable Japanese Kamikaze aircrafts.



Rear Admiral Kirpal Singh commanded the Western Naval Fleet

On completion of his initial training with the Royal Navy, he returned to India and spent 1 year minesweeping in the Andaman and Nicobar islands. Over the subsequent years, he attended the Defence Services Staff College in India, the Joint Services Staff College in the UK, the Defense Management course at the University of Pittsburgh in the USA and the prestigious Royal College of Defence Studies in London.

However, his happiest times were with the fleet. INS Ganga, his first command, was adjudged as the ace escort for the joint exercises carried out in Trincomalee in 1958. Later, he commanded the INS Brahmaputra, which the Pakistan Navy claimed to have “sunk” in the 1965 war, and finally he commanded the aircraft carrier INS Vikrant, which won the Fleet Regatta. His other appointments included, ADC to the first Governor General of India and Director of Personnel at Indian Naval Headquarters, where he received the Ati Vishist Seva medal for his contribution to Human Resource Development in the Navy. His last two assignments were commands of the Western Fleet and Director General of the Naval Dockyard Expansion Scheme in Mumbai. It was a remarkable career, one with which many would have been quietly satisfied, but not Rear Admiral Kirpal Singh. He needed new challenges and knew, in his heart, that somewhere, somehow, his deep knowledge and love of the sea would play a vital part.



Successful careers are rarely built by those who work alone and Kirpal Singh's was no different. While much of his career has been based on an appreciation of the benefits of teamwork, there is a singular influence in his life which has sustained and encouraged him through both, good times and challenging situations.

In 1953, Kirpal Singh courted and subsequently married Manjit Dugal. She was the daughter of Uttam Singh Dugal, a renowned builder and Member of Parliament. A budding musician, Manjit chose to give up her interest and training in music to marry a young Naval Officer of modest means. She recognised his passion for achievement and responded to his liberal ideals. Over the years, the couple had five children and became adept at packing their bags and resettling their large family with increasing regularity as his career gained momentum. It was a true partnership. In Manjit, Kirpal has found someone with the strength to raise a family while he was out at sea for long periods, someone with whom he could build a mutually supportive future. The five children did well, inheriting their father's love of the sea and independence of spirit.



R ADM Kirpal Singh in the early days with Taylor diving



Reputed to be a good manager, Kirpal Singh received a number of business offers on retirement - but none struck a chord. It was a chance meeting, however, with a friend at ONGC (Oil and Natural Gas Corporation of India) that sparked a new and exciting interest - one which changed the course of his life

In 1974, the first production well had started pumping oil from the Bombay High oil field, located in shallow waters 160 kms off the coast of Mumbai. That day, India's offshore oil industry was born. It was an exciting and challenging time for the new industry. Much of the equipment and expertise had to come from Russia, Japan, Europe and America, making a huge dent in India's foreign exchange reserves. India had to become more self-sufficient, not just in oil and gas, but also in the services required to help develop this vital but nascent industry.

On that day in 1977, Kirpal Singh posed a simple question of the senior ONGC official: "You know about business but know nothing about the sea. I know the sea but know nothing about business. I'm sure we can find a fit there?!?"

So the seeds were planted for the birth of Dolphin Offshore Enterprises. As always, Manjit and Kirpal worked shoulder to shoulder, beginning a new journey with all of Rs 5,500 as their working capital and the dining table as their office. Today, Manjit remains actively involved as a Director in the company and together they guide the next generation of young Dolphinites into ambitious new pastures of growth and self-reliance for India.



Dufferin days



TOWARDS A SELF SUFFICIENT FUTURE

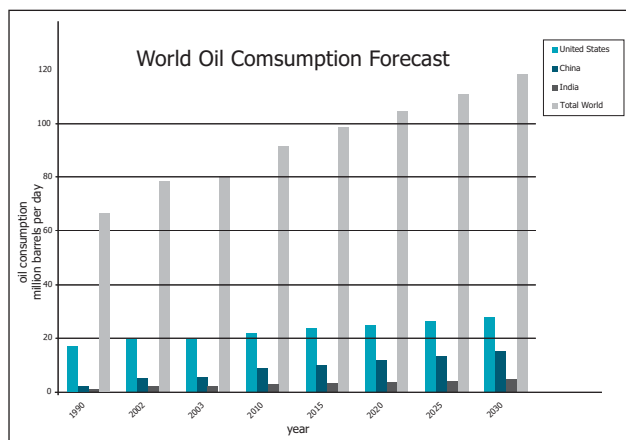
In 1979, the year Dolphin started out, India's growth rate was 3.5%, and its offshore oil production on Bombay High had just begun. In that sense, the story of the offshore industry's development and Dolphin's corresponding growth are intertwined. As India's growth rate rocketed to an average of 9% in the years preceding the current recession, the country's rapidly increasing energy needs grew several fold to 120 MMT in 2008 and are estimated to hit 135 MMT by 2010.

Dolphin had responded to the government's plan to increase exploration and production of oil and gas in the country, by developing its unique indigenous capacity for underwater diving and marine services. In the process it has grown from a sub-contractor to an independent EPC contractor for turnkey projects. Following the government's liberalization on foreign and private investment in oil exploration, 44% of India's sedimentary basins are under exploration today. In the next four years, exploration is expected to cover 80% and by 2015, the entire sedimentary basins area is likely to be under exploration. This implies a significant expansion in the need for underwater and marine services, infrastructure development both offshore and onshore, rig repairs and maintenance work etc. These are areas where Dolphin is already active and is acquiring new capabilities.

In India, as elsewhere, these new resources are increasingly found at greater depths and in areas remote from present markets. This requires development of indigenous capacity to work at greater depths in extremely hazardous conditions. Recently, the Indian government also launched an underwater program to excavate manganese, copper, cobalt and nickel nodules from the sea bed through remotely operated vessels (ROV robots) pointing to another area where Dolphin is acquiring new capacity.

We consider the Indian Ocean region the final frontier for development today, one that can contribute greatly to addressing our national energy needs - not just through finite hydrocarbon resources but through infinite wave turbines, plankton and other green technologies currently under development. In Australia, for instance, an underwater wave turbine farm is being developed to power a city of 9 million in the near future. These are underwater technologies for the near future which India cannot afford to ignore given its huge energy needs which must also comply with impending climate change legislations.

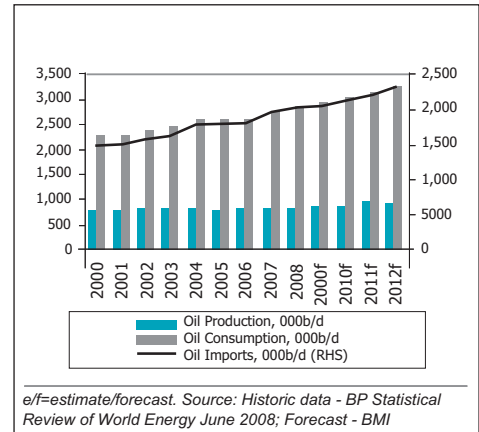
Meanwhile, India has sought to diversify the number of source countries for energy and sought deals in Central Asia, Africa and Latin America. Indian offshore companies are working on some of these overseas fields which also present a new opportunity for growth internationally, for those companies which can provide competitive, world class services. Dolphin has worked in several countries.



As underwater technology is among the most technically advanced sciences – comparable to space in terms of working in extremely hazardous environments – India needs to develop its own research and operational capacity if it is to remain a global player in the next great energy revolution of our times. The need for indigenous solutions to underwater operations cover a range of fields from energy generation, fisheries and coral protection to mapping of underwater caves and sea bed structures which may hold other resources of minerals and rare species.

We believe, that just as India provided the world with a generation of IT technicians who powered the information revolution, we can, with world-class training facilities, also provide the next generation of underwater divers, engineers and scientists. What's more, a substantial number of Indian divers today come from relatively impoverished villages and have gained proficiency in one of the most highly paid services in the world. This makes it a powerful engine for social change in a part of India that is not yet "shining".

We at Dolphin, have already begun in-house training of divers pending the day when, together with other players in the industry and government, we can set up an institute that will promote Underwater Technology. One that will also provide an international caliber of professionals who are trained to the highest standards of safety and sensitivity to protection of the marine environment in all operations. We look forward to the initiation of such a joint effort



DOLPHIN - THE FORMATIVE YEARS

Rear Admiral Kirpal Singh now had the germ of an idea that commercial diving and underwater technology may provide him with the challenge he needed. However, the question that remained was where to start. He had signed up to attend a diving conference in Brighton, U. K., when, once again, fate intervened. While talking with two of his ex-US Navy colleagues in Mumbai, about the need for an Indian company to specialise in underwater technology, he was told that for such an endeavour there was only one place to go, namely Houston, USA, for the annual Offshore Technology Conference (OTC). "We will be there to introduce you to the people you need to meet," they assured him.

On arriving at the OTC in Houston in May 1978, he first met Global Marine Drilling, who pointed him in the direction of Taylor Diving and Salvage Company Inc, a diving company, which was a subsidiary of the major offshore contractor, Brown and Root. What he didn't know at the time was that Taylor would play a major role in the Dolphin story.

Meetings in Houston were followed by meetings with Ken Wallace, President of Taylor, in New Orleans. Kirpal Singh turned down the idea of being Taylor's agent in India. He knew instinctively that he was not cut out for such a role, and instead convinced Ken Wallace of the benefits of working in partnership with a new Indian company, one that would become Dolphin Offshore.

On his return to Mumbai from the USA, Kirpal Singh heard that ONGC was seeking bidders for diving work on the drill ship Gettysburg. Working with Taylor, he put together a tender and together they succeeded in winning the contract.

On May 17th, 1979, Dolphin Offshore Enterprises (India) was promoted as a Private Limited Company with a paid up share capital of Rs 5,500. Mr Shavax A Lal was Chairman and Rear Admiral Kirpal Singh was Managing Director. The company had limited funds and its office was on the dining table at Kirpal and Manjit Singh's Pedder Road home. The children were hurried from the breakfast table to school so that work could commence. There was one employee, Judy Thakore. At the time, Mrs Manjit Kirpal Singh handled finance and administrative affairs, a position which she held until the late 1980s.

One of Dolphin's first jobs was to supply semi skilled divers to Taylor, which had set up an office in Mumbai. Initially all the equipment and divers came from America, with the project manager staying at The Taj hotel in Colaba. This was not exactly a cost effective operation. As part of the agreement it was decided that Taylor would help Dolphin become proficient in underwater technology and that on-the-job diver training would be provided. In early 1979, after having identified and trained some ex-Naval divers, the first two qualified Indian commercial divers took to the depths, marking another milestone.



Life at Dolphin was not easy. Taxes were high, at 90 per cent, as the government was trying to encourage manufacturing and not the service industry. The children's piggy banks were even raided to help keep the company afloat. In its first year, the company made a profit of Rs. 2 lakhs. But out of that only Rs. 2800 was left, post tax!!

The company was guided by its bankers, The State Bank of India, and its accountant, Mr. V.B. Haribhakti, both of whom did everything in their power to help the company



Judy Thakur - the first Dolphinite



succeed. The future success of the company, however, rested with Kirpal and Manjit. In those early days, Kirpal Singh often had to travel and on one such occasion Manjit received a call from a representative of the Tata Group, for whom Dolphin had undertaken a project. The harried voice said, “Your divers have stopped work. We are concerned the project will be delayed.” Manjit responded immediately by jumping into a taxi and reaching the site where she questioned the supervisor in charge. “One of our divers is drunk,” he responded to her queries. Manjit reprimanded the diver who promised “Auntie, it won’t happen again” and it never did. Hence was born the concept of the wider Dolphin family.

By 1981, with Taylor’s help, Dolphin won a contract for the supply of diving services on jack-up rigs. This was the first independent contract won by the company. An agreement had been reached with a local shipping company for supplying a diving support vessel. However, a decompression chamber, welding and cutting equipment and an open bottom bell had to be ordered from abroad for the work to be undertaken. The major issue was gaining access to the required foreign exchange for such a purchase. ONGC gave a letter to Dolphin for the Reserve Bank of India. Despite this the request was turned down as the rules

of the Reserve Bank did not permit such a transaction. On hearing Kirpal’s appeal, the new Governor, Dr Manmohan Singh, posed a question to his team, “who make these rules?” The reply he got was, “we do”. On hearing this, his answer was emphatic and positive in favour of Dolphin. To the chagrin of several bureaucratic officials who of the opinion “you have stirred up a hornet’s nest,” a grant of US\$ 200,000 was quickly made available to the company.

In 1982, in a landmark event for the company, Dolphin carried out its first offshore Engineering Project Construction job. The work, for NKK of Japan, involved the removal and reinstallation of barge bumpers and boat landings on the Bombay High South Process Platform complex. To the delight of NKK and ONGC the job had been completed in a shorter duration than was expected, under the expert direction of Kirpal Singh’s son, Satpal Singh. As Mr Shinohara of NKK commented “The repair jobs had been done smoothly. ONGC had accepted them with satisfaction. The repair period was also so very short that I repeatedly needed this information confirmed by phone.”

Not only were new avenues for development being forged, but the wider Singh family was beginning to make its mark.

In 1978 Taylor Diving and Dolphin were keen to set up a formal joint venture. However, Taylor needed to own 60% of this venture in order to enable them to consolidate their accounts. The Indian Government, on the other hand, insisted that for defence security and other reasons 60% of the company needed to be Indian. After years of discussion no solution could be found and so Taylor and Dolphin continued supporting each other until Brown and Root merged Taylor with another of its diving companies.

In retrospect, it was fortuitous that this joint venture did not materialise as the Singh family retained total ownership of Dolphin. In 1994, with income topping Rs. 3 crore for the first time, the company went in for an Initial Public Offering. A new era had begun.



STEADY GROWTH

As in any rewarding enterprise, challenges bring out the best in Dolphin. Some of our most satisfying projects have been those which have stretched our imagination and our resources. We have found indigenous solutions to complex offshore problems and, in this learning process, developed in-house capabilities so we can provide more cost effective services to the government and our clients. Some of these are:

UNDERWATER RACK TEETH REPAIRS OF SAGAR KIRAN

Awarded in 1991, this project was executed for ONGC, with Dolphin working as subcontractor to Mazagon Docks Ltd. The Rs. 228 lakhs job entailed towing this rig to the port, cleaning the spudcan, cutting away damaged parts and, after replacement, returning the rig offshore.

This work needs to be done in a dry environment, away from sea water. As no dry docks of the required size were available in India, this was not an easy task. We instead created a dry environment underwater using a cofferdam. This meant fabrication of the cofferdam, which was then deployed offshore.



REPLACEMENT OF LEG SECTION OF SAGAR JYOTI

Awarded in 1991, this project was executed for ONGC, with Dolphin working as subcontractor to Mazagon Docks Ltd. The Rs. 1554 lakhs job entailed towing this rig to the port, removing the damaged lower leg sections, replacing them, refitting the top leg section and returning the rig offshore.

The entire rig was raised to 100 meters and all services, at that height, were provided by us. Extensive work was sometimes done as high as 125 meters with no accidents or mishaps. The removal and fitting of separate leg sections weighing 152 and 90 tons, involved meticulous planning and required use of a DEMAG CC 4800 heavy lift crane from Singapore. This challenging project was executed entirely by Dolphin, with help provided by Keppel for the more specialized welding activities.

REPAIRS TO SPUDCANS OF SAGAR RATNA

Awarded by ONGC in 1997, with Dolphin working as subcontractor to Cochin Shipyard Ltd., this Rs. 927 lakhs job entailed repair of cracks and plating renewal work on the spudcan of the rig. This was carried out under the certification of American Bureau of Shipping and Noble Denton Associates.

For this job a heavy lift barge was required to be mobilized which could act as a dry dock. Since no dry dock of this size was available in India, Dolphin solved this problem by thinking out of the box. It proposed docking the rig on a semi-submersible instead. A 22788 MT self propelled semi-submersible was mobilized, on which the rig was lifted out of the water, allowing completion of work.



6 CLAMP ON

Awarded in 2007 to the consortium of Larsen & Toubro and Dolphin Offshore, this project was for ONGC. It was valued at Rs. 114.08 crores, of which Rs. 62.17crores was the value of Dolphin's scope of work. This job entailed modification of existing facilities in order to enhance production of crude oil.

Dolphin's scope of work covered the pre-engineering survey and inputs for design engineering, transportation, providing marine spread, offshore installation both above and underwater and post construction surveys.

Dolphin enabled swift completion of this project due to its in-house integrated expertise in marine, diving and topside services.



REDEVELOPMENT OF SOUTH PIPELINES AND PLATFORM MODIFICATIONS (RSPPM)

Awarded by ONGC in 2004, Dolphin worked as subcontractor on this US\$ 45 million project to Iranian Offshore Engineering and Construction Company (IOEC). This Engineering, Procurement and Construction (EPC) job entailed jacket faces, pre engineering surveys, fabrication and installation of riser clamps, installation of risers, correction of crossovers and free spans etc. A major portion of fabrication and installation work was subcontracted to Dolphin.

This marked a big opportunity for the company in an international field. With its team of skilled professionals and past experience, Dolphin was able to complete the scope of work well in time, overcoming numerous hurdles but never slowing down. Completion of this project catapulted Dolphin into the ranks of international companies by showing its world class expertise in diving and project management.



BARGE BUMPER BOAT LANDING AND RISER PROTECTOR (BBBLRP)

In July 2005 the ONGC owned Multi Support Vessel 'Samudra Suraksha' collided with an unprotected riser on the Mumbai High North Process complex, causing an explosive fire which destroyed the BHN complex. To avoid a repetition of this disaster, ONGC decided to protect these risers. Dolphin Offshore, in consortium

with Naftogaz was awarded this US\$ 29.06 million project. The work involved Pre-Engineering, Engineering, Procurement, Fabrication, Loadout, Transportation and Installation.

As an independent Contractor for the first time it was a challenging task for the company. Despite numerous hurdles, unprecedented weather conditions resulting in change in sequence of work plans, the base coordinators and the various site-in-charges offshore gave a commendable performance report, ensuring the timely and safe completion of the project within a two year period.

Dolphin for the first time had established itself as a successful independent contractor.





OFFSHORE SUBSEA WORKS SDN. BHD.

Awarded in 2008, this project was executed for OSW (Malaysia) with Dolphin as their subcontractors. The US\$ 17 million job entailed provision of diving assistance in the Oil & Gas Region of Malaysia. This required the use of

Dolphin's chartered vessel Seamec-1 complete with our diving manpower and technical backup. We also provided diving assistance on another OSW project by deputing our own Saturation Diving System (SDS-02) on their work barges.



This job provided Dolphin with the unique opportunity of working in South East Asia, as well as of enhancing diving and project management capabilities to match international standards. Having created a niche in the South East Regions market, we have received an extension based on our performance, on the second job with Phase 2 commencing in April 2009.

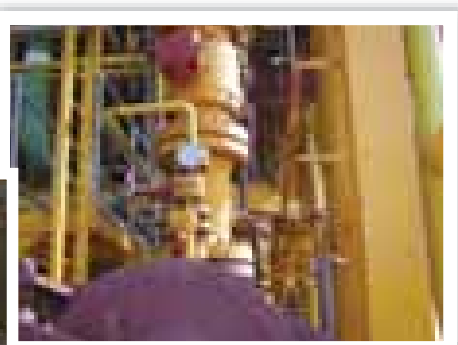
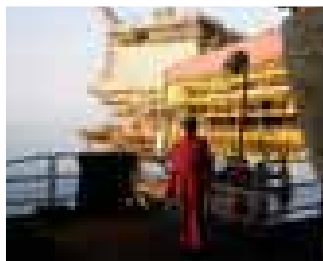
NQD REPLACEMENT AND ICP REVAMP PROJECT

Awarded in 2008, this ONGC project with a combined value of Rs. 302.59 crores, mainly involves design engineering, procurement, fabrication, marine loadout and offshore hook up and commissioning activities.

The NQD project will entail provision of a new train with a two-stage well fluid separation facility, hook up of existing interconnecting manifold between NQD and the inlet line to the new three phase separator, a multi-phase flow meter. The three existing crude transfer pumps will be upgraded and a new section header added. Two new control valves will be added in the pumps' outlets. Finally, there is a requirement for custody transfer metering, replacement of existing LT panel and revamping of switch gear room.

The ICP project entails provision of a third train with well separation facility, two-phase Cyclonic separators, hot oil system, new demulsifier chemical injection system, complete piping system, electrical system, complete instrumentation, control and shutdown system, fire and gas detection system as well as integration of all with existing facilities on the platform.

These 2 projects in conjunction mark the first high value turnkey EPC contract awarded to Dolphin as a main and independent EPC contractor to ONGC.





THE DOLPHIN FAMILY

“Individually, we are one drop. Together, we are an ocean.”

The Buddhist sage Ryunosuke Sutoro understood the formidable power of a dedicated group of people working in harmony towards a single goal – to be the best at what we do. Dolphin’s metamorphosis over the last 30 years from a small, privately-owned family business to a publicly listed company regarded as a leader in its field, is the realization of our collective dream.

An organisation is only as good as its people and Dolphin’s track record is a result of the dedication, perseverance and hard work of each and every member of the team.

The Dolphin Family has grown exponentially to keep pace with the expansion of our activities. The employee strength has gone from 3 people in 1979, to 774 employees today.

Of these, 200 are permanently on the company’s payroll, working either in the office or workshops, while the remaining 574 are contract workers, working in the workshops on specific projects, or as divers.

Over the last 30 years, there have been many outstanding individuals who have contributed significantly to the success and growth of the company. While it is not possible to pay tribute to every individual who has made a difference, a few key ones have been acknowledged by their peers as outstanding achievers. Today, we pay tribute to them.



SATPAL SINGH

In 1980, after qualifying as a Civil Engineer specializing in offshore structures from the Indian Institute of Technology, Powai, Satpal joined Dolphin Offshore as an Assistant Operations Manager.

During his years with the company he has attended a number of technical courses such as the Diving Orientation Course conducted by Taylor Diving & Salvage Co. Inc. in 1981, Rig Manager’s Drilling Course, conducted by Global Marine, courses in safety, welding, quality, etc.

In his capacity first as Assistant Operations Manager, then Operations Manager and finally Director (Technical), he spearheaded a number of important projects such as Boat fenders and Barge Bumper installation for NKK, Sagar Kiran Rack Teeth Repairs, Sagar Jyoti Leg Repairs, Sagar Ratna Spudcan Repairs, Repairs to Griffin Alexander etc.

Satpal clinched the company’s strategic tie-up with Oceaneering and has been responsible for business development since the late 1980’s. It is under his guidance that the company has significantly multiplied in terms of turnover and profits.

It was also Satpal’s initiative that qualified Dolphin as an EPC contractor, by undertaking lump sum offshore diving activities first for Great Offshore, then Larsen & Toubro and finally Naftogaz.

Today Satpal has worked his way up to the post of Managing Director & Chief Executive Officer of Dolphin and he continues to focus on taking this company to greater heights.

NAVPREET SINGH

Navpreet is a B. Com graduate from Bombay University and a member of the Institute of Chartered Accountants of India. After graduation in 1984, he joined Arthur Andersen & Co. In his first 18 months, he received extensive training in accounting, auditing, tax, various commercial laws, computer software as well as various aspects of financial management. He later worked in the Financial Consultancy Services group, which specialised in audits and financial consulting.

In 1989, Navpreet joined Dolphin Offshore as Director (Finance).

He has been responsible not only for the day-to-day accounts and financial management of the company, but he also oversees the procurement activities, corporate affairs and legal matters of Dolphin.

Navpreet spearheaded the initiative to take Dolphin public in 1994, thereby raising capital for the acquisition of the company's first owned vessel, the Ganga Dolphin. He later secured additional capital for the company to invest in two new workboats and a construction barge, through the issue of Foreign Currency Convertible Bonds to Clearwater Capital.

Navpreet was, for a period of time, Chief Operating Officer, of all the company's marine operations. He now serves as Managing Director of Procyon Offshore Services Ltd., a wholly owned subsidiary of Dolphin Offshore, which handles all the marine activities of the company. Navpreet now occupies the post of Joint Managing Director of Dolphin.

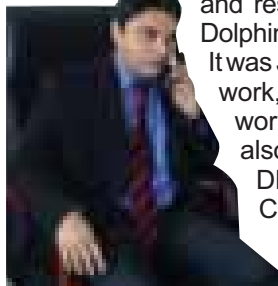


JAI THAPPA

Jai started out with the company as a tender diver, working up the ladder to being an IMCA qualified LST (Life Support Technician) and Saturation diver. He joined Dolphin on a permanent basis as Operations Manager and moved up the ranks to currently serving as Chief Operating Officer (COO) and Vice President of Operations division.

His experience ranges from project & commercial management and directing offshore operations to rig support, subsea design and engineering and ROV operations.

Jai was in charge of looking after ONGC's MSV, which brought Dolphin into the limelight as a diving company and resulted in the award for "Best Managed" among all of ONGC's MSV fleet, being awarded to Dolphin.



It was Jai's joint initiative that took Dolphin into topside EPC work, involving marine, topside and subsea work, first as subcontractors with L&T and Great Offshore on clamp on projects, to subsequently working as main contractors to ONGC on projects like Barge Bumper and 6 Clamp On. Jai is also at the forefront of our expansion into overseas operations, providing saturation diving and DPDSV (Dynamically Positioned Diving Support Vessel) services in regions such as Vietnam, China and Malaysia.

Jai is one of the leading experts in the country in the realm of diving and underwater engineering and has as such been instrumental in formulating and writing the first set of procedures for Air, Mixed Gas and Saturation Diving Operations.

VIKRAM PAHLAJANI

An engineer and a postgraduate in systems management, Vikram served in the Indian Navy for 21 years.

Leaving in 1993, Vikram joined Dolphin as a manager with a focus on business development and marketing. Under his guidance the company's marine division was awarded the ISM certification. He also took up the responsibility of quality planning and converted Dolphin into an ISO 9000 approved company, making us the first Indian offshore diving company to be so qualified.

In 1998 Vikram was made Vice President (Marketing) and he was instrumental in helping the company evolve from day rate contracts into mainstream EPC work.

The credit for setting up agents abroad to market Dolphin goes to Vikram as under his leadership we now have a presence in Qatar, Abu Dhabi, Kuwait and Iran. He was also a key player in setting up IMPaC Oil & Gas Engineering (India) Pvt. Ltd., a design engineering subsidiary of Dolphin formed as a joint venture with IMPaC Offshore Engineering, Hamburg.

Vikram has now taken over as CEO of Procyon Offshore Services Ltd., a 100% subsidiary of Dolphin, handling all marine activities of the company. Procyon is responsible for increasing the company's fleet as well as providing logistic services for all the company's projects.



PRAKASH MALVANKAR

Prakash graduated from IIT Kanpur, with a B.Tech in Mechanical Engineering. He joined Dolphin in 1995 working on repairs and maintenance of vessels. He also brought with him his expert experience of Project Management, Marine Fleet Maintenance and New Construction and Offshore Project execution.

Prakash started the company's Projects division, which carried out fabrication work for flow arms, structurals and pipings.

As a result of his joint initiative Dolphin was able to qualify for topside EPC contracts, first as subcontractors to L&T on deck extensions, clamp ons, E&I, modification to platforms etc., and now as independent contractors to ONGC, working on projects like NQD & ICP. He is also in charge of executing the MHSRP II project for L&T.

Prakash has, in his 14 years with the company, risen to the rank of COO and Vice President heading up Projects Division. His division covers all activities ranging from ship/ rig repair to onshore fabrication and offshore hook up and commissioning.

Activities also include structural works at refineries and nuclear power plants and the division is now poised to commence with the company's ship building endeavors in Jaffrabad.

Under his leadership, the company has made significant strides in undertaking major repairs to ONGC platforms and rigs as well as privately owned rigs. He has been responsible for a number of innovations in repair and maintenance work.



PATERASP R. DUBASH

Soon after the formation of the company, Rear Admiral Kirpal Singh, then the Managing Director, realised that apart from statutory auditors, he needed someone to oversee the accounts of the company. He heard about Mr. Paterasp R. Dubash, who had resigned from Tata Electric Companies. At the time, Dolphin could not afford to hire a person of his qualification on a full time basis. He, therefore, asked Patrasp if he would be willing to help the company on a part time basis, to guide the very small accounts department. Soon Mr. Dubash took charge of internal audit, tax planning and became advisor to the management on financial planning. The progress that the Company has achieved over the last 30 years is due, in no small measure, to his dedicated service. Although still working on part time basis, he is a key member of the

Dolphin team.

VIDYADHAR SINGH

Belonging to the first batch of Indian Navy divers to leave the service, Vidyadhar joined Dolphin immediately on his departure from the Navy in 1980 as an air diver. Initially, he was groomed on the job by Taylor Diving in bounce bell operations, and he quickly became one of the first approved Indian supervisors for bounce bell diving. Vidyadhar Singh then subsequently trained overseas becoming a qualified saturation diver and then a saturation supervisor. Under his supervision, for the first time a wholly indigenous team carried out Saturation Diving on ONGC owned Sagar Vijay and Sagar Bhushan.

He is one of the first qualified saturation superintendents both on MSV's (Multi Support Vessel) as well as for the company's turnkey diving contracts. His ability to indigenize diving technologies on site has contributed greatly to Dolphin's success.





MEN AND MACHINES - DIVING SYSTEMS

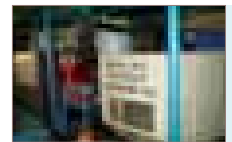


Saturation Diving Systems are diving spreads used when carrying out dives in depths ranging from 20 meters to 250 meters.

Water Blasters (or Water Jets) are used for marine growth and soft fouling removal underwater. This is done using water under high pressure, often upto 14000 pounds per square inch.



Air Quads are High Pressure 50 litre cylinders which allow the diver to breathe underwater.



An L.P. Compressor is used to supply low pressure compressed breathing air to the diver.



Helium Quads are High Pressure 50 litre cylinders providing Helium for the diver to breathe underwater.



