

# DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.



**33**<sup>rd</sup>  
Annual Report 2011- 2012



## 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.

## 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
Mr. J. Jayaraman	Director
Mrs. Manjit Kirpal Singh	Director (upto July 27, 2012)
Mr. Robert D. Petty	Director
Mr. S. Sundar	Director
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Vice Admiral Harisimran Singh Malhi	Executive Director (Special Projects) (w.e.f. May 14, 2012)

## COMPANY SECRETARY

Mr. V. Surendran

## AUDITORS

Haribhakti & Co.

## BANKERS

State Bank of India, Canara Bank & Standard Chartered Bank

## 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  
Fax No.: 6602 6603

## CONTENTS

1. Board of Directors.....	02
2. Executive Management.....	03
3. Chairman's Message.....	04
4. Profile.....	05
5. Notice.....	15
6. Directors' Report.....	22
7. Corporate Governance.....	29
8. Auditors' Report.....	45
9. Balance Sheet.....	48
10. Profit & Loss Account.....	49
11. Cash Flow Statement.....	50
12. Notes to Annual Accounts.....	51
13. Auditors' Report on Consolidated Financial Statements.....	71
14. Consolidated Balance Sheet.....	72
15. Consolidated Profit & Loss Account.....	73
16. Consolidated Cash Flow Statement.....	74
17. Consolidated Notes to Annual Accounts.....	75



# BOARD OF DIRECTORS



Rear Admiral Kirpal Singh  
Executive Chairman



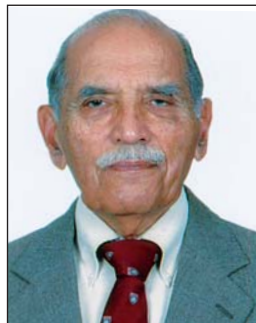
Mr. S. Venkiteswaran  
Vice Chairman



Mr. Arvind K. Parikh  
Director



Mr. Bipin R. Shah  
Director



Dr. Faqir Chand Kohli  
Director



Mr. J. Jayaraman  
Director



Mrs. Manjit Kirpal Singh  
Director



Mr. Robert D. Petty  
Director



Mr. S. Sundar  
Director



Mr. Satpal Singh  
Managing Director



Mr. Navpreet Singh  
Joint Managing Director



Vice Admiral Harisimran Singh Malhi  
Executive Director (Special Projects)



# EXECUTIVE MANAGEMENT

---



Mr. Tapan Banik  
Chief Operating Officer & Vice  
President (Operations)  
(Operation Division)



Mr. Prakash Malvankar  
Chief Operating Officer & Vice  
President (Projects)  
(Project Division)



Mrs. Umavparvati Srinivasan  
Vice President - Finance  
(Accounts & Finance)



Mr. H. Rammohan  
Senior General Manager-  
Purchase (Central Procurement  
Department)



Mr. Abraham T. Lucose  
Senior General Manager-  
Special Projects & Human  
Resource (Corporate/HR &  
Admin)



Mr. V. Surendran  
Company Secretary  
(Legal & Secretarial)



Mr. Keith Drego  
General Manager  
(Marketing)



Mr. S. Surendar  
Assistant General Manager  
(Information Technology)



Dear Shareholders,

It gives me pleasure to present the details of the performance of your Company for the Financial Year 2011-2012. The Annual Report consisting of the Accounts for the year ended March 31, 2012 and Notice convening the Annual General Meeting is enclosed herewith.

The results of your Company have not been as good as I would have liked them to have been. The turnover was Rs.174.98 crores during FY11/12 on a standalone basis, as compared to Rs.276.76 crores for the FY 10/11; the profit was down by 31.91% to Rs. 15.26 crores and EPS was down by 34.53% to Rs.9.10. The main reason for the subdued performance during this year was due to our inability to win contracts in green field and brown field areas of operation on account of considerable slowdown in the award of EPC contracts during the previous year. I am happy to inform you that the measures taken by the company to improve its competitive edge have succeeded and we secured the prestigious OGIP contract from ONGC. This contract is valued at OGIP Rs.270.00 crores.

The Order Book position of your Company stands at Rs.353.50 crores, as on March 31, 2012.

ONGC is likely to come up with Rs.2000 crores worth of tenders on the Brownfield projects in the ensuing season where your Company has built up considerable strength over the years. The newly built vessel, Beas Dolphin, is on charter with McDermott in the Middle East and we are in advanced stage of negotiation for charter of VIKRANT DOLPHIN. These developments and other measures that your Board of Directors have taken, give me confidence that your company has resumed its upward growth path.

I would like to pay a special tribute to Mrs. Manjit Kirpal Singh, who completes her tenure as Director today. All of you are aware that she has been with the company from its inception. In the initial years she not only managed the company's finances but also supervised the operations during my absence. Throughout her tenure, initially as Director (Finance and Administration) and later as Non-Executive Director, she looked after the interests of the company and helped build up the morale and team spirit of our employees. Your Board would have liked her to continue as a Director, but she has decided that it is time for her to make room for younger and more knowledgeable person to replace her on the Board.

I am sure, all of you would like to give her a standing ovation for her contribution to Dolphin Offshore and wish her good health and happiness in the future.

I would like to welcome and reward for your approval Vice Admiral H.S Malhi (Retd.) as Executive Director (Special Project). He brings to the board vast experience as Marine Engineering in Navy and later Chairman and Managing Director of prestigious warship build yard Mazagon Dock Limited.

I would like to re-iterate our strong commitment to good corporate governance. We are continuously striving to improve the quality of our disclosures. Members would have observed that the contents of our Annual Reports over the past few years contain more information about the company and its working.

Our employees constitute our biggest asset and I am sure that their continued employment, improved efficiency and, I hope, prosperity, will enable your Company to face the challenges ahead. The effort of your Company is not only to comply with regulatory requirements but also practice Corporate Governance principles based on integrity, transparency and overall corporate accountability.

I am grateful to the Board of Directors for their support and guidance and also to all customers, bankers, financial institutions, Government and regulatory authorities, shareholders and most of all to all the employees for their valuable support and co-operation:

I look forward to your continued support, trust and participation in the growth of the Company.

With warm regards,

**Rear Admiral Kirpal Singh**  
Executive 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. The personnel 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 vast experience in inspection, maintenance, repairs, non-destructive testing and construction work related to offshore structures pipelines repair

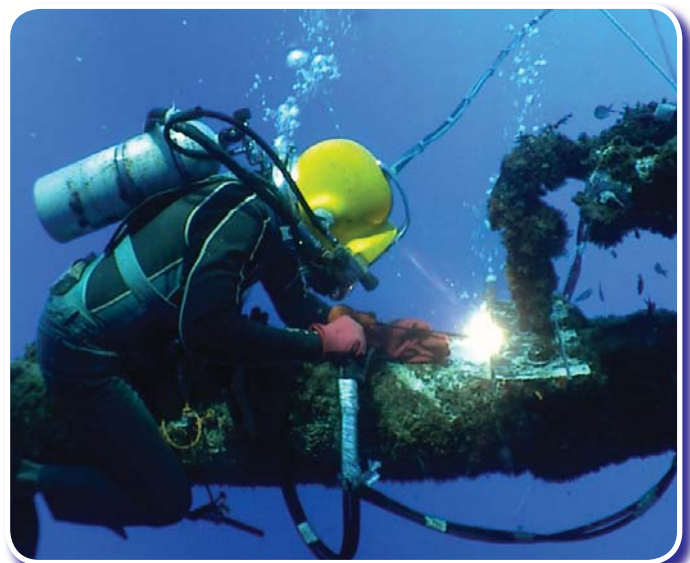
The Company has made considerable investments for the acquisition of equipments for Air, Mixed Gas and Saturation Diving, Underwater Welding and Cutting, NDT Inspection, CCTV and Hydraulic equipment and Air Lift equipment. The company has a diving workshop located at Turbhe for the main purpose of storage 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.
- Redundent pipeline removal.
- Removal of grout bags used for pipeline stabilisation.
- 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 12 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.





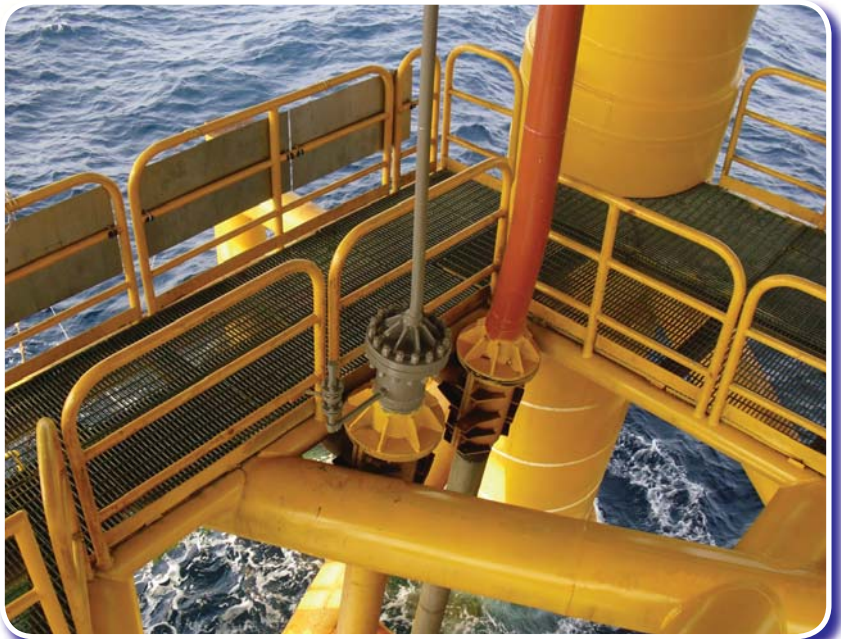
## TURNKEY EPC PROJECTS



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

### **DOLPHIN OFFSHORE SHIPPING LIMITED. (DOSL)**

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.

DOSL 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.

DOSL owns 3 OSVs (Offshore Support Vessels) including a workboat and four Harbour Tugs, all of which are chartered out to reputed clients. These include:

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

DOSL has also taken on management one Anchor Handling Tug, AMS Divine, which is BBCD charter with Dolphin Offshore (Mauritius) Pvt. Ltd.

DOSL also operates and manages vessels owned by other wholly owned subsidiary of DOEIL including Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd. and status of new Construction Vessels of the above Company is as under:-

- Beas Dolphin – Delivered in December 2009 and under DOSL Management.
- Vikrant Dolphin (DP Accomodation Barge) – Delivered in October 2011 and under DOSL Management.

To cater to the Offshore Construction requirements of DOEIL, DOSL also provides Marine Operations and Logistics services which include chartering, operating and managing various types of vessels including barges, DP Construction Vessels, Offshore Support Vessels, etc.



## 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 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 and IMPaC Offshore Engineering, GmbH, Hamburg, Germany. This joint venture Company was incorporated in July, 2008. 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 conceptual studies, FEED, Feasibility studies, Basic Engineering and detail engineering. IMPaC also provides Procurement services, site supervision and commissioning.