Medical Oxygen Cylinders are High Pressure 50 litre cylinders which supply Medical Oxygen to the diver for the purpose of decompression etc.



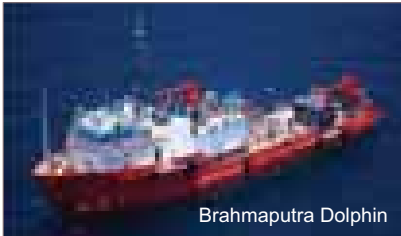
Mixed Gas Diving Systems are diving spreads used when carrying out dives in depths upto 75 meters.

Air Diving Systems are diving spreads used when carrying out dives in depths upto 50 meters.



MEN AND MACHINES - VESSELS

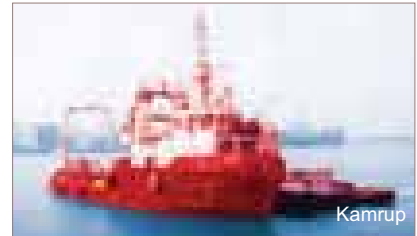
Multipurpose Workboats are used for Offshore Fabrication, Repairs, Diving Support and Services.



Brahmaputra Dolphin



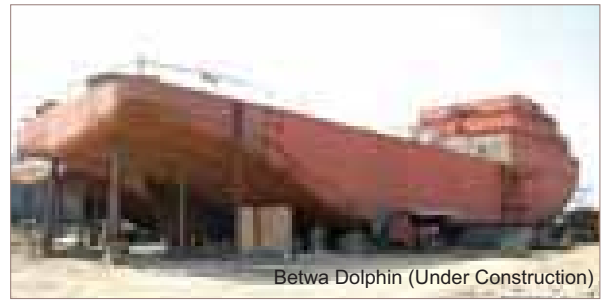
Ganga Dolphin



Kamrup



Beas Dolphin (Recently Launched)

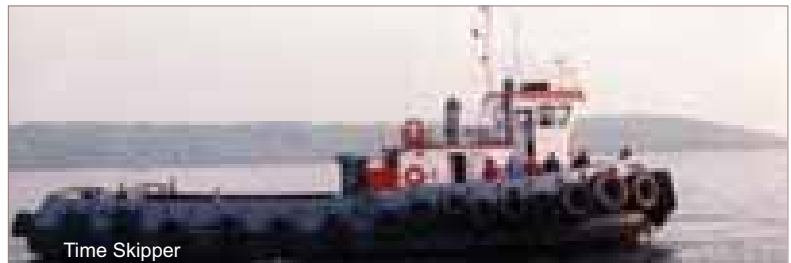


Betwa Dolphin (Under Construction)

Tugs are used for Towing, Berthing, Unberthing and to support vessels at sea and in the harbour.



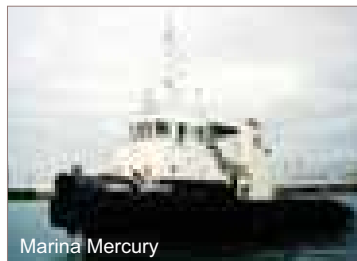
Everpower



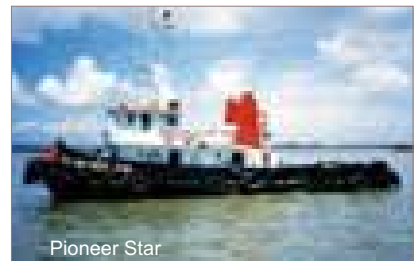
Time Skipper



SCH 3



Marina Mercury



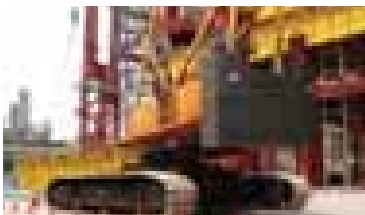
Pioneer Star

Construction Barges are used for Accommodation and as Construction Material Platforms for fabrication offshore, with the capacity to transfer large quantities of material.

Vikrant Dolphin (Under Construction)



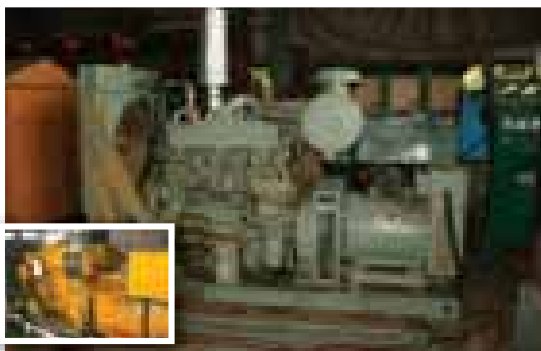
MEN AND MACHINES - FABRICATION AND TOPSIDE



KOBELCO CRANE :

Kobelco Crane has a 97.54 meter main boom and a 67 meter luffing boom. The main boom can pick upto 450 Ton load with 18.2 meter (60 ft.) boom at 5.8 radius and 66 tons with 97.54 meter(320 ft) boom at a radius of 20 meter. With luffing arrangement it can lift 12.3 ton at 58 meter radius at a height of 100 meter.

FABRICATION AT ONE OF DOLPHIN'S 4 WORKSHOPS



NUMEROUS WELDING GENERATORS AND WELDING RECTIFIERS



SCAFFOLDING AND OTHER RIGGING MATERIAL



VARIOUS MATERIAL HANDLING CHAIN BLOCKS AND EQUIPMENTS



MEN AND MACHINES - CORPORATE ASSETS



OFFICE BUILDING IN BELAPUR

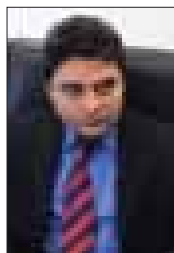
BACKBONE OF THE COMPANY



Mr. Satpal Singh
Managing Director
and CEO



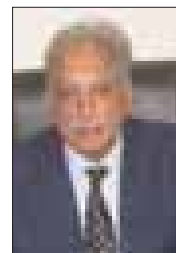
Mr. Navpreet Singh
Joint Managing
Director and CFO



Mr. Jai Thappa
COO and Vice
President
(Operations)



**Mr. Prakash
Malvankar**
COO and Vice
President (Projects)



Mr. Vikram Pahlajani
CEO Procyon
Offshore Services Ltd.



Mrs. Uma Srinivasan
Vice President
(Finance)

PURSUIT OF EXCELLENCE

Underpinning Dolphin's growth is a commitment to best practice in all its endeavors. The "Pursuit of Excellence" is the company's motto and a constant reminder of the need for improvement and innovation, while at the same time maintaining the standards of quality, safety and efficiency expected of an ISO 9001 certified company.

UPHOLDING STANDARDS: Despite its modest capital resources at inception, Dolphin's divers were trained to the highest international standards, initially through the partnership with Taylor Diving, and later at institutes abroad. The constant improvement of its manpower capability has today resulted in the creation of a highly professional team, comprising of technicians, divers, mariners and engineers who come from leading technical, engineering and offshore institutions.



Indeed, they have pioneered Dolphin's record of indigenizing

diving and marine engineering services to include a number of firsts.

To meet its growing portfolio of projects, the company also regularly conducts training sessions to upgrade employee skills and reviews operations to enhance performance and procedures.



SAFETY IN COMMERCIAL DIVING OPERATIONS: The devastating fire on ONGC rig 'Sagar Ratna' in Bombay High in 1999 resulted in huge losses to the oil and gas industry and more recently in 2005 the collision of the ONGC owned MSV 'Samudra Suraksha' with the BHN Complex which culminated in an explosive fire and total destruction of the BHN complex, was a stark reminder of the highly volatile and dangerous nature of rig and offshore diving operations. Underwater work is extremely hazardous and the safety of Dolphin employees is paramount.

The Commercial Divers get their Air and Saturation Diving training, which is stringent, professional, and adheres to IMCA Standards from world reputed Diving institutions in the U.K., France, Australia and South Africa.

In Dolphin Offshore great emphasis is laid upon safety. The Project heads and Safety officers ensure that all personnel are thoroughly briefed about Safety, use of PPE, JSA's and HIRA's by having regular tool box talks. Key personnel are also sent for NEBOSH training courses in order to achieve a higher degree of training in Safety.

Right from certification of its commercial diving





operations, followed by fabrication services, turnkey management and marine services, all of Dolphin's services have qualified for ISO 9001:2000 and ABS standards.

Being an ISO, ISM and also the first Indian Offshore Company to have been certified by American Bureau of Shipping, it is Dolphin's endeavour to maintain a high Quality Standard.

New inductees at all levels of operation, from the workshops and fabrication yards to vessels and rig operations, receive safety training practice in the first weeks of employment this is subsequently upgraded as they gain seniority. Supervisors learn complicated helicopter rescue and fire hazard procedures. Equipment, too, is maintained to the highest safety performance and quality standards in the four repair yards run by the company.

Kirpal Singh's love of the sea had also led to an appreciation of its beauty and fragility. It is hard to gauge the full effect of underwater operations on the ocean's ecosystems, but he mandated that Dolphin would do whatever it could to ensure its activities had minimal effect on the marine environment.

CORPORATE GOVERNANCE AND FINANCIAL ACCOUNTABILITY: When Dolphin Offshore Enterprises (India) Ltd became a publicly listed company in 1994, it took on new responsibilities. It had an obligation to its shareholders to manage its affairs honestly and transparently, upholding the highest standards of corporate governance and financial accountability.

Dolphin's board of Directors has included several luminaries since inception who enjoy a public reputation for achievement, integrity and vision. They scrutinise the company's financial and operational records and performance and meet atleast four times a year. To protect shareholder value and maintain confidence in a challenging economic climate, the Company regularly reviews its Corporate Management functions and has strengthened its Audit Committee and internal auditing procedures. Dolphin's statutory auditors are Haribhakti & Co, its internal auditors are Aneja Associates and its principal bankers, since inception are State Bank of India.

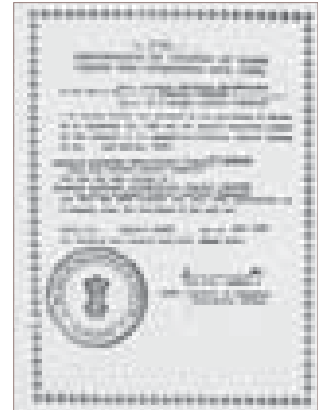
PROTECTING THE MARINE (AND WIDER) ENVIRONMENT: Hurricane Katrina highlighted the vulnerability of the offshore industry to climate change. Rising ocean temperatures, increasingly frequent cyclones and hurricanes are occurring at a time when the industry must venture into deeper waters for recovery of oil and minerals.

Dolphin's environment policy includes strict policies on the disposal of waste and debris at sea and ensures its vessels maintain international emission standards. It complies with the environmental policies of the countries it operates in and has recently updated its own policy to become carbon neutral in the future.

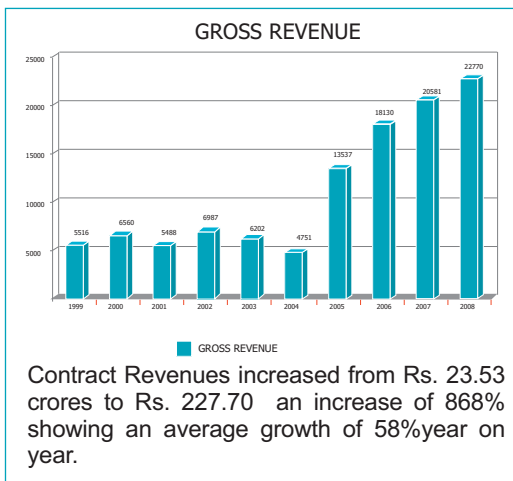


30 YEARS OF GROWTH

At the time of incorporation Dolphin Offshore had an initial paid up capital of Rs.5,500. By 1993, the Company had increased its share capital to Rs 60 lakhs through a series of rights issues. In early 1994, the Company declared a bonus to its shareholders of 6 bonus equity shares for every equity share held, resulting in the capitalisation of retained profits of Rs 3.60 crores. The share capital of the Company was hence increased to Rs 4.20 crores.

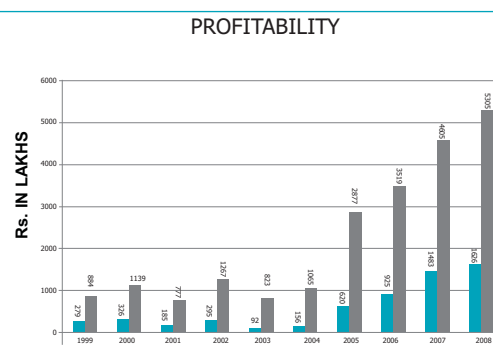
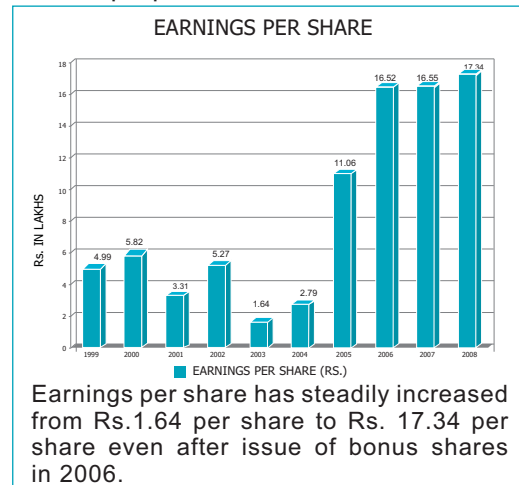


Dolphin Offshore was listed as a Public Company in 1994

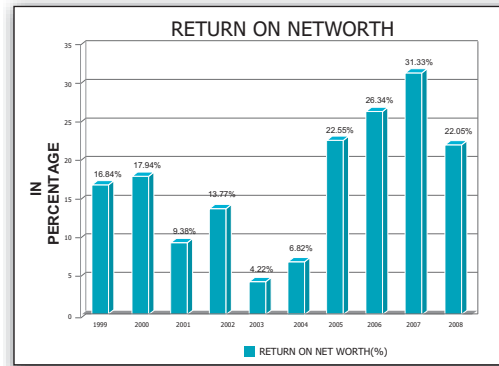
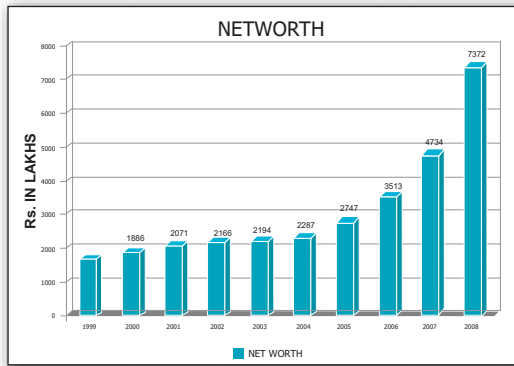


In September 1994 the Company launched its initial public offering of 14 lakh shares of Rs.10 each at a premium of Rs.30 per share which was oversubscribed 3.34 times. As a consequence of this issue, the Company raised its share capital to Rs.5.60 crores and raised Rs.4.20 crores as share premium. The purpose of raising the share capital was to acquire the Company's first offshore utility vessel, Ganga Dolphin, which was acquired in December, 1994.

In December 2005 the Company issued foreign currency convertible bonds worth US\$ 15 million to fund the acquisition of additional marine vessels required for executing the Company's offshore EPC contracts.



The percentage gross margin has been maintained at around 23% over the last 5 years which in real terms is much higher on account of increase in turnover. The net profit margins are also on the increase indicating better control on costs and overheads.



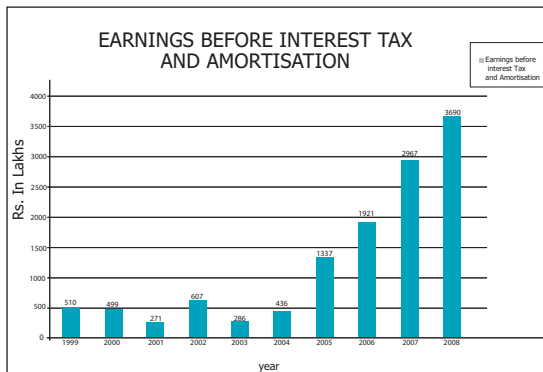
Net Worth increased from Rs. 11.28 crores to Rs. 73.72 crores, an increase of over 5 times. The company has been declaring a steady dividend of 25% over the last 4 years

These funds have been used for building 2 workboats to be named as Betwa Dolphin and Beas Dolphin and one dynamically positioned construction barge to be named as Vikrant Dolphin. The Company also used the funds raised from the FCCB issue to acquire all the shares of Procyon Offshore Services Ltd, thereby making it a wholly owned subsidiary of the Company.

At the time of its acquisition, Procyon owned seven harbour tugs and one offshore utility vessel, which have increased the fleet of Dolphin Offshore.

In FY 2006-07, the Company declared a bonus of 3 bonus shares for every 5 shares held, resulting in the share capital of the Company increasing to Rs 8.96 crores. In July 2007, the FCCB holders converted 20% of their bonds into equity shares, resulting in the issue of 6.05 lakh shares. Consequently, the share capital of the Company was increased to Rs 9.56 crores.

Dolphin's growth has been supported since inception by the State Bank of India, who have provided both working capital and term loans. Additionally, the company has received assistance from ICICI Bank in the form of a term loan for the acquisition of Ganga Dolphin and ICICI Bank Singapore, in the form of a term loan for new constructions.



PBT has also steadily increased from Rs. 1.52 crores to Rs. 24.83 crores an increase of 1533% over last 15 years.

The Company has been achieving growth in turnover and profits over the years as depicted in the following table:

YEAR	TURNOVER	PROFIT AFTER TAX	REMARKS
1979-80	15,05	2	Supply of manpower
1989-90	3,37,41	20,57	Turnkey rig repair
1993-94	32,96,32	96,54	Management of MSVs
2001-02	70,79,01	2,95,09	EPC subcontractor
2006-07	206,25,93	14,83,25	EPC Main contractor` (in consortium)

(All figures are in Thousand Rupees)



Toward a New Frontier

Starting as a diving manpower supply subcontractor in 1979, Dolphin Offshore has steadily and systematically developed its capabilities. Dolphin began by becoming an independent diving contractor providing bounce bell diving support up to 100 metres, then a saturation diving contracting operations in up to 1000 feet of water. In more recent times, the company ventured into Remotely Operated Vehicle (ROV) Operations providing drill rig support in water depths up to 1000 metres. The company is now focusing on developing full capability in this area.

Also, recognising the need for training of Indian divers, Dolphin will commence in house training for air and mixed gas diving, with a view to expanding to saturation diving and ROV operations as well. The company will look at the possibility of setting up a formal institute to carry out this training, at a later date.

Aside from its subsea capabilities, Dolphin has developed in-house capabilities in marine management and operations, ship and rig repairs, piping and structural fabrications, marine load out, offshore hook up and commissioning and design engineering. With development of all these capabilities, Dolphin has become a full fledged independent Engineering, Procurement and Construction (EPC) contractor. The further growth of the company now involves setting up of a major offshore fabrication yard, in Jaffrabad, Gujarat, capable of building jackets and platforms and a pipe handling waterfront. On this yard it will also build a dry dock capable of handling and docking jack up rigs and other offshore vessels. All ship repair and rig repair activities will also be carried out in this yard. As a further possibility for growth, the company will explore potential for other onshore fabrication, onshore plants, ship building and onshore pipelines.

While most ocean research for commercial purposes is still nascent, it's an area which will have to be developed to deal with future challenges of climate change, energy and food security as well as the preservation and recovery of mineral wealth. Dolphin is monitoring developments in offshore mining, nuclear and marine energy and advances in underwater scientific research.

Meanwhile, the company is devoted to continuously expanding its overseas activities, building on its experience in Iran, Vietnam, China, Malaysia and West Africa. To this end, the company is strengthening its base in the Middle East and South East Asia, by setting up of branch offices in these areas. Dolphin will continue monitoring new countries and new markets which provide opportunities.

Early Recollections

To support the start up of Dolphin, along with Stuart Bensley's and Rear Admiral Singh's efforts, Taylor Diving bid for and won a contract for providing ONGC drill rig support. For this job, Taylor provided a diving superintendent, a lead diver and diving equipment while Dolphin provided Indian divers for on-the-job training. As Dolphin divers were trained and continued to excel, the Taylor lead diver and the diving superintendent were replaced with Dolphin personnel. Eventually, ONGC allowed Dolphin to assume responsibility for the contract due to their focus on quality and efficiency. Taylor, thus sold the equipment to Dolphin. Other contracts followed between Dolphin and ONGC wherein Taylor provided support as needed. There were also opportunities for Dolphin's divers to expand their expertise through Taylor's office in Bahrain. The business activities were supported by Taylor's Stuart Bensley, operational activities supported by me and Louis Giacona in the Bahrain office, with Manjit Singh organizing and supervising various social functions that enabled the further success of this early venture.

Thus, lifelong friendships were formed which were further solidified when Satpal Singh attended a month of indoctrination in diving followed by Taylor's management course in Belle Chasse. The association with Dolphin has been a cherished thirty year relationship.

John V. Harter
Taylor Diving

I first met Rear Admiral Kirpal Singh in 1979, at the Offshore Trade Conference (OTC) in Houston. The year 1980, marked the start of our association with Dolphin. Over the next 6 years we worked with them, initially for the Gettysberg and Fredrickberg contracts and then expanding to a number of other clients and projects. During this same period we employed Dolphin divers on our projects across Asia, including Thailand and Australia. As they gained experience, we had Dolphin divers as regular and highly regarded members of our saturation diving crews.

One of the first few signs of Dolphin's outstanding performance came in the form of a request from Eddie Mclean, the B&R Superintendent in Thailand, for the major pipeline project. He asked, "Can we have some more of those Dolphin Divers? – They are doing a great job on the M.V.Carroll sat system."

I have been delighted to note that Dolphin is now one of the pre-eminent local diving companies in India.

Stuart Bensley
Taylor Diving

In 1980, after completion of the BHS Process Platform Complex Project, we discovered damages to the barge bumpers and boat landings attached to jacket legs of the platforms.

NKK subcontracted this repair work to Dolphin Offshore. I remember at the time, Mr. Toyoda, who was the manager in charge of coordination, informed me that the time span for these repairs would depend on the weather conditions offshore and since bad weather was likely, it would have lead to a considerable increase in costs.

A few days after the work had started, I received a call from Mr. Toyoda informing me that the repair work was complete and it had proceeded as smoothly as planned. The damaged portions were perfectly repaired by Dolphin and ONGC was more than satisfied. As memory serves, I was in shock! The work had been completed considerably ahead of schedule and I repeatedly asked Toyoda to confirm what he had just told me. I couldn't believe the efficiency with which this challenging job was completed.

Soon after, I met Rear Admiral Kirpal Singh, who explained that such a repair job was the first of its kind in Dolphin's experience and had been executed skillfully under the guidance of his son, Satpal Singh. We appreciate Dolphin's excellent contribution.

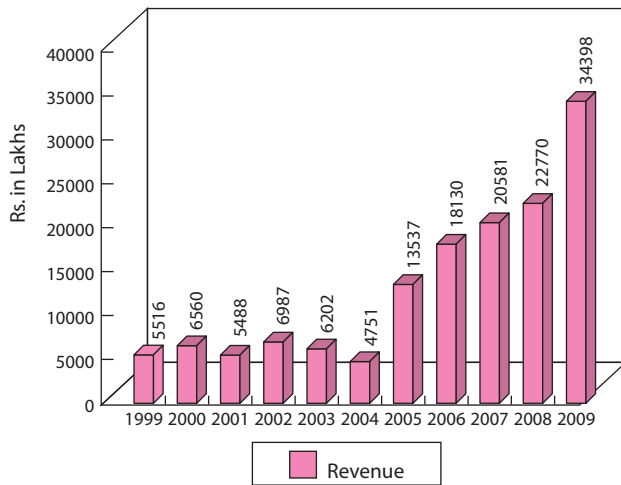
Today, Dolphin Offshore has developed into a big company and expanded their business fields worldwide. I could not be more thrilled for them.

Ikuo Shinohara
NKK

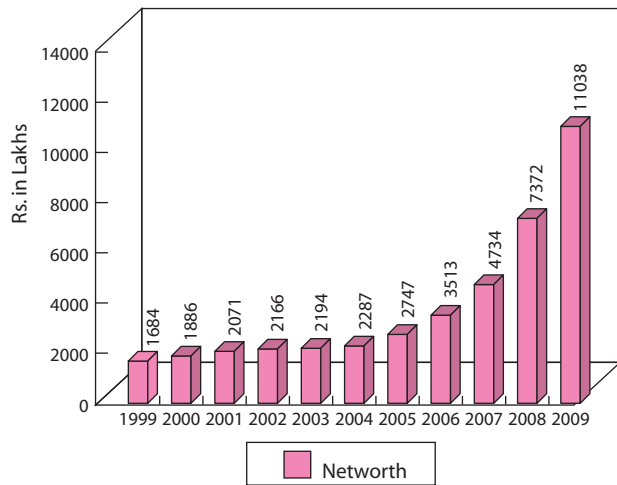
KEY PERFORMANCE INDICATORS

Year ended 31 March Financial Data (Rs. in Lakh)	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
ASSETS & LIABILITIES										
Net fixed Assets	3737	4992	4858	3241	3240	1699	1741	1088	864	949
Net Current Assets	20141	17254	10538	11005	3639	2535	2573	2032	1936	1883
Share Capital	956	956	896	560	560	560	560	560	560	560
Reserves & Surplus	10082	6416	3838	2953	2187	1727	1634	1606	1511	1326
Total Borrowings	14692	15918	11846	10528	3943	1828	2027	879	837	1017
REVENUES & EXPENSES:										
Gross Revenue	34398	22770	20581	18130	13537	4751	6202	6987	5488	6560
Operating Expenses	22336	17465	15975	14611	10660	3685	5379	5720	4711	5421
Gross Operating Profit	12061	5305	4605	3519	2877	1065	823	1267	777	1139
Profit before Tax	5541	2483	2334	1438	974	165	117	446	245	451
Profit after Tax	4001	1626	1483	925	620	156	92	295	185	326
KEY RATIOS:										
Earnings per Share (Rs.)	41.83	17.34	16.55	16.52	11.06	2.79	1.64	5.27	3.31	5.82
Rate of Dividend(%)	30	25	25	25	25	10	10	15	-	20
Gross Operating Profit Margin(%)	35.06	23.30	22.38	19.41	21.25	22.43	13.27	18.13	14.16	17.36
Net Profit Margin (%)	11.63	7.14	7.21	5.10	4.58	3.28	1.48	4.22	3.37	4.97
Current Ratio	1.58	1.38	1.44	1.87	1.05	1.25	1.15	1.68	1.60	1.45
Debt Equity Ratio	0.50	0.79	1.50	2.06	0.26	0.05	0.03	0.03	-	0.06
Return on Net Worth (%)	36.25	22.05	31.33	26.34	22.55	6.82	4.22	13.77	9.38	17.94
Return on Investment (%)	31.71	21.41	17.88	13.09	28.43	17.73	4.09	13.42	9.38	16.85

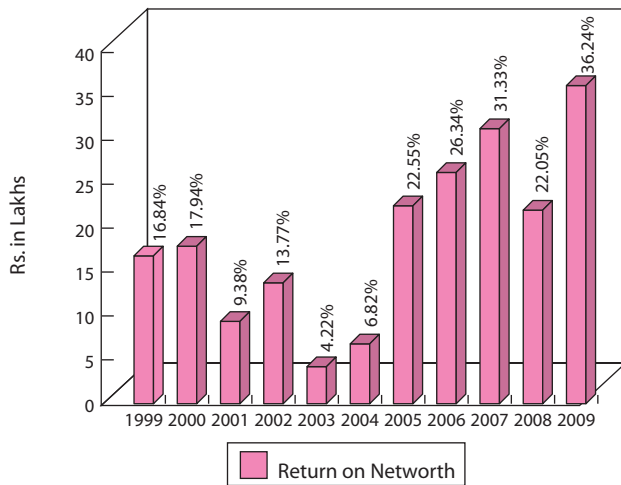
REVENUE



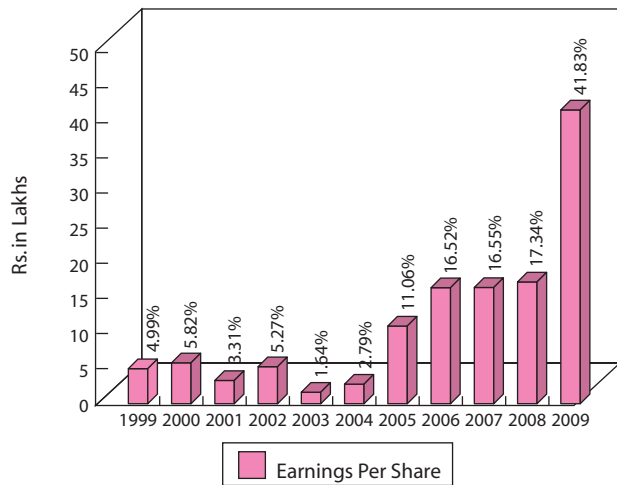
NETWORTH



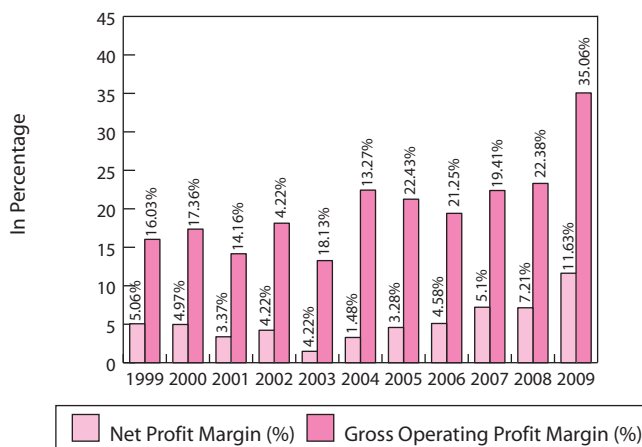
RETURN ON NETWORTH



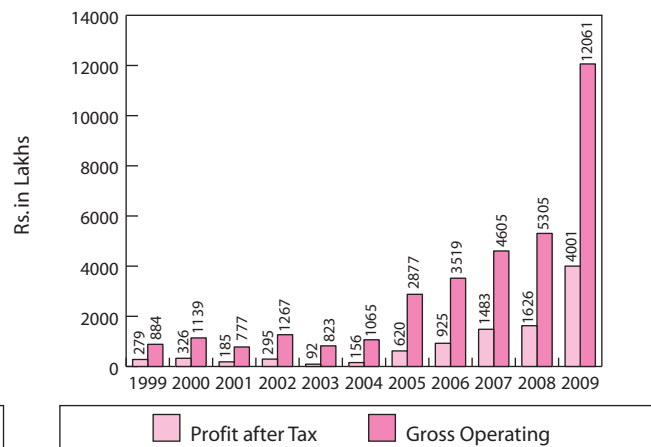
EARNING PER SHARE



PROFITS



PROFITABILITY





NOTICE

NOTICE is hereby given that the 30th Annual General Meeting of DOLPHIN OFFSHORE ENTERPRISES [INDIA] LIMITED will be held on Friday, July 24, 2009 at 1500 hours (3.00 p.m.) at M. C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2009 together with the Reports of the Directors and the Auditors thereon.
2. To declare dividend.
3. To appoint a Director in place of Mrs. Manjit Kirpal Singh, who retires by rotation, and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Robert D. Petty, who retires by rotation, and being eligible, offers himself for re-appointment.
5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution.