Following are the Design Engineering Capability Impac India presently has:

- Civil Engineering
- Structural Engineering
- Electrical Engineering
- Process Engineering
- Pipeline Engineering

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.

Presently Impac India with Dolphin is doing ONGC OGIP project. Besides this Impac India is involved in many overseas projects with Impac Germany and Impac Nigeria. Following are some of them:

- Project:- Libya NC 193 A & B Facilities Oil & Gas separation Plant
- Client:- RWE Dea NA/ME (RWE Dea North Africa / Middle East)
- Project:- AS-BUILT CAMPAIGN PROJECT-OKOLOMA GAS PLANT
- Client:- SHELL PETROLEUM DEVELOPEMENT COMPANY OF NIGERIA LIMITED
- Project:- Deen Dayal Field Development Submarine Pipeline Project
- Client:- GSPS (Gujarat State Petroleum Corporation)
- Project:- Subsea Design Project
- Client - ONGC/Dolphin
- Project:- AFAM F5 Project
- Client:- SHELL PETROLEUM DEVELOPEMENT COMPANY OF NIGERIA LIMITED



# MEN AND MACHINES - DIVING SYSTEMS



Saturation Diving Systems are diving spreads, used when divers are saturated to a particular pressure related to a particular depth thus allowing the person to work for longer duration of time.

**SAT CONTROL PANEL:** which controls SAT chambers atmosphere so that divers can live there while under pressure



**Diving Bell:** Used for transportation of divers from surface to particular water depth either in saturation diving mode or bounce diving mode.

The bell is equipped with necessary equipment to sustain life at depth.



**BELL INTERNAL PANEL:** Which controls/ supplies gas to divers when they go outside the bell to work. Bell is equipped with life support system.



**Air diving chamber:** Used for decompressing divers to get rid of inert gas from their body on completion of dives following laid down decompression tables.



**ECU & Sanitary Water Unit:** ECU controls the environment inside chambers so that divers can live there. Sanitary unit delivers water to showers & toilets under pressure.



**AIR DIVING PANEL**  
Air Diving Panel for delivering gas to divers. Panel is also equipped with sensor to monitor gases passing through the panel.

**Air Diver installing riser claim at splash zone level.**



# MEN AND MACHINES - VESSELS

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



Brahmaputra Dolphin



Ganga Dolphin



Beas Dolphin



Kamrup

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



SCH 3



Time Skipper



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



# MEN AND MACHINES - FABRICATION AND TOPSIDE



## KOBELCO - 450 CRANE :

Kobelco Crane has a 97.54 meter main boom and a 67 meter luffing boom. With main boom the crane can lift 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.



DOEIL supplied & commissioned Distributed Control System, PLC System and Fire & Gas Detection System consisting of - HPM controller & NIM Module at NQD & ICP platform for Monitoring & control of all the process variables for the additional facilities at NQD & ICP Platform.



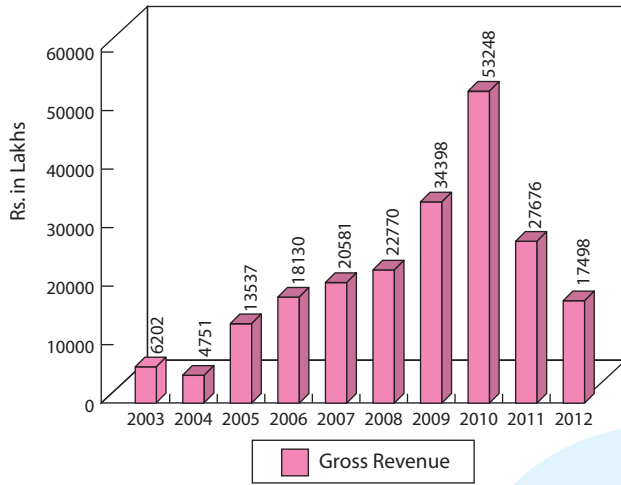
DOEIL has supplied & commissioned the PMCC Electrical Panels along with the modification in Switchgear, Cable laying, Glanding & Termination.



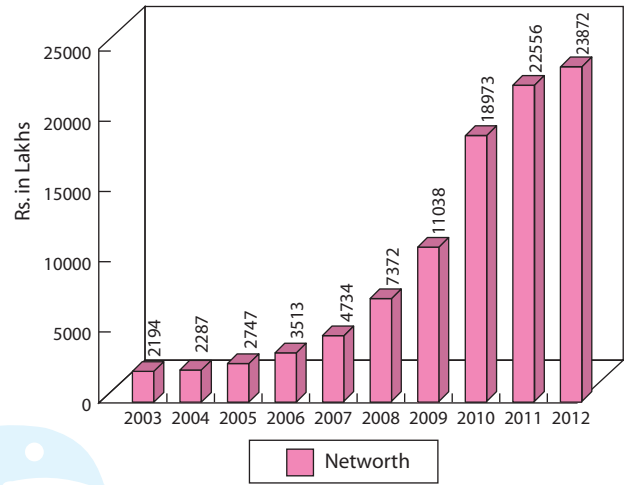
## KEY PERFORMANCE INDICATORS

Year ended 31 March Financial Data (Rs. in Lacs)	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
<b>ASSETS &amp; LIABILITIES</b>										
Net Fixed Assets	2985	3326	3583	3737	4992	4858	3241	3240	1699	1741
Net Current Assets	29863	28460	22297	20141	17254	10538	11005	3639	2535	2573
Share Capital	1677	1677	1576	956	956	896	560	560	560	560
Reserves & Surplus	22195	20879	17397	10082	6416	3838	2953	2187	1727	1634
Total Borrowings	10922	11167	8861	14692	15918	11846	10528	3943	1828	2027
Net Worth	23872	22556	18973	11038	7372	4734	3513	2747	2287	2194
<b>REVENUES &amp; EXPENSES</b>										
Gross Revenue	17498	27676	53248	34398	22770	20581	18130	13537	4751	6202
Operating Expenses	14114	21940	41624	22336	17465	15975	14611	10660	3685	5379
Gross Operating Profit	3384	5736	11624	12061	5305	4605	3519	2877	1065	823
Profit Before Tax	2175	3242	7064	5541	2483	2334	1438	974	165	117
Profit After Tax	1526	2242	4664	4001	1626	1483	925	620	156	92
<b>KEY RATIOS :</b>										
Earnings per Share (Rs.)	9.10	13.90	32.36	29.88	17.34	16.55	16.52	11.06	2.79	1.64
Rate of Dividend (%)	15.00	15.00	30.00	30.00	25.00	25.00	25.00	25.00	10.00	10.00
Gross Operating Profit Margin (%)	19.34	20.73	21.83	35.06	23.30	22.38	19.41	21.25	22.43	13.27
Net Profit Margin (%)	8.72	8.10	8.76	11.63	7.14	7.21	5.10	4.58	3.28	1.48
Current Ratio	2.53	1.86	1.76	1.58	1.38	1.44	1.87	1.05	1.25	1.15
Debt Equity Ratio	0.10	0.00	0.09	0.50	0.79	1.50	2.06	0.26	0.05	0.03
Return on Net Worth (%)	6.39	9.94	24.58	36.25	22.05	31.33	26.34	22.55	6.82	4.22
Return on Investment (%)	11.48	14.68	27.35	31.71	21.41	17.88	13.09	28.43	17.73	4.09

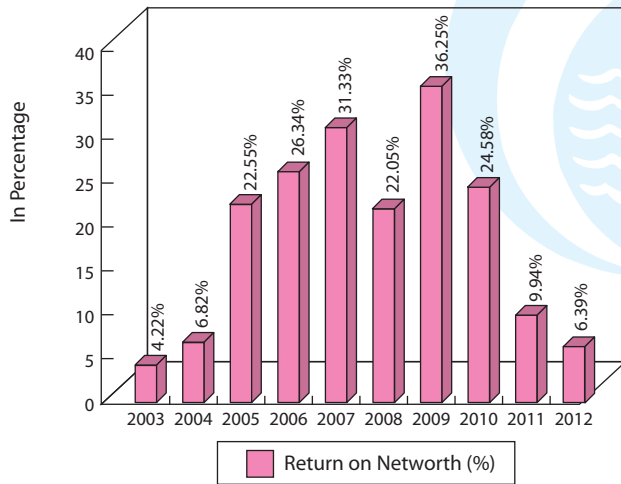
### REVENUE



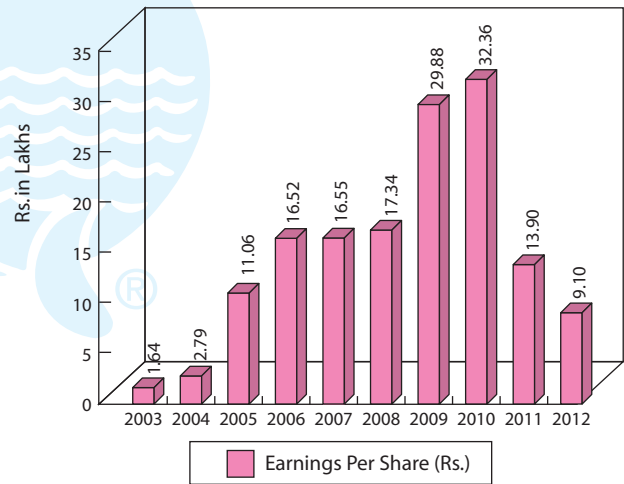
### NETWORTH



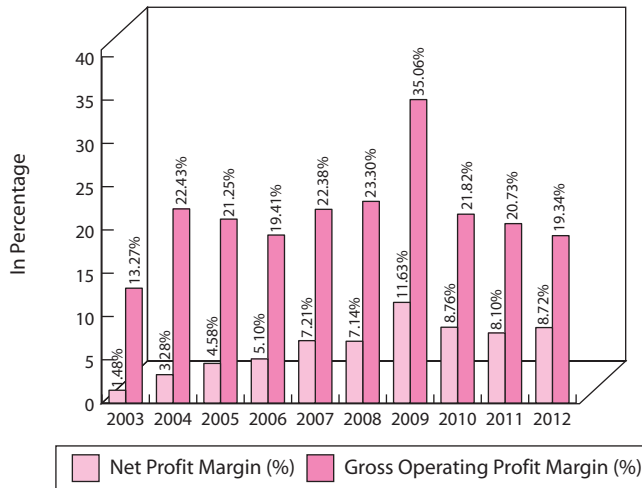
### RETURN ON NETWORTH



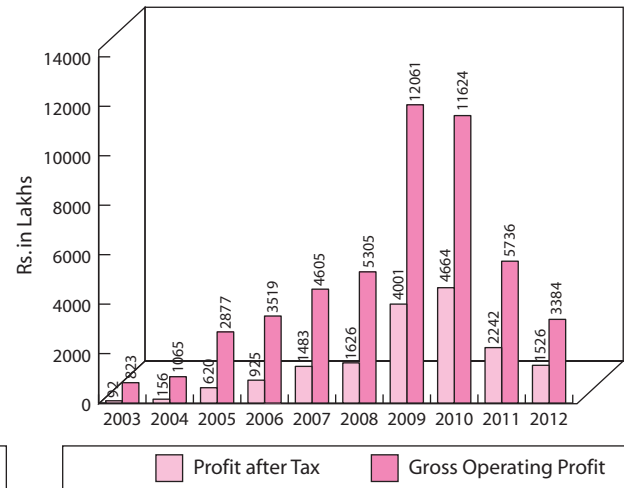
### EARNING PER SHARE



### PROFITS



### PROFITABILITY







## NOTICE

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of **DOLPHIN OFFSHORE ENTERPRISES [INDIA] LIMITED** will be held on Friday, September 14, 2012 at 1000 hours (10.00 a.m.) at M.C. Ghia Hall, Fourth Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai - 400001 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2012 together with the Reports of the Directors' and the Auditors' thereon.
2. To declare dividend.
3. To appoint a Director in place of Mr. S. Venkiteswaran, who retires by rotation, and being eligible, offers himself 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 appoint a Director in place of Mr. Bipin R. Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
6. 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, Mumbai be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting to the conclusion of the next Annual General Meeting of the Company 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 accounts of the Company."