“RESOLVED THAT M/s Haribhakti & Company, Chartered Accountants, be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting to the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company in addition to reimbursement of out-of-pocket expenses in connection with the audit of the books of account of the Company.”

SPECIAL BUSINESS

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT in super session of the resolution passed by the Company in the Extraordinary General Meeting of the Company held on December 01, 2005 in relation to the exercise of borrowing powers, consent of the Company be and is hereby accorded to the Board of Directors of the Company under Section 293 (1) (d) and other applicable provisions if any, of the Companies Act, 1956, including any statutory modification, amendment or re-enactment thereof, borrowing from time to time for the purposes of the business of the Company such sums of money as they may deem fit even though the monies so borrowed together with the monies already

borrowed (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided however that such borrowings (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed at any given point of time Rs. 800 Crores (Rupees Eight Hundred Crores Only).”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT in partial modification of Resolution No. 6 passed at the 29th Annual General Meeting of the Company held on September 29, 2008 and in accordance with the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956 (“Act”) read with Schedule XIII of the Act, the Company hereby approves of the revision in the remuneration payable to Rear Admiral Kirpal Singh, Executive Chairman, (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) with effect from May 17, 2009 for the remaining period of his current tenure as under:

- (a) Basic Salary: Rs. 8,25,000/- per month, in the range of Rs. 8,25,000/- to Rs. 15,00,000/-, Annual increment as may be decided by the Remuneration Committee and the Board of Directors.
- (b) Commission: Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors, which together with the salary and monetary value of perquisites shall not exceed the ceiling, laid down in Section 309 of the Act.
- (c) Perquisites as follows:
 - i) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
 - ii) All medical expenses incurred for him and his family, medical insurance premium and personal accident insurance premium together shall not exceed one month’s basic salary.
 - iii) Leave Travel Concession for self and family will be allowed once in a year in



- accordance with the rules of the Company.
- iv) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership.
 - v) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
 - vi) Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity Scheme of the Company, whichever is higher.
 - vii) Provision of car with driver for use on Company's business and telephone at the residence.
 - viii) Leave unavailed of to be allowed to be encashed as per rules of the Company.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Rear Admiral Kirpal Singh, Executive Chairman shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable Sections of the Companies Act, 1956 read with and in accordance with the conditions specified in Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the Central Government if any, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Satpal Singh as Managing Director of the Company for a further period of 5 years commencing from May 17, 2009 on the following terms of remuneration:

- (a) Basic Salary: Rs. 8,00,000/- per month, in the range of Rs. 8,00,000/- to Rs. 15,00,000/-, Annual increment as may be decided by the Remuneration Committee and the Board of Directors.
- (b) Commission: Such amount of commission (in addition to salary and perquisites hereinafter

stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors, which together with the salary and monetary value of perquisites shall not exceed the ceiling, laid down in Section 309 of the Act.

- (c) Perquisites as follows:

- i) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
- ii) All medical expenses incurred for him and his family, medical insurance premium and personal accident insurance premium together shall not exceed one month's basic salary.
- iii) Leave Travel Concession for self and family will be allowed once in a year in accordance with the rules of the Company.
- iv) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership.
- v) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
- vi) Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity Scheme of the Company, whichever is higher.
- vii) Provision of car with driver for use on Company's business and telephone at the residence.
- viii) Leave unavailed of to be allowed to be encashed as per rules of the Company.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Mr. Satpal Singh, Managing Director shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT in the event of loss of office as Managing Director, Mr. Satpal Singh shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 and other applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which terms shall be deemed to include the Remuneration Committee constituted



by the Board) be and is hereby authorised to alter, vary, increase or modify the terms and conditions of the remuneration, including perquisites, during the aforesaid period, subject to the maximum permissible limit specified under Schedule XIII or other relevant provision of the said Act which may be amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things as may be required to give effect to the aforesaid resolutions and the Board is further authorised to settle all questions, difficulties or doubts with regard to the payment of remuneration to Mr. Satpal Singh and any matter arising out of or incidental thereto, as it may at its absolute discretion deems fit without being required to seek any further approval of the members and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT during such time as Mr. Satpal Singh holds and continues to hold the office of the Managing Director, he shall not be liable to retirement by rotation as Director.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable Sections of the Companies Act, 1956 read with and in accordance with the conditions specified in Schedule XIII of the said Act (including any statutory modification(s) or re-enactment thereof, for the time being in force), subject to the approval of the Central Government if any, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Navpreet Singh as Joint Managing Director of the Company for a further period of 5 years commencing from May 17, 2009 on the following terms of remuneration:

- (a) Basic Salary: Rs. 7,75,000/- per month, in the range of Rs. 7,75,000/- to Rs. 15,00,000/-, Annual increment as may be decided by the Remuneration Committee and the Board of Directors.
- (b) Commission: Such amount of commission (in addition to salary and perquisites hereinafter stated) calculated with reference to the net profit of the Company for each financial year as may be fixed by the Board of Directors, which together with the salary and monetary value of perquisites shall not exceed the ceiling, laid down in Section 309 of the Act.

(c) Perquisites as follows:

- i) The expenditure incurred by the appointee on gas, electricity, water and furnishings shall be reimbursed by the Company.
- ii) All medical expenses incurred for him and his family, medical insurance premium and personal accident insurance premium together shall not exceed one month's basic salary.
- iii) Leave Travel Concession for self and family will be allowed once in a year in accordance with the rules of the Company.
- iv) Fees of Clubs subject to a maximum of two clubs; this will not include admission and life membership.
- v) Contribution to Provident Fund, Superannuation Fund, Annuity Fund to the extent the same are not taxable under the Income Tax Act.
- vi) Gratuity as per the provisions of the Payment of Gratuity Act, or as per the Gratuity Scheme of the Company, whichever is higher.
- vii) Provision of car with driver for use on Company's business and telephone at the residence.
- viii) Leave unavailed of to be allowed to be encashed as per rules of the Company.

RESOLVED FURTHER THAT in the event of inadequacy or absence of profit in any financial year, Mr. Navpreet Singh, Joint Managing Director shall be paid the same remuneration as stated hereinabove, as minimum remuneration but subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

RESOLVED FURTHER THAT in the event of loss of office as Joint Managing Director, Mr. Navpreet Singh shall be paid compensation in the manner and to the extent permissible under the provisions of Section 318 and other applicable provisions of the Companies Act, 1956.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as “the Board” which terms shall be deemed to include the Remuneration Committee constituted by the Board) be and is hereby authorised to alter, vary, increase or modify the terms and conditions of the remuneration, including perquisites, during the aforesaid period, subject to the maximum permissible limit specified under Schedule XIII or other relevant provision of the said Act which may be amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts, deeds and things as may be required to give effect to the aforesaid resolutions and the Board is further authorised to



settle all questions, difficulties or doubts with regard to the payment of remuneration to Mr. Navpreet Singh and any matter arising out of or incidental thereto, as it may at its absolute discretion deems fit without being required to seek any further approval of the members and intent that members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT during such time as Mr. Navpreet Singh holds and continues to hold the office of the Joint Managing Director, he shall not be liable to retirement by rotation as Director.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Ms. Rishma Singh, daughter of Mr. Satpal Singh, Managing Director of the Company to hold and continue to hold an office or place of profit in the Company as set out in the explanatory statement annexed to the Notice with effect from February 01, 2009.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things in order to give effect to the above resolution.”

By Order of the Board

For **DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.**

Registered Office:

1001, Raheja Centre,
214, Nariman Point,

Mumbai - 400 021

Date: June 10, 2009

sd/-

**V. SURENDRAN
COMPANY SECRETARY**

- MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST FORTY EIGHT (48) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- The Company has issued bonus shares in the ratio of 2 (two) new equity shares for every 5 (five) existing equity shares of the Company vide postal ballot result dated June 22, 2009.
- The Register of Members and the Share Transfer Books of the Company will remain closed on July

02, 2009 for the purpose of Annual General Meeting, Dividend and Bonus. Bonus shares will not be entitled to dividend declared under agenda item no. 2.

- Members are requested to intimate to Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 for changes, if any, in their registered address.
- Members/Proxies should bring the Attendance Slip duly filled for attending the meeting and also requested to bring their copies of the Annual Report to the meeting.
- Members desiring any information regarding the accounts are requested to write to the Company at 1001, Raheja Centre, 214, Nariman Point, Mumbai - 400 021 atleast 3 days before the date of the Meeting to enable the Company to keep the information ready.
- The Company has admitted its Equity Shares in the Depository Systems of National Securities Depository Limited / Central Depository Services Limited (NSDL/CDSL) and has offered investors the facility to hold shares in electronic form and to carry out scripless trading of these shares.
- The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business is annexed herewith.
- Appointment of Directors:
At the ensuing Annual General Meeting, Mrs. Manjit Kirpal Singh and Mr. Robert D. Petty, Directors retire by rotation and being eligible offer themselves for re-appointment. The information or details pertaining to these Directors are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange(s) are furnished in the Corporate Governance Report published in the Annual Report.
- All unclaimed dividend lying in the unpaid dividend account till 2000 - 2001 have been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. The details of outstanding unpaid dividend to be transferred to the Investor Education and Protection fund (IEPF) is as follows:

YEAR OF DECLARATION	AMOUNT (Rs) OUTSTANDING AS ON 31-03-2009	DATE OF TRANSFER
2001 - 2002	1,03,934.00	On or before 17/10/2009
2002 - 2003	62,603.00	On or before 07/10/2010
2003 - 2004	63,418.00	On or before 05/09/2011
2004 - 2005	92,991.00	On or before 09/09/2012
2005 - 2006	1,02,777.50	On or before 06/10/2013
2006 - 2007	1,66,433.00	On or before 06/10/2014
2007 - 2008	1,85,910.50	On or before 28/10/2015



Members who have not so far claimed or collected their dividend declared upto the aforesaid financial years are requested to contact the Company Secretary immediately.

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956.

AGENDA ITEM NO. 6

The Company had taken the approval of the shareholders under section 293(1)(d) of the Companies Act, 1956 at the Extraordinary General Meeting of the Company held on December 01, 2005. With a view to finance the Capex plans and the acquisition of other assets as well as working capital requirement, it may be necessary for the Company to borrow from time to time funds by way of loans, bonds, securities or other instruments having aggregate value not exceeding Rs.800 Crores from Financial Institutions/Banks or from any other Lenders. As per the provisions of Section 293(1)(d) of the Companies Act, 1956 the power under this section can be exercised by the Board only with the consent of the General Body.

The Directors recommend the Resolution at Item No. 6 of the notice for your approval.

None of the Directors are concerned or interested in this resolution.

AGENDA ITEM NO. 7

The resolution at item No. 7 seek to obtain the members' approval in respect of revision of remuneration of Rear Admiral Kirpal Singh, Executive Chairman w.e.f. May 17, 2009, details of which as stated in the said resolution. He was appointed as an Executive Chairman of the Company for a period of five years from October 01, 2008.

The Remuneration Committee of the Company reviewed his remuneration packages in line with the remuneration prevailing in the Offshore Construction Industry. As per the recommendation of the Remuneration Committee, the Board propose to revise the terms of remuneration payable to Rear Admiral Kirpal Singh as per the details stated in the respective resolution.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income – tax law, and gratuity payable and encashment of leave at the end of the

tenure, as per the rules of the Company and to the extent not taxable under the Income-tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

Rear Admiral Kirpal Singh has crossed the age of 70 and accordingly the above resolutions are required to be approved by a special resolution. Approval of the members is also required under Section 269 read with Schedule XIII of the Companies Act, 1956.

Your Directors recommend the resolution at item no. 7 for your approval.

Mrs. Manjit Kirpal Singh, Mr. Satpal Singh and Mr. Navpreet Singh, being the relatives of Rear Admiral Kirpal Singh are interested in his revision of remuneration. Rear Admiral Kirpal Singh is deemed to be interested in his own revision of remuneration. No other directors have any interest in the above revision of remuneration and appointment.

This may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

AGENDA ITEM NO. 8 & 9

The resolution at item No. 8 & 9 of the Agenda seek the approval of the members in respect of the re-appointment of Mr. Satpal Singh as Managing Director and Mr. Navpreet Singh as Joint Managing Director of the Company for a period of 5 years commencing from May 17, 2009 on a salary contained in the respective resolutions.

Both of them were appointed as the Joint Managing Directors for a period of five years from May 17, 2004. Mr. Satpal Singh was re-designated as the Managing Director of the Company w.e.f. October 01, 2008 at the Annual General Meeting of the Company held on September 29, 2008 for the remaining period of his tenure.

The current tenure of Mr. Satpal Singh, Managing Director and Mr. Navpreet Singh, Joint Managing Director of the Company expired on May 16, 2009. At the meeting of the Board of Directors of your Company held on May 14, 2009, Mr. Satpal Singh, Managing Director and Mr. Navpreet Singh, Joint Managing Director have been re-appointed for a further term of 5 years w.e.f. May 17, 2009. The Remuneration Committee of the Company has given their recommendation to the Board. As per the recommendation of the Remuneration Committee, the Board propose the remuneration payable to them as per the details stated in the respective resolutions.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence



of any such rules, perquisites and allowances shall be evaluated at actual cost. However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income – tax law, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company and to the extent not taxable under the Income-tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration.

The above re-appointments and the remuneration payable to them have to be approved by the Company in general meeting.

Your Directors recommend the resolutions at item no. 8 & 9 of the notice for your approval.

Rear Admiral Kirpal Singh and Mrs. Manjit Kirpal Singh being their relatives are interested in their re-appointment. Mr. Satpal Singh and Mr. Navpreet Singh are deemed to be interested in their re-appointment. They also related to each other. No other directors have any interest in the above re-appointment.

This may also be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

AGENDA ITEM NO. 10

Ms. Rishma Singh, daughter of Mr. Satpal Singh, Managing Director was appointed w.e.f. February 01, 2009 as an Executive Assistant to Managing Director at the meeting of the Board of Directors held on January 29, 2009 and subsequently, she was re-designated as an Officer - Accounts at the meeting of the Board of Directors held on May 14, 2009. The main terms and conditions of her appointment are given below:

1. Basic Salary: Rs. 15,945/- per month, Annual increment upto 25% based on her individual and organisations performance.
2. House Rent Allowance @ 60% of her Basic Salary.
3. Medical expenses incurred for herself and her family shall not exceed one month's basic salary.
4. Leave Travel Allowance of one month's basic salary for self and family in accordance with the rules of the Company.
5. Contribution to Provident Fund @ 12% of the Basic Salary per month. Bonus as per the rules of the

Company.

6. Premiums for Group Personal Accident & Group Health Insurance Policy will be paid by the Company.
7. Reimbursement upto Rs. 1,500/- per month towards telephone / mobile call charges.

As per the provisions of Section 314(1)(b) of the Companies Act, 1956, except with the consent of the Company accorded by a special resolution, no relative of such director shall hold any office or place of profit carrying a total monthly remuneration of Rs. 10,000/- or more.

The appointment of Ms. Rishma Singh falls under the provisions of Section 314(1)(b) of the Companies Act, 1956 as her total monthly remuneration is more than Rs. 10,000/- but less than Rs. 50,000/- and in such a case only the approval of the members is required to be taken at the General Meeting of shareholders. Section 314(1)(b) further provides that it shall be sufficient if the special resolution according the consent of the Company is passed at the General Meeting of the Company held for the first time after the holding of such office or place of profit.

Ms. Rishma Singh is a graduate in Management Studies from H. R. College, Mumbai University. She has also done Masters in Finance from London School of Economics. The Board is of the opinion that her appointment will benefit the Company, hence your Directors recommend the resolution at item no. 10 of the notice for your approval.

Rear Admiral Kirpal Singh, Mrs. Manjit Kirpal Singh, Mr. Satpal Singh and Mr. Navpreet Singh being the relatives are interested in her appointment. No other directors have any interest in the above appointment.

By Order of the Board
For **DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.**

Registered Office:
1001, Raheja Centre,
214, Nariman Point,
Mumbai - 400 021
Date: June 10, 2009

sd/-
V. SURENDRAN
COMPANY SECRETARY



To

**THE MEMBERS OF
DOLPHIN OFFSHORE ENTERPRISES (INDIA)
LIMITED**

Your Directors have great pleasure in presenting the Thirtieth Annual Report on the business and operations of your Company, together with the audited financial statements for the year ended March 31, 2009.

1.0 AUDITED FINANCIAL STATEMENTS:

1.1 Summarised Audited Financial Results –

**(Amounts in Thousands
of Indian Rupees except EPS)**

	<u>2008-09</u>	<u>2007-08</u>	<u>Variation year on year (%)</u>
Revenues	3,43,97,66	2,27,70,47	51.07
Gross operating profit	120,61,37	53,05,03	127.35
Net operating profit	59,17,50	29,94,72	97.60
Profit before interest and depreciation	73,44,51	43,84,74	67.50
Profit before tax	55,40,67	24,83,41	123.18
Net profit after tax	40,01,22	16,25,85	146.10
Earnings per share			
– Basic	41.83	17.34	141.23
– Diluted	33.51	13.68	144.96

In its 30th year of operation, your Company has achieved remarkable increase in Revenues, contained costs including the cost of hired vessels. Interest cost was no more than 3.65% of revenue. It has written off irrecoverable debts of more than six months' maturity.

'Profit' howsoever defined has increased substantially; this has enabled the Board of Directors to recommend enhanced Dividend (Para 1.2) and issue of Bonus Shares. (Para 1.3)

1.2 Dividend -

For the year 2008–09, the Board of Directors is pleased to recommend a dividend of Rs 3.00 (2008: Rs 2.50) per equity share of Rs 10.00 each, which will result in a total outlay of Rs 2.87 crores (2008: Rs 2.39 crores) towards dividend and Rs 0.49 crores (2008: Rs 0.41 crores) towards tax on dividends.

1.3 Bonus issue of shares -

The Board of Directors is pleased to recommend the issue of 2 bonus equity shares of Rs 10.00 each for every 5 equity shares of Rs 10.00 each through the capitalisation of the free reserves of your Company. If this recommendation is accepted by the shareholders the equity share capital of your Company will increase from Rs 9.56 crores to Rs 13.39 crores.

2.0 MANAGEMENT'S DISCUSSIONS AND ANALYSIS:

2.1 Industry Trends and Developments –

The year 2008 – 09 saw the world economy slump into recession, with the World Bank predicting that the world economy had declined by nearly 1.7% during the year as compared to a 5.2% growth recorded in 2007. This decline has resulted from the impact of the collapse of the subprime market and the effect of high commodity prices.

This problem, which originated in USA, quickly spread to Europe and the rest of the world, making the global economies vulnerable. Liquidity in banks became a major problem, and most countries had to resort to Government bailouts to keep banks liquid and afloat. However the resultant liquidity crunch, lack of bank funding and high interest costs spread across industries and recession quickly spread to other countries. Stock markets and commodity exchanges also witnessed overnight plunging indices, resulting in major erosion of wealth.

Currently only two countries with large domestic markets China and India, are expected to record GDP growth, although both countries have indicated that economic growth targets have been pared down. China is expected to achieve a GDP growth of about 6.5% in 2009 – 10 as compared to 11.4% in 2007 (source: IMF) while India's GDP is expected to grow by 6.5% - 7.00% as compared to 9.00% in 2007 (source: RBI).

With the slowing down of economic activity around the world, supply of oil and gas exceeded demand. Accordingly, world oil and gas prices have also plummeted during the year to 25% of the peak prices. Weekly spot rates for crude oil per barrel worldwide moved from USD 98.39 for the week ended



4/4/08, to a peak of USD 136.32 for the week ended July 18, 2008, to a low of USD 34.57 for the week ended January 2, 2009 before finishing the year at USD 50.10 for the week ended March 27, 2009 (source: US Energy Information Agency). There have been similar movements in the price of natural gas as well.

Consequent to this volatility in oil and gas prices during the year, there has been a reduction in the amount of activity being undertaken in offshore oil and gas fields, particularly the newer ones, due to the following reasons –

- With the fall in oil prices, oil companies have made lower profits, and hence have lower cash flows. There has been a reduction in the amount of exploration activity being carried out.
- The development programmes for oilfields which were highly leveraged on borrowed funds had to be abandoned either because the revenue models were no longer valid or because lenders were unable to come up with the funding requirements.
- Due to excess supply of oil and gas resulting from the slump in demand, some expansion programmes in producing fields have been shelved.
- Some countries / operators have found it cheaper to buy oil and gas from the international market rather than producing their own at high costs.

Yet despite all these developments, the oil and gas industry worldwide has not been as badly affected as one may have presumed seeing the high volatility in prices. The oil and gas market is still witnessing a fair amount of investment due to the following reasons:

- Currently majority of oil and gas is produced by state owned oil companies for whom profit is not the only motivation. Investment is also being made to fulfil other Government objectives e.g. Government of India is motivated by the desire for energy security rather than price of oil and gas.
- Most of the larger producing and mature oilfields have production costs

less than the low price of USD 34.57 per barrel witnessed in January 2009, and hence production at these prices is still an attractive proposition.

- The slump in demand is believed to be temporary and is expected to come back on track as economies revive within the next year or two. Enhancing supply beyond existing spare capacity on the other hand is a time consuming exercise, and hence some development projects are still continuing unabated.
- Most of the matured oilfields require substantial investment to revamp and replace aging infrastructure which are getting to be beyond their economic useful life.
- As consumption of oil and gas exceeds new findings, the worldwide reserves of oil and gas are declining. This trend indicates that there is a need to enhance oil and gas reserves in order to avoid future spiralling of oil and gas prices.

In India, the concerns over energy security remains as strong as ever. Hence there has been no slowing down of activities or investments in the oil and gas industry in India. In fact, ONGC have stated that their target for investments in the Eleventh Five Year Plan (2007 – 2012) of Rs 75,000 crores is likely to be exceeded as ONGC has already invested over Rs 58,800 crores in the first three years of the Plan itself, and they do not expect to see any slowdown in the pace of investment.

Furthermore NELP VIII has also been announced by the Government of India which is offering more than 100 blocs and is expected to attract investment of over USD 3 billion. In the earlier rounds of bidding, a total of USD 8.3 billion has been committed towards investment of which USD 4.5 billion has been invested in exploration, USD 1.5 billion on development, with the remaining USD 2.3 billion is yet to be invested.

2.2 The year in perspective –

Besides India, your Company now operates in China, Vietnam and Malaysia.

Your Company's qualification as an independent EPC offshore contractor has enabled it to broaden its market horizon



and chase after projects that they could not aspire to in earlier years. As a direct consequence of this qualification, your Company was able to bid for and win two contracts for the Revamps of the NQD Process Complex and the ICP Process Complex for a total price of Rs 316 crores. These contracts are scheduled to be completed before 31 March 2010.

These contracts involve pre-engineering survey, design and engineering, procurement, delivery and transportation, pre and post construction survey, installation and hook-up activities and finally submission of as built drawings. There are no diving or underwater activities involved in the execution of these projects. Your Company has the expertise and capability to undertake all these activities except for design engineering, which has been subcontracted.

Your Company's diving assets, vessels and services have been put to work with other clients in India and overseas. Deployment of these resources, particularly during the slack monsoon months, has increased substantially.

During the year, one saturation diving system was working in China while the other saturation diving system has been operating in Vietnam.

The Diving Support Vessel, SEAMEC I has been carrying out diving operations in the West Coast of India and for Offshore Subsea Works in Vietnam and Malaysia.

The barge Abouzar 81 was used to complete residual work on the ONGC Barge Bumper contract and thereafter went into dry-dock. After completing its dry-dock and surveys, the barge was given on charter to a third party and thereafter has been used on the ICP and NQD Revamp Contracts.

2.3 Future Prospects –

Over the years, your Company has developed a reputation for being a reliable, efficient and effective business partner and has been able to meet client expectations. With the growth over the past years, and the increase in its asset base, your Company is able to aspire to larger and more complex projects.

Keeping these factors in mind, Management believes that long term future

prospects of your Company remain bright and its goal of sustained growth in revenues and profits will be achieved in the coming years.

As at April 01, 2009, your Company had an order book position of Rs 318 crores, most of which will be realised in FY 2009 – 10.

2.4 Business Risks and Management's assessments -

Your management has identified the following risks that may erode revenues and profits:

2.4.1 Pressure on revenues:

There has been a softening of prices as demand for services, especially vessels, have reduced, or have been less than projected demand. Hence charge out rates for diving equipments, personnel, vessels etc have either remained static or have decreased by about 5% to 10%.

Further, the rupee has strengthened against the US Dollar, and the expectations are that the rupee will continue to get stronger during the year. 95% of your Company's revenue is earned in foreign exchange; this could have an adverse affect on revenues during the year.

Management believes that despite this pressure on revenues, profit margins should remain unaffected as input costs have also decreased. Cost of chartering of vessels, procurement prices for steel and other metals, wages of divers and other offshore personnel and fuel costs have all decreased. These reductions in costs should neutralise the impact of pressure on revenues on profit margins.

2.4.2 Enhanced competition:

Over the last few months there has been an increase in the number of companies participating in ONGC's tenders. This is due to the fact that the oil and gas industry in India has remained buoyant despite the global meltdown that has taken place and therefore more and more international oil and gas service companies are focussing on India, and other Indian companies are also looking at this market. There is expected to be pressure on revenues and profit margins due to enhanced competition.

Management believes that your Company's USP of being able to offer integrated services underwater, on water and above



water, will give it an edge over enhanced competition.

2.4.3 Aging of fleet and equipment:

Over the last few years, a lot of money invested in building of new vessels, diving systems and other equipments to meet the anticipated growth in the oil and gas industry. Demand for these vessels and equipments are now falling. There is some amount of idle capacity available in the industry, and this is giving users the opportunity to prefer to hire new built vessels and equipments.

The vessels and equipments owned by your Company and its subsidiaries are reliable and in good working condition, with necessary certifications as applicable. However some of these assets are quite old. Hence there may be some difficulties in marketing these assets.

Management is aware of this problem and is working on a fleet and equipment renewal programme. These assets have well established track records and hence are accepted by our clients. Notwithstanding this, most of the vessels and assets are used in house, and hence there should not be much difficulty in getting deployment of these assets.

2.4.4 Need for further investment:

Your Company will need to make further investments in fabrication yards, vessels, diving systems etc in order to take advantage of the business opportunities that will arise both in India and overseas. There will thus be a need to raise additional funding to be able to make these investments.

The Board of Directors are confident of being able to raise the additional funds and of meeting its current and future debt obligations through stronger cash flows.

2.4.5 Predominance of a single customer:

The Indian offshore oil and gas industry, and therefore your Company's customer base, is currently dominated by a single organisation, ONGCL. Accordingly, business opportunities for your Company will be highly dependent on the decisions and plans of ONGCL, especially their policy on nominating work to other public sector companies, and the timing and terms and conditions of their tenders.

Your Company has been operating in such

an environment since its incorporation and is aware of the risks involved, and will concentrate on developing its reputation as a good reliable and efficient service provider. Further, your Company is recognised as one of the leading offshore contractors, and has been working as sub-contractors to a number of large contractors, including public sector companies, who have been awarded work by ONGCL on nomination basis.

It may also be noted that this is a common phenomena in the global oil and gas industry as more than 88% of the existing proven reserves of oil and gas are controlled by Government owned companies.

The Government's liberalisation policy has also enabled other companies to take over the development of some oil and gas fields and this widens the customer base for your Company. Nearly 40% of the total area in India under exploration and production are with the private sector. As the private sector oil and gas companies move towards production activities, the client base of your Company will also grow.

2.4.6 Contractual nature of business:

Most of your Company's revenues are now earned on turnkey construction / modification contracts. This has led to some fluctuations in the year to year revenues, and resultant profits, as revenues can now be recognized only when contracts are completed in total, or specifically identified milestones have been achieved as against a per diem revenue recognition that was possible under the vessel management contracts in earlier years.

This problem is compounded by the fact that your Company's year end is March 31, which is in the middle of the working season in Mumbai High, which ends around May 31.

However, these fluctuations are only expected to be timing difference, which will even out over a period of time. These fluctuations in reported revenues and profits would not affect the overall revenue earning and profit making capacity of your Company.

2.5 Internal Control Systems and their adequacy –

Your Company has adequate internal control systems in place. With a view to monitor your



Company's performance as well as to make sure that internal checks and controls are operating properly, your Company has appointed two external firms of Chartered Accountants as Internal Auditors. The Audit Committee of the Board considers the reports of these Internal Auditors. The Audit Committee ensures that internal control systems are adequate and working effectively.