### SPECIAL BUSINESS

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

**"RESOLVED THAT** subject to such approvals as may be necessary, the Directors of the Company

other than Executive Chairman, Managing Director and Joint Managing Director be paid annually for each of the five financial years of the Company commencing from 1st April, 2013, an amount not exceeding One percent of the net profits of the Company, as provided under Section 309(4) of the Companies Act, 1956 or any amendment or modifications thereof, computed in the manner referred to in Section 198(1) of the Companies Act, 1956 or any amendment or modifications thereof, to be divided amongst the Directors aforesaid in such a manner as Board of Directors of the Company may from time to time determine."

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

**"RESOLVED THAT** Vice Admiral Harisimran Singh Malhi, who was appointed as an Additional Director of the Company on May 14, 2012 pursuant to Article 107 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 and whose terms of office expires at this Annual General Meeting as per Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company."

9. 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 198, 269, 309 and all other applicable provisions of the Companies Act, 1956 ("the Act") (including any statutory modifications or re-enactment thereof for the time being in force) read with Schedule XIII of the Act and subject to the approval of the Central Government, if necessary, and such other approvals, permissions and sanctions, as may be required and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities in granting such approvals, permissions and sanctions, approval of the Company be accorded for appointment of Vice Admiral Harisimran Singh Malhi as Whole Time Director designated as Executive Director (Special Projects) of the Company with effect from May 14, 2012, following are the brief terms and conditions of his appointment;



Name	Salary	Period of Appointment
Vice Admiral Harisimran Singh Malhi	<b>Basic Salary:</b> 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. However basic salary may be reduced by the amount of rent paid by the Company for providing rent free accommodation, if he chooses to opt for it.	3 years with effect from May 14, 2012 to May 13, 2015

**RESOLVED FURTHER THAT** that the perquisites payable or allowable and commission be as follows:

**Perquisites:**

- i) The expenditure incurred by the Vice Admiral Harisimran Singh Malhi 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 and 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 one car with driver for use on Company's business and telephone at the residence.
- viii) Leave as per rules of the Company.

**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.

Provided that the remuneration payable to the Directors (including the salaries, commission, perquisites, benefits and amenities) does not exceed the limits laid down in Section 198 and 309 of the Act, including any statutory modifications or re-enactment thereof.

**RESOLVED FURTHER THAT** where in any financial year during the currency of the tenure of the Whole Time Director, the Company has no profits or its profits are inadequate, the Company may pay him, the above remuneration as the minimum remuneration by way of salaries, perquisites and other allowances and benefits as specified above subject to receipt of the requisite approvals, if any;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of the Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any duly authorised Committee thereof, for the time being exercising the powers conferred on the Board by this resolution) be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

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

sd/-  
**V. SURENDRAN**  
**COMPANY SECRETARY**

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

Date: July 27, 2012



1. **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. PROXY FORM 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.**

2. The Register of Members and the Share Transfer Books of the Company will remain closed from September 8, 2012 to September 14, 2012 (both days inclusive)

3. Members are requested to intimate to Sharepro Services (India) Pvt. Ltd., 13 AB, 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.

4. 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.

5. Members desiring any information regarding the accounts are requested to write to the Company Secretary, Dolphin Offshore Enterprises (India) Limited 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.

6. 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.

7. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business is annexed herewith.

8. Appointment of Directors:

In view of resignation of Mrs. Manjit Kirpal Singh at the ensuing Annual General Meeting, Mr. S. Venkiteswaran, Mr. Robert D. Petty and Mr. Bipin R. Shah, Directors of the Company retire by rotation and being eligible offer themselves for re-appointment and Vice Admiral Harisimran Singh Malhi is proposed to be appointed as Director

(Whole Time Director designated as Executive Director (Special Projects)) of the Company. The information or details pertaining to Mr. S. Venkiteswaran and Mr. Bipin R. Shah, Directors of the Company 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 and brief resume of Vice Admiral Harisimran Singh Malhi is as follows:

Vice Admiral Harisimran Singh Malhi was commissioned into the Indian Navy on 01 Jul 72 after completion of training at National Defence Academy, Khadkvasla and completed Basic Engineering Course and Marine Engineering Specialization Course at Naval College of Engineering at INS Shivaji, Lonavala. He has also done a Post-graduate Advanced Marine Engineering Course at Institute of Armament Technology, Pune, Naval Higher Command Course at College of Naval Warfare, Mumbai and National Security Course at National Defence College, Delhi.

In his 36 years' service in the Indian Navy, he served on both major and minor war vessels ranging from Cruisers and Destroyers to Frigates and Missile Boats. During his sea appointments, he gained experience on all types of main propulsion in the Indian Navy. His appointments afloat were capped by his stint as Fleet Engineer Officer, Western Fleet.

Amongst important appointments ashore have been as Commanding Officer of INS Shivaji, which is Indian Navy's premier technical training establishment and General Manager (Refit) at Naval Dockyard, Visakhapatnam. He was also Warship Production Superintendent at Mazagon Dock Ltd. Mumbai and oversaw commissioning of Missile Destroyer INS Mumbai, Missile Corvette INS Kirch and Missile Boat INS Prabal.

As Flag Officer, he was Director, Defence Machinery Design Establishment at Hyderabad and served as Admiral Superintendent Naval Dockyard at Visakhapatnam, a premier ship repair yard on the East Coast.

For distinguished service with the Navy, he was awarded Ati Vishisht Seva Medal and Vishisht Seva Medal by the President of India.

He took premature retirement from the Navy and assumed charge as Chairman & Managing Director of Mazagon Dock Ltd. Mumbai from October 20, 2008 and retired on January 31, 2012.



9. All unclaimed dividend lying in the unpaid dividend account till 2003 - 2004 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 31-03-2012	DATE OF TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND
2004 - 2005	89,741.00	On or before 09/09/2012
2005 - 2006	99,215.00	On or before 06/10/2013
2006 - 2007	158,833.00	On or before 06/10/2014
2007 - 2008	167,225.00	On or before 28/10/2015
2008 - 2009	179,217.00	On or before 23/08/2016
2009 - 2010 (Interim Dividend)	123,396.00	On or before 30/11/2016
2009 - 2010	123,039.00	On or before 21/08/2017
2010 - 2011	149,545.50	On or before 28/08/2018

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.

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

sd/-  
**V. SURENDRAN**  
**COMPANY SECRETARY**

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

Date: July 27, 2012



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

**AGENDA ITEM NO 7**

The Shareholders of the Company in their 28<sup>th</sup> Annual General Meeting approved amount to be payable to the directors, who are not Executive Chairman or Managing Director or Whole Time Director or Joint Managing Director, not exceeding One per cent of the net profits of the Company, for five years commencing on April 1, 2008. The said resolution is valid for five years and expires at this Annual General Meeting.

The Board of Directors propose for the approval of the members, payment of remuneration to the non-executive Directors for the period of 5 years with effect from Financial year of the Company commencing from April 01, 2013, as set out in Special Resolution under Item no. 07.

Only non-executive directors of the Company may be deemed to be interested and concerned in the Special Resolution.

**AGENDA ITEM NO. 8 & 9**

Vice Admiral Harisimran Singh Malhi (hereinafter "Vice Admiral Malhi") was appointed as an Additional Director of the Company by the Board of Directors of the Company in their meeting held on May 14, 2012 in terms of Section 260 of the Companies Act, 1956 w.e.f. May 14, 2012. He will vacate his office at this Annual General Meeting. Due notices under Section 257 of the Companies Act, 1956 have been received from members proposing the appointment of Vice Admiral Malhi as a Director of the Company. If appointed, his office shall not be liable to determination by retirement by rotation.

He has filed his requisite consent pursuant to Section 264(1) of the Companies Act, 1956 with the Company. He does not hold any share in the Company.

Keeping in view of wide experience of Vice Admiral Malhi, the Remuneration Committee of the Directors approved his appointment as Whole Time Director designated as Executive Director (Special Projects) and remuneration payable to him subject to approval of Members by Special Resolution, for a period of 3 years from May 14, 2012 to May 13, 2015 on the terms and conditions including remuneration as are set out in the Agreement entered into between the

Company and Vice Admiral Malhi and as mentioned in the resolution at Item No.9, a copy of agreement is placed before this Meeting and initialed by the Chairman, for the purpose of identification and which is hereby approved with the authority to the Board of Directors to alter and vary the terms and conditions including remuneration of the said Appointment and / or Agreement so as not to exceed the limits specified in Part II of Schedule XIII to the Companies Act, 1956 including any statutory modifications or re-enactment thereof is the case may be:

In compliance with the requirement of Section 302 of the Companies Act, 1956, an Abstract of the terms of appointment of Vice Admiral Malhi together with the Memorandum of Concern or Interest was sent to the Members. The other terms of remuneration including commission payable to the Director is set out in the Special Resolution under Item No. 09

Pursuant to Sections 198,269,309 and all other applicable provisions of the Companies Act, 1956 ("the Act"), read with Schedule XIII of the Act, the appointment of Vice Admiral Malhi as Whole Time Director is now being placed before the Members in the Annual General Meeting for their approval by way of a Special Resolution.

Your Directors recommend this Resolution at agenda no. 8 & 9 of the Notice for approval of Members.

Rear Admiral Kirpal Singh, Mr. Satpal Singh and Mr. Navpreet Singh being the relatives are interested in his appointment.

Apart from Vice Admiral Malhi who would be interested in this resolution, none of the Directors other than above are interested in his appointment.

**STATEMENT PURSUANT TO SCHEDULE XIII OF  
THE COMPANIES ACT, 1956 TO BE CIRCULATED  
TO THE SHAREHOLDERS ALONG WITH THE  
NOTICE OF CALLING THE ANNUAL GENERAL  
MEETING**

**I. GENERAL INFORMATION:**

**1) Nature of Industry:**

The Company is inter alia in the business of Diving, EPC and other Offshore related services.



**2) Date or expected date of commencement of commercial production:**

The Company was incorporated on May 17, 1979 and started functioning since then.

**3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

Not Applicable

**4) Financial performance based on given indicators – as per audited financial results for the year ended March 31, 2012**

(Amount in Lacs)

Particulars	2011-2012
Gross Turnover & Other Income	2,03,29.91
Net profit as per Profit & Loss A/c. (after Tax)	15,26.40
Profit as computed under Section 309(5) read with Section 198 of the Act	24,43.44
Net Worth	2,38,72.00

**5) Export performance and net foreign exchange collaborations: Nil**

**6) Foreign investments or collaborations, if any: Nil**

**II. INFORMATION ABOUT THE APPOINTEE:**

**1) Background Details:**

*Career Graph*

Vice Admiral Malhi was commissioned into the Indian Navy on July 01, 1972 after completion of training at National Defence Academy, Khadkvasla and completed Basic Engineering Course and Marine Engineering Specialization Course at Naval College of Engineering at INS Shivaji, Lonavala. He has also done a Post-graduate Advanced Marine Engineering Course at Institute of Armament Technology, Pune, Naval Higher Command Course at College of Naval Warfare, Mumbai and National Security Course at National Defence College, Delhi.

In his 36 years' service in the Indian Navy, he served on both major and minor war vessels

ranging from Cruisers and Destroyers to Frigates and Missile Boats During his sea appointments, he gained experience on all types of main propulsion in the Indian Navy. His appointments afloat were capped by his stint as Fleet Engineer Officer, Western Fleet.

Amongst important appointments ashore have been as Commanding Officer of INS Shivaji, which is Indian Navy's premier technical training establishment and General Manager (Refit) at Naval Dockyard, Visakhapatnam. He was also Warship Production Superintendent at Mazagon Dock Ltd. Mumbai and oversaw commissioning of Missile Destroyer INS Mumbai, Missile Corvette INS Kirch and Missile Boat INS Prabal.

As Flag Officer, he was Director, Defence Machinery Design Establishment at Hyderabad and served as Admiral Superintendent Naval Dockyard at Visakhapatnam, a premier ship repair yard on the East Coast.

*Industry Participant*

He took premature retirement from the Navy and assumed charge as Chairman & Managing Director of Mazagon Dock Ltd. Mumbai from October 20, 2008 and retired on January 31, 2012.

*Recognition and Awards*

For distinguished service with the Navy, he was awarded Ati Vishisht Seva Medal and Vishisht Seva Medal by the President of India

**2) Past remuneration:**

Not Applicable

**3) Recognition or awards:**

The information is already covered in the section "Background details."

**4) Job profile and his suitability:**

Keeping in view the experience and expertise of Vice Admiral Malhi as mentioned in background details, Board of Directors of the Company is of opinion that he will be eminently suitable to be appointed as Whole Time Director and your Company will be immensely benefited from his appointment.



**5) Remuneration proposed**

Name	Salary	Period of Appointment
Vice Admiral Harisimran Singh Malhi	<b>Basic Salary:</b> 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. However basic salary may be reduced by the amount of rent paid by the Company for providing rent free accommodation, if he chooses to opt for it. Details of perks and commission payable has been stated in the resolution.	3 years with effect from May 14, 2012 to May 13, 2015

**6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person(in case of expatriates the relevant details would be w.r.t. the country of his origin)**

Taking into consideration the size of the Company, the profile of Vice Admiral Malhi, the responsibilities shouldered by him and the industry benchmark, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

**7) Pecuniary relationships directly or indirectly with the company or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to Vice Admiral Malhi, do not have any other pecuniary relationship with the Company. Vice Admiral is a relative of Rear Admiral Kirpal Singh, Executive Chairman, Mr. Satpal Singh, Managing Director and Mr. Navpreet Singh, Joint Managing Director.

**III. OTHER INFORMATION:**

1) Reasons of loss or inadequate profits:

Not applicable, as the Company has posted a net profit after tax of Rs.15,26.40 Lacs during the year ended March 31, 2012.

2) Steps taken or proposed to be taken for improvement

3) Expected increase in productivity and profits in measurable terms'

Not applicable, as the Company has adequate profits. The Company posted profit after tax of Rs.15,26.40 Lacs for the year ended March 31, 2012.

**IV. DISCLOSURE:**

The information and Disclosures of the remuneration package of the managerial personnel have been mentioned in the Annual Report in the Corporate Governance Report Section under the Heading "Remuneration to Directors"

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

sd/-  
**V. SURENDRAN**  
**COMPANY SECRETARY**

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

Date: July 27, 2012

**Important Communication to Members**

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. For more details, please read the letter to the Shareholders attached with this report.



To

**THE MEMBERS OF**

**DOLPHIN OFFSHORE ENTERPRISES (INDIA)  
LIMITED**

Your Directors have great pleasure in presenting the Thirty Third Annual Report on the business and operations of the Company, together with the audited financial statements for the year ended March 31, 2012.

**1.0 AUDITED FINANCIAL STATEMENTS:**

**1.1 Summarised Audited Financial Results –**

(Amounts in Lacs  
of Indian Rupees except EPS)

	2011-12	2010-11	Variation year on year (%)
Revenues	1,74,98.31	276,76.06	(36.77)
Gross operating profit	33,84.62	5745.41	(41.09)
Net operating profit	12,43.65	3043.92	(59.14)
Profit before interest and depreciation	40,75.25	47,58.92	(14.37)
Profit before tax	21,74.66	32,41.57	(32.91)
Net profit after tax	15,26.40	22,41.69	(31.91)
Earnings per share			
- Basic (Rs.)	9.10	13.90	(34.53)
- Diluted (Rs.)	9.10	13.90	(34.53)

During the year, the Company did not execute any major EPC contract, and hence the turnover and resultant profits have reduced in comparison with the previous year. The reasons for the Company not winning any EPC contracts during the year have been discussed in Section 2.2 of this Report. During the year under review, applications for Duty Credit Entitlement of Rs.14.30 Crores has been submitted.

**1.2 Dividend -**

For the year 2011–12, the Board of Directors has recommended a dividend of Rs.1.50 (2011: Rs. 1.50) per equity share of Rs.10.00 each, which will result in a total outlay of Rs. 2.51 Crores (2011: Rs. 2.51 Crores) towards dividend. This year the Company has not made any provision for Dividend Distribution Tax amounting to Rs. 0.41 crores as Dolphin Offshore Shipping Limited (Wholly owned subsidiary Company) have paid Dividend Distribution Tax to the treasury computed on the

dividend paid by Dolphin Offshore Shipping Limited to the Company, which would be set-off against the Dividend Distribution Tax payable by the Company.

**1.3 Matters Arising Out Of The Auditors' Report –**

The Auditors have qualified their report under the Note with regard to the non provision of liquidated damages of Rs. 28.30 Crores (2011: Rs. 23.89 Crores) on execution of its EPC contracts.

There was an increase in the scope of work in respect of two EPC contracts that were executed during the year which resulted in delays not attributable to the Company and the recovery of standby charges. The Company has submitted its application for extension of contractual completion date to its clients along with its claims towards standby and extra work done. These proposals are yet to be reviewed by the clients. In the given circumstances, the management opines that these matters will be settled in favour of the Company.

**2.0 MANAGEMENT'S DISCUSSIONS AND ANALYSIS:**

**2.1 Industry Trends and Developments –**

In view of the ongoing economic crisis in Europe the threat of recession looms large as a result of negative growth in many developed markets and a sharp slowdown in emerging markets. Further deterioration of the economic crisis cannot be ruled out and it won't be good news for emerging economies including India. However, considering the inherent strength of the Indian Economy, we expect that GDP of India may continue grow at a moderate rate. In view of the above, the price of the Oil fluctuating a lot and the same has been softened recently.

Indian market was also not buoyant during the year as ONGC did not come with many EPC contracts in Greenfield and brown field. However, the Indian Market will gather buoyancy in the coming days due to the Government of India's intention to achieve energy security and enhancing domestic production.





Oil is particularly strategic, both economically and politically, due to lack of substitutions in sufficient form. Alternative fuels are available; however, government- and policy-supported technologies are far behind the curve in their efforts to allow for a viable, turn-key method of substitution in times of oil scarcity. Therefore, the dependency on Oil will be continued to be there.

## **2.2 The year in perspective –**

During the year, there was a considerable slowdown in the number of EPC contracts awarded both in the Greenfield and Brownfield areas. The slowdown was accompanied by a pressure on contractual rates due to increased competition.

Unlike brown field projects, the Company does not have any inherent advantage in being competitive in these Greenfield projects as the advantage essentially lies with those companies who own fabrication yards, heavy lift barges or pipelay barges, none of which is owned by the Company.

Like in the previous financial year, the Company has witnessed the competition from foreign companies in this year also. In many cases, tenders have been awarded to foreign parties at costs considerably below ONGC's budgets.

Despite, the disadvantages stated above, The Company actively participated in these tenders, as result, the OGIP contract valuing Rs.270 Crores was awarded to the Company.

While Management was willing to look at sacrificing margins in order to win contracts, it was not willing to win contracts on a price where incurring losses was a certainty.

As a consequence of not winning any of the EPC contracts during the period April,2011 to January ,2012, there was a major reduction in the procurement and fabrication activities as well as in the deployment of marine spread for offshore installation, hook-up and commissioning. Hence, revenues were reduced during the year.

During the year, most of the revenues earned were done on undertaking subcontracts with other EPC contractors/contractors, both for underwater and diving contracts as well as for installation, hook-up and commissioning . The deployment of the Company's diving and top-side resources were not efficient as compared to the previous year.

In March, 2012, the Company was awarded an EPC contract from ONGC for OGIP Power to ESP Project for lump sum price of approximately Rs.270 Crores.

The future looks better as the order book position of the Company stood as at March 31, 2012 is Rs. 353.50 Crores (2011: Rs. 126 Crores).

## **2.3 Future Prospects –**

As stated in the preceeding paragraph, the future prospects in the coming years look better. The main reasons for this are as follows:

- Oil and gas remains the main source of energy due to the effective lock of sustainable substitutes. While demand for oil and gas has reduced during the last year due to uncertain global economic conditions, the supply side has also been disrupted due to the political upheaval witnessed in the Middle East and North Africa. With new sanctions being imposed on Iran, the supply is likely to be affected further. Taking advantage of this situation, some countries, especially Saudi Arabia, Qatar and the UAE are looking at enhancing their own production capabilities and are looking at making at large investments in their oilfields.
- With the activity levels picking up, more and more resources are being deployed and hence the pressure on oilfield service providers to obtain contracts at very low costs is diminishing, Hence there is a belief that the cut throat competition currently prevalent in the market will also ease.
- As per indications given by ONGC, there will be a large amount of investment in



the Indian offshore region to bolster domestic production. A substantial portion of this investment will be made in brownfield projects, where your Company has an inherent advantage as it has inhouse capabilities of undertaking such EPC projects on its own.