2.6 Human Resources and Industrial Relations -

The Board wishes to express its deep appreciation to all employees in your Company for their contributions to your Company during the year. Harmonious relations continued to prevail in the organization, strengthening the well-established traditions of fairness in dealings and commitment to the future growth of employees through sustained growth of your Company.

3.0 DUTY CREDIT ENTITLEMENT

As a result of its foreign exchange earnings, your Company is entitled to receive Duty Credit Entitlement certificates equal to 10% of its foreign exchange earnings or deemed export earnings. In all, your Company has submitted applications for issue of Duty Credit Entitlement certificates worth Rs 32.86 crores, of which certificates worth Rs 6.27 crores are expected to be released shortly.

These certificates can be used in lieu of payment of customs duty and / or excise duties on the import of capital goods, spares and consumables that your Company may require in the normal course of its business.

As a result of this entitlement, your Company will be able to reduce its capital and operating expenditure and this in turn will enable your Company to improve its profit margins.

4.0 ISO 9002 CERTIFICATION:

ISO 9002 Certification has been renewed through the American Bureau of Shipping [ABS] for the following services:

- Marine management of vessels
- Diving and underwater engineering
- Management of fabrication and offshore turnkey projects
- Ship repairs

The Board would like to acknowledge the efforts and dedication of all employees in implementing and maintaining the high quality standards that your Company has set for itself.

5.0 DIRECTORS:

5.1 Re-appointment of Managing & Joint Managing Director –

The tenure of Mr. Satpal Singh, Managing Director and Mr. Navpreet Singh, Joint Managing Director ended on May 16, 2009. The Board of Directors have, subject to the approval of shareholders, re-appointed Mr. Satpal Singh as the Managing Director and Mr. Navpreet Singh as the Joint Managing Director of your Company for a further term of 5 years wef. May 17, 2009 at the salaries, terms and conditions as mentioned under agenda item no. 8 & 9 of the notice.

5.2 Directors retiring by rotation -

Mrs Manjit Kirpal Singh and Mr Robert D. Petty are due to retire by rotation, and being eligible, offer themselves for re-appointment. Your Directors recommend their reappointment.

6.0 AUDITORS:

M/s. Haribhakti and Co retire as Auditors of your Company at the end of the forthcoming Annual General Meeting, and are eligible for re-appointment. Your Directors recommend their re-appointment.

7.0 FIXED DEPOSITS:

Your Company has not invited and accepted any Fixed Deposits from the public within the meaning of Section 58A of the Companies Act, 1956. As at March 31, 2008, your Company had accepted Fixed Deposits of Rs 0.46 crores (2008 – Rs 0.58 crores) from shareholders and others. There are no deposits that are due to have been repaid, nor any interest due, which have not been paid.

8.0 SUBSIDIARY COMPANIES:

In terms of approval granted by the Central Government under section 212(8) of the Companies Act, 1956, a summarized statement of financial data on the subsidiaries of your Company has been enclosed with this Annual Report in lieu of the audited financial statements. However, any member who is interested in obtaining copies of the audited financial statements of the subsidiaries may contact the Company Secretary.

The Consolidated Financial Statements of your Company and its subsidiaries, prepared in accordance with Accounting Standard AS - 21 prescribed by The Institute of Chartered



Accountants of India, form part of this Annual Report.

The Statement pursuant to Section 212 of the Companies Act, 1956 containing details of your Company's subsidiaries is also attached.

9.0 FOREIGN EXCHANGE RECEIPTS AND EXPENDITURE:

During the year ended March 31, 2009, your Company's foreign exchange receipts and expenditure was as follows:

	(Amounts in Thousands of Indian Rupees)	
	2008-09	2007-08
Receipts		
Contract revenues	3,26,19,89	1,76,52,55
Sale of vessels	—	29,37,06
Interest received	71,45	2,81,27
	3,26,91,34	2,08,70,88
Expenditure		
Plant & machinery	21,64	12,52,85
Foreign subcontractors	5,30,31	88,71
Vessel charter & related expenses	26,51,81	20,67,00
Advance to wholly owned subsidiary	15,92,81	18,52,52
Equipment related expenses	98,31	8,61
Materials, stores and spares	2,30,87	6,07,91
Foreign travel	59,34	74,52
Other matters	1,06,15	2,68,01
	52,91,24	62,20,13

10.0 DIRECTORS' RESPONSIBILITY STATEMENT:

As required under Section 217 (2AA), which was introduced by the Companies (Amendment) Act, 2000, your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors had selected such accounting policies and, except as may be required in order to comply with newly introduced/modified accounting standards, applied them consistently, over the years and made judgments and estimates that are reasonable and prudent so as to give a true and fair review of the state of affairs

of the Company as at March 31, 2009 and of the profit of the Company for the year then ended.

- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the financial statements have been prepared on a going concern basis.

11.0 PARTICULARS OF EMPLOYEES:

The information in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given in a separate statement and forms part of this Report. However, this statement is not being enclosed in the copy of the Annual Report being circulated to all the members as per the provisions of Section 219 (1) (b) (iv) of the Companies Act, 1956. However, any member interested in obtaining a copy of this statement may contact the Company Secretary.

12.0 COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988:

Particulars under Companies (Disclosure of Particulars in The Report of the Board of Directors) Rules, 1988 on conservation of energy and technology absorption are not applicable and hence no disclosure is being made in this Report.

13.0 CORPORATE GOVERNANCE REPORT:

Corporate Governance Report is attached by way of Annexure 'A' to this Report.

14.0 ACKNOWLEDGEMENTS:

Your Directors wish to place on record the whole hearted co-operation your Company has received from its Clients, Bankers, Financial institutions, and the Central and State Government authorities, shareholders, suppliers and others during the year.

For DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

**Rear Admiral Kirpal Singh (Retd.)
Executive Chairman**

Mumbai
May 14, 2009



CORPORATE GOVERNANCE REPORT

COMPANY'S GOVERNANCE PHILOSOPHY

The Company believes that, sound Corporate practices based on fairness, transparency and accountability are essential for its sustained long-term growth. It is in recognition of such requirements that the Company adopted good governance principles and practices, by order to achieve its objectives and also help to build confidence of the shareholders in the Management of the Company.

1.0 BOARD OF DIRECTORS

The Board consisted of 10 (ten) Directors as on March 31, 2009.

1.1 COMPOSITION, CATEGORY OF DIRECTORS AND OTHER DIRECTORSHIP DETAILS ARE AS FOLLOWS:

Category Designation	No. of outside Directorships and Committee Memberships/Chairmanships			
	Public Companies	Private Companies	Committee Membership	Committee Chairmanship
PROMOTER/ EXECUTIVE DIRECTORS				
Rear Admiral Kirpal Singh, EC	3	—	—	—
Mr. Satpal Singh, MD	5	5	—	—
Mr. Navpreet Singh, JMD	5	2	—	—
PROMOTER / NON-EXECUTIVE DIRECTOR				
Mrs. Manjit Kirpal Singh	2	—	—	—
INDEPENDENT/ NON-EXECUTIVE DIRECTOR				
Mr. S. Sundar	5	—	—	—
Mr. S. Venkiteswaran, VC	6	2	5	1
Mr. Arvind K. Parikh	—	—	—	—
Mr. Bipin R. Shah	4	2	2	2
Mr. Robert D. Petty	18	14	1	—
Dr. Faqir Chand Kohli	5	1	—	—

EC - Executive Chairman

MD - Managing Director

JMD - Joint Managing Director

VC - Vice Chairman

None of the Directors is a member of more than ten Board-level committees or Chairman of more than five such committees, as required under Clause 49 of the listing agreement.

DISCLOSURE REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS

Articles of Association of the Company provides that at every Annual General Meeting of the Company one-third of the directors for the time being are liable to retire by rotation or, if their number is not three or multiple of three, the number nearest to one-third shall retire from office.

Mrs. Manjit Kirpal Singh and Mr. Robert D. Petty, Directors, who retire by rotation and being eligible, offer themselves for re-appointment.



Given below are the abbreviated resumes of the Directors of the Company:

REAR ADMIRAL KIRPAL SINGH

Rear Admiral Kirpal Singh, Executive Chairman of the Company, is the Chief Promoter of the Company.

He joined the Indian Navy in 1943 and received his initial training with the Royal Navy from 1943 to 1946. He saw active service on Russian Convoys and the Okinawa campaign during World War II.

He has held many important appointments during his Naval career. He commanded various ships and establishments, including the aircraft carrier VIKRANT and the Western Fleet. His other appointments included ADC to Shri C. Rajagopalachari, Deputy Naval Advisor to the Indian High Commissioner in U.K., Director of Personnel at Naval Headquarters and Director General Naval Dockyard Expansion Scheme Bombay.

He is a graduate of the Defence Services Staff College, India, Joint Services Staff College, UK and the Royal College of Defence Studies, London.

He was awarded the Ati Vashist Seva Medal in 1968 for his contribution to Human Resource Development of the Navy.

After retiring from the Navy, he was representative of Balfour Beatty Engineering Ltd. UK, in India for two years before promoting Dolphin Offshore Enterprises (India) Ltd.

He is a Director in Dolphin Offshore Projects Ltd., Kanika Shipping Ltd. and Procyon Offshore Services Ltd.

He is the Chairman of Managing Committee and a Member of Share Transfer Committee.

MRS. MANJIT KIRPAL SINGH

Mrs. Manjit Kirpal Singh is the daughter of the late Sardar Uttam Singh Dugal, MP. She is a B.A. graduate from the Inderprastha College, New Delhi and married, then Lieutenant Commander Kirpal Singh, in 1953. As her husband rose in rank in the Navy, she took an active interest in social and welfare activities pertaining to sailors and their families.

Mrs. Manjit Kirpal Singh is one of the original directors of the Company. In the initial stages, she looked after the entire finance and

administration functions of the Company as well as supervising the operations in the absence of the Managing Director. She retired as a whole time Director of the Company in 1994, but continues to serve on the Board.

She is a Director in Dolphin Offshore Projects Ltd. and Kanika Shipping Ltd.

She is a member of the Audit Committee.

MR. S. VENKITESWARAN

Mr S. Venkiteswaran was enrolled to practice in the Bombay High Court in 1962 and after a few years in the trial courts [both criminal and commercial], he specialised exclusively in maritime and aviation related commercial disputes.

He has also been associated with several international shipping litigations and arbitrations and has also appeared as an expert witness on Indian law in Arbitration and Court proceedings overseas. He has also presented papers at various seminars in India and abroad.

He has been a member of the Perspective Planning Group for Ports at the Turn of the Century, constituted by the Planning Commission of India. He was also a member of the Committee constituted for updating the laws relating to Admiralty.

He is currently the Non-Executive Chairman of the Board of Directors of Pandi Correspondents Pvt. Ltd., who are the Indian Correspondents for UK, Britannia, London, TT, ITIC, SKULD and South of England P&I Clubs. He is on the Board of Directors of the Mundra Port & Special Economic Zone Ltd., Indian Register of Shipping, National Securities Clearing Corporation Ltd, Mahagujarat Chamunda Cements Company Pvt. Ltd., Pipavav Shipyard Limited and the Clearing Corporation of India Ltd.

He is the Chairman of the Audit Committee of the Clearing Corporation of India Limited and Member, Audit Committee of the National Securities Clearing Corporation Ltd., Pipavav Shipyard Ltd. and Mundra Port and Special Economic Zone Ltd.

He is also the Chairman, Board of Trustees of the Bombay Tamil Sangham, a Trustee on the Board of Trustees of Sri Shanmukhananda Fine Arts & Sangeetha Sabha and the President of the Bombay Keraleeya Samaj.



He is the Chairman of the Remuneration Committee and a Member of the Audit Committee.

He is the Chairman and also the Member of the Audit Committee of Procyon Offshore Services Ltd., Wholly Owned Subsidiary of the Company.

MR. ARVIND K. PARIKH

After obtaining his Bachelor of Commerce Degree from the Bombay University, Mr. Parikh joined Cambridge University for his Master of Arts Degree. Thereafter, he qualified as a Barrister-at-Law from the Lincoln's Inn, London.

On his return from the U.K. in 1949, he joined Burmah Shell Oil Storage and Distributing Company Ltd., where he held many posts at various levels. In 1969, he was elevated to the post of Administration [Personnel], Marketing, Supply and Distribution at the Board level. He retired in 1976 as Deputy to the Chief Executive. Thereafter, he was Shell Petroleum Company Ltd., London's Representative in India and as the Resident Director in India of Shell Company of India Ltd., London till 1988. He was a Director of the Burmah Shell Refineries Ltd. till 1976.

After his retirement in 1988, he was on the Board of many prestigious Indian Companies such as Mafatlal Fine Spinning & Weaving Co. Ltd., Bhansali Engineering Co. Ltd., Gujarat Gas Company Ltd., Mupnar Films [Polypropylene] Ltd. and Great Eastern Shipping Co. Ltd. Presently, he is the Managing Trustee of the Cambridge Society Bombay Scholarship Fund.

He is the Chairman of Shareholders/Investors Grievance Committee and a Member of Audit Committee, Managing Committee and Remuneration Committee.

MR. S. SUNDAR

Mr. Sanjivi Sundar is currently NTPC Chair Professor in Regulatory Studies in the TERI University and a Distinguished Fellow at The Energy and Resources Institute (TERI).

Mr. Sundar joined the Indian Administrative Service in 1963 and has held several senior positions in the State of Gujarat and in the Government of India. He was also with the Commonwealth Secretariat in London for 8 years, first as Special Advisor (International Finance) and then as Director of the Economic and Legal Advisory Services Division, which is the consulting arm of the Commonwealth Secretariat. He was Finance Director of one of India's blue chip

companies, the Gujarat Narmada Valley Fertilizer Company, a Joint Secretary in the Department of Economic Affairs in the Government of India, Finance Secretary to the Government of Gujarat and Secretary to the Government of India, Department of Tourism. His last assignment in the Government of India was as Secretary in the Ministry of Surface Transport when he spearheaded major reforms in the port and road sectors.

He was on the Faculty of the South Asian Forum for Infrastructure Regulation (SAFIR) and was a Distinguished Visiting Professor at the Faculty of Law, University of Toronto, Canada. He is a member of the International Expert Group set up by The World Bank and DfID on "Better Regulation for Growth". He is also a member of the Governing Council and Management Committee of the CUTs Center for Infrastructure Regulation and Competition. He has chaired important Committees set up by the Government of India including the National Committee on Road Safety and Traffic Management.

He is a Non – Executive Chairman in Horizon Infrastructure Ltd. and a Director in Nandi Infrastructure Corridor Enterprises Ltd., Nandi Economic Corridor Enterprises Ltd., Nandi Highway Developers Ltd. and JPT Securities Ltd. He chairs the Audit Committee and is also a Member of the Remuneration Committee of Dolphin Offshore.

MR. BIPIN R. SHAH

Mr. Bipin R. Shah is a B.Com. from Bombay University and a member of The Institute of Chartered Accountants of India.

In 1956, he joined Hindustan Lever (subsidiary of Unilever) as Management Trainee.

He became a Director of Hindustan Lever Ltd. in 1979. In that capacity, he was responsible for Foods, Animal Feeds, Agri Product and Export Business.

In 1981, he was assigned the additional responsibility of being Chairman of another Unilever subsidiary Lipton India Ltd., which was facing considerable losses and financial crisis. Mr. Shah managed not only to turn around the company but also to restore the confidence of the shareholders and the employees.

In addition to Lipton responsibilities, Mr. Shah was also the Chairman of Export Business of



four Unilever Companies in India viz. Hindustan Lever Ltd., Lipton India Ltd., Brooke Bond India Ltd. and Ponds India Ltd.

In 1989 he attended Senior Executive Programme conducted by Sloan School of Business, Massachusetts Institute of Technology at Boston, USA.

He serves on the Board of Marico Industries Ltd., Kotak Mahindra Asset Management Company Ltd., Procyon Offshore Services Ltd., Jyothy Laboratories Ltd., Global Pharamatech Pvt. Ltd. and ITTI Pvt. Ltd.

He is also the Chairman of Audit Committee of Marico Industries Ltd. and a member of Audit Committee of ITTI Pvt. Ltd. and Kotak Mahindra Asset Management Company Ltd.

He is also a member of ESOP Committee and Compensation Committee of ITTI Pvt. Ltd.

He is a member of the Audit Committee and Shareholders/Investors Grievance Committee.

He is the Chairman of Audit Committee of Procyon Offshore Services Ltd. (Wholly Owned Subsidiary) of the Company.

MR. SATPAL SINGH

Mr. Satpal Singh qualified as a civil engineer, specialising in the design of offshore structures from the Indian Institute of Technology, at Powai, Mumbai in 1980.

During the period he has been working with the Company, he has attended various courses such as the Diving Orientation Course conducted by Taylor Diving & Salvage Co. Inc. in 1981, Rig Manager's Drilling Course, conducted by Global Marine and the Oil Based Drilling Mud course conducted by N. L. Baroid in 1989. He has also done courses in safety, welding, quality, etc.

He is member of FICCI's Energy Council.

Besides, being the Chief Executive Officer of the Company, he is also responsible for all technical functions including Operations/ Project Execution, Marketing and Quality Assurance.

He is a Managing Director of Global Dolphin Drilling Company Ltd. and a Director in Kanika Shipping Ltd., Dolphin Offshore Projects Ltd., Bioseek Diabetes Care (India) Pvt. Ltd., Permastelisa (India) Pvt. Ltd., ECIE Impact Pvt. Ltd., Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., Dolphin International Risk Services

Ltd., Procyon Offshore Services Ltd. and IMPaC Oil & Gas Engineering (India) Pvt. Ltd.

He is a member of Managing Committee and Share Transfer Committee.

MR. NAVPREET SINGH

Mr. Navpreet Singh is a B. Com graduate from Bombay University and a member of Institute of Chartered Accountants of India.

After graduating from Sydenham College in 1984, he joined Arthur Andersen & Co. During his first eighteen months with AA & Co., he received extensive training in accounting, auditing, tax, various commercial laws, computer software and various aspects of financial management. He later worked in the Financial Consultancy Services group, which specialised in audits and financial consulting.

During his career with AA & Co., he handled many diverse assignments such as purchase acquisition review, inventory management, preparation of internal control manuals, review and designing of internal control systems, profit improvement projects in addition to normal audits. He has also been a member of the faculty at the Firm wide Audit Staff Training School, conducted in Spain for all new recruits in Europe and India on various occasion.

Mr. Navpreet Singh left AA & Co in December 1989 when he joined Dolphin Offshore as a Director – Finance.

He is the Managing Director of Procyon Offshore Services Ltd. and a Director in Kanika Shipping Ltd., Dolphin Offshore Projects Ltd., Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., Global Dolphin Drilling Co. Ltd., Dolphin International Risk Services Ltd. and IMPaC Oil & Gas Engineering (India) Pvt. Ltd.

He is a member of Managing Committee, Shareholders / Investors Grievance Committee and Share Transfer Committee.

MR. ROBERT D. PETTY

Mr. Robert Petty is the Managing Partner of Clearwater Capital Partners and a member of the firm's Investment Committee. Based in New York, Mr. Petty's principal responsibilities encompass portfolio management, trading and sourcing.

Prior to founding Clearwater in 2001, Mr. Petty garnered twenty-three years of experience while



holding several positions of increasing responsibility at Amroc Investments LLC, Peregrine Fixed Income Ltd. and thirteen years with Lehman Brothers Holdings, Inc. In his roles, he was a capital committer in credit instruments from Asia to Europe including corporate bonds, loans and private placements.

Since inception of the firm, Mr. Petty and his partners, Mr. Amit Gupta and Mr. Bruno Beuque, have utilized their management expertise to invest profitably, fueling the growth of assets under management as well as firm infrastructure. Clearwater currently manages \$1.7 billion in assets across four funds and boasts 86 team members across eight locations: New York, Beijing, Hanoi, Hong Kong, Mumbai, Munich, Seoul and Singapore.

Mr. Petty holds a B.A. in Political Science from Brown University. Mr. Petty is 48 years old and resides in New York with his wife and three children. He is a member of the Audit and Remuneration Committee of Jamna Auto Industries Limited.

He is a Director in Clearwater Capital Partners Hong Kong Ltd., Clearwater Capital Partners Singapore Pte. Ltd., Clearwater Capital Partners Korea Ltd., Nimbus Investments Ltd., Clearwater Capital Partners Cyprus Ltd., Clearwater Capital GP Ltd., Clearwater Capital Partners Holding, LLC, Clearwater Capital Partners Narmada Ltd., Clearwater Capital Partners Opportunities Fund (Cayman) Ltd., Clearwater Capital Partners Fund II (Cayman) Ltd., Asian Development Finance Ltd., Snow Investments (Singapore) Pte. Ltd., Stream Investments Pvt. Ltd., Funny Investments Holding Ltd., Fraseville Investments Pte. Ltd., Stream II Investments Pvt. Ltd., Columbus Investments Pte. Ltd., Whitesand Investments Ltd., Clearwater Capital Partners Singapore ADF Fund Private Ltd., Clearwater Capital Partners Singapore Fund II Pvt. Ltd., Clearwater Capital Partners Singapore Fund III Pvt. Ltd., Clearwater Capital Partners Singapore Fund III (Annex) Private Ltd., Clearwater Capital Partners Singapore Opportunities Fund Pvt. Ltd., Siling Lake Investments Pvt. Ltd., Beaumaris Investments Ltd., Clearwater Capital Consulting (Beijing) Pte. Ltd., Clearwater Capital Partners India Pvt. Ltd., Impian Eraria Sdn Bhd, Jamna Auto Industries Ltd., Clearwater Capital Lunar

Holdings Ltd., Pacnet International Ltd. and Pancet Holdings Ltd.

DR. FAQIR CHAND KOHLI

Born in Peshawar (Pakistan), Dr. Kohli completed his schooling and matriculation in Peshawar. He obtained BA and B.Sc. (Hons.) degrees from Punjab University - Government College, Lahore. Thereafter, he went to Queen's University, Canada and received his B.Sc. (Hons.) degree in Electrical Engineering in 1948. He worked with the Canadian General Electric Company for a year, and proceeded to the Massachusetts Institute of Technology, Cambridge, USA, where he received his MS degree in Electrical Engineering. In the latter part of 1950 and early 1951, he worked with Ebasco International Corporation, New York Connecticut Valley Power Exchange, Hartford; and with New England Power System, Boston for training in Power System Operation Planning. He returned to India in early August 1951 and joined Tata Electric Companies and helped to set up the Load Despatching System to manage the system operations. He then became the General Superintendent in 1963, and Deputy General Manager in 1967. Simultaneously, he worked as consultant to Tata Consulting Engineers. He became Director of Tata Electric Companies in 1970. During his years with Tata Electric Companies, he introduced advanced engineering and management techniques for the operation of power systems. He was also responsible for significant use of digital computers for power system design and control, using the CDC 3600 mainframe computer at the Tata Institute of Fundamental Research.

In 1968, Tata Electric Companies installed the Westinghouse digital computer to control the operations of the entire grid of Tata Electric Companies, which comprised three hydro stations, thermal units and energy supply from Tarapore Atomic Energy and Koyna Hydroelectric of Maharashtra State Electricity Board. This was a significant achievement for India as there were only four other utilities in the U.S. that had opted for digital controls. UK, Germany, France and Japan at that point in time were using Analogue controls.

In September 1969, he moved to Tata Consultancy Services as General Manager. In 1974, he was made the Director-in-Charge and in 1994 Deputy Chairman. TCS was set up to



take part in IT development. TCS carried out complex assignments for banks, telephone companies and the government in early 70s. TCS pioneered India's IT Revolution and helped the country to build the IT Industry.

Be it the propagation of computerisation in India at a time when no one realised its potential, or bringing the benefits of IT to India's rural masses through computer based Adult Literacy programme, he saw IT as an instrument of national development. He has been working on advancing engineering education at undergraduate level to world standards to create a large pool of students for undertaking graduate studies and research. With IIT Bombay and Ministry of Information Technology, he initiated the project to graduate 3000 Microelectronic engineers at Masters level. He indicated the need for IT use within the country in all spheres of activity some years back and this has taken shape in terms of affordable computers and Open-source software in Indian Languages.

A visionary and pioneer by nature, he is acknowledged as the 'Father of the Indian Software Industry'.

Dr. Kohli is a fellow of IEEE USA, IEE UK, Institution of Engineers India, Computer Society of India and many others. He has received his Doctorate in Engineering (Honoris Causa) from the University of Waterloo, Canada in 1990, from Robert Gordon University in 2000, Aberdeen, U.K., University of Roorkee, UP in 2000, from IIT Bombay in 2004, Jadavpur University, Kolkata in 2004 and IIT Kanpur 2006.

He has received many awards including the prestigious Dadabhai Naoroji Memorial Award in 2001 and was conferred the Padma Bhusan in the year 2002.

He is a Director in Triveni Engineering & Industries Ltd., Triveni Engineering Ltd and Media Lab Asia and a Chairman in WTI Advanced Technology Ltd., ASL Advanced Systems Pvt. Ltd. and a member of the Advisory Board of DSP Blackrock Investment Managers Ltd.

He has also received the following awards:

1. Jan 2006: IT- People Awards for Excellence in Information Technology
2. Feb 2006: IIT Kanpur - Honorary Fellow Award.

3. April 2006: Sand Hill Group Award – Santa Clara.
4. October 2006: IT/BT convention in Pune on 27th October received "Lifetime Achievement" award.
5. January 2007: Ramakrishna Bajaj Award for Good Governance - Rotary Club of Bombay.
6. May 25th 2007 : Queen's University at Kingston to receive the Honorary Degree of Doctor of Science.
7. January 2008: CSI (National Seminar Technovision in collaboration with Indira Group of Institutes at Indira Universe Hinjwadi Pune: Lifetime Achievement Award for valuable contribution to the Indian IT Industry.
8. November 26, 2008: NASSCOM - CNBC – Lifetime Achievement Award for outstanding contribution towards IT adoption in India.
9. March 27, 2009: ETH Lifetime Achievement Award from – ETH Research Lab in Pune.

1.2 MEETINGS OF THE BOARD

The Board of Directors met 4 times during the year 2008-2009 on June 30, 2008, July 26, 2008, October 24, 2008 and January 29, 2009.

DETAILS OF ATTENDANCE			
Name of the Directors	No. of Board meetings held	No. of meetings attended	AGM held on September 29, 2008
Rear Adm. Kirpal Singh, EC	4	4	Yes
Mr. Satpal Singh, MD	4	3	Yes
Mr. Navpreet Singh, JMD	4	4	Yes
Mrs. Manjit Kirpal Singh, Director	4	2	Yes
Mr. S. Sundar, Director	4	4	Yes
Mr. S.Venkateswaran, VC	4	4	No
Mr. Anvind K. Parikh, Director	4	4	No
Mr. Bipin R. Shah, Director	4	4	No
Mr. Robert D. Petty, Director	4	2	No
Dr. Faqir Chand Kohli, Director	4	2	No

2.0 SUB COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors have set up the following sub-committees.



2.1 AUDIT COMMITTEE

[A] **Terms of Reference**

- a) Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- b) Recommending the appointment and removal of external auditors and internal auditors, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing the quarterly / annual financial statements with management before submission to the Board.
- d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- e) Reviewing the adequacy of internal audit function.
- f) Discussion with internal auditors on any significant findings and follow up thereon.
- g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board, if any.
- h) Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- i) Reviewing the Company's financial and risk management policies.
- j) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- k) To oversee compliance with the requirements of Corporate Governance norms of the listing agreement with NSE & BSE.

[B] **Composition of Audit Committee**

The Audit Committee comprises of the following Non-Executive Directors, namely:-

Non-Executive - Independent

- (1) Mr. S.Sundar - Chairman
- (2) Mr. Arvind K. Parikh - Member
- (3) Mr. S. Venkiteswaran - Member
- (4) Mr. Bipin R. Shah - Member

Non-Executive - Promoter

- (1) Mrs. Manjit Kirpal Singh - Member

[C] **Meetings of the Audit Committee**

The Audit Committee met 4 times during the year 2008-2009 on June 30, 2008, July 26, 2008, October 24, 2008 and January 29, 2009.

DETAILS OF ATTENDANCE		
Name of Directors	No. of Audit Committee Meetings held	No. of Meetings attended
Mr. S. Sundar	4	4
Mrs. Manjit Kirpal Singh	4	2
Mr. S. Venkiteswaran	4	3
Mr. Arvind K. Parikh	4	4
Mr. Bipin R. Shah	4	4

2.2 MANAGING COMMITTEE

[A] **Terms of Reference**

The Company has formed the Managing Committee in order to:

- (i) Monitor the operations of the Company and its marketing plans on a regular basis and give suggestions whenever required.
- (ii) Decide on various borrowing and investment proposal within the limit specified by the Board.

[B] **Composition of Managing Committee**

1. Rear Admiral Kirpal Singh - Chairman
2. Mr. Arvind K. Parikh - Member
3. Mr. Satpal Singh - Member
4. Mr. Navpreet Singh - Member

[C] **Meetings of the Managing Committee**

The Committee met 3 times during the year 2008-2009 on June 27, 2008, October 15, 2008 and January 23, 2009.



DETAILS OF ATTENDANCE		
Name of Directors	No. of Managing Committee Meetings held	No. of Meetings attended
Rear Adm. Kirpal Singh	3	1
Mr. Satpal Singh	3	3
Mr. Navpreet Singh	3	3
Mr. Arvind K. Parikh	3	2

2.3 SHARE TRANSFER COMMITTEE

[A] Terms of Reference

The Company has set up the aforesaid Committee to ensure speedy share transfer and also to look into the Investor's complaints.

[B] Composition of Share Transfer Committee

1. Rear Admiral Kirpal Singh
2. Mr. Satpal Singh
3. Mr. Navpreet Singh

The Compliance Officer is Mr. V. Surendran, Company Secretary.