- To take advantage of the renewed investments being made in the Middle East and Africa, your Company is now venturing into these new geographical markets. The new vessels, owned by Dolphin Offshore Mauritius have been deployed in the Middle East, and the management expects to be able to provide it full range of services in these new markets over the next couple of years.

In view of the factors stated above, Management is confident that the future prospects of the Company will improve over the next couple of years.

## **2.4 Business Risks and Management's assessments -**

### **2.4.1 Increased international competition:**

As stated in the preceding paragraphs, the Indian market has witnessed a substantial increase in international competition as foreign companies have begun to focus their attention on this active market. While there were only three or four bidders participating in ONGC's EPC contracts earlier, now there are about ten to twelve parties bidding.

Further, as some of these companies have idle resources, they have been bidding at very competitive prices and have been successful in getting orders from ONGC at prices substantially lower than ONGC's budgeted prices or even what other bidders consider to be break even levels.

The significant drawback of the EPC market, which accounts for the highest proportion of revenues for the

Company, is that it is a "winner take all" market as the entire contract is awarded to the lowest bidder.

However, as stated in the preceding paragraphs, with international markets picking up it is unlikely that the Indian market will attract a significant number of new players who will show the same aggression in bidding for work as was witnessed last year. Furthermore, as most of the foreign companies who entered the Indian market last year are currently involved in executing the projects that they won last year, and hence have tied up some of their resources, their ability to be as aggressive in bidding for work this year will be reduced. Besides, there are lot of offshore activities happening in Brazil, which will in turn keep these foreign companies busy in the coming years.

Furthermore, Management expects that ONGC will float a larger number of brown field tenders such as BPA & BPB Revamp, B193 Process platform hook up, Smart Instrumentation, 9 Clamp On, Underwater Inspection etc this year for which the Company can be more competitive as it will have the capability of executing these contracts on its own without dependence on other subcontractors who have the ability to significantly influence the overall price.

### **2.4.2 Pressure on margins:**

There is no doubt that given the aggressive market situation that is currently prevalent, there is a need to reduce the bidding price in contracts. This reduction in bidding prices has to come from better efficiency in executing work as well as looking at reducing input costs and margins.

It is likely that profit margins will therefore reduce during the year.



Management is cognisant of this fact, and is taking steps to ensure that input costs, both direct and indirect, are reduced to the maximum extent possible while efficiency parameters are increased to ensure that the Company can be more competitive in winning contracts during the year.

#### **2.4.3 Predominance of a single customer:**

During the last two decades or so, there has been a shift in the International oil and gas industry where Government owned oil and gas companies have been emerging as the single largest producer of oil and gas in most countries. Accordingly, most markets are now dominated by a single customer in that particular market, and India is no exception where ONGCL is the predominant oil and gas producer in India, especially in the shallow offshore fields.

There are other players as well in the Indian market, such as Reliance, British Gas, Cairn Energy etc. However, with the exception of Reliance, most of the investments made by these companies in their offshore fields is only a small fraction of ONGC's budgets, and hence these markets continue to be dominated by ONGC.

Reliance has made substantial investments in their offshore fields, however, these fields are in deepwater, and most of the assets, resources and technology required to operate in deep water are very different from the kind of technology and resources required for operating in the shallow water offshore fields (i.e. in fields with water depths of up to 200 – 300 meters).

Therefore The Company has been highly dependent on the decisions and plans of ONGC, as well as the timing and terms and conditions of

their tenders. In the current year as in the past, approximately 95% of the Company's revenues are either directly or indirectly (i.e. from other companies who in turn are executing ONGC contracts) arising from ONGC.

In an attempt to reduce this dependency on ONGC, The Company is trying to expand its markets geographically into the Middle East and the Far East.

As stated in the preceding paragraphs, the markets in the Middle East have begun to revive and a number of new contracts are being floated especially in Saudi Arabia and Qatar. The Company has been following developments in these markets, is hopeful of getting some contracts.

#### **2.4.4 Contractual nature of business:**

Most of The Company's revenues are now earned on turnkey construction / modification contracts, where the Company is either a main contractor or a subcontractor. 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.

The order book position of the Company is also dependent on the schedule and timing of award of contracts by its clients.

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

Further, the contracts awarded by ONGC are generally for around 12 to 24 months, although in some cases contract completion period has



been 36 months. Hence the order book position and revenue visibility is also weak, especially at year end, as most of the contracts for the new season (i.e. October to May) would be awarded just before or during the monsoon period.

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 the Company.

It may be noted that market conditions in the Middle East and Far East are different, as the oil companies in these markets tend to give contracts for longer durations and their working seasons are different with the rainy season in the Middle East being from February to June.

## **2.5 Internal Control Systems and their adequacy –**

The Company has adequate internal control systems in place. With a view to monitor the Company's performance as well as to make sure that internal checks and controls are operating properly, the 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, the Company is entitled to receive Duty Credit Entitlement certificates equal to 10% of its foreign exchange earnings or deemed export earnings. During the financial year, the Company has submitted applications for issue of Duty Credit Entitlement certificates worth Rs. 14.30 Crores (2011: Rs 35.53 Crores).

Due to its high foreign exchange / deemed export earnings; the Company has been awarded the status of "Trading House" for a period of five years ending in April 2014. This recognition by the Directorate General of Foreign Trade will in ease procedural requirements for imports and exports.

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

As a result of this entitlement, the Company will be able to reduce its capital and operating expenditure and this in turn will enable The Company to be more competitive.

## **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 the Company has set for itself.

## **5.0 DIRECTORS:**

### **5.1 Directors retiring by rotation -**

During the year under review, Mrs. Manjit Kirpal Singh, Mr. Robert D. Petty



and Mr. Bipin R. Shah are due to retire by rotation, and being eligible, offer themselves for re-appointment. Your Directors recommend their reappointment. Board of Directors in their meeting held on May 14, 2012 appointed Vice Admiral Harisimran Singh Malhi as an Additional Director of the Company and also Whole Time Director designated as Executive Director (Special Projects) of the Company subject to approval of shareholders.

#### **6.0 AUDITORS:**

M/s. Haribhakti and Co retires as Auditors of the 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:**

The 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, 2012, the Company had accepted Fixed Deposits from shareholders and others of Rs. 93.4 Lacs (2011 – Rs 104 Lacs). 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 the general exemption granted by the Ministry of Corporate Affairs vide their General Circular No: 2/2011 dated February 08, 2011 under section 212(8) of the Companies Act, 1956, a summarized statement of financial data on the subsidiaries of the 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 The 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 the Company's subsidiaries is also attached.

#### **9.0 FOREIGN EXCHANGE RECEIPTS AND EXPENDITURE:**

During the year ended March 31, 2012, the Company's foreign exchange receipts and expenditure was as follows:

	<b>(Amounts in Lacs of Indian Rupees)</b>	
	<b>2011-12</b>	2010-11
<b>Receipts</b>		
Contract revenues	<b>97,71.27</b>	2,04,56.27
Other income	<b>1,08.58</b>	3,24.42
	<b>98,79.85</b>	2,07,80.69
<b>Expenditure</b>		
Projects related materials	<b>14.09</b>	—
Foreign subcontractors	<b>3,79.10</b>	2,26.93
Vessel charter & related expenses	<b>2,92.72</b>	7,56.13
Equipment related expenses	-	61.87
Materials, stores and spares	<b>70.95</b>	2,33.31
Foreign travel	<b>25.71</b>	40.04
Other matters	<b>11.76</b>	27.64
	<b>7,94.33</b>	13,45.92

#### **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, 2012 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 the 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  
Executive Chairman**

Mumbai  
May 14, 2012



## **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 has 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 Eleven (11) Directors and one (01) Alternate Director as on March 31, 2012

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

<b>Name of the Director</b>	<b>No. of outside Directorships and Committee Memberships/Chairmanships</b>	
	<b>% No. of Other Directorships</b>	<b># No. of Membership(s) / Chairmanship(s) of Board Committees in other Companies</b>
<b>PROMOTER/ EXECUTIVE DIRECTORS</b>		
Rear Admiral Kirpal Singh, EC	3	-
Mr. Satpal Singh, MD	4	-
Mr. Navpreet Singh, JMD	4	1
<b>PROMOTER / NON-EXECUTIVE DIRECTOR</b>		
Mrs. Manjit Kirpal Singh	2	-
<b>INDEPENDENT/ NON-EXECUTIVE DIRECTOR</b>		
Mr. S. Sundar	5	-
Mr. S. Venkiteswaran, VC	5	5
Mr. Arvind K Parikh	-	-
Mr. Bipin R. Shah	4	5 (1 as Chairman)
Mr. Robert D. Petty	-	-
Dr. Faqir Chand Kohli	4	-
Mr. J.Jayaraman	-	-
*Mr. K. Athreya	4	-

\* Mr. K. Athreya has been appointed as an Alternate Director to Mr. Robert D. Petty w.e.f. October 19, 2011.

% The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships in foreign companies, companies registered under Section 25 of the Companies Act, 1956 and private limited companies.

# In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Shareholders'/ Investors' Grievance Committees in all public limited companies (excluding Dolphin Offshore Enterprises (India) Limited) have been considered.



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, Mr. Robert D. Petty and Mr. Bipin R. Shah, 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. U.K. 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 Dolphin Offshore Shipping Ltd.(formerly known as "Procyon Offshore Services Ltd.").

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

#### **MRS. MANJIT KIRPAL SINGH**

Mrs. Manjit Kirpal Singh is the daughter of 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 of the Company

#### **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 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 Adani Ports and SEZ Limited (earlier Mundra Port & Special Economic Zone Ltd.), Indian Register of Shipping, National Securities Clearing Corporation Ltd, Mahagujarat Chamunda Cements Company Pvt. Ltd., Pipavav Defence and Offshore Engineering Company Limited (Earlier Pipavav Shipyard Limited), the Clearing Corporation of India Ltd and LCL Logistix (India) Private Limited.

He is the:

1. Member of the Audit Committee, Bye-laws, Rules & Regulations Committee, Committee of Directors on HR, Personnel & Organisational matters of the Clearing Corporation of India Limited.
2. Member of the Audit Committee & Committee for Declaration of Defaults (CDD) and a Trustee on National Stock Exchange Investor Protection Fund Trust of the National Securities Clearing Corporation Ltd.,
3. Chairman of Remuneration Committee & Member of Audit Committee, Shareholders & Investors Grievance Committee and Finance Committee of Pipavav Defence & Offshore Engineering Company Limited (formerly known as Pipavav Shipyard Ltd.).
4. Member of Remuneration Committee, Audit Committee and Finance Committee of Adani Port and Special Economic Zone Ltd.
5. Member of Audit Committee, Remuneration Committee of Indian Register of Shipping.

He is also the Chairman, Board of Trustees of the Bombay Tamil Sangham & Maker Chambers III Premises Co.-Op. Society Ltd., a Trustee on the Board of Trustees of Sri Shanmukhananda Fine Arts & Sangeetha Sabha and the President of the Bombay Keraleeya Samaj, a Member of Expert Group on Air Transport, International Chamber of Commerce, Paris, France. Member, of the Governing Council, Samundra Institute of Maritime Studies Trust. He is also a Trustee of the Maritime Training Trust, Mumbai.

He is the Vice Chairman and Chairman of Managerial Remuneration Committee of the Dolphin Offshore Enterprises (India) Limited.

He is the Chairman of the Remuneration Committee and also the Member of the Audit Committee of Dolphin Offshore Shipping Ltd., (formerly known as "Procyon Offshore Services Ltd") a 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 HUDCO Chair Professor in TERI University, Distinguished Fellow at The Energy and Resources Institute (TERI) and Honorary Professor CEPT University, Ahmedabad.

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 a Distinguished Visiting Professor at the Faculty of Law, University of Toronto, Canada. 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 currently a member of the high level National Transport Development Policy Committee set up by the Government of India.

He is a Non – Executive Chairman, Chairman Project Committee & Chairman Remuneration Committee in Horizon Infrastructure Ltd., Chairman Remuneration Committee in Nandi Infrastructure Corridor Enterprises Ltd and a Director in Nandi Highway Developers Ltd, Nandi Economic Corridor Enterprises Ltd. and JPT Securities Ltd.

He is Member of the Remuneration Committee of the Company.

#### **MR. BIPIN R. SHAH**

Mr. Bipin R. Shah is a B.Com, Graduate 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 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 Kotak Mahindra Asset Management Company Ltd;

Dolphin Offshore Shipping Ltd., Jyothy Laboratories Ltd. Henkel India Limited and Global Pharmatech Private Limited. He is also a member of Audit Committee of Kotak Mahindra Asset Management Company Ltd. and Jyothy Laboratories Ltd. He is also a member of ESOP Committee and Compensation Committee of Kotak Mahindra Asset Management Company Ltd.

He is a member of the Audit Committee and Shareholders / Investors Grievance Committee. He is the Chairman of Audit Committee of Dolphin Offshore Shipping Ltd. (formerly known as 'Procyon Offshore Services Ltd") a 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 Limited and a Director in Kanika Shipping Limited, Dolphin Offshore Projects Limited, Permastelisa (India) Pvt. Ltd., ECIE Impact Pvt. Ltd., Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., Dolphin Offshore Shipping Ltd. (Formerly known as "Procyon Offshore Services Ltd") and MPaC 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 Dolphin Offshore Shipping Ltd (formerly known as” Procyon Offshore Services Ltd”) and a Director in Kanika Shipping Limited, Dolphin Offshore Projects Limited, Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., Global Dolphin Drilling Company Limited and IMPaC Oil & Gas Engineering (India) Pvt. Ltd.

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

#### **MR. ROBERT D. PETTY**

Robert Petty, Managing Partner and Co-Founder Robert Petty is a co-founder and Managing Partner of Clearwater Capital Partners and is a member of the Firm’s Investment and Management Committees. Since founding the Firm in 2001, Mr. Petty and his partner Amit Gupta have utilized their backgrounds in credit-oriented investment strategies and invested profitably across cycles, sectors and geographies building an Asia-focused business that today is one of the largest credit investing firms in the region. Over his nearly 30-year career, Mr. Petty has focused on investing in Asia-dedicated special situations and credit investments, including turnarounds, restructurings, stressed credits and distressed-for-control transactions. Mr. Petty’s principal responsibilities

encompass portfolio management, origination and overall management of the Firm. Prior to founding Clearwater, Mr. Petty held senior positions at Amroc Investments LLC, Peregrine Fixed Income Ltd. and was with Lehman Brothers Holdings, Inc. for thirteen years.

Mr. Petty sits on the Board of four Clearwater portfolio companies and also serves on the Boards of two non-profit organizations, The Emerging Markets Private Equity Association (EMPEA) and Engender Health. Mr. Petty holds a bachelor of arts degree in Political Science from Brown University and is based in Hong Kong.

#### **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 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.

#### **MR. J. JAYARAMAN**

Mr. J.Jayaraman has had a long association for over 3 decades with the Petroleum industry with Indian Oil Corporation (Marketing Division) and retired as CMD of Cochin Refineries Limited with Schedule A status. During the tenure as Chairman and Managing Director of Cochin Refineries Limited, the Company showed a virtual turnaround, expansion of capacity and diversification to Petrochemical Industry and thereby a spectacular growth and won the Best Corporate Performance Award for 1990, instituted by Economic Times and the Harvard Business Association in India and also National and International Awards on Environment/ Safety areas.

Briefly, his association with the oil Industry has been a unique position of possessing knowledge of all the 3 segments of the oil industry viz. Refining, Marketing and Exploration as detailed below:

He was earlier the General Manager (Sales) covering domestic and International sales, imports and exports of crude and petroleum products on a canalized basis for the industry and Chief General Manager for International Trade in Indian Oil Corporation. During his tenure he had been Trustee of the Goa Port Trust (1973-1974) and Cochin Port Trust (1986-1991) at Bombay and Cochin respectively and had been actively associated fully in negotiations with all oil companies around the world in the matter of oil imports/exports.

He was a member of the Expert Committee of the Adhoc Task Force of the Govt. of India for finalization of Annual Performance Targets for each one of the Oil Industry members be it refining and marketing and exploration companies.

He had Executed assignments for Projects under the auspices of the World Bank for government of Kenya / Zambia on deregulation of petroleum products during 1994-1995 as an Independent Consultant.

He was a member of High-powered Expert Committee constituted by the Government of Tamil Nadu in January 1997 to make comprehensive



review of the performance of the State undertakings and recommend measures to improve their performance to secure reasonable return on investments.

As a Chairman of the Committee along with leading management consultants during 1997 and 1998 he studied and recommended an action plan for restructuring Madras Refineries Limited (a JV with NIOC Iran) and Cochin Refineries Limited, and has developed strategies in a liberalized deregulated market condition.

He was a member of the Committee appointed in October 1998 by the Ministry of Petroleum Govt. of India for restructuring of downstream Petroleum Sector Integration / Strategic alliances of IBP with standalone Refining marketing companies.

He has been a member on the Advisory Board, India Operations (from May 1997 till October 2001) of M/s. A.T.Kearney which is a leading global multi disciplinary Management Consultant firm headquartered in Chicago specializing in strategic operations, I.T. consulting etc, and also served as Advisor / Consultant for various companies in the Petroleum Sector during 1997-1999 for companies like Kaverner Power Gas, Cazenove, Seaco, Chevron and Bermaco – Bombay.

During 1997-2000 he served as an Independent Director in M/s. Bharat Heavy Electricals Limited as a Navratna Nominee by the Government of India. In August 2000 to February 2002 he was a member of the Expert Committee for Environmental Impact Assessment on Industrial Projects. (Constituted by the Ministry of Environment and Forests) of the Govt. of India.

In April 1999 to September 2003 he served as a Navratna nominee by the Government of India Independent Director in Oil and Natural Gas Corporation Limited. During this period he was also a member of the Board Sub Committees on Audit, Planning Committee, Project Appraisal Committee and Mumbai High North Redevelopment Project.

In the past, he has been on the Board of reputed private sector companies like M/s. Coromandel Fertilizers (June 1998 to July 2005). In CFL, he had also been a board Subcommittee Member of Audit, Project Remuneration & Ethics Committee). Additionally, he has been on the Board of Dolphin Offshore Enterprises (India) Limited, Sundaram

Clayton Ltd., (a TVS Group Company), Citurgia Chemicals, Pioneer (ITI) (now Franklin) Templeton and M/s. John Crane (UK).

He has been on the Board of Directors in M/s. Haldia Petrochemicals Limited as an IDBI Nominee Director and Board of M/s. Andhra Cements Limited as a Bank of Baroda Nominee and member outside Expert committee for settling disputes between ONGC and their contractors. He has served as Expert Member in the Technical Advisory Committee of Tamil Nadu Pollution Control Board from 01-04-2006 to 31-03-2009

He is presently, a member of the Outside Expert Committee for settling disputes between ONGC and their Contractors.

#### **MR. K. ATHREYA**

Karthik Athreya joined Clearwater in 2007 and is a member of the Firm's Management Committee. Based in Mumbai, Mr. Athreya is responsible for Clearwater's Indian investments, including overseeing the asset management team, and is involved with extensive corporate finance and equity monetization strategies. As part of his responsibilities, Mr. Athreya oversees growth, organization and business building strategies for Clearwater's portfolio companies in India. In this capacity he sits on the Board of several companies and works closely with sponsors and management to evaluate strategic and financial opportunities and risks. Prior to joining Clearwater, Mr. Athreya was a Director of Investment Banking at a private sector bank in India where he assisted in the establishment of the investment banking business. Prior to this, he held positions of increasing responsibility at Rabo India Finance Pvt. Ltd (the corporate investment banking subsidiary of Rabobank Netherlands), Arthur Andersen and PricewaterhouseCoopers.

Mr. Athreya is a member of the Institute of Chartered Accountants of India and holds a B.Com. (Commerce) degree from Loyola College, Chennai, India.

#### **1.2 MEETINGS OF THE BOARD**

The Board of Directors met 5 times during the year 2011-2012 on the following dates May 20, 2011, July 29, 2011, October 19, 2011, January 19, 2012 and March 16, 2012.



## DETAILS OF ATTENDANCE

Name of the Directors	No. of Board meetings held	No. of meetings attended	AGM held on July 29, 2011
Rear Adm. Kirpal Singh, EC	5	5	Yes
Mr. Satpal Singh, MD	5	5	Yes
Mr. Navpreet Singh, JMD	5	4	Yes
Mrs. Manjit Kirpal Singh, Director	5	2	No
Mr. S. Sundar, Director	5	5	Yes
Mr. S.Venkiteswaran, VC	5	3	No
Mr. Arvind K Parikh, Director	5	5	Yes
Mr. Bipin R Shah, Director	5	5	Yes
Mr. Robert D. Petty, Director	5	0	No
Dr. Faqir Chand Kohli, Director	5	5	No
Mr. J. Jayaraman, Director	5	4	No
*Mr. Karthik B. Athreya (Alternate Director to Mr. Robert D. Petty)	5	2	N.A.

\* Mr. K. Athreya has been appointed as an Alternate Director to Mr. Robert D. Petty w.e.f. October 19, 2011.

## 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

- 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.
- Recommending the appointment and removal of external auditors and internal auditors, fixation of audit fee and also approval for payment for any other services.
- Reviewing the quarterly / annual financial statements with management before submission to the Board.
- Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.