The Committee has met number of times during the year.

2.4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

[A] Terms of Reference

To ensure redressal of shareholders and investors complaints relating to transfer of shares, non-receipt of balance sheet, non-receipts of dividends/interests etc.

[B] Composition of Shareholders/Investor Grievance Committee

The Committee comprises of following Directors namely:

1. Mr. Arvind K. Parikh - Chairman
2. Mr. Bipin R. Shah - Member
3. Mr. Navpreet Singh - Member

[C] Meetings of the Shareholders/Investors Grievance Committee

The Committee met 3 times during the year on June 30, 2008, October 24, 2008 and January 29, 2009.

DETAILS OF ATTENDANCE		
Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. Arvind K. Parikh	3	3
Mr. Bipin R. Shah	3	3
Mr. Navpreet Singh	3	3

During the year 2008-2009, Five (5) Investors/ Shareholders complaints have been received by the Company. All these complaints have been attended in time and solved to the satisfaction of the shareholders.

The Compliance Officer is Mr. V. Surendran, Company Secretary.

2.5 REMUNERATION COMMITTEE

[A] Terms of Reference

To recommend/review the remuneration package of Managing Director/Joint Managing Directors/ Whole Time Directors (if any) including pension rights and any other compensation related matters and issues within the framework of the provisions and enactments governing the same.

[B] Composition of Remuneration Committee

The Committee comprises of following Directors namely:

1. Mr. S. Venkiteswaran - Chairman
2. Mr. S. Sundar - Member
3. Mr. Arvind K. Parikh - Member

[C] Remuneration Policy

To compensate Managing Director/Joint Managing Directors/ Whole Time Directors commensurate to the earnings of the Company and the efforts put in by them for achieving the same and also in consonance with the existing industry practice, subject to the limits governed by law.



[D] Remuneration to Directors

(Amount in Rupees)

Name of Director	Salary, benefits	Sitting fees	Commission
1 Rear Adm. Kirpal Singh, EC	1,08,69,736	—	1,22,16,747
2 Mr. Satpal Singh, MD	1,06,50,085	—	91,62,561
3 Mr. Navpreet Singh, JMD	1,03,15,234	—	91,62,562
4 Mrs. Manjit Kirpal Singh, Director	—	30,000	8,91,099
5 Mr. S. Sundar, Director	—	65,000	8,91,099
6 Mr. S. Venkiteswaran, VC	—	60,000	8,91,099
7 Mr. Arvind K Parikh, Director	—	90,000	8,91,099
8 Mr. Bipin R. Shah, Director	—	75,000	8,91,099
9 Mr. Robert D. Petty, Director	—	20,000	8,91,099
10 Dr. Faqir Chand Kohli, Director	—	20,000	8,91,099

[E] Meetings of the Remuneration Committee:

The Committee met 1 time during the year 2008-2009 on July 26, 2008.

DETAILS OF ATTENDANCE		
Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. S. Venkiteswaran	1	1
Mr. Arvind K. Parikh	1	1
Mr. S. Sundar	1	1

[F] Details of the shareholding of non-executive directors:

Mrs. Manjit Kirpal Singh (Promoter) holds 3,89,273 shares of the Company and other non-executive directors do not hold any shares of the Company.

[G] Criteria of making payments to Non Executive directors:

Sitting fees : Rs. 10,000/- for Board Meeting Rs. 5,000/- for Committee Meeting

Commission : 1% of the net profits of the Company as stipulated in Section 309(4) of the Companies Act, 1956.

Reimbursement of the expenses, in connection with attending the meeting of the Board, Committee and Shareholders.

2.6 OTHER COMMITTEES

The Company has also appointed two other Committees, which are not so significant; hence other details are not given here.

1. Committee for affixing Common Seal.
2. Committee for Banking Operation.

3.0 GENERAL MEETINGS

Details of last three Annual General Meetings (AGM) & the Extra Ordinary General Meeting (EGM)

Venue	Date	Time	No. of special resolutions passed
a) M.C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001.	September 29, 2008 (AGM)	1500 hours	2
b) Hotel Executive Enclave, Pali Hill, Bandra (West), Mumbai – 400 050.	September 07, 2007 (AGM)	1500 hours	1
c) Hotel Executive Enclave, Pali Hill, Bandra (West), Mumbai – 400 050.	December 19, 2006 (EGM)	1500 hours	-
d) Hotel Motimahal, Turner Road, Bandra (West), Mumbai - 400 050.	September 07, 2006 (AGM)	1500 hours	1
e) Hotel Motimahal, Turner Road, Bandra (West), Mumbai - 400 050	December 01, 2005 (EGM)	1500 hours	1

4.0 RELATED PARTY DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company are given in the audited financial statements.

5.0 NON-COMPLIANCE

There have been no incidences of non-compliance with any of the legal provisions of law nor has any penalty or stricture been imposed by the Stock Exchanges or SEBI or any statutory authority, or any matter related to capital market during the last three years.

6.0 MEANS OF COMMUNICATION

Quarterly results

Which news papers : Economic Times & normally published in Maharashtra Times



The Quarterly Results were also displayed on the Corporate Website: www.dolphinoffshore.com.

Management Discussion and Analysis Report forms a part of the Annual Report.

- f) Listing on stock exchanges : Equity shares are listed on the Bombay Stock Exchange Limited, (BSE) and National Stock Exchange of India Limited (NSE), Mumbai
- g) Stock code : 522261 (BSE) and DOLPHINOFF (NSE)
- h) International Securities Identifying Number (ISIN) (Shares) : INE 920A01011
- i) International Securities Identifying Number (ISIN) (Foreign Currency Convertible Bonds) : XS0239362162
- j) Market Price Data HIGH/LOW during each month from April 2008 to March 2009 (BSE).

7.0 POSTAL BALLOT

There are no resolutions which have been passed through postal ballot during the year.

8.0 RISK MANAGEMENT

The Company has laid down procedures to appraise the Board of Directors regarding key risk assessment and risk mitigation mechanisms.

9.0 MANDATORY REQUIREMENTS

The Company has complied with the mandatory requirements as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange.

10.0 CODE OF CONDUCT

The Company has Code of Conduct for Directors and Senior Management and the same is complied. The Company has also formulated Whistle Blower Policy under which nobody has denied access to Audit Committee.

11.0 GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting: July 24, 2009
Time : 1500 hours
Venue : M.C.Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 001
- b) Financial Year : 2008-2009
- c) Key Financial Reporting Dates for the Financial Year 2009-10
Unaudited First Quarterly result : On or before July 31, 2009
Unaudited Second Quarterly result : On or before October 31, 2009
Unaudited Third Quarterly result : On or before January 31, 2010
Audited results for the Financial Year 2009-10 : On or before June 30, 2010
- d) Book Closure date : July 02, 2009.
- e) Dividend Payment date : On or before August 24, 2009

PERIOD – 2008-09	HIGH	LOW
APRIL 2008	263.30	165.50
MAY 2008	294.00	212.00
JUNE 2008	265.00	170.05
JULY 2008	227.00	139.25
AUGUST 2008	254.35	202.40
SEPTEMBER 2008	295.00	181.15
OCTOBER 2008	220.45	105.20
NOVEMBER 2008	155.00	106.10
DECEMBER 2008	173.00	125.00
JANUARY 2009	190.00	137.50
FEBUARY 2009	164.00	132.05
MARCH 2009	154.00	112.00

Market Price Data HIGH/LOW during each month from April 2008 to March 2009 (NSE).

PERIOD – 2008-09	HIGH	LOW
APRIL 2008	255.00	166.00
MAY 2008	285.00	221.05
JUNE 2008	254.30	166.00
JULY 2008	223.40	137.10
AUGUST 2008	254.90	200.00
SEPTEMBER 2008	292.00	168.00
OCTOBER 2008	223.00	102.70
NOVEMBER 2008	145.05	115.05
DECEMBER 2008	178.00	109.00
JANUARY 2009	184.00	127.60
FEBUARY 2009	164.00	127.00
MARCH 2009	145.00	111.25

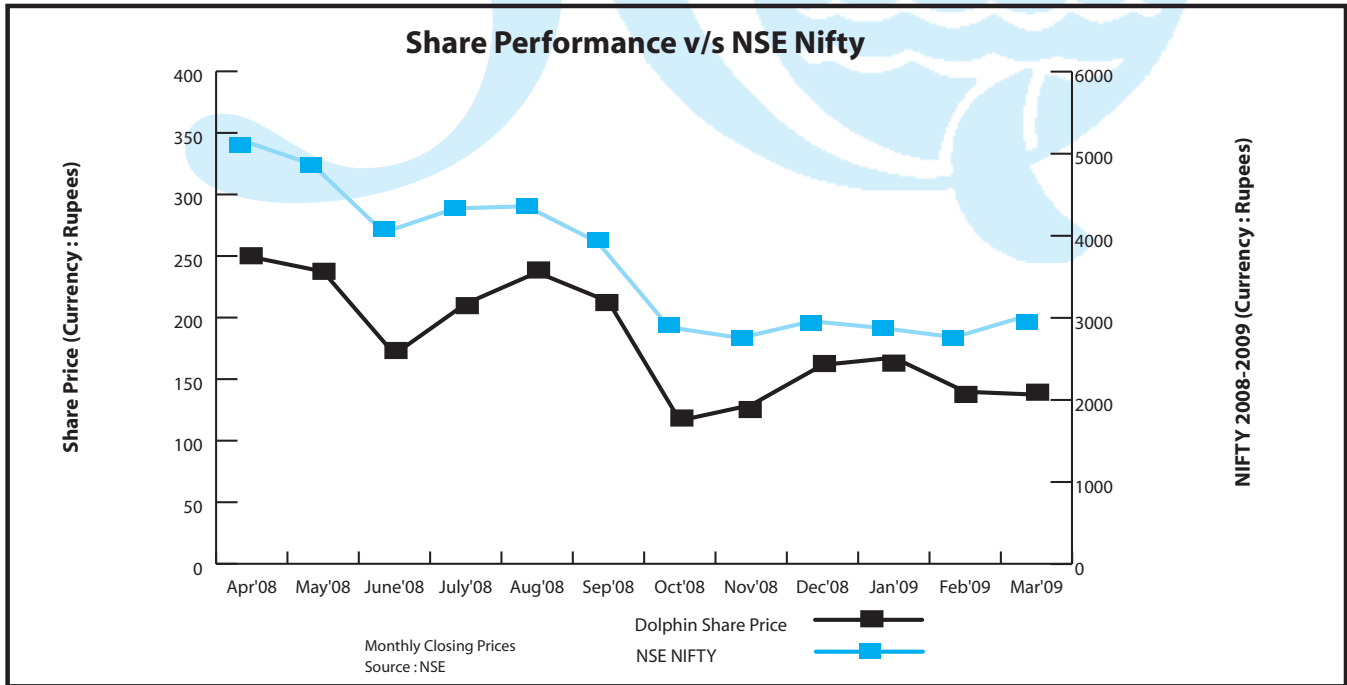
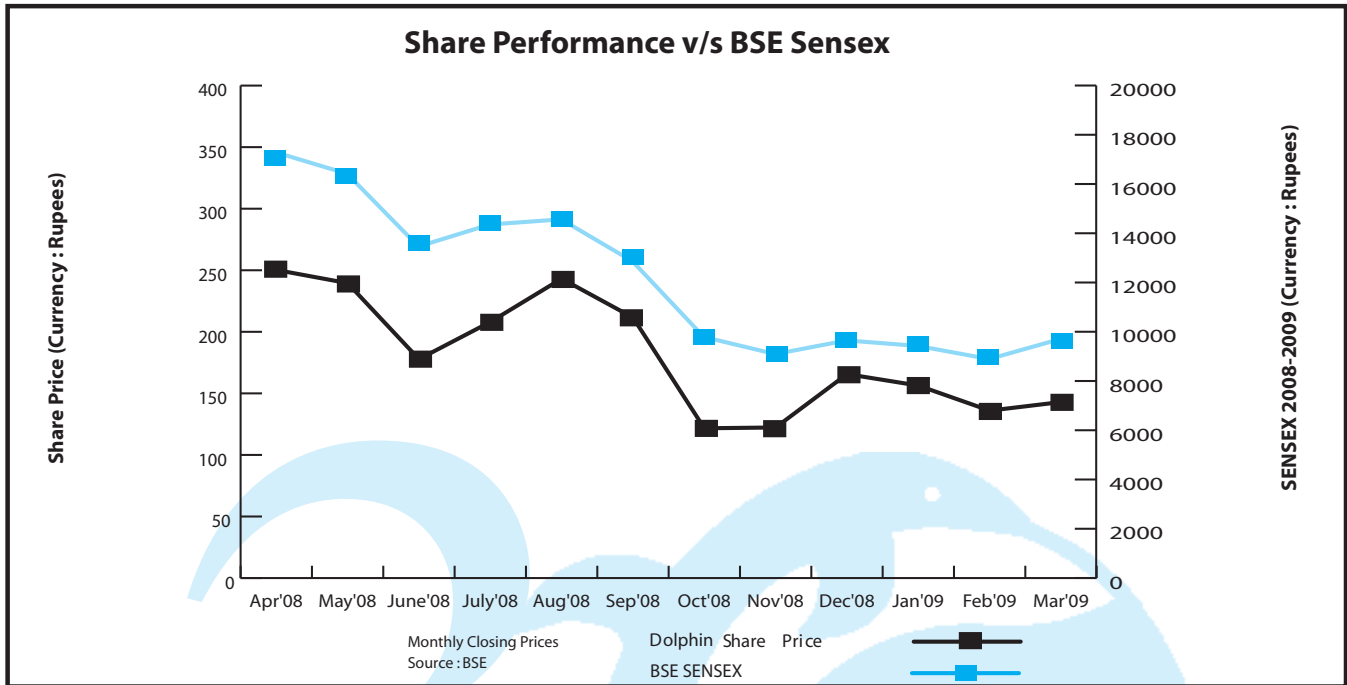


- k) Registrar and Share Transfer Agent : M/s Sharepro Services (India) Pvt. Ltd. 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai-400 072.
- l) Share Transfer System : Share transfer requests received in physical form are registered within an average period of 30 days. A Share Transfer Committee comprising members of the Board meets atleast once in a fortnight to consider the transfers of the shares. Request for dematerialisation (demat) received from the shareholders are effected within an average period of 21 days.
- m) **DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2009**
- | Sr. No. | Category | No. of Shares Held | Percentage (%) |
|---------|--------------------------------|--------------------|----------------|
| 1 | Promoters | 64,08,289 | 67.00 |
| 2 | Body Corporates | 7,62,443 | 7.97 |
| 3. | NRI | 57,876 | 0.60 |
| 4. | Govt / Financial Institution | - | - |
| 5. | Indian Public | 17,61,545 | 18.42 |
| 6. | FII's | 5,74,780 | 6.01 |
| 7. | Directors other than Promoters | - | - |
| | Total | 95,64,933 | 100.00 |
- n) Dematerialisation of Shares : 9238474 equity shares which constitutes 96.59% of the paid up capital as on March 31, 2009 has been dematerialised.
- o) Corporate Office : L.I.C. Building, Plot No. 54, Sector 11, Next to K - Star Hotel, C.B.D. Belapur (East), Navi Mumbai – 400 614
Tel. No: 6602 6602
Fax No: 6602 6603
- p) Workshop Location : The Company has five Workshops, namely:
: Project Workshops (Owned) A-78 & W221, MIDC TTC Industrial Area, Koperkhairne, Navi Mumbai
Tel. Nos: 27780507 / 27780973
: Project Workshop (Leased) R-15, Rabale, T.T.C. Industrial Area, M.I.D.C., Navi Mumbai
Tel. No.:65145412
: Diving Workshop (Leased) Plot No. D/24/5 TTC Industrial Area, MIDC, Turbhe Navi Mumbai
Tel. Nos. : 65165997/98

Note: Promoters include 6,15,200 shares i.e. 6.43% held by NRI relative.



- : Sewri Workshop
(Leased) Minerva
Studio Compound,
Gala No. 6,
Sewree Bunder
Road, Sewri(East),
Mumbai – 400 015
Tel. Nos. :
24131058 /
65182091
- q) Address for Correspondence :1001, Raheja
Centre, 214,
Nariman Point,
Mumbai-400 021
Tel.Nos: 22832226/
34/42
Fax No: 22875403
- email: customer@ dolphinooffshore.com
Investor Complaints ID: investors@ dolphinooffshore.com
- r) Website : www.dolphinooffshore. com
- s) Transfer of unclaimed amounts to Investor
Education and Protection Fund:
Dividend was not declared in the financial year 2000-
2001 and hence no unclaimed dividend were
required to be transferred to the Investor Education
and Protection Fund.
- t) The Company has issued US\$ 15 million Foreign
Currency Convertible Bonds (FCCBs) on December
22, 2005. These FCCBs are listed on Singapore
Stock Exchange, out of which 20% i.e US\$ 3 million
were converted into 6,04,933 shares of Rs. 10/- each
at a premium of Rs. 215/-. The balance US\$ 12
million Foreign Currency Convertible Bonds may be
converted into shares on or before December 23,
2010.
- u) The Compliance Officer is Mr. V. Surendran,
Company Secretary.



**DECLARATION BY THE CHIEF EXECUTIVE OFFICER OF THE COMPANY UNDER
CLAUSE 49 OF THE LISTING AGREEMENT**

To,

The Members of Dolphin Offshore Enterprises (India) Limited

I, Mr. Satpal Singh, Managing Director of Dolphin Offshore Enterprises (India) Limited declare that all Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct.

Place: Mumbai
Date: May 14, 2009

Sd/-
Satpal Singh
Managing Director

**Auditors' Certificate on compliance with the conditions of
Corporate Governance under Clause 49 of the Listing Agreement(s)**

To the Members of Dolphin Offshore Enterprises (India) Limited,

We have examined the compliance of conditions of Corporate Governance by Dolphin Offshore Enterprises (India) Limited ('the Company') for the year ended 31st March 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance(s) are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors' Grievances Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **HARIBHAKTI & Co.,**
Chartered Accountants

Place: Mumbai
Date: May 14, 2009

CHETAN DESAI
Partner
Membership No. 17000

**AUDITORS' REPORT****TO THE MEMBERS OF DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED**

We have audited the attached Balance Sheet of **Dolphin Offshore Enterprises (India) Limited** ('the Company') as at 31st March 2009 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of Section 227 (4A) of the Companies Act 1956, and on the basis of such checks of the books and records as we considered appropriate and according to the information and explanations given to us, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.
- II. Further to our comments in the Annexure referred to in paragraph I above, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- (c) The Balance Sheet, the Profit and Loss Account and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 to the extent they are applicable to the Company;
- (e) On the basis of the written representations received from the directors of the Company as on 31st March 2009, and taken on record by the Board of Directors of the Company, we report that none of the directors is disqualified as on 31st March 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and also give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009;
 - (ii) In the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **HARIBHAKTI & CO.,**
Chartered Accountants

CHETAN DESAI
Partner

Place : Mumbai
Date : May 14, 2009

Membership No. : 17000



ANNEXURE to the Auditors' Report

The annexure referred to in Paragraph I of the Auditors' Report to the members of **Dolphin Offshore Enterprises (India) Limited** (the Company) for the year ended 31st March 2009. We report that:

Fixed Assets:

1. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. We have been informed that fixed assets have been physically verified by the management during the year and discrepancies noticed upon such verification, which were not material, have been properly dealt with in the books of accounts.
3. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the Company has not disposed off substantial part of its fixed assets during the year.

Loans and Advances:

4. According to the information and explanations provided to us by the management, the Company has granted unsecured interest free loan to a Company covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance and year end balance in respect of such loan is Rs. 56,00.70 lakhs.
5. In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions on which loan has been granted to Company covered in the Register maintained under Section 301 of the Companies Act, 1956 are not prejudicial to the interest of the Company.
6. According to the information and explanations provided to us by the management, no repayment of principal is due during the year in respect of the aforesaid loan.
7. According to the information and explanations provided to us by the management, the Company has taken unsecured loan from twelve parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The maximum balance and year end balance in respect of such loans are Rs. 292.25 lakhs and Rs. 150.15 lakhs respectively.
8. In our opinion and according to the information and explanations given to us, the rate of interest

and other terms and conditions on which loans have been taken from parties covered in the Register maintained under Section 301 of the Companies Act, 1956 are not prejudicial to the interest of the Company.

9. According to the information and explanations provided to us by the management, the Company has been regular in the repayment of principal and interest thereon, wherever applicable.

Internal Controls:

10. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, and for the services rendered. Further, on the basis of our examination, and according to the information and explanations given to us, we have neither come across nor we have been informed of any instances of major weaknesses in the aforesaid internal control system.

Contracts or Arrangements referred to in Section 301 of the Companies Act, 1956:

11. To the best of our information and according to the information and explanations provided to us by the management, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the Register required to be maintained under that Section.
12. According to the information and explanations provided to us by the management, the transactions made in pursuance of contracts or arrangements entered in the Register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

Public Deposits:

13. The Company has accepted deposits from the public. The directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Act and the rules framed there under, where applicable, have been complied with. According to the information and explanations provided to us by the management, Company Law Board, National Company Law Tribunal, Reserve Bank of India,



any Court and any other Tribunal has not passed any order.

Internal Audit:

14. In our opinion, the Company has an adequate internal audit system commensurate with its size and nature of its business.

Statutory Dues:

15. According to the books and records of the Company as produced and examined by us and according to the information and explanations provided to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Wealth Tax, Custom Duty and any other statutory dues with the appropriate authorities.
16. According to the information and explanations provided to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and any other statutory dues were outstanding as at 31st March 2009 for a period of more than six months from the date they became payable.
17. According to the information and explanations provided to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or cess which have not been deposited on account of any dispute except income tax dues of Rs 13.82 lakhs for which appeal is pending before Income Tax Appellate Tribunal [ITAT] and income tax dues of Rs.24.94 lakhs for which appeal is pending before Commissioner of Income Tax (Appeals).

Potentially Sick Company:

18. There are no accumulated losses as at 31st March 2009. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

Repayment of Dues:

19. Based on our audit procedures and according to the information and explanations provided to us by the management, the Company has not defaulted in repayment of dues to banks, financial institution, or debentureholders.

Guarantees Given:

20. According to the information and explanations provided to us, the Company has given guarantee for loan taken by its wholly owned subsidiary from bank. According to the information and explanations provided to us, the terms and conditions of the above guarantee are not prejudicial to the interest of the Company.

Term Loans:

21. According to the records of the Company and according to the information and explanations provided to us, the term loans have been applied for the purpose for which the loans were obtained.

Sources and Application of Funds:

22. On the basis of review of utilization of funds, which is based on an overall examination of the Balance Sheet of the Company and related information as made available to us and as represented to us by the management, funds raised on short-term basis have not been used for long-term investment.

Security or charge in respect of debentures issued:

23. The Company has not issued any secured debentures during the year.

End use of moneys raised by public issues:

24. The Company has not raised any money by public issue during the year.

Fraud:

25. Based upon the audit procedures performed and the information and explanations provided to us by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Other Clauses:

26. The following clauses of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company and hence the same are not reported upon:

Clause (ii), Clause (viii), Clause (xii), Clause (xiii), Clause (xiv) & Clause (xviii)

For **HARIBHAKTI & CO.,**
Chartered Accountants

CHETAN DESAI
Partner

Place : Mumbai
Date : May 14, 2009

Membership No. : 17000



BALANCE SHEET AS AT MARCH 31, 2009 (Currency: Thousands of Indian rupee)

	<u>Schedules</u>	<u>2009</u>	<u>2008</u>
SOURCES OF FUNDS			
Shareholders' Funds -			
Share capital	1	9,56,49	9,56,49
Reserves and surplus	2	1,00,81,19	64,15,69
		<u>1,10,37,68</u>	<u>73,72,18</u>
Loan Funds -			
Secured loans	3	50,98,15	45,06,06
Unsecured loans	4	95,93,45	1,14,12,55
		<u>1,46,91,60</u>	<u>1,59,18,61</u>
Deferred tax liability (Net)	5,18 A(g)	1,43,86	4,54,40
		<u>2,58,73,14</u>	<u>2,37,45,19</u>
APPLICATION OF FUNDS			
Fixed Assets -			
Gross block	6, 18 A(a)	57,41,90	77,60,63
Less: Depreciation		(20,24,39)	(27,76,33)
		<u>37,17,51</u>	<u>49,84,30</u>
Add: Capital work In progress		19,05	7,87
Net Fixed asset	6, 18 A(a)	<u>37,36,56</u>	<u>49,92,17</u>
Investments	7, 18 A(b)	<u>19,95,44</u>	<u>14,98,32</u>
Current Assets, Loans and Advances -			
Sundry debtors	8 M	1,73,23,08	1,69,50,21
Cash and bank balances	9	9,00,21	7,92,77
Other current assets	10	26,78,88	27,80,03
Loans and advances	11	90,20,93	56,24,82
		<u>2,99,23,10</u>	<u>2,61,47,83</u>
Less: Current Liabilities and Provisions			
Current liabilities	12 M	(94,46,24)	(86,13,37)
Provisions	13	(3,35,72)	(2,79,76)
Net current assets		<u>2,01,41,14</u>	<u>1,72,54,70</u>
		<u>2,58,73,14</u>	<u>2,37,45,19</u>

The accompanying schedules and notes are an integral part of this Balance sheet

As per our attached report of even date
For HARIBHAKTI & CO.
Chartered Accountants

Chetan Desai
Partner

Place: Mumbai
Date : May 14, 2009

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
Mr. Bipin R. Shah
Mr. Satpal Singh
Mr. Navpreet Singh
Mr. V.Surendran

Executive Chairman
Director & Audit Committee Member
Managing Director
Jt. Managing Director
Company Secretary



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Currency: Thousands of Indian rupee)

	<u>Schedules</u>	<u>2008-2009</u>	<u>2007-2008</u>
Contract revenues	18 A (c)	3,43,97,66	2,27,70,47
Operating expenses	14, 18 A (c)	(2,23,36,29)	(1,74,65,44)
Gross operating profit		1,20,61,37	53,05,03
General and administrative expenses	15	(61,43,87)	(23,10,31)
Net operating profit		59,17,50	29,94,72
Miscellaneous income	16	14,27,01	13,90,02
Profit before interest and depreciation		73,44,51	43,84,74
Interest expenses		(12,56,45)	(12,06,96)
Depreciation	6, 18 A(a)	(5,47,39)	(6,94,37)
Net profit before tax		55,40,67	24,83,41
Provision for taxation	17	(15,39,45)	(8,57,56)
Net Profit after tax		40,01,22	16,25,85
Profit and loss account - opening balance		11,68,15	7,91,73
Less: Dividend to FCCB holders for 2006-07 including dividend tax Rs. 2.57 Lacs thereon		-	(17,69)
Effect of Transitional provision of AS 15		-	(51,05)
Transfer to general reserve		(4,05,00)	(1,63,00)
Bond redemption reserve		(10,80,33)	(7,37,93)
Less: Proposed dividend		(2,86,95)	(2,39,12)
Tax on Dividend		(48,77)	(40,64)
Profit and loss account - closing balance		33,48,32	11,68,15
EARNING PER EQUITY SHARE			
(Face value Rs. 10/- per share)			
Basic earnings per equity share	18 I	41.83	17.34
Diluted earnings per equity share	18 I	33.51	13.68

The accompanying notes are an integral part of Profit & Loss Account

As per our attached report of even date
For HARIBHAKTI & CO.
 Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
 Mr. Bipin R. Shah
 Mr. Satpal Singh
 Mr. Navpreet Singh
 Mr. V.Surendran

Executive Chairman
 Director & Audit Committee Member
 Managing Director
 Jt. Managing Director
 Company Secretary

Chetan Desai
 Partner

Place: Mumbai
 Date : May 14, 2009



**SCHEDULES AND NOTES FORMING PART OF THE FINANCIAL STATEMENTS
AS AT MARCH 31, 2009**

(Currency: Thousands of Indian rupee)

	<u>2009</u>	<u>2008</u>
1. SHARE CAPITAL:		
<u>Authorised</u>		
2,50,00,000 equity shares of Rs. 10 each	<u>25,00,00</u>	<u>25,00,00</u>
<u>Issued, subscribed and paid up</u>		
9,564,933 (2008 - 95,64,933) equity shares of Rs. 10/- each fully paid.	<u>9,56,49</u>	<u>9,56,49</u>
2. RESERVES AND SURPLUS:		
General reserve-		
Opening balance	14,13,00	12,50,00
Add: Transfer from profit and loss account	4,05,00	1,63,00
Closing balance	<u>18,18,00</u>	<u>14,13,00</u>
Bond Redemption reserve		
Opening balance	24,49,93	17,12,00
Add: Transfer from profit and loss account	10,80,33	7,37,93
Closing balance	<u>35,30,26</u>	<u>24,49,93</u>
Share premium account		
Opening balance	13,84,61	84,00
Add: Capitalised on conversion of FCCB	-	13,00,61
Closing balance	<u>13,84,61</u>	<u>13,84,61</u>
Profit and loss account	<u>33,48,32</u>	<u>11,68,15</u>
	<u>1,00,81,19</u>	<u>64,15,69</u>
3. SECURED LOANS:		
Cash credit from scheduled banks	47,35,03	35,88,73
Loans from companies & banks	52,12	99,54
Term loan from Bank	3,11,00	8,17,79
	<u>50,98,15</u>	<u>45,06,06</u>

Note:

- The cash credit facilities are secured by the hypothecation of book debts, the fixed assets not secured against term loans and other current assets of the company as well as personal guarantee of the whole-time Directors
- Loan from companies & banks include loans of Rs. 52.12 lacs (2008 - Rs. 99.28 lacs) from banks under hire purchase schemes.
- Term loan from bank is secured by a first charge on the assets financed through the term loan.
- The current portion of loans repayable within one year including cash credit is Rs. 49,80.95 lacs (2008 - Rs. 39,53.85 lacs)



	<u>2009</u>	<u>2008</u>
4. UNSECURED LOANS:		
Foreign currency convertible bonds :		
0.5% Foreign currency convertible bonds redeemable - 2010	53,92,80	53,92,80
Fixed Deposits :		
From Shareholders & Others	54,50	46,00
Short term loans and advances:		
From directors	1,11,15	1,42,75
From companies	5,35,00	8,31,00
From banks *	35,00,00	50,00,00
	<u>95,93,45</u>	<u>1,14,12,55</u>

* Secured by personal guarantee & pledge of shares of the Company held by Promoter Directors.