- Discussion with internal auditors on any significant findings and follow up thereon.
- 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.
- 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.
- Reviewing the Company's financial and risk management policies.
- 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.
- 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

- Mr. Bipin R. Shah - Chairman
- Mr. Arvind K. Parikh - Member
- Mr. S. Venkiteswaran - Member
- Mr. J. Jayaraman - Member

##### Non-Executive – Promoter

- Mrs. Manjit Kirpal Singh - Member

During the year under review, Mr. S. Sundar, Director of the Company has resigned as Member of Audit committee and Mr. J. Jayaraman, Director of the Company has been appointed as Member of the Audit Committee.

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

The Audit Committee met 5 times during the year 2011-2012 on the following dates May 19, 2011, July 28, 2011, October 18, 2011, January 18, 2012 and March 16, 2012.



**DETAILS OF ATTENDANCE**

Name of Directors	No. of Audit Committee Meetings held	No. of Meetings attended
Mr. Bipin R. Shah	5	5
Mrs. Manjit Kirpal Singh	5	2
Mr. S. Venkiteswaran	5	3
Mr. Arvind K Parikh	5	5
Mr. S. Sundar	5	2
Mr. J. Jayaraman	5	3

**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 4 times during the year 2011-2012 on the following dates:

May 16, 2011, July 25, 2011, September 15, 2011 and March 09, 2012.

**DETAILS OF ATTENDANCE**

Name of the Directors	No. of Managing Committee Meetings held	No. of Meetings attended
Rear Adm. Kirpal Singh	4	0
Mr. Satpal Singh	4	4
Mr. Navpreet Singh	4	4
Mr. Arvind K Parikh	4	4

**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 met 11 times during the year 2011-2012.

**2.4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE**

**[A] Terms of Reference**

To ensure redressal of shareholders and investor 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 May 19, 2011, July 28, 2011 and October 18, 2011.

**DETAILS OF ATTENDANCE**

Name of the Directors	No. of Managing Committee 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 2011-2012, 4 (Four) 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 Director/ Whole time Director (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 Director/ Whole time Director 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	36,67,803	-	65,617
2 Mr. Satpal Singh, MD	1,04,16,458	-	49,213
3 Mr. Navpreet Singh, JMD	1,01,86,244	-	49,213
4 Mrs. Manjit Kirpal Singh, Director	-	30,000	3,05,432
5 Mr. S. Sundar, Director	-	60,000	3,05,432
6 Mr. S. Venkiteswaran, VC	-	45,000	3,05,432
7 Mr. Arvind K. Parikh, Director	-	1,10,000	3,05,432
8 Mr. Bipin R. Shah, Director	-	90,000	3,05,432
9 Mr. Robert D. Petty, Director	-	-	3,05,432
10 Dr. Faqir Chand Kohli, Director	-	50,000	3,05,432
11 Mr. J. Jayaraman, Director	-	55,000	3,05,432
12 Mr. Karthik Athreya, Alternate Director	-	-	-

### [E] Meetings of the Remuneration Committee:

The Committee did not meet during the year 2011-2012.

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

Mrs. Manjit Kirpal Singh (Promoter) and non-executive director holds 5,47,356 shares of the Company. 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 set up three 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. Investment Committee

## 3.0 GENERAL MEETINGS

Details of last three Annual General Meetings (AGM).

### Venue Date Time No of special resolutions passed

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.	July 29, 2011 (AGM)	1500 hours	0
b) M.C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001.	July 23, 2010 (AGM)	1500 hours	0
c) M.C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001.	July 24, 2009 (AGM)	1500 hours	2





#### 4.0 RELATED PARTY DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company which are 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 incidence 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 other matter related to capital market during the last three years.

#### 6.0 MEANS OF COMMUNICATION

\* Quarterly results

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

The Quarterly Results are also displayed on the Corporate Website: [www.dolphinoffshore.com](http://www.dolphinoffshore.com).

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

#### 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 Exchanges.

#### 10.0 CODE OF CONDUCT

The Company has Code of Conduct for Directors and Senior Management and the same is complied and has been displayed on the website of the Company.

The Company has also formulated Whistle Blower Policy under which nobody was denied access to Audit Committee.

#### 11.0 GENERAL SHAREHOLDERS INFORMATION

- a) Annual General Meeting : September 14, 2012  
Time : 1000 hours  
Venue : M. C. Ghia Hall  
4th Floor, Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 001
- b) Financial Year : 2011-2012
- c) Key Financial Reporting Dates for the Financial Year 2012-13  
Unaudited First Quarterly result : On or before August 14, 2012  
Unaudited Second Quarterly result : On or before November 15, 2012  
Unaudited Third Quarterly result : On or before February 15, 2013  
Audited results for the Financial Year 2011-12 : On or before May 30, 2013
- d) Book Closure date : September 8, 2012 to September 14, 2012. (both days inclusive)
- e) Dividend Payment date : On or before October 12, 2012
- 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)) : XSO239362162
- j) Market Price Data HIGH/LOW during each month from April 2011 to March 2012 (BSE).

PERIOD – 2011-12	HIGH	LOW
APRIL 2011	173.00	143.10
MAY 2011	149.00	120.25
JUNE 2011	145.50	118.05
JULY 2011	157.50	121.70
AUGUST 2011	146.00	116.00
SEPTEMBER 2011	147.00	122.25
OCTOBER 2011	136.95	103.00
NOVEMBER 2011	112.90	71.60
DECEMBER 2011	87.20	57.25
JANUARY 2012	100.00	62.15
FEBRUARY 2012	97.95	78.00
MARCH 2012	92.50	73.25



Market Price Data HIGH/LOW during each month from April 2011 to March 2012 (NSE).

PERIOD – 2011-12	HIGH	LOW
APRIL 2011	173.00	142.10
MAY 2011	148.95	116.40
JUNE 2011	145.00	117.70
JULY 2011	158.00	112.75
AUGUST 2011	145.80	114.00
SEPTEMBER 2011	147.00	122.00
OCTOBER 2011	138.75	103.25
NOVEMBER 2011	113.50	77.05
DECEMBER 2011	89.40	55.75
JANUARY 2012	101.00	61.65
FEBRUARY 2012	105.00	78.10
MARCH 2012	92.40	77.00

- k) Registrar and M/s Sharepro Services  
Share Transfer : (India) Pvt. Ltd. 13 AB,  
Agent 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  
are registered within an  
average period of 30 days.  
A Share Transfer  
Committee comprising  
members of the Board  
meets atleast once in  
fortnight to consider the  
transfers of the shares.  
  
Request for  
dematerialisation (demat)  
received from the  
shareholders are effected  
within an average period of  
15 days.

m) **DISTRIBUTION OF SHAREHOLDING AS ON  
MARCH 31, 2012**

Sr. No.	Category	No. of Shares Held	Percentage (%)
1	Promoters	91,16,471	54.35
2	Body Corporates	14,37,633	8.57
3.	NRI	1,22,994	0.73
4.	Foreign Bodies	21,07,627	12.57
5.	Govt / Financial Institution	-	-
6.	Other Non-Nationalised Banks	-	-
7.	Indian Public	38,37,351	22.88
8.	FII's	1,50,442	0.90
	<b>Total</b>	<b>167,72,518</b>	<b>100.00</b>

Note: Promoters include 7,65,279 shares i.e. 4.56% held by NRI relative and Indian Public includes 1600 shares i.e. 0.01 % held in Trust.

- n) Dematerialisation : 16356304 equity shares of Shares which constitutes 97.52 % of the paid up capital as on March 31, 2012 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,  
TTC Industrial Area,  
MIDC Khairne,  
Thane Belapur Road.  
Navi Mumbai - 400 705  
Tel .No: 27780507



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

: Project Workshop  
(Leased)  
R-15, T.T.C. Industrial  
Area, M.I.D.C., Rabale,  
Opp Pradeep Metal Ltd,  
Thane Belapur Road,  
Navi Mumbai - 400 708  
Tel No.:27600462

: Diving Workshop  
(Leased)  
Plot No. D/24/5,  
Nr. Balmer Lawrie  
Company  
TTC Industrial Area,  
MIDC, Sanpada  
Navi Mumbai - 400 705  
Tel. No. : 66026472  
Fax No. : 27616091

: Sewri Workshop  
(Leased)  
Gala No. 6,  
Sewree Bunder Road  
Premises Co-op. Soc. Ltd,  
Minerva Studio  
Compound,  
Bunder Road,  
Sewri (East),  
Mumbai – 400 015  
Tel. No. : 24131058

q) Address for 1001, Raheja Centre,  
Correspondence : 214, Nariman Point  
Mumbai 400 021  
Tel.Nos: 22832226/34/42  
Fax No: 22875403