Note: Fixed deposits repayable within one year amount to Rs. 25.00 lacs (2008 - Rs. 23.50 lacs).

5. DEFERRED TAX:		
Difference between book and tax depreciation	4,39,16	14,31,39
Others	(10,88)	-
Provision for leave encashment, gratuity, superannuation	(5,05)	(94,52)
Net impact on timing difference	4,23,23	13,36,87
Effective tax rate	33.99%	33.99%
Deferred tax (asset)/liability	<u>1,43,86</u>	<u>4,54,40</u>

6. FIXED ASSETS

Rupees in '000

	Land	Premises	Plant & Machinery	Office Equipment	Furniture & Fixture	Motor Car	Computer	Vessel	Total
Cost									
Beginning of the year	-	12,06,17	37,65,89	1,33,03	1,80,68	2,10,23	2,99,76	19,64,88	77,60,64
Addition in the year	1,10,27	39,05	52,54	41,79	9,24	-	48,34	-	3,01,23
Deletion in the year	-	-	(2,55,82)	(25,10)	(44,39)	(8,74)	(21,04)	(19,64,88)	(23,19,97)
End of year	<u>1,10,27</u>	<u>12,45,22</u>	<u>35,62,61</u>	<u>1,49,72</u>	<u>1,45,53</u>	<u>2,01,49</u>	<u>3,27,06</u>	<u>-</u>	<u>57,41,90</u>
Depreciation									
Beginning of the year	-	1,94,97	12,41,16	34,73	49,38	1,31,96	1,52,87	9,71,25	27,76,32
For the year	-	65,53	3,53,17	15,69	24,12	23,60	63,21	20,7	5,47,39
Retirements	-	-	(2,41,42)	(22,29)	(35,05)	(8,05)	(19,19)	(9,73,32)	(12,99,32)
End of year	<u>-</u>	<u>2,60,50</u>	<u>13,52,91</u>	<u>28,13</u>	<u>38,45</u>	<u>1,47,51</u>	<u>1,96,89</u>	<u>-</u>	<u>20,24,39</u>
Net Block	<u>1,10,27</u>	<u>9,84,72</u>	<u>22,09,70</u>	<u>1,21,59</u>	<u>1,07,08</u>	<u>53,98</u>	<u>1,30,17</u>	<u>-</u>	<u>37,17,51</u>
Add :CWIP	-	-	-	-	-	-	-	-	19,05
End of year	<u>1,10,27</u>	<u>9,84,72</u>	<u>22,09,70</u>	<u>1,21,59</u>	<u>1,07,08</u>	<u>53,98</u>	<u>1,30,17</u>	<u>-</u>	<u>37,36,56</u>
Previous year	-	10,11,22	25,24,72	98,30	1,31,31	78,25	1,46,89	9,93,61	49,84,30
Add: CWIP	-	-	-	-	-	-	-	-	7,87
	<u>-</u>	<u>10,11,22</u>	<u>25,24,72</u>	<u>98,30</u>	<u>1,31,31</u>	<u>78,25</u>	<u>1,46,89</u>	<u>9,93,61</u>	<u>49,92,17</u>

Note:

- The cost of fixed assets as at March 31, 2009 includes fixed assets of cash value of Rs. 1,68.27 lacs (2008- Rs. 168.27 lacs) which have been acquired on hire purchase by the Company from various finance companies and banks. As per the agreement with these organisations, the ownership of these assets will be transferred to the company on payment of the last instalment.
- Premises include leasehold land of Rs.78.62 lacs (2008- Rs.78.62 lacs).



	<u>2009</u>	<u>2008</u>
7. INVESTMENT:		
(Long term unquoted)		
<u>In mutual funds</u>		
250,000 units of SBI Infrastructure Fund - growth Long term unquoted at cost	25,00	25,00
Less : Provision for diminution in value of Investment	<u>(10,88)</u>	-
	<u>14,12</u>	<u>25,00</u>
<u>In Subsidiary Companies-</u>		
29,980 (2008 - 29,980) equity shares of Global Dolphin Drilling Co. Ltd. of Rs. 10/- each	3,00	3,00
25,000 (2008 - 25,000) equity shares of Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., of US Dollar 1/- each	11,45	11,45
4,99,994 (2008 - 4,99,994) equity shares of Dolphin International Risk Services Ltd., of Rs. 1/- each	5,00	5,00
24,000 (2008 - 24,000) equity shares of Procyon Offshore Services Ltd. of Rs. 100 each	14,53,87	14,53,87
50,000 - 12.25% Unsecured Optionally Convertible Debentures of Rs. 1,000/- each of Procyon Offshore Services Limited	5,00,00	-
<u>In Joint Venture</u>		
80,000 equity shares of IMPaC Oil and Gas Engineering (India) Pvt. Ltd.	8,00	-
	<u>19,95,44</u>	<u>14,98,32</u>
The net book value of investments in Dolphin Offshore (Mauritius) Pvt. Ltd. as on 31.03.2009 as per their books of accounts is US\$ 164,890 (2008 - US\$ (-) 737,588) equivalent to Rs. 836.57 lacs (2008 - Rs. (-) 295.92)		
8. SUNDRY DEBTORS:		
(Unsecured, considered good)		
Outstanding for less than six months	88,07,21	68,27,10
Outstanding for more than six months	85,15,87	1,01,23,11
	<u>1,73,23,08</u>	<u>1,69,50,21</u>
9. CASH AND BANK BALANCE:		
Cash on hand	14,79	5,88
Balance with scheduled banks -		
in current accounts	21,80	3,36,90
in fixed deposits	8,63,62	4,49,99
	<u>9,00,21</u>	<u>7,92,77</u>

Note :

1. The fixed deposit receipts of Rs. 863.62 lacs (2008 - Rs. 449.99 lacs) have been deposited with the State Bank of India in lieu of margin money on Guarantees and Letters of Credit issued by the banks.
2. Further, bank balance in current accounts includes Rs. 7.78 lacs (2008 - Rs. 6.00 lacs) in Unclaimed Dividend accounts. If the dividend remains unclaimed, these funds will be transferred to the Investor Education and Protection Fund on due dates.



	<u>2009</u>	<u>2008</u>
10. OTHER CURRENT ASSETS: (Unsecured, considered good)		
Insurance Claim	80,29	3,30,28
Billable Cost	2,98,89	1,68,00
Accrued Income	22,57,80	22,64,09
Interest accrued but not due	41,90	17,66
	<u>26,78,88</u>	<u>27,80,03</u>
11. LOANS AND ADVANCES: (Unsecured, considered good)		
Loans and Advances to Subsidiaries	63,90,70	40,07,89
Advances recoverable in cash or in kind	20,83,34	12,03,20
Advance tax and tax deducted at source (Net)	4,30,54	3,10,91
Deposits	1,16,35	1,02,82
	<u>90,20,93</u>	<u>56,24,82</u>
12. CURRENT LIABILITIES:		
Sundry creditors	41,75,53	60,24,08
Acceptances/Bills payable	21,57,25	17,87,67
Other current liabilities	11,33,59	5,88,40
Contract income billed in advance	10,22,02	4,24
Accrued expenses	9,33,36	1,87,12
Unclaimed Dividend *	7,78	6,01
Interest accrued but not due	16,71	15,85
	<u>94,46,24</u>	<u>86,13,37</u>
* If dividends remain unclaimed, they will be transferred to the Investors Education and Protection Fund on dues dates. During the year Rs. Nil (2008 - Rs. 67,400) has been transferred to Investors Education and Protection Fund.		
13. PROVISIONS:		
Proposed Dividend	2,86,95	2,39,12
Tax on proposed Dividend	48,77	40,64
	<u>3,35,72</u>	<u>2,79,76</u>



	<u>2008-2009</u>	<u>2007-2008</u>
14. OPERATING EXPENSES:		
Employee costs	9,65,74	5,78,42
Subcontractor charges	69,22,94	48,01,86
Vessel Charter and Related Cost	1,06,49,98	86,88,68
Equipment related expenses	10,44,34	7,82,96
Materials, stores and spares	17,65,45	16,26,69
Travel and conveyance expenses	1,48,73	2,06,09
Bank charges & guarantee commissions	1,95,91	1,45,25
Other operating expenses	6,43,20	6,35,49
	<u>2,23,36,29</u>	<u>1,74,65,44</u>
15. GENERAL AND ADMINISTRATIVE EXPENSES:		
Employee costs	11,26,99	4,62,05
Rents,rates and taxes	1,48,53	1,33,47
Office related expenses	2,71,31	1,63,53
Travel and conveyance	1,01,28	77,79
Vehicle expenses	62,32	57,41
Promotional expenses	46,33	44,22
Legal and professional fees	2,18,47	3,40,02
Bad debts	39,64,42	5,93,63
Loss in foreign exchange, net	-	3,70,15
Other balances written off (net)	71,45	-
Other general & administrative expenses	1,21,89	68,04
Provision for diminution in value of investment	10,88	-
	<u>61,43,87</u>	<u>23,10,31</u>
16. MISCELLANEOUS INCOME:		
Gain in foreign exchange (net)	10,26,98	-
Interest received	48,32	55,90
Profit/(Loss) on sale of assets	3,07,49	12,97,00
Sundry income	44,22	37,12
	<u>14,27,01</u>	<u>13,90,02</u>
17. PROVISION FOR TAXATION, NET:		
Provision for tax	18,10,00	6,75,75
Provision for deferred taxes	(3,10,55)	1,51,81
Provision for fringe benefit tax	40,00	30,00
	<u>15,39,45</u>	<u>8,57,56</u>

**18. NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009****A. Summary of significant accounting policies:**

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards as prescribed by Companies (Accounting Standards) Rules, 2006 and provision of the Companies Act, 1956.

[a] Fixed assets and depreciation -

Fixed assets are valued at cost [except as stated below], which includes the purchase price of the asset, and other direct costs incurred in getting the asset at the appropriate location and into a condition where they can be put to use. Financing costs incurred upto the date that the asset is ready to be used is included in the cost of the asset if they are significant. Please see accounting policy on foreign currency transaction for treatment of exchange rate fluctuations on foreign currency loans taken for procurement of fixed assets. However, fixed assets costing upto Rs 5,000 individually are charged off in the year of acquisition.

In accordance with Accounting Standard 28, the Company will recognise impairment of fixed assets or a group of fixed assets, if their recoverable value (realisable value or discounted cash flow expected from the use of the asset) is lower than its carrying cost. If such indication exists, the carrying amount of such asset is lowered to the recoverable value and the reduction is treated as an impairment loss and is recognised in the profit and loss account.

Office premises were revalued by Rs. 2,19.99 lacs during the year ended March 31, 1994 based on the report of the approved valuer to reflect the market price prevailing on December 31, 1993. This revaluation had been done to recognise the significant appreciation in the market value of the office since the date of acquisition.

Depreciation [including depreciation on revalued portion of fixed assets] is calculated on the declining balance method at the rates and in the manner, stated in Schedule XIV of the Companies Act, 1956, except for ships [excluding barges], which is calculated on the straight-line method, and computer software which is amortised over a period of five years.

Leasehold land and improvement thereon are amortised over the lease period.

[b] Investments -

Quoted investments are valued at the lower of market value or cost. Market value is determined at the rate prevailing in the Stock Exchange at the close of business on the last working day of the financial year. Cost of investments is determined as the purchase price of the investments plus other direct costs incurred on establishing clear ownership of the investment.

Unquoted investments and investments in subsidiary companies or partnership firms are valued at cost. However, a provision is made for any long term or permanent diminution in value of shares below the cost price.

[c] Recognition of Revenue and Expenses -

The Company generally adopts the proportionate completion method of revenue recognition where revenues are recognised as and when work is completed e.g. per day, per square meter etc.

However, where the proportionate completion method cannot be easily implemented [e.g. on lump sum rate contracts], the Company adopts the completed contract method where revenues are recognised only when the contracts are fully completed, or easily identified portions of the contract are completed. At year end, expenses incurred on contracts for which revenues are not recognised are reflected as billable costs.

Revenues include the amounts due under various contracts entered into with customers, including reimbursable expenses and interest payable by the client on overdue payments as per the terms of contracts, plus the fees earned on the chartering of the Company's vessel to third parties when the vessel is not deployed on the Company's contracts. The corresponding costs of reimbursable expenses are reflected in operating expenses. Revenues include adjustments for rebates, discounts and downtimes, which arise in the course of business during the year.

Material, stores and spares are procured as per the needs of the projects and are charged to profit and loss account.

**[d] Foreign currency convertible bonds –**

Foreign currency convertible bonds ('non monetary liability') are recognised as debts until such time as the bonds are either converted into equity shares or are redeemed at the option of the bondholders. Foreign exchange gains or losses on the translation of the outstanding bonds and the interest payable on the redemption of bonds are recognised as contingent liabilities during the period that the bond holders have the option to convert the bonds into equity shares, but will only be booked as period costs or benefits on the expiry of the option period. The expenses incurred on raising these debts are booked as period costs in the year they are incurred.

A reserve for redemption of bonds is created over the duration of the bonds out of the Company's distributable profits. This reserve will be transferred to the General / Revenue Reserve on the conversion of the bonds into equity shares or on redemption of the bonds, whichever is earlier.

[e] Foreign currency transactions -

Foreign currency transactions are recorded in the books of account at the exchange rate prevailing on the date of the transaction. Any differences that arise in exchange rates on the date that these transactions are settled are recognised as foreign exchange gains or losses.

In the event that transactions are not settled as of year end, all foreign currency balances are translated using the exchange rate prevailing at year end, and any resulting foreign exchange gains or losses are recognised as period costs.

Gain or losses arising from translating the year end balances of foreign currency loans/liabilities incurred for acquisition of fixed assets are adjusted against the cost of fixed asset.

Investments in shares in foreign subsidiaries are recorded in the books of accounts at the historical exchange rates i.e. at the exchange rate prevailing on the date of subscribing to the shares.

[f] Employees benefits –**Short Term Employee Benefits**

Liability in respect of short term compensated absences is accounted for at undiscounted amount likely to be paid as per entitlement.

Defined Contribution Plan

Retirement benefits in the nature of Provident Fund, Superannuation Scheme and others which are defined contribution schemes, are charged to the Profit and Loss account of the year when contributions accrue.

Defined Benefit Plan

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the Balance Sheet date.

Other Long Term Benefits

Long term compensated absences are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised in the Profit and Loss account for the year as income or expense.

[g] Deferred tax and Income tax -

Deferred taxes arise due to the difference in recognition of income and expenses as per Company's books of account prepared as per generally accepted accounting principles and as per the income tax returns prepared in accordance with the provisions of Indian Income-tax Act, 1961. These differences may be permanent in nature, or they may represent a timing difference and consequently may affect the future profitability after tax of the Company.

In order to minimise the effect of deferred taxes in future years, the Company provides for deferred taxes using the liability method in accordance with the Accounting Standards 22 issued by the Institute of Chartered Accountants of India. Deferred taxation is recognised on items relating to timing difference, at the income tax rates prevailing on the balance sheet date, and is reviewed every year for the appropriateness of their carrying value on each Balance Sheet date.



The deferred tax balance accumulated in the years prior to the first year when deferred taxes have been accounted for, have been created with a corresponding credit / charge to the Company's revenue reserves.

[h] Earnings per share -

Earnings per share have been calculated on the basis of the weighted average of the number of equity shares of Rs 10 each that are outstanding as at the balance sheet date. Diluted earnings per share is calculated on the basis of the weighted average of the number of equity shares outstanding as at the balance sheet date plus the dilutive equity shares that the Company may need to issue on convertible instrument.

B. Disclosure Under AS – 15 (Revised 2005)

Company has adopted the Accounting Standard (AS – 15) (Revised 2005) "Employee Benefits" effective from April 01, 2007.

I. Defined Contribution Plans

The Company has classified the various benefits provided to employees as under:

- a. Defined Contribution Plans
- b. Provident Fund
- c. Superannuation Fund
- d. State Defined Contribution Plans
- e. Employers' Contribution to Employees' State Insurance
- f. Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the Trustee of the Life Insurance Corporation. Under the schemes, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit schemes to fund the benefits. These funds are recognized by the Income Tax authorities.

The Company has recognised the following amounts in Profit and Loss Account:

Particulars	Amount (Rs.' In 000)	
	2008-2009	2007-2008
Employer's contribution to Provident Fund	1,01,65	84,26
Employer's contribution to Superannuation Fund	24,81	8,54
Employer's contribution to Employees State Insurance	21,87	24,48
Employer's Contribution Employees' Pension Scheme 1995	*	*

* Included in 'Employer's Contribution to Provident Fund'

II. Defined Benefit Plans

- a. Contribution to Gratuity Fund (Funded Scheme)

In accordance with the Accounting Standard (AS-15) (Revised 2005), actuarial valuation was performed by independent actuaries in respect of the aforesaid defined benefit plan based on the following assumptions:

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Discount Rate (per annum)	8%	8%
Rate of increase in compensation levels (per annum)	4%	4%



Amount (Rs. ' In 000)

(a) Change in the Present Value of Obligation

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Present Value of Defined Benefit Obligation as at beginning of the year	57,61	49,66
Interest Cost	4,61	3,72
Current Service Cost	7,37	5,11
Benefits Paid	(4,80)	(9,56)
Actuarial (gain) / loss on Obligations	8,85	8,68
Present Value of Defined Benefit Obligation as at the end of the year	<u>73,64</u>	<u>57,61</u>

(b) Changes in the Fair Value of Plan Assets

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Present Value of Plan Assets as at beginning of the year	57,80	42,18
Expected Return on Plan Assets	5,68	4,58
Contributions	45,20	20,60
Benefits Paid	(4,80)	(9,56)
Actuarial gains / (losses)	-	-
Assets Distributed on Settlement	-	-
Fair Value of Plan Assets As at end of the year	<u>1,03,88</u>	<u>57,80</u>

(c) Percentage of each category of Plan Assets to total closing Fair Value of Plan Assets

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Bank Deposits (SP. Dep. Scheme, 1975)	-	-
Debt Instruments	-	-
Administered by Life Insurance Corporation of India	1,03,88	57,80
Others	-	-

(d) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Present Value of Funded Obligation as at end of the year	73,64	57,61
Fair Value of Plan Assets as at end of the year	1,03,88	57,80
Funded Asset as at the Balance Sheet date	<u>(30,24)</u>	<u>(19)</u>



Amount (Rs.' In 000)

1. Amount recognised in the Balance Sheet

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Present Value of Defined Benefit Obligation as at end of the period	73,64	57,61
Fair Value of Plan Assets as at end of the period	1,03,88	57,80
Liability / (Net Asset) as at the end of the year	<u>(30,24)</u>	<u>(19)</u>

2. Expenses recognised in Profit and Loss Account

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Current Service Cost	7,37	5,11
Past Service Cost	-	-
Interest Cost	4,61	3,72
Expected Return on Plan Assets	(5,68)	(4,58)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	8,85	8,68
Total Expenses recognised in the Profit and Loss Account	<u>15,15</u>	<u>12,93</u>

3. Actual Return on Plan Assets

Particulars	Funded Scheme Gratuity	
	2008-2009	2007-2008
Expected Return on Plan Assets	5,68	4,58
Actuarial gains / (losses) on Plan Assets	-	-
Actual Return on Plan Assets	<u>5,68</u>	<u>4,58</u>

C. Contingent Liabilities:

- i) On December 22, 2005, the Company has issued 0.5% Foreign Currency Convertible Bonds which - are due for redemption on December 23, 2010 unless the bond holders exercise their option to convert these bonds into equity shares. As at 31.03.2009, there is an unrealised loss in foreign exchange of Rs.6,97.20 lacs (2008 – Gain of Rs. 5,77.80 lacs) on value of bonds, while the yield till 31st March 2009 is Rs.12,88.05 lacs (2008 – Rs.6,85.08 lacs).
- ii) As at March 31, 2009 the Company had contingent liabilities in respect of bank guarantees, issued to their customers of Rs.58,77.57 lacs (2008 – Rs.25,10.84 lacs) of which Rs. 57,14.03 lacs (2008 – Rs 24,65.02 lacs) are outstanding as of date. These bank guarantees are secured by hypothecation to and in favour of the bank of the Company's entire book debts [present and future], outstanding moneys, engagements, securities, investments and rights and further secured by personal guarantee of Whole-time Directors.
- iii) Capital commitment and guarantees on behalf of subsidiary –
The Company's wholly owned subsidiary, Dolphin Offshore Enterprises (Mauritius) Private Limited is currently investing in a ship building programme worth US\$ 37 million. This Capital expenditure is being met through



unsecured interest free loan of US\$ 17 million given by the Company and US\$ 20 million from term loans. In addition, the Company has given a corporate guarantee to the lenders of Dolphin Offshore Enterprises (Mauritius) Private Limited for US\$ 20 million (2008 – US\$ 20.00 million)

As at March 31, 2009, the Company had already given unsecured loan of US\$ 12.54 million (2008- US\$ 9.17 million) and the balance will be paid during the future financial years.

- iv) The Company has appealed the award of the Income Tax Appellate Tribunal (ITAT) on the block assessment of the Company under Sec.158BC of Income Tax Act, 1961 raising a demand of Rs 52.97 lacs (2008 – Rs 52.97 lacs). There is an additional demand of Rs. 3,04.92 lacs (2008- Rs.2,89.01 lacs) raised by the department for the A.Y. 1998-99 to A.Y .2004-2005 on account of Shipping reserve disallowance. This matter has been referred to the Tribunal. Further the Company has appealed to the CIT (A) against the demand of Rs.31.55 lacs for A.Y.2005-06 on account of disallowance of dry docking charges. Any liability arising in respect of above matters will be booked on completion of the proceedings.

D. Borrowing cost:

As stated in Schedule 18A (a), financing costs incurred up to the date the asset is ready to be used is included in the cost of the asset, if they are significant.

Amount Capitalised to Office Premises and Plant and machinery as follows:

Particulars	Amount (Rs. In 000s)	
	2008-2009	2007-2008
Stamp duty	-	16,13
Interest on loan	-	4,25
TOTAL	-	20,38

All other borrowing cost is treated as revenue expenses. During the year the Company incurred the following borrowing costs charged to revenue:

Particulars	Amount (Rs. In 000s)	
	2008-2009	2007-2008
Interest on fixed deposits/term loans	85,53	94,05
Interest on FCCB	28,74	25,34
Other Interest Expenditure	11,42,18	10,87,57
Total Borrowing Costs	12,56,45	12,06,96

E. Segment reporting

The Company is mainly engaged in Offshore business and there are no separate reportable segments as per Accounting Standard (AS) 17.

F. Related Party Disclosures-

Related party transactions cover transactions between the Company and the following persons in accordance with the Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

1) Related party relationships:

(As identified by the management)

a) Companies under common control, including subsidiaries:

- | | |
|--|------------------------|
| i) Dolphin Offshore Projects Limited
(Formerly known as Marwa Investment & Leasing Co. Pvt. Ltd.) | — under common control |
| ii) Kanika Shipping Limited | — under common control |
| iii) Global Dolphin Drilling Co. Limited | — 59.96 % subsidiary |



- iv) Dolphin Offshore Enterprises (Mauritius) Private Limited — 100.00 % subsidiary
(Formerly known as Marwa Offshore Enterprises (Mauritius) Pvt. Limited)
- v) Dolphin International Risk Services Limited. — 99.99 % subsidiary
- vi) Procyon Offshore Services Limited. (w.e.f 31.08.2006) — 100.00 % subsidiary
- vii) IMPaC Oil & Gas Engineering (India) Pvt. Limited. — 40% Joint Venture
(w.e.f. 25.08.2008)

b) Key Management Personnel

- i) Rear Admiral Kirpal Singh — Executive Chairman
- ii) Mr.Satpal Singh — Managing Director
- iii) Mr.Navpreet Singh — Joint Managing Director

c) Relatives of Key Management Personnel with whom the Company has had transactions during the year.

- i) Mrs.Manjit Kirpal Singh
- ii) Mrs. Prabha Chandran
- iii) Mrs.Nitu Singh
- iv) Ms. Rishma Singh
- v) Master Rohan Singh
- vi) Mrs. Ritu Singh
- vii) Master Tarun Singh
- viii) Master Akhil Singh

d) Companies controlled by relatives of key management with whom the Company has had transactions with during the year

- i) Oakland Trading Private Limited

2) The Company's related party transactions and balances are summarised as follows:

(Rs. in '000)

NATURE OF TRANSACTIONS	TRANSACTION DURING THE YEAR		OUTSTANDING BALANCE AS AT MARCH 31, 2009		OUTSTANDING BALANCE AS AT MARCH 31, 2008	
	2008 -09	2007 -08	(RECEIVABLE)	PAYABLE	(RECEIVABLE)	PAYABLE
Companies under common control, including subsidiaries			(64,36,16)	4,52,51	(40,07,89)	3,66,44
Interest Received	34	-				
Contract Revenues	64,95	-				
Subcontractor charges paid	3,31,87	56,92				
Hire charges paid	11,86,37	3,33,70				
Rent Paid	-	1,30				
Rent Deposit Refund	-	(2,00)				
Interest paid	2,84	10,69				
Loans	(55,16,70)	17,69,36				



(Rs. in '000)

NATURE OF TRANSACTIONS	TRANSACTION DURING THE YEAR		OUTSTANDING BALANCE AS AT MARCH 31, 2009		OUTSTANDING BALANCE AS AT MARCH 31, 2008	
	2008 -09	2007 -08	(RECEIVABLE)	PAYABLE	(RECEIVABLE)	PAYABLE
12.25% Unsecured Convertible Debentures	(5,00,00)	-				
G & A Expenses Recoverable	12,99	-				
Sale of Fixed Asset	12,90,00	-				
Recoverable Expenses incurred	(45,45)	-				
Key Management Personnel				3,61,57		1,24,45
Remuneration	6,23,77	1,57,04				
Interest paid	8,59	12,94				
Rent paid	-	3,19				
Refund Deposit for rent	-	(5,00)				
Unsecured loans received (repaid), net	(51,60)	(2,50)				
Relatives of Key Management Personnel				1,02,91		67,74
Commission	8,92	2,24				
Interest paid	8,96	7,87				
Fixed deposits received (repaid),net	8,50	12,50				
Unsecured Loans	(20,00)	-				
Professional Fees	6,50	-				
Companies controlled by Relatives of Key Management Personnel						1,01
Rent paid	-	1,30				
Rent Deposit refund	-	(2,00)				

(Rs. in '000)

Companies under common control, including subsidiaries	Sub contract charges	Contract Revenues	Unsecured loan / Fixed Deposit Accepted /(Repaid)	Recoverable Expenses incurred	12.25% Unsecured Convertible Debentures (Investments)	Sale of Fixed Asset	G & A Expenses Recoverable	Hire Charge/ Rent Paid	Interest paid/ (Received)	(Receivables) Payables
Kanika Shipping Limited			30,00						55	11,70
Dolphin Offshore Projects Limited			54,00					29,03	2,29	9,17
Dolphin Offshore Enterprises [Mauritius] Private Limited	2,06,29		(56,00,70)							(55,78,17)
IMPac Oil and Gas Engineering (India) Pvt Ltd.				(45,45)						(45,45)
Procyon Offshore Services Limited	1,25,58	64,95			(5,00,00)	12,90,00	12,99	11,57,34	(34)	(3,80,90)


Material related transactions:

(Rs. in '000)

Particulars	Unsecured loan / Fixed Deposit	Interest paid	Remuneration	Professional Fees Paid	(Receivables) Payables
Key Management Personnel					
Rear Admiral Kirpal Singh		3,00	2,30,86		1,47,17
Mr.Satpal Singh	51,60	1,90	1,98,13		92,03
Mr.Navpreet Singh		3,69	1,94,78		1,22,37
	51,60	8,59	6,23,77		3,61,57
Relatives of Key Management Personnel					
Mrs. Manjit Kirpal Singh	20,00	5,23	8,92		63,91
Mrs. Prabha Chandran		36			3,00
Mrs. Nitu Singh				4,00	
Ms. Rishma Singh	(3,00)	8			
Master Rohan Singh	(3,50)	9			
Mrs. Ritu Singh		36		2,50	3,00
Master Tarun Singh	10,00	1,74			20,75
Master Akhil Singh	5,00	1,10			12,25
	28,50	8,96	8,92	6,50	94,00

Notes

- Remuneration includes basic salary, allowance, perks and commission.
- The monthly reimbursement of expenses between the Company and related parties towards office expenses, provident fund etc., are not reflected in the statement above.
- There are no provisions for doubtful debts or amounts written off in respect of debts due to or from related parties.

G. Hire Purchase Agreements –

The Company has purchased assets under hire purchase arrangements which are repayable within three years from the dates of agreement. During the year, the Company has paid instalments of Rs. 47.42 lacs (2008 – Rs.41.01 lacs). The Company has a future liability of Rs.57.70 lacs (2008 – Rs. 1,16.02 lacs) towards the said agreements, of which Rs. 46.80 lacs (2008 - Rs. 58.08 lacs) is payable within one year.

H. Operating Lease commitments –

The minimum amounts payable in future towards non-cancellable lease agreements for premises are as follows:

Particulars	Amount (Rs. in '000)	
	2008-2009	2007-2008
Not later than one year	66,06	66,06
Later than one year not later than five years	3,39,37	3,16,25
Later than five years	2,28,52	3,17,70
TOTAL	6,33,95	7,00,01



		Amount (Rs. in '000)	
		2008-2009	2007-2008
I. Earnings per share –			
Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.			
Net profit after tax for the year	(Rs' in 000's)	40,01,22	16,25,85
Add : Interest to be saved on conversion of bonds to shares (Net of taxes)	(Rs' in 000's)	14,43	13,37
Diluted net profit for the year	(Rs' in 000's)	<u>40,15,65</u>	<u>16,39,22</u>
Number of Ordinary shares	(No.s in 000's)	<u>95,65</u>	<u>95,65</u>
Weighted average shares (Basic)	(No.s in 000's)	95,65	93,74
Weighted average shares (Diluted)	(No.s in 000's)	<u>1,19,85</u>	<u>1,19,85</u>
Face value per share	(Rs.)	10.00	10.00
Basic earnings per share	(Rs.)	<u>41.83</u>	<u>17.34</u>
Diluted earnings per share	(Rs.)	<u>33.51</u>	<u>13.68</u>
Calculation of weighted average number of shares		(No. in '000)	
* Number of Ordinary shares		95,65	89,60
Number of Bonus shares issued during the year		-	-
Number of shares converted during the year		-	6,05
Total Number of shares		<u>95,65</u>	<u>95,65</u>
Add : Deemed conversion of bonds to shares		<u>24,20</u>	<u>24,20</u>
** Weighted average shares (Diluted)		<u>1,19,85</u>	<u>1,19,85</u>
J. Additional disclosures required under Schedule VI:			
[a] Remuneration to Directors, including Managing Director-			
Salary		2,92,32	1,33,44
Perquisites		26,03	6,90
Commission - Wholetime Directors		3,05,42	16,70
- Other Directors		62,38	15,70
		<u>6,86,15</u>	<u>1,72,74</u>
Calculation of adequacy of profit for Directors' Remuneration			
Net Profit before tax		55,40,67	24,83,41
Less : Profit on sale of assets (In excess of cost)		-	(10,85,79)
Add : Directors' remuneration		6,86,15	1,72,74
Provision for Diminution on Investments		10,87	-
Profit for calculation of Directors Commission		<u>62,37,69</u>	<u>15,70,36</u>
Directors remuneration at 11%		<u>6,86,15</u>	<u>1,72,74</u>



	Amount (Rs. in '000)	
	2008-2009	2007-2008
[b] Legal and professional fees include fees to auditors –		
[i] As Auditors -		
- Statutory auditors	11,50	7,00
- Tax auditors	3,00	1,50
[ii] Fees for other services -		
- Limited Review Fees	3,00	1,50
- Certification Fees	1,89	65
[iii] - Out of pocket expenses	03	02
Total	<u>19,42</u>	<u>10,67</u>
[c] Operating Expenses and General & Administration Expenses include –		
Rent	1,23,15	81,52
Repairs & Maintenance		
- Building	79,78	12,00
- Machinery	1,47,55	28,00
- Vessels	75,80	180,57
- Others	86,76	42,38
	<u>3,89,89</u>	<u>262,95</u>
Employee's Remuneration and benefits		
- Salaries, Wages, Bonus, allowances and others	17,73,84	8,28,42
- Contribution to P.Fund and other funds	2,01,32	1,26,21
- Employee's Welfare and other Amenities	88,55	22,28
	<u>20,63,71</u>	<u>9,76,91</u>
Insurance		
- Personnel	29,02	16,22
- Others	5,03,38	88,35
	<u>5,32,40</u>	<u>1,04,57</u>
Rates & Taxes	<u>1,68,60</u>	<u>51,91</u>
[d] Value of imports calculated on CIF basis in respect of –		
Materials, stores and spares	<u>2,30,87</u>	<u>6,07,90</u>

[e] Break up of materials, stores and spares consumed -

Particulars	Amount (Rs. in '000)			
	2008-2009		2007-2008	
	Value	Percentage	Value	Percentage
Indigenous	15,34,58	86.92%	10,18,79	63.00%
Imported	2,30,87	13.08%	6,07,90	37.00%
Total	<u>17,65,45</u>	<u>100.00%</u>	<u>16,26,69</u>	<u>100.00%</u>



	Amount (Rs. In '000)	
	<u>2008-2009</u>	<u>2007-2008</u>
[f] Expenditure in foreign currency -		
Plant & Machinery	21,64	12,52,85
Foreign subcontractors	5,30,31	88,71
Vessel Charter & Related expenses	26,51,81	20,67,00
Professional fees	18,83	12,72
Equipment related expenses	98,31	8,61
Materials, stores and spares	2,30,87	6,07,91
Foreign travel	59,34	74,52
Other matters	58,58	2,29,95
Interest on FCCB	28,74	25,34
Advance to Wholly owned subsidiary	15,92,81	18,52,52
	<u>52,91,24</u>	<u>62,20,13</u>
[g] Earnings / Borrowing in foreign exchange -		
Contract revenues *	3,26,19,89	1,76,52,55
Sale of Vessel	-	29,37,06
Interest received	71,45	2,81,27
	<u>3,26,91,34</u>	<u>2,08,70,88</u>

* Contract revenue even includes revenues raised in foreign exchange and paid in Indian rupees which are otherwise considered as having paid for in free foreign exchange by RBI referred to in Para 9.53 (iv) of Foreign Trade Policy 2004-2009.

K. Interest in Joint Venture:

The Company has a joint venture interest in IMPaC Oil & Gas Engineering (India) Pvt Limited (a Company incorporated in India) and its proportionate share in the assets, liabilities, income and expenses of the jointly controlled entity, based on the audited accounts drawn upto 31st March 2009 is as under :

Percentage of ownership interest as at 31st March 2009 – 40%

Amount (Rs. In '000)

As at 31st March 2009		For the period ended 31st March 2009	
Assets	47,56	Income	25,42
Liability	39,56	Expenses	32,96

L. Micro, Small and Medium Enterprises (MSMEs):

To the extent information is available with the Company, there are no dues payable to any parties identified as Micro, Small or Medium Enterprises as per the Micro, Small and Medium Enterprises Development Act, 2006.

M. Debtors and Creditors:

Balances in respect of creditors and debtors are subject to confirmation/reconciliation, wherever required.

N. Prior year comparatives:

The prior year figures have been reclassified wherever necessary for comparative purposes.



PART IV

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No. State Code

Balance Sheet Date

II. Capital raised during the year [Rupees in Thousands]

Public Issue Rights Issue

Bonus Issue Private Placement

III. Position of Mobilisation and Deployment of Funds [Amounts Rs. In Thousands]

Total Liabilities Total Assets

Sources of Funds:

Paid-up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Application of Funds:

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

IV Performance of the Company [Amount Rs. In Thousands]

Turnover Total Expenditure

(includes misc. income)

+Profit/(Loss) Before Tax +Profit/(Loss) After Tax

Earning per Share in Rs. Dividend rate %

V. Generic Names of Three Principal Products/Services of Company

Item code [ITC Code]

Service Description

Item code [ITC Code]

Service Description

Item code [ITC Code]

Service Description

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
Mr. Bipin R. Shah
Mr. Satpal Singh
Mr. Navpreet Singh
Mr. V.Surendran

Executive Chairman
Director & Audit Committee Member
Managing Director
Jt. Managing Director
Company Secretary

Place : Mumbai
Date : May 14, 2009



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Currency: Thousands of Indian rupee)

	<u>2008-2009</u>	<u>2007-2008</u>
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	55,40,67	24,83,41
Adjusted for :		
Depreciation	5,47,39	6,94,37
Interest [Net]	12,08,13	11,51,06
Fixed assets - Profit on sale	(3,07,49)	(12,97,00)
Operating profit before working capital changes	<u>69,88,70</u>	<u>30,31,84</u>
Adjustments for :		
Trade and other receivables	(36,54,32)	(76,56,50)
Trade and other payables	8,32,87	5,84,39
CASH GENERATED FROM OPERATIONS	<u>41,67,25</u>	<u>(40,40,27)</u>
Direct taxes paid	(19,04,17)	(12,04,98)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>22,63,08</u>	<u>(52,45,25)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(3,01,22)	(26,64,32)
Capital Advance	(11,18)	1,64,57
Sale of fixed assets	13,28,14	29,68,39
Investments made	(4,97,12)	(25,00)
Interest received	48,32	55,90
NET CASH FLOW FROM INVESTING ACTIVITIES	<u>5,66,94</u>	<u>4,99,54</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing	(5,06,79)	(9,94,32)
Proceeds from short term borrowing	(6,72,80)	50,13,54
Increase [decrease] in lease liabilities	(47,42)	58,25
Conversion of FCCB into shares	-	13,61,10
Interest paid	(12,56,45)	(12,12,31)
Dividend paid	(2,39,12)	(2,39,12)
NET CASH FLOW FROM FINANCING ACTIVITIES	<u>(27,22,58)</u>	<u>39,87,14</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>1,07,44</u>	<u>(7,58,57)</u>
CASH AND CASH EQUIVALENTS 01.04.2008	<u>7,92,77</u>	<u>15,51,34</u>
CASH AND CASH EQUIVALENTS AS ON 31.03.2009	<u>9,00,21</u>	<u>7,92,77</u>

As per our attached report of even date
For HARIBHAKTI & CO.
 Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
 Mr. Bipin R. Shah
 Mr. Satpal Singh
 Mr. Navpreet Singh
 Mr. V.Surendran

Executive Chairman
 Director & Audit Committee Member
 Managing Director
 Jt. Managing Director
 Company Secretary

Chetan Desai
 Partner

Place: Mumbai
 Date : May 14, 2009



AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS OF DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

To,

The Board of Directors

Dolphin Offshore Enterprises (India) Limited

We have examined the attached Consolidated Balance Sheet of Dolphin Offshore Enterprises (India) Limited, its subsidiaries and joint venture (hereinafter referred to as 'the Group') as at 31st March 2009 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of three subsidiaries and of joint venture of the Company, whose financial statements reflect Total Assets of Rs. 9,352.07 lakhs as at March 31, 2009 and Total Revenue of Rs. 231.57 lakhs for the year ended as on that date. These financial statements have been audited by other

auditors, whose reports have been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries and joint venture is based solely on the reports of the other auditors.

We report that the consolidated financial statements have been prepared by Dolphin Offshore Enterprises (India) Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interest in Joint Ventures prescribed by Companies (Accounting Standards) Rules, 2006.

Based on our audit and consideration of separate audit reports on individual audited financial statements of the subsidiaries and joint venture of the Dolphin Group, we are of the opinion that the said consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2009;
- (ii) In the case of the Consolidated Profit and Loss Account, of the profit of the consolidated results of the Group for the year ended on that date; and
- (iii) In the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For **HARIBHAKTI & CO.**
Chartered Accountants

Place : Mumbai
Date : May 14, 2009

CHETAN DESAI
Partner
Membership No. : 17000



CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2009 (Currency: Thousands of Indian rupee)

	<u>SCHEDULES</u>	<u>2009</u>	<u>2008</u>
SOURCES OF FUNDS			
Shareholders' Funds -			
Share capital	1	9,56,49	9,56,49
Reserves and surplus	2	1,07,34,51	66,22,69
		<u>1,16,91,00</u>	<u>75,79,18</u>
Minority Interests		6,91	6,70
Loan Funds -			
Secured loans	3	87,45,59	55,63,97
Unsecured loans	4	95,93,45	1,14,12,55
		<u>1,83,39,04</u>	<u>1,69,76,52</u>
Deferred tax liability (net)	5,20 A(h)	1,59,87	4,68,67
		<u>3,01,96,82</u>	<u>2,50,31,07</u>
APPLICATION OF FUNDS			
Goodwill on Consolidation		11,47,01	11,47,01
Fixed Assets -			
	6, 20 A(b)		
Gross block		85,35,96	88,33,56
Less: Depreciation		(33,93,59)	(31,90,53)
		<u>51,42,37</u>	<u>56,43,03</u>
Add: Capital work In progress		94,06,67	46,64,82
Net Fixed assets		<u>1,45,49,04</u>	<u>1,03,07,85</u>
Investments	7,20 A(c)	16,12	27,01
Current Assets, Loans and Advances -			
Inventory	8	34,05	19,83
Sundry debtors	9	1,79,54,22	1,70,20,03
Cash and bank balances	10	11,22,01	8,66,65
Other current assets	11	26,90,31	27,80,24
Loans and advances	12	28,62,53	16,40,35
		<u>2,46,63,12</u>	<u>2,23,27,10</u>
Less: Current Liabilities and Provisions -			
Current liabilities	13	(98,58,72)	(84,98,96)
Provisions	14	(3,36,69)	(2,79,76)
Net current assets		<u>1,44,67,71</u>	<u>1,35,48,38</u>
Miscellaneous Expenditure	15	16,94	82
(to the extent not written off or adjusted)			
		<u>3,01,96,82</u>	<u>2,50,31,07</u>

The accompanying schedules and notes are an integral part of this Balance Sheet.

As per our attached report of even date

FOR HARIBHAKTI & CO.
Chartered Accountants

Chetan Desai
Partner

Place: Mumbai
Date : May 14, 2009

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
Mr. Bipin R. Shah
Mr. Satpal Singh
Mr. Navpreet Singh
Mr. V.Surendran

Executive Chairman
Director & Audit Committee Member
Managing Director
Jt. Managing Director
Company Secretary



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

(Currency: Thousands of Indian rupee)

	<u>SCHEDULES</u>	<u>2008-2009</u>	<u>2007-2008</u>
Revenues	20, A (d)	3,52,47,16	2,33,63,70
Operating expenses	16, A (d)	(2,23,89,42)	(1,78,91,89)
Gross operating profit		1,28,57,74	54,71,81
General and administrative expenses	17	(63,77,13)	(26,91,52)
Net operating profit		64,80,61	27,80,29
Miscellaneous income	18	11,85,54	14,44,63
Profit before interest and depreciation		76,66,15	42,24,93
Interest expenses		(12,63,34)	(12,22,16)
Depreciation	6, 20 A(b)	(7,44,55)	(7,73,35)
Prior year adjustment -			
Excess provision for depreciation written back		—	2,62,24
Net profit before tax		56,58,26	24,91,66
Less: Minority interest		(21)	(14)
Provision for taxation	19	(15,70,79)	(9,19,34)
Net profit after tax		40,87,26	15,72,18
Profit and loss account - opening balance		12,38,10	9,36,58
Less: Dividend to FCCB holders for 2006-07 including dividend tax Rs. 2.57 Lacs thereon		—	(17,69)
Less: Transferred to -			
General reserve		(4,47,52)	(1,83,11)
Debenture Redemption Reserve		(55)	—
Effect of Transitional provision of AS 15		—	(50,71)
Effect of translation in AS 11		3,29,95	—
Tonnage tax reserve		(81,40)	(1,46)
Bond Redemption reserve		(10,80,33)	(7,37,93)
Proposed dividend		(2,86,95)	(2,39,12)
Tax on Dividend		(48,77)	(40,64)
Profit and loss account - closing balance		37,09,79	12,38,10
EARNINGS PER EQUITY SHARE			
(Face value Rs. 10/- per share)			
Basic earnings per equity share	20 H	42.73	16.77
Diluted earnings per equity share	20 H	34.22	13.23

The accompanying notes are an integral part of this statement.

As per our attached report of even date
For HARIBHAKTI & CO.
 Chartered Accountants

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
 Mr. Bipin R. Shah
 Mr. Satpal Singh
 Mr. Navpreet Singh
 Mr. V.Surendran

Executive Chairman
 Director & Audit Committee Member
 Managing Director
 Jt. Managing Director
 Company Secretary

Chetan Desai
 Partner

Place: Mumbai
 Date : May 14, 2009



SCHEDULES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2009

(Currency: Thousands of Indian rupee)

	<u>2009</u>	<u>2008</u>
1 SHARE CAPITAL:		
Authorised		
2,50,00,000 equity shares of Rs. 10/- each	<u>25,00,00</u>	<u>25,00,00</u>
Issued, subscribed and paid up		
95,64,933 (2008 - 95,64,933) equity shares of Rs. 10/- each fully paid.	<u>9,56,49</u>	<u>9,56,49</u>
2 RESERVES AND SURPLUS:		
General reserve-		
Opening balance	14,45,33	12,62,22
Add: Transfer from profit and loss account	4,47,52	1,83,11
Closing balance	<u>18,92,85</u>	<u>14,45,33</u>
Bond Reemption reserve		
Opening balance	24,49,93	17,12,00
Add: Transfer from profit and loss account	10,80,33	7,37,93
Closing balance	<u>35,30,26</u>	<u>24,49,93</u>
Debenture Redemption Reserve		
Opening balance	—	—
Add: Transfer from profit and loss account	55	—
Closing balance	<u>55</u>	<u>—</u>
Tonnage Tax Reserve		
Opening balance	1,07,99	1,06,53
Add: Transfer from profit and loss account	81,40	1,46
Closing balance	<u>1,89,39</u>	<u>1,07,99</u>
Share premium account		
Opening balance	13,84,61	84,00
Less: Utilisation for issue of bonus shares	—	—
Add: Capitalised on conversion of 20% FCCB Bonds	—	13,00,61
	<u>13,84,61</u>	<u>13,84,61</u>
Profit and loss account	37,09,79	12,38,10
Foreign Currency Monetary item Translation Difference Reserve	27,06	(3,27)
	<u>1,07,34,51</u>	<u>66,22,69</u>
3 SECURED LOANS:		
Cash credit from scheduled banks	47,35,03	35,88,73
Loans from companies & banks	36,99,56	10,66,45
Term loans from Banks	3,11,00	9,08,79
	<u>87,45,59</u>	<u>55,63,97</u>

Note:

- The cash credit facilities are secured by the hypothecation of book debts, the fixed assets not secured against term loans and other current assets of the company as well as personal guarantees of the whole-time Directors
- Loan from companies & banks include loans of Rs. 53.70 lacs (2008 - Rs. 103.31 lacs) from banks under hire purchase schemes.
- Term loans from banks is secured by a first charge on the assets financed through the term loan.
- The current portion of loans repayable within one year including cash credit is Rs. 49,80.95 lacs (2008 - Rs. 40,28.30 lacs)
- Loan from banks are secured by the exclusive mortgage on the assets being financed, personal guarantees of the whole-time Directors of Dolphin Offshore Enterprises [India] Limited, Corporate guarantee from Dolphin Offshore Enterprises [India] Limited and Pledge of 30 % of shares of the Company in favour of the Bank.



SCHEDULES AND NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT MARCH 31, 2009 (Currency: Thousands of Indian rupee)

	<u>2009</u>	<u>2008</u>
4 UNSECURED LOANS:		
Foreign Currency Convertible Bonds -		
0.5% Foreign Currency Convertible Bonds redeemable - 2010	53,92,80	53,92,80
Fixed Deposits		
From Shareholders & others	54,50	46,00
Short Term Loans and Advances		
From Directors	1,11,15	1,42,75
From Companies	5,35,00	8,31,00
From Banks *	35,00,00	50,00,00
	<u>95,93,45</u>	<u>1,14,12,55</u>
* Secured by personal guarantee & pledge of shares of the Company held by Promoter Directors. Note: Fixed deposits repayable within one year amount to Rs. 25.00 lacs (2008 - Rs. 23.50 lacs)		
5 DEFERRED TAX LIABILITY (NET):		
Difference between book and tax depreciation	4,87,88	14,74,01
Others	(10,88)	—
Provision for leave encashment	(6,01)	(95,15)
Net impact of timing difference	4,70,99	13,78,86
Effective tax rate	33.99%	33.99%
	<u>1,60,09</u>	<u>4,68,67</u>
Share in joint venture	(22)	—
	<u>1,59,87</u>	<u>4,68,67</u>

6. FIXED ASSETS:

Rupees in '000

	Land	Premises	Plant & Machinery	Office Equipment	Furniture & Fixture	Motor Car	Computer	Vessel	Total
Cost									
Beginning of the year	—	12,62,20	37,65,88	1,38,58	1,88,83	2,18,50	3,06,23	29,53,34	88,33,56
Addition in the year	1,10,27	39,05	52,54	41,79	9,24	—	50,13	(8,91)	2,94,11
Share in Joint venture	—	—	—	—	—	—	16	—	16
Deletion in the year	—	(22,73)	(2,55,82)	(28,87)	(48,21)	(8,74)	(21,04)	(2,06,46)	(5,91,87)
End of year	1,10,27	12,78,52	35,62,60	1,51,50	1,49,86	2,09,76	3,35,48	27,37,97	85,35,96
Depreciation									
Beginning of the year	—	2,23,19	12,41,16	38,40	55,76	1,34,64	1,55,95	13,41,43	31,90,53
For the year	—	66,54	3,53,17	15,82	24,41	25,04	65,14	1,94,42	7,44,54
Share in Joint venture	—	—	—	—	—	—	1	—	1
Retirements	—	(11,44)	(2,41,41)	(24,74)	(38,58)	(8,05)	(19,19)	(1,98,08)	(5,41,49)
Prior year Depreciation	—	—	—	—	—	—	—	—	—
End of year	—	2,78,29	13,52,92	29,48	41,59	1,51,63	2,01,91	13,37,77	33,93,59
Net Block	1,10,27	10,00,23	22,09,68	1,22,02	1,08,27	58,13	1,33,57	14,00,20	51,42,37
Current year Add :CWIP	—	—	—	—	—	—	—	—	94,06,67
End of year	1,10,27	10,00,23	22,09,68	1,22,02	1,08,27	58,13	1,33,57	14,00,20	1,45,49,04
Previous year Add: CWIP	—	10,39,02	25,24,72	1,00,17	1,33,07	83,86	1,50,28	16,11,91	56,43,03
End of year	—	10,39,02	25,24,72	1,00,17	1,33,07	83,86	1,50,28	16,11,91	46,64,82
	—	10,39,02	25,24,72	1,00,17	1,33,07	83,86	1,50,28	16,11,91	1,03,07,85

Note:

- (a) The cost of fixed assets as at March 31, 2009 includes fixed assets of cash value of Rs. 1,68.27 lacs (2008- Rs. 176.63 lacs) which have been acquired on hire purchase by the Company from various finance companies and banks. As per the agreement with these organisations, the ownership of these assets will be transferred to the company on payment of the last instalment.
- (b) Premises include leasehold land of Rs.78.62 lacs (2008- Rs.78.62 lacs)



	<u>2009</u>	<u>2008</u>
7 INVESTMENTS:		
Long term unquoted		
<u>In Mutual Funds -</u>		
2,50,000 units of SBI - Infrastructure Fund - I- Growth	25,00	25,00
Less : Provision for Diminution in value of investment	(10,88)	-
	<u>14,12</u>	<u>25,00</u>
<u>In Equity Shares</u>		
6,668 Shares of Bombay Mercantile Bank Ltd. @ Rs. 30/- per share	2,00	2,00
10 Shares of Rizvi palace @ Rs. 50/- per share	-	1
	<u>16,12</u>	<u>27,01</u>
8 INVENTORIES:		
Stock of gas	34,05	19,83
	<u>34,05</u>	<u>19,83</u>
9 SUNDRY DEBTORS: (Unsecured, considered good)		
Outstanding for less than six months	94,14,18	68,78,90
Outstanding for more than six months	85,23,49	1,01,41,13
	<u>1,79,37,67</u>	<u>1,70,20,03</u>
Share in joint venture	16,55	-
	<u>1,79,54,22</u>	<u>1,70,20,03</u>
10 CASH AND BANK BALANCES:		
Cash on hand	16,35	7,06
Balance with scheduled banks -		
in current accounts	1,84,65	3,82,60
in fixed deposit accounts	9,15,63	4,76,99
	<u>11,16,63</u>	<u>8,66,65</u>
Share in joint venture	5,38	-
	<u>11,22,01</u>	<u>8,66,65</u>
1. The fixed deposit receipts of Rs. 896.75 lacs (2008 - Rs. 449.99 lacs) have been deposited with the State Bank of India in lieu of margin on guarantees and Letters of Credit issued by the Banks.		
2. Further, bank balance in current accounts includes Rs. 7.78 lacs (2008 - Rs. 6.00 lacs) in Unclaimed Dividend accounts. If the dividend remains unclaimed, these funds will be transferred to the investor Education and Protection Fund on due dates		
11 OTHER CURRENT ASSETS: (Unsecured, considered good)		
Insurance Claims Receivable	80,28	3,30,27
Billable Costs	2,98,89	1,68,00
Accrued Income	22,69,24	22,64,31
Interest accrued but not due	41,90	17,66
	<u>26,90,31</u>	<u>27,80,24</u>



	<u>2009</u>	<u>2008</u>
12 LOANS AND ADVANCES:		
(Unsecured, considered good)		
Advances recoverable in cash or in kind	21,16,91	12,11,17
Advance tax and tax deducted at source (Net)	6,26,73	3,24,99
Advance to Creditors	44	51
Deposits	1,17,10	1,03,68
	<u>28,61,18</u>	<u>16,40,35</u>
Share in joint venture	1,35	-
	<u>28,62,53</u>	<u>16,40,35</u>
13 CURRENT LIABILITIES:		
Sundry creditors	43,26,43	58,75,93
Bills/Letters of credit payable	21,57,25	17,87,67
Accrued expenses	10,56,48	2,12,46
Interest accrued but not due	16,71	15,85
Unclaimed Dividend *	7,78	6,01
Other current liabilities	11,68,69	5,96,80
Contract Income billed in advance	10,86,79	4,24
	<u>98,20,13</u>	<u>84,98,96</u>
Share in joint venture	38,59	-
	<u>98,58,72</u>	<u>84,98,96</u>
* If dividends remain unclaimed, they will be transferred to the Investors Education and Protection Fund on dues dates. During the year Rs. Nil (2008 - Rs. 67,400) has been transferred to Investors Education and Protection Fund.		
14 PROVISIONS:		
Proposed Dividend	2,86,95	2,39,12
Tax on proposed Dividend	48,77	40,64
	<u>3,35,72</u>	<u>2,79,76</u>
Share in joint venture	97	-
	<u>3,36,69</u>	<u>2,79,76</u>
15 MISCELLANEOUS EXPENDITURE:		
(To the extent not written off or adjusted)		
Preliminary Expenses	82	1,09
Less: Amortised during the period	(24)	(27)
	<u>58</u>	<u>82</u>
Share in joint venture (net)	16,36	-
	<u>16,94</u>	<u>82</u>



	<u>2008-2009</u>	<u>2007-2008</u>
16 OPERATING EXPENSES:		
Employee costs	11,02,46	6,24,82
Subcontractor charges	72,59,29	49,60,94
Vessel charter and related cost	98,20,14	85,98,70
Equipment related expenses	10,05,22	7,89,33
Materials, stores and spares	19,07,40	17,10,52
Travel and conveyance expenses	1,60,56	2,12,40
Financial expenses	1,95,91	1,45,25
Other operating expenses	9,23,77	8,49,93
	<u>2,23,74,75</u>	<u>1,78,91,89</u>
Share in joint venture	14,67	-
	<u>2,23,89,42</u>	<u>1,78,91,89</u>
17 GENERAL AND ADMINISTRATIVE EXPENSES:		
Employee costs	12,70,29	4,85,57
Rents,rates and taxes	1,63,26	1,34,94
Office related expenses	2,71,31	1,63,53
Travel and conveyance	1,02,55	78,36
Vehicle expenses	66,28	57,67
Promotional expenses	46,33	44,22
Legal and professional fees	2,30,65	3,52,47
Bad debts, net	39,82,18	5,93,77
Loss in foreign exchange, net	-	7,02,64
Other balances written off (net)	71,46	-
Preliminary expenses written off	24	27
Other general & administrative expenses	1,43,41	78,09
Provision for diminution in value of investment	10,88	-
	<u>63,58,84</u>	<u>26,91,52</u>
Share in joint venture	18,29	-
	<u>63,77,13</u>	<u>26,91,52</u>
18 MISCELLANEOUS INCOME:		
Foreign Exchange Gain	10,25,40	-
Interest received	51,84	58,34
Profit on sale of assets	58,38	13,48,98
Sundry income	49,92	37,31
	<u>11,85,54</u>	<u>14,44,63</u>
19 PROVISION FOR TAXATION, NET:		
Provision for Income tax	18,37,31	7,03,34
Provision for Wealth tax	11	15
Provision for Deferred tax	(3,08,58)	1,64,91
Provision for Fringe Benefit tax	41,95	31,29
	<u>15,70,79</u>	<u>8,99,69</u>
Add: Provision for tax of earlier years, provided	-	19,65
	<u>15,70,79</u>	<u>9,19,34</u>
Share in joint venture (Fringe benefit tax)	22	-
Share in joint venture (Deferred tax Asset)	(22)	-
	<u>15,70,79</u>	<u>9,19,34</u>



20. NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2009.

A. Summary of significant accounting policies:

The financial statements are prepared under the historical cost convention in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards as prescribed by Companies (Accounting Standards) Rules, 2006 and provision of the Companies Act, 1956.

[a] Basis of Consolidation -

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The consolidated financial statements comprise the financial statements of Dolphin Offshore Enterprises [India] Limited (DOEIL) and its subsidiaries and jointly controlled subsidiaries.

The consolidation of its interest in joint ventures has been prepared in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated. The Group's interest in the Joint Venture is accounted for using proportionate consolidation method. Separate line items are included to disclose the assets, liabilities, income and expenses of the jointly controlled entity.

The List of Companies which are included in consolidation and the Parent Company's holding therein are as under:-

No.	Name of the Company		Percentage holding	Place of Holding
1	Dolphin Offshore Enterprises (Mauritius) Private Limited	Subsidiary	100.00 %	Mauritius
2	Global Dolphin Drilling Co. Ltd.	Subsidiary	59.96 %	Mumbai – India
3	Dolphin International Risk Services Ltd.	Subsidiary	99.99 %	Mumbai – India
4	Procyon Offshore Services Ltd.	Subsidiary	100.00 %	Mumbai – India
5	IMPac Oil & Gas Engineering (India) Pvt. Ltd.	Joint Venture	40 %	Mumbai – India

The books of account of DOEMPL are maintained in U.S.Dollars. For the purpose of consolidation, the financial statements of DOEMPL have been translated into Indian Rupees as per the provision of Accounting Standard 11.

[b] Fixed assets and depreciation -

Fixed assets are valued at cost [except as stated below], which includes the purchase price of the asset, and other direct costs incurred in getting the asset at the appropriate location and into a condition where they can be put to use. Financing costs incurred up to the date that the asset is ready to be used is included in the cost of the asset if they are significant. Please see accounting policy on foreign currency transaction for treatment of exchange rate fluctuations on foreign currency loans taken for procurement of fixed assets. However, fixed assets costing up to Rs 5,000 individually are charged off in the year of acquisition.

In accordance with Accounting Standard 28, the Company will recognise impairment of fixed assets or a group of fixed assets, if their recoverable value (realisable value or discounted cash flow expected from the use of the asset) is lower than its carrying cost. If such indication exists, the carrying amount of such asset is lowered to the recoverable value and the reduction is treated as an impairment loss and is recognised in the profit and loss account.

Office premises were revalued by Rs. 2,19.99 lacs during the year ended March 31, 1994 based on the report of the approved valuer to reflect the market price prevailing on December 31, 1993. This revaluation had been done to recognise the significant appreciation in the market value of the office since the date of acquisition.

Depreciation [including depreciation on revalued portion of fixed assets] is calculated on the declining balance method at the rates and in the manner, stated in Schedule XIV of the Companies Act, 1956, except for ships [excluding barges], which is calculated on the straight-line method, and computer software which is amortised over a period of five years.

Leasehold land and improvement thereon are amortised over the lease period.

[c] Investments -

Quoted investments are valued at the lower of market value or cost. Market value is determined as the rate prevailing in the Stock Exchange at the close of business on the last working day of the financial year. Cost of investments is determined as the purchase price of the investments plus other direct costs incurred on establishing clear ownership of the investment.

Unquoted investments and investments in subsidiary companies or partnership firms are valued at cost. However, a provision is made for any long term or permanent diminution in value of shares below the cost price.



[d] Recognition of Revenue and Expenses -

The Company generally adopts the proportionate completion method of revenue recognition where revenues are recognised as and when work is completed e.g. per day, per square meter etc.

However, where the proportionate completion method cannot be easily implemented [e.g. on lump sum rate contracts], the Company adopts the completed contract method where revenues are recognised only when the contracts are fully completed, or easily identified portions of the contract are completed. At year end, expenses incurred on contracts for which revenues are not recognised are reflected as billable costs.

Revenues include the amounts due under various contracts entered into with customers, including reimbursable expenses and interest payable by the client on overdue payments as per the terms of contracts, plus the fees earned on the chartering of the Company's vessel to third parties when the vessel is not deployed on the Company's contracts. The corresponding costs of reimbursable expenses are reflected in operating expenses. Revenues include adjustments for rebates, discounts and downtimes, which arise in the course of business during the year.

Material, stores and spares are procured as per the needs of the projects and are charged to profit and loss account.

[e] Foreign currency convertible bonds -

Foreign currency convertible bonds ('non monetary liability') are recognised as debts until such time as the bonds are either converted into equity shares or are redeemed at the option of the bondholders. Foreign exchange gains or losses on the translation of the outstanding bonds and the interest payable on the redemption of bonds are recognised as contingent liabilities during the period that the bond holders have the option to convert the bonds into equity shares, but will only be booked as period costs or benefits on the expiry of the option period. The expenses incurred on raising these debts are booked as period costs in the year they are incurred.

A reserve for redemption of bonds is created over the duration of the bonds out of the Company's distributable profits. This reserve will be transferred to the General / Revenue Reserve on the conversion of the bonds into equity shares or on redemption of the bonds, whichever is earlier.

[f] Foreign currency transactions -

Foreign currency transactions are recorded in the books of account at the exchange rate prevailing on the date of the transaction. Any differences that arise in exchange rates on the date that these transactions are settled are recognised as foreign exchange gains or losses.

In the event that transactions are not settled as of year end, all foreign currency balances are translated using the exchange rate prevailing at year end, and any resulting foreign exchange gains or losses are recognised as period costs.

Gain or losses arising from translating the year end balances of foreign currency loans/liabilities incurred for acquisition of fixed assets are adjusted against the cost of fixed asset.

Investments in shares in foreign subsidiaries are recorded in the books of accounts at the historical exchange rates i.e. at the exchange rate prevailing on the date of subscribing to the shares.

[g] Employees benefits -

Short Term Employee Benefits

Liability in respect of short term compensated absences is accounted for at undiscounted amount likely to be paid as per entitlement.

Defined Contribution Plan

Retirement benefits in the nature of Provident Fund, Superannuation Scheme and others which are defined contribution schemes, are charged to the Profit and Loss account of the year when contributions accrue.

Defined Benefit Plan

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the Balance Sheet date.

Other Long Term Benefits

Long term compensated absences are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised in the Profit and Loss account for the year as income or expense.

[h] Deferred tax and Income tax -

Deferred taxes arise due to the difference in recognition of income and expenses as per Company's books of account prepared as per generally accepted accounting principles and as per the income tax returns prepared in accordance with the provisions of Indian Income-tax Act, 1961. These differences may be permanent in nature, or they may represent a timing difference and consequently may affect the future profitability after tax of the Company.



In order to minimise the effect of deferred taxes in future years, the Company provides for deferred taxes using the liability method in accordance with the Accounting Standards 22 issued by the Institute of Chartered Accountants of India. Deferred taxation is recognised on items relating to timing difference, at the income tax rates prevailing on the balance sheet date, and is reviewed every year for the appropriateness of their carrying value on each Balance Sheet date.

Accounting for Taxes on income requires the Deferred tax Assets to be recognised only if there is virtual certainty supported by convincing evidence of future taxable income. In case of Procyon Offshore Services Limited, the company's major business emanates from operating tonnage tax vessels for which there would be no timing difference. Accordingly the deferred tax liability relates to only one vessel which is non-qualifying asset under the tonnage tax presumptive taxation. The effect for deferred tax in respect of other assets is also given.

The deferred tax balance accumulated in the years prior to the first year when deferred taxes have been accounted for, have been created with a corresponding credit / charge to the Company's revenue reserves.

[i] Earnings per share -

Earnings per share have been calculated on the basis of the number of equity shares of Rs. 10/- each that are outstanding as at the balance sheet date. Diluted earnings per share is calculated on the basis of the weighted average of the number of equity shares outstanding as at the balance sheet date plus the dilutive equity shares that the Company may need to issue on convertible instrument.

B. Contingent Liabilities:

- i) On December 22, 2005, the Company has issued 0.5% Foreign Currency Convertible Bonds which are due for redemption on December 22, 2010 unless the bond holders exercise their option to convert these bonds into equity shares. As at 31.03.2009, there is an unrealised loss in foreign exchange of Rs. 6,97.20 lacs (2008 – Gain of Rs.5,77.80 lacs) on value of bonds, while the yield to year till 31st March 2009 is Rs.12,88.05 lacs (2008 – Rs. 6,85.08 lacs).
- ii) As at March 31, 2009 the Company had contingent liabilities in respect of bank guarantees, issued to their customers of Rs.58,77.57 lacs (2008 - Rs 25,10.84 lacs) of which Rs.57,14.03 lacs (2008 – Rs 24,65.02 lacs) are outstanding as of date. These bank guarantees are secured by hypothecation to and in favour of the bank of the Company's entire book debts [present and future], outstanding moneys, engagements, securities, investments and rights and further secured by personal guarantee of Whole-time Directors.
- iii) Capital commitment and guarantees on behalf of subsidiary –
The Company's wholly owned subsidiary, Dolphin Offshore Enterprises (Mauritius) Private Limited is currently investing in a ship building programme worth US\$ 37 million. This Capital expenditure is being met through unsecured interest free loan of US\$ 17 million given by the Company and US\$ 20 million from term loans. In addition, the Company has given a corporate guarantee to the lenders of Dolphin Offshore Enterprises (Mauritius) Private Limited for US\$ 20 million (2008 – US\$ 20.00 million)
As at March 31, 2009, the Company had already given unsecured loan of US\$ 12.54 million (2008- US\$ 9.17 million) and the balance will be paid during the financial years.
- iv) The Company has appealed the award of the Income Tax Appellate Tribunal (ITAT) on the block assessment of the Company under Sec.158BC of Income Tax Act, 1961 raising a demand of Rs 52.97 lacs (2008 – Rs 52.97 lacs). There is an additional demand of Rs. 3,04.92 lacs (2008- Rs.2,89.01 lacs) raised by the department for the A.Y. 1998-99 to A.Y .2004-2005 on account of Shipping reserve disallowance. This matter has been referred to the Tribunal. Further the Company has appealed to the CIT (A) against the demand of Rs.31.55 lacs for A.Y.2005-06 on account of disallowance of dry docking charges. Any liability arising in respect of above matters will be booked on completion of the proceedings.
- v) The Company's wholly owned subsidiary, Dolphin Offshore Enterprises (Mauritius) Private Limited's Board on 17th March, 2006, approved the acquisition of three vessels (two workboats and one construction barge). It is expected that the cost of these vessels will approximate USD 37 million. USD 20 million of the funding will be done by way of loan from the Singapore subsidiary of ICICI Bank Limited (the "Bank"). Dolphin Offshore Enterprises (India) Limited and its promoters will provide guarantee to the loan sanctioned by the Bank to the Company. Dolphin Offshore Enterprises (India) limited will also fund the balance by way of an interest free Rupee loan. As of date the Company has already utilised an amount of USD 18,459,068 towards construction of the vessels (2008 - USD 12,429,960)
- vi) Procyon Offshore Services Limited has filed an appeal with the Commissioner of Income Tax (Appeals) against the order of Assessing Officer for demand of Rs.27 lacs for A.Y. 2006-2007 in respect of disallowance of eligible carried forward losses.

C. Borrowing cost:

As stated in Schedule 18A (a), financing costs incurred up to the date the asset is ready to be used is included in the cost of the asset, if they are significant.



Amount (Rs. in '000s)

Amount Capitalised to Office Premises and Plant and machinery as follows:

Particulars	2008-2009	2007-2008
Stamp duty	—	16,13
Interest on loan	—	4,25
TOTAL :	—	20,38

All other borrowing cost is treated as revenue expenses. During the year the Company incurred the following borrowing costs charged to revenue:

Particulars	2008-2009	2007-2008
Interest on fixed deposits / term loans	92,07	1,08,61
Interest on FCCB	28,74	25,34
Other interest expenditure	11,42,18	10,88,21
Total Borrowing Cost:	12,63,68	12,22,16

D. Segment reporting-

The Company is mainly engaged in Offshore business and there are no separate reportable segments as per Accounting Standard (AS) 17.

E. Related Party Disclosures-

Related party transactions cover transactions between the Company and the following persons in accordance with the Accounting Standard 18 prescribed by Companies (Accounting Standards) Rules, 2006.

1) Related party relationships:

a) Companies under common control:

- i) Dolphin Offshore Projects Limited – under common control
(Formerly known as Marwa Investment & Leasing Co. Pvt. Ltd.)
- ii) Kanika Shipping Limited - under common control

b) Key Management Personnel

- i) Rear Admiral Kirpal Singh - Executive Chairman
- ii) Mr.Satpal Singh - Managing Director
- iii) Mr.Navpreet Singh - Joint Managing Director

c) Relatives of Key Management Personnel with whom the Company has had transactions during the year.

- i) Mrs.Manjit Kirpal Singh
- ii) Mrs. Prabha Singh
- iii) Mrs.Nitu Singh
- iv) Ms. Rishma Singh
- v) Master Rohan Singh
- vi) Mrs. Ritu Singh
- vii) Master Tarun Singh
- viii) Master Akhil Singh

d) Companies controlled by relatives of key management with whom the Company has had transactions with during the year

- i) Oakland Trading Private Limited



2) The Company's related party transactions and balances are summarised as follows:

(Rs. In '000)

NATURE OF TRANSACTIONS	TRANSACTION DURING THE YEAR		OUTSTANDING BALANCE AS AT MARCH 31, 2009		OUTSTANDING BALANCE AS AT MARCH 31, 2008	
	2008-09	2007-08	(RECEIVABLE)	PAYABLE	(RECEIVABLE)	PAYABLE
Companies under common control,				20,87		1,25,27
Subcontractor charges paid	0	12,00				
Hire charges paid	29,03	39,07				
Rent paid	0	1,30				
Interest paid	2,84	10,69				
Unsecured loans recd (repaid), net	(84,00)	5,00				
Rent Deposit Refund	0	(2,00)				
Key Management Personnel				3,61,57		1,15,13
Remuneration	6,23,77	1,57,70				
Interest paid	8,59	12,94				
Rent paid	0	3,19				
Unsecured loans received (repaid),net	(51,60)	(2,50)				
Rent Deposit Refund	0	(5,00)				
Relatives of Key Management Personnel				94,00		67,61
Commission	8,92	2,24				
Interest paid	8,96	7,87				
Professional Fees	6,50	0				
Fixed deposits received (repaid),net	8,50	12,50				
Unsecured loans received (repaid),net	20,00	2,11				
Companies controlled by Relatives of Key Management Personnel						1,01
Rent paid	0	1,30				
Rent Deposit Refund	0	(2,00)				

Companies under common control	Unsecured loan / Fixed Deposit	Hire Charge / Rent Paid	Interest paid	Payables (Receivables)
Kanika Shipping Limited	30,00		55	11,70
Dolphin Offshore Projects Limited	54,00	29,03	2,29	9,17


Material related transactions:

(Rs.In '000)

	Unsecured loan/Fixed Deposit	Interest paid	Remuneration	Professional Fees	Payables (Receivable)
Key Management Personnel					
Rear Admiral Kirpal Singh		3,00	2,30,86		1,47,17
Mr. Satpal Singh	51,60	1,90	1,98,13		92,03
Mr. Navpreet Singh		3,69	1,94,78		1,22,37
	51,60	8,59	6,23,77		3,61,57
Relatives of Key Management Personnel					
Mrs. Manjit Kirpal Singh	20,00	5,23	8,92		63,92
Mrs. Prabha Chandran		36			3,00
Mrs. Nitu Singh				4,50	
Ms. Rishma Singh	(3,00)	8			
Master Rohan Singh	(3,50)	9			
Mrs. Ritu Singh		36		2,50	3,00
Master Tarun Singh	10,00	1,74			20,75
Master Akhil Singh	5,00	1,10			12,25
	28,50	8,96	8,92	6,50	94,00

Notes

- Remuneration includes basic salary, allowance, perks and commission.
- The monthly reimbursement of expenses between the Company and related parties towards office expenses, provident fund etc., are not reflected in the statement above.
- There are no provisions for doubtful debts or amounts written off in respect of debts due to or from related parties.

F. Hire Purchase Agreements –

The Company has purchased assets under hire purchase arrangements which are repayable within three years from the date of agreement. During the year, the Company has paid instalments of Rs. 49.87 lacs (2008 – Rs.43.18 lacs). The Company has a future liability of Rs. 59.28 lacs (2008 – Rs. 120.05 lacs) towards the said agreements, of which Rs. 48.38 lacs (2008 – Rs .60.53 lacs) is payable within one year.

G. Operating Lease commitments –

The minimum amounts payable in future towards non-cancellable lease agreements for premises are as follows:

Particulars	Amount (Rs '000)	
	2008-2009	2007-2008
Not later than one year	66,06	66,06
Later than one year not later than five years	3,39,37	3,16,25
Later than five years	2,28,52	3,17,70
TOTAL	6,33,95	7,00,01



		<u>2008-2009</u>	<u>2007-2008</u>
H. Earnings per share –			
Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.			
Net profit after tax for the year	(Rs in '000)	40,87,31	15,72,18
Add : Interest to be saved on conversion of bonds to shares	(Rs in '000)	14,43	13,37
Diluted net profit for the year	(Rs in '000)	41,01,74	15,85,55
Number of Ordinary shares	(No. in '000)	95,65	95,65
Weighted average shares (Basic)	(No. in '000)	95,65	93,74
Weighted average shares (Diluted)	(No. in '000)	1,19,85	1,19,85
Basic earnings per share	(Rs.)	42.73	16.77
Diluted earnings per share	(Rs.)	34.22	13.23
Calculation of weighted average number of shares			(No. in '000)
*Number of Ordinary Shares		95,65	89,60
Number of FCCB Bonds converted during the year		0	6,05
Total Number of Shares		95,65	95,65
Add: Deemed conversion of bonds to shares		24,20	24,20
** Weighted average shares (diluted)		1,19,85	1,19,85

I. Transitional effect of Accounting Standard 11

Pursuant to Companies (Accounting Standards) Amendment Rules, 2009 in respect of AS 11 "The Effects of Changes in Foreign Exchange Rates", the Company has exercised the option of adjusting exchange differences, arising on reporting of long term foreign currency monetary items relating to acquisition of depreciable fixed asset, by addition/deduction from the cost of asset, with retrospective effect from applicable accounting year commencing from April 1, 2007.

Accordingly, Capital Work in Progress and Opening balance of Profit and Loss account have been increased by Rs.329.95 lacs.

J. Prior year comparatives:

The prior year figures have been reclassified wherever necessary for comparative purposes.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Currency: Thousands of Indian rupee)

	2008-2009	2007-2008
CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	56,58,26	24,91,66
Adjusted for :	-	-
Depreciation	7,44,55	7,73,35
Interest [Net]	12,11,50	11,63,82
Profit on sale of fixed assets	(58,38)	(13,48,98)
Preliminary expenses written off	2,94	24
Expenditure of prior years	-	34
Excess depreciation of earlier years written back	-	(2,62,24)
Miscellaneous expenditure	(16,12)	-
Operating profit before working capital changes	<u>75,42,75</u>	<u>28,18,18</u>
Adjustments for :		
Trade and other receivables	(20,67,24)	(33,16,93)
Trade and other payables	13,59,76	3,91,28
CASH GENERATED FROM OPERATIONS	68,35,27	(1,07,45)
Direct taxes paid	(19,35,62)	(12,57,16)
NET CASH FLOW USED IN OPERATING ACTIVITIES	48,99,65	(13,64,61)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(2,94,27)	(26,64,32)
Capital work-in-progress	(47,41,85)	(27,78,40)
Sale of fixed assets	1,08,76	30,36,68
Investments made	10,89	(25,00)
Transfer to foreign exchange translation reserve	3,60,28	(8,87)
Interest received	51,84	58,34
NET CASH FLOW USED IN INVESTING ACTIVITIES	(45,04,35)	(23,81,57)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowing, net	(5,97,79)	(1,51,44)
Proceeds from short term borrowing, net	(6,72,80)	29,28,21
Increase [decrease] in lease liabilities	26,33,11	56,08
Conversion of FCCB into shares	-	13,61,10
Interest paid	(12,63,34)	(12,27,51)
Dividend paid	(2,39,12)	(2,39,12)
Preliminary Expenditure	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	(1,39,94)	27,27,32
NET DECREASE IN CASH AND CASH EQUIVALENTS	2,55,36	(10,18,86)
CASH AND CASH EQUIVALENTS AS ON 01.04.2008	8,66,65	18,85,51
CASH AND CASH EQUIVALENTS AS ON 31.03.2009	11,22,01	8,66,65

As per our attached report of even date

For HARIBHAKTI & CO.
Chartered Accountants

Chetan Desai
Partner

Place: Mumbai
Date : May 14, 2009

FOR AND ON BEHALF OF THE BOARD

Rear Admiral Kirpal Singh
Mr. Bipin R. Shah
Mr. Satpal Singh
Mr. Navpreet Singh
Mr. V.Surendran

Executive Chairman
Director & Audit Committee Member
Managing Director
Jt. Managing Director
Company Secretary



STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES

1 Name of Subsidiary Companies	Procyon Offshore Services Ltd.	Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd.	Global Dolphin Drilling Company Ltd.	Dolphin International Risk Services Ltd.
2 Financial Year Ending	March 31, 2009	March 31, 2009	March 31, 2009	March 31, 2009
3 Date from which it became a subsidiary	August 31, 2006	November 2000	March 31, 1997	December 30, 2005
4 Extent of interest of the Holding Company in the capital of the subsidiary	100%	100%	59.96%	100%
5 Net aggregate amount of the Subsidiary's profit / (loss) not dealt with in the Holding Company's Account	IN RUPEES	IN RUPEES	IN RUPEES	IN RUPEES
(i) Current Year	4,25,02,303	19,27,287	51,969	(12,909)
(ii) Previous year's since it become subsidiary	5,42,68,235	(3,04,07,158)	11,74,434	(51,494)
6 Net aggregate amount of the Subsidiary's profit/(loss) dealt with in the Holding Company's Account				
(i) Current Year	Nil	Nil	Nil	Nil
(ii) Previous year's since it become subsidiary	Nil	Nil	Nil	Nil

STATEMENT RELATING TO SUBSIDIARY COMPANIES AS ON MARCH 31, 2009

1 Name of Subsidiary Companies	Procyon Offshore Services Ltd.	Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd.	Global Dolphin Drilling Company Ltd.	Dolphin International Risk Services Ltd.
2 Issued, subscribed & Paid up Share Capital	24,00,000	11,68,000	5,00,000	5,00,000
3 Reserves	121,570,540	7,197,671	Nil	Nil
4 Total Assets	28,64,18,417	93,90,14,289	17,37,124	6,25,158
5 Total Liabilities	28,64,18,417	93,90,14,289	17,37,124	6,25,158
6 Investments	2,00,040	Nil	Nil	Nil
7 Turnover	21,71,45,343	2,04,67,503	Nil	Nil
8 Profit / Loss before Taxation	4,50,04,655	25,03,885	1,06,622	(12,909)
9 Provision for Taxation	25,02,352	5,76,598	54,653	Nil
10 Profit / Loss after Taxation	4,25,02,303	19,27,287	51,969	(12,909)
11 Proposed Dividend	Nil	Nil	Nil	Nil

DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

Regd. Office: 1001, Raheja Centre, 214, Nariman Point, Mumbai - 400 021.

Date : June 29, 2009

Dear Shareholder,

Re : Payment of Dividend through Electronic Clearing Service (ECS)

It has always been our endeavour to extend the best possible services to our shareholders. However, we find that you may encounter occasional difficulties mainly when we have to depend on external agencies. Of late, it has been noticed that dividend warrants forwarded by post are intercepted in transit and are fraudulently encashed by dishonest elements, causing a great deal of inconvenience to the shareholders and to the Company.

With a view to safeguard our mutual interest, we would strongly recommend that you avail of the Electronic Clearing Service (ECS) which had been introduced by the Reserve Bank of India (RBI), initially in the Metro Cities and which has now been extended to other cities where RBI and SBI has clearing centres. Under this system dividend payable to you, is directly credited to a bank account designated by you. No physical instruments are issued and information is electronically passed on to the RBI through our bankers. Upon receiving this information your bank would directly credit your account and indicate credit entry as "ECS" in your passbook / bank statement and intimation of "ECS" would also be sent to you separately. Therefore, with this facility, problems faced due to loss in transit, frauds, postal delays etc. would be avoided.

We would like to draw your attention to Circular No. DCC/FITTCIR-3/2001 dated 15th October, 2001 issued by SEBI, vide which the Companies are advised to mandatorily use ECS facility for distributing dividends, or other cash benefits etc. to the investors in areas where ECS facility is available. In the absence of availability of ECS facility, the Companies may use warrant for distributing the dividends.

In case of ECS facility is not made available to you by the Company at a particular centre, the dividend amount payable to you would be remitted by means of a dividend warrant which will be posted to your address with the particulars of bank viz. name of the bank, Account No. etc. furnished by you, duly incorporated on it.

Shareholders holding shares in dematerialised form are hereby informed that as per the above referred SEBI's circular, SHAREPRO SERVICES (INDIA) PVT. LTD., Share Transfer Agent of the Company will send dividend amount for credit into Shareholders' bank account through "ECS" wherever Bank particulars and MICR details are made available to them in the Beneficial Ownership Position provided by NSDL and CDSL for the purpose of dividend payment.

Further such shareholders i.e. who are holding their shares in dematerialised mode are requested to provide the Bank details/ charges, if any, only to the Depository Participant (D.P.) with whom demat account is maintained. **In this case details/ changes intimated to the Company or its Share Transfer Agent namely M/s. SHAREPRO SERVICES (INDIA) PVT. LTD. will not be considered.**

Shareholders holding shares in physical form and who wish to avail of this facility are requested to fill in the form given overleaf and return the same along with a photo copy of the cheque pertaining to the Bank Account where they would like the amount to be credited. Such forms should be received by **M/s. SHAREPRO SERVICES (INDIA) PVT. LTD.** Share Transfer Agent of the Company at the address as mentioned overleaf preferably **on or before 24th July, 2009** so as to enable them to credit the future dividend entitlement to shareholders a/c. through ECS. Those shareholders who have already furnished the ECS details should ignore this circular.

This arrangement is subject to RBI guidelines issued from time to time.

Bank particulars

Shareholders holding shares in physical form and who do not wish to opt for ECS facility or located in a place where such facility is not available are requested to inform the name, branch and a/c. no of their bank, if not provided earlier, **on or before 24th July, 2009** in the format provided overleaf.

Such particular will be incorporated on the dividend warrant to avoid any fraudulent encashment.

Please note that ECS instructions will supersede the mandate instructions given earlier by you and noted in our records.

Yours faithfully
For **Dolphin Offshore Enterprises (India) Limited**

V. Surendran
Company Secretary

ELECTRONIC CLEARING SERVICES (ECS) / BANK DETAILS MANDATE FORM

To,
M/s. Sharepro Services (India) Pvt. Ltd.
Unit: Dolphin Offshore Enterprises (India) Ltd.
13 AB, Samhita Warehousing Complex,
Second Floor, Sakinaka Telephone Exchange Lane,
Off. Andheri Kurla Road,
Sakinaka, Andheri (East),
Mumbai - 400 072.

Dear Sirs

Re: Payment of dividend

I have read the letter dated 29th June, 2009 from the Company giving the details of ECS scheme printed overleaf.

- # I wish to participate in the Electronic Clearing Service (ECS) introduced by Reserve Bank of India.
- # I do not wish to participate in the ECS. However, kindly print the bank particulars given below on the dividend warrant being issued to me.

1. Ref. Folio No. : _____
2. Particulars of Bank : _____
- a) Name of the bank : _____
- b) Branch Address : _____
- c) 9 digit code Number of the Bank & Branch as appearing on the MICR Cheque issued by the Bank :

--	--	--	--	--	--	--	--	--
- d) Account type (Please tick) : Saving Current Cash Credit
- e) Ledger Folio No. (if any) of your bank account : _____
- f) Account No. : _____

I hereby declare that the particulars above given are correct and complete. I undertake to inform any subsequent changes in the above particulars before the relevant book closure date(s). If the payment is delayed or not effected at all for any reason(s), beyond the control of the Company, I would not hold the Company or its Share Transfer Agent namely M/s. SHAREPRO SERVICES (INDIA) PVT. LTD. responsible.

Signature of the first holder

Date : _____

- Note :
- (1) Currently ECS facility is available at following centres : Ahmedabad, Bangalore, Bhubaneswar, Chandigarh, Chennai, Faridabad, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna, Pune and Thiruvananthapuram.
 - (2) Please ensure that the details submitted by you are correct as any error therein could result in the dividend amount being credited to a wrong account.
- * The nine digit code number of your bank and branch is mentioned on the MICR band next to the cheque number.
- # Delete whichever is not applicable.

DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

Regd. Office: 1001, Raheja Centre, 214, Nariman Point, Mumbai - 400 021.
Tel.: 2283 2226 / 34 / 42

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

Full Name of the member attending

Full name of the First Joint-holder

Name of the proxy.....
(To be filled in if Proxy Form has been duly deposited with the Company)

I hereby record my presence at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company at M. C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai - 400 001 on Friday, July 24, 2009 at 1500 hrs (3.00 p.m.) (Tel. No. 22844350 / 22844401)

.....
Member's / Proxy's Signature

Regd. Folio No.

(To be signed at the time of handling over this slip)

----- (TEAR HERE) -----

DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

Regd. Office: 1001, Raheja Centre, 214, Nariman Point, Mumbai - 400 021.
Tel.: 2283 2226 / 34 / 42

PROXY FORM

I/We
of in the district of
..... being member(s) of the above named Company, hereby
appoint
of in the district of
or failing him
of in the district of

as my / our proxy to vote for me / us on my / our behalf at the **THIRTIETH ANNUAL GENERAL MEETING** of the Company at M. C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai - 400 001 on Friday, July 24, 2009 at 1500 hrs (3.00 p.m.) (Tel. No. 22844350 / 22844401)

Signed this day of 2009.

Regd. Folio No.

No. of Shares held:

Please affix
Revenue
Stamp

The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the Annual General Meeting.



BOARD OF DIRECTORS



Standing (L to R): Mr. Robert Petty, Mr. Navpreet Singh, Mr. Satpal Singh, Mr. S. Sundar, Mr. Bipin Shah
Sitting (L to R): Mr. F. C. Kohli, Rear Admiral Kirpal Singh, Mrs. Manjit Kirpal Singh,
Mr. S. Venkiteswaran, Mr. Arvind Parikh

Vision Statement

“Dolphin Offshore Enterprises (India) Limited will be a global provider of integrated services to the oil and gas industry, with a diversified portfolio for undertaking turnkey projects involving Underwater, Marine and Offshore Construction. We will harness our knowledge and energy to provide world class quality, safety and environmental protection standards. We will constantly upgrade procedures, skills, systems and technology to create greater value for our clients, suppliers, employees and shareholders.”





DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.

Head Office: LIC Building, Plot No 54, Sector 11, CBD Belapur (E), Navi Mumbai-400614

Tel: (91) 22-66026602 Fax: (91) 22-66026603

Registered Office: 1001, Raheja Center, 214 Nariman Point, Mumbai-400 021

Tel: (91) 22-22832226, 22832234 Fax: (91) 22-22875403

Email: customers@dolphinoffshore.com

Website: www.dolphinoffshore.com