email : customer@dolphinoffshore.com

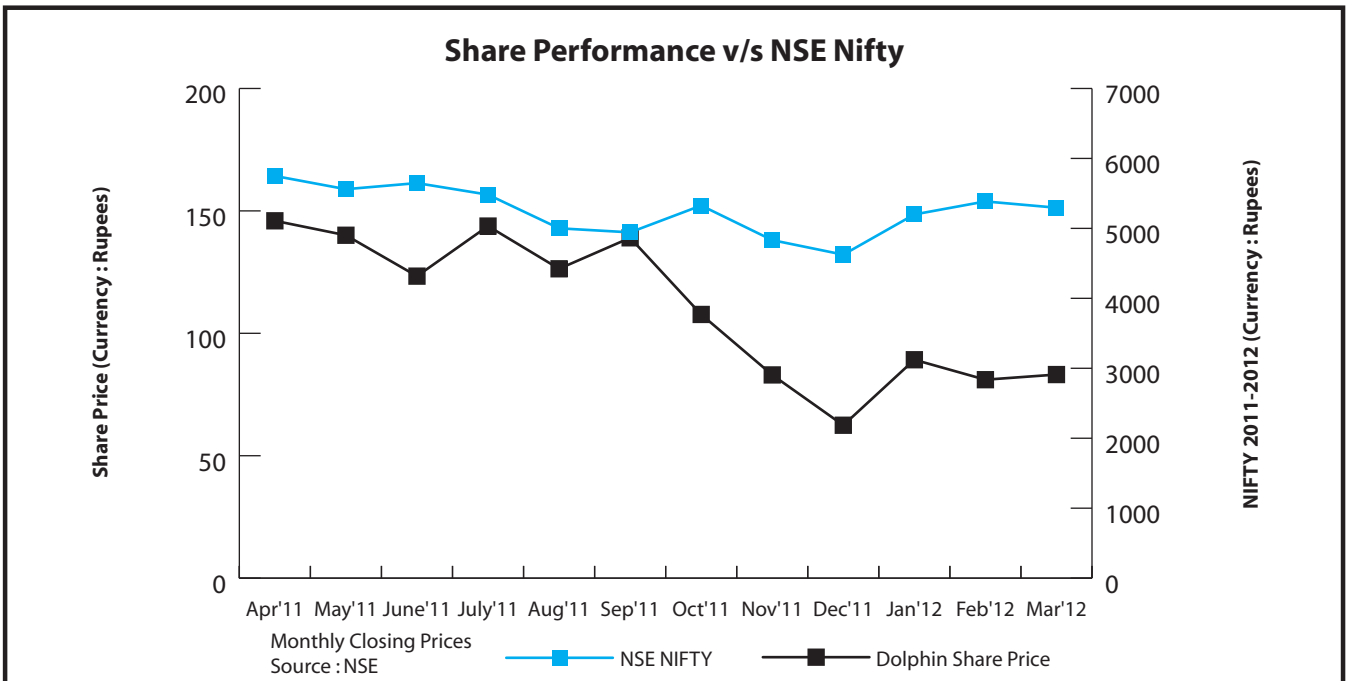
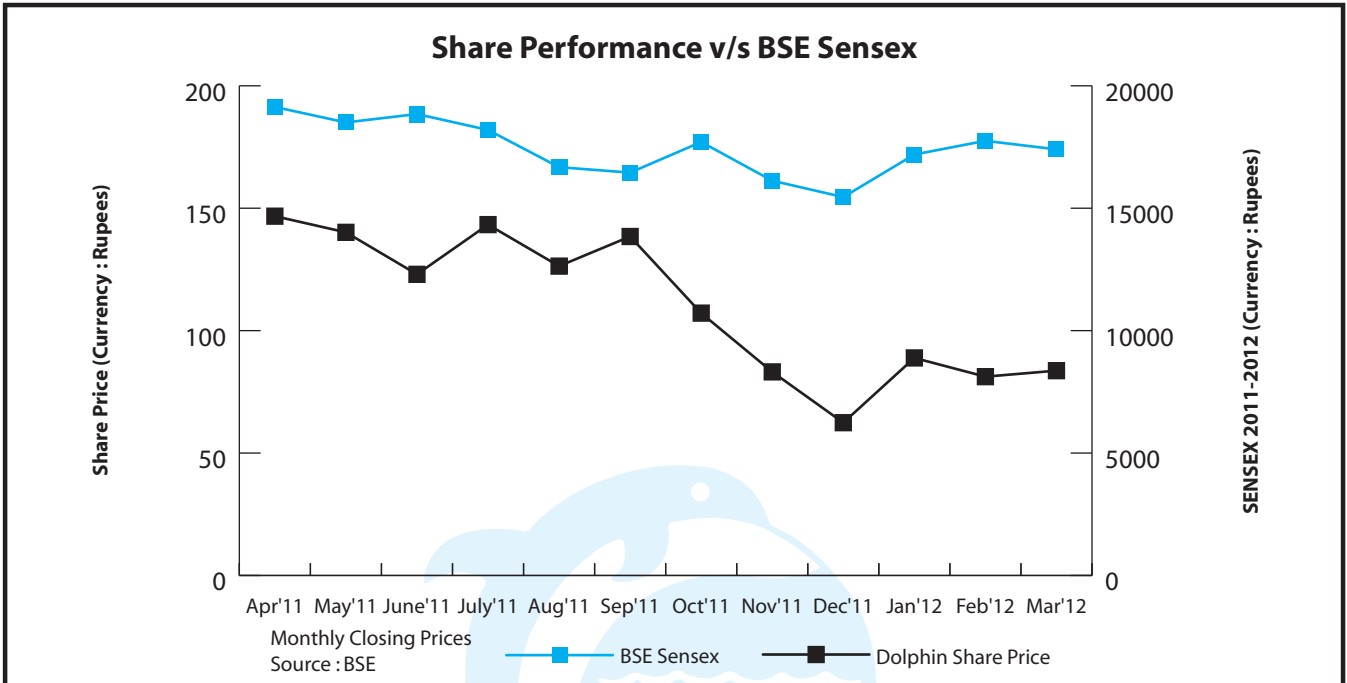
Investor  
Complaints ID : investors@dolphinoffshore.com

r) Website : www.dolphinoffshore.com

s) Transfer of unclaimed amounts to Investor  
Education and Protection Fund:

During the year under review, unclaimed  
dividend of Rs. Rs.57,118/- (Rupees Fifty  
Seven Thousands One Hundred Eighteen  
only) for the Financial Year 2003-2004 was  
transferred to the Investor Education and  
Protection Fund on October 01, 2011.

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





**DECLARATION BY THE CHIEF EXECUTIVE OFFICERS 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, 2012

**Satpal Singh**  
**Managing Director**

---

**Auditors' Certificate on Corporate Governance**

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 on 31st March 2012, 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 limited to review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with 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 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  
FRN No. 103523W

**CHETAN DESAI**  
Partner  
Membership No. 17000

Place: Mumbai  
Date : May 14, 2012



---

---

# **FINANCIAL STATEMENTS**

---

---





**AUDITORS' REPORT**

**To  
The Members of Dolphin Offshore Enterprises  
(India) Limited**

1. We have audited the attached Balance Sheet of Dolphin Offshore Enterprises (India) Limited ('the Company') as at March 31, 2012 and also the Profit and Loss account and the cash flow statement 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.
2. We conducted our audit in accordance with 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (as amended), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act'), we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the paragraph 3 above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. 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;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. 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.

- v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi. Without qualifying our opinion, attention is invited to:
  - a) Note no.35 (b) to accounts with regard to long outstanding of sundry debtors of Rs. 2526 Lacs, which has been considering by the management as good and recoverable.
  - b) Note no. 35(d) to accounts with regard to recognition of Rs. 3384 Lacs being only a portion of extra claim for additional work carried out as revenue, for the reason stated therein.
- vii. *As stated in Note No. 35(c) to accounts, no Provision is made for Liquidated damages amounting to Rs. 3040 Lacs for reasons stated therein. The Profit for the year and reserves and surplus are without considering the said provision.*
- viii. *Subject to our observation at point (vii) above, 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 give a true and fair view in conformity with the accounting principles generally accepted in India;*
  - a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2012;
  - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
  - c) in the case of cash flow statement, of the cash flows for the year ended on that date.

For **Haribhakti & Co.**  
Chartered Accountants  
Firm Registration No.103523W

**Chetan Desai**  
Partner  
Membership No. : 17000

Place : Mumbai  
Date : May 14, 2012



## **ANNEXURE TO AUDITORS' REPORT**

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Dolphin Offshore Enterprises (India) Limited on the financial statements for the year ended March 31, 2012

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year.
- (ii) (a) The inventory has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification carried out at the end of the year.
- (iii) (a) 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 amount involved during the year was Rs. 9259 Lacs and the year- end balance of loans granted to such parties was Rs. 9259 Lacs.
- (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (c) As regards repayment of principal, there are no stipulations for repayment.
- (d) There is no overdue amount of loans granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The Company had taken loan from five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 221 Lacs and the year-end balance of loans taken from such parties was Rs. 221 Lacs.
- (f) In our opinion, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the Company.
- (g) In respect of the aforesaid loans, the company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no Order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.





- (viii) The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the company.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates (A.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	24.94	2005-06	ITAT
Income Tax Act, 1961	Income Tax	104.89	2006-07	CIT(A)

- (x) In our opinion, the Company does not have accumulated losses as on March 31, 2012. Further the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society.

Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the company.
- (xvi) In our opinion, the term loans have been applied for the purpose for which the loans were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanation given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**For Haribhakti & Co.**  
Chartered Accountants  
Firm Registration No.103523W

**Chetan Desai**  
Partner  
Membership No. : 17000

Place: Mumbai  
Date: May 14, 2012



**BALANCE SHEET AS AT MARCH 31, 2012**

(Currency: Indian Rupee in Lacs)

	<u>Notes</u>	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS -</b>			
Share capital	3	16,77.25	16,77.25
Reserves and surplus	4	2,21,94.80	2,08,79.18
		<u>2,38,72.05</u>	<u>2,25,56.43</u>
<b>NON-CURRENT LIABILITIES -</b>			
Long-term borrowings	5	24,33.50	40.50
Deferred tax liabilities (Net)	6	73.11	81.86
Long-term provisions	7	85.30	-
		<u>25,91.91</u>	<u>1,22.36</u>
<b>CURRENT LIABILITIES -</b>			
Short-term borrowings	8	68,92.12	1,11,26.32
Trade payables	9	29,97.03	44,34.58
Other current liabilities	9	36,93.78	41,80.35
Short-term provisions	7	2,72.94	3,65.22
		<u>1,38,55.87</u>	<u>2,01,06.47</u>
<b>TOTAL</b>		<u><u>4,03,19.83</u></u>	<u><u>4,27,85.26</u></u>
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
<b>Fixed assets</b>			
Tangible assets	10	27,65.61	30,22.37
Intangible assets	10	1,02.87	1,38.21
Capital work-in-progress	10	1,16.41	1,65.40
		<u>29,84.89</u>	<u>33,25.98</u>
Non-current investments	11	20,19.32	20,19.32
Long-term loans and advances	12	7,99.63	6,30.19
<b>CURRENT ASSETS</b>			
Inventories	13	7,69.39	-
Trade receivables	14	1,81,96.00	2,13,38.03
Cash and bank balance	15	8,84.83	7,34.08
Short-term loans and advances	12	1,16,01.78	1,01,58.64
Other current assets	16	30,63.99	45,79.02
		<u>3,45,15.99</u>	<u>3,68,09.77</u>
<b>TOTAL</b>		<u><u>4,03,19.83</u></u>	<u><u>4,27,85.26</u></u>
Significant Accounting Policies and Notes to Accounts forming an integral part of financial statements.	2		

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

**Chetan Desai**  
Partner

Place : Mumbai  
Date : May 14, 2012

**FOR AND ON BEHALF OF THE BOARD**

Rear Admiral Kirpal Singh  
Mr. Jagadisa I Jayaraman  
Mr. Satpal Singh  
Mr. Navpreet Singh  
Mr. V. Surendran

Executive Chairman  
Director  
Managing Director  
Jt. Managing Director  
Company Secretary



**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

(Currency: Indian Rupee in Lacs)

	<u>Notes</u>	<b>Year Ended 31.03.2012</b>	<b>Year Ended 31.03.2011</b>
<b>INCOME</b>			
Revenue from operations - Sale of services	17	<b>1,74,98.31</b>	2,76,76.06
Other income	18	<b>28,31.60</b>	17,14.99
<b>Total revenue</b>		<b>2,03,29.91</b>	2,93,91.05
<b>EXPENSES</b>			
Cost of services and material	19	<b>1,15,07.38</b>	1,87,24.78
Employee benefit expense	20	<b>23,78.38</b>	24,83.42
Finance costs	21	<b>16,43.88</b>	13,01.09
Depreciation and amortization expense	22	<b>4,06.72</b>	4,40.43
Other expenses	23	<b>22,18.89</b>	31,99.76
<b>Total expenses</b>		<b>1,81,55.25</b>	2,61,49.48
Profit before tax		<b>21,74.66</b>	32,41.57
<b>TAX EXPENSES</b>			
Current tax		<b>6,57.00</b>	9,84.00
Deferred tax		<b>(8.74)</b>	15.88
Profit after tax		<b>15,26.40</b>	22,41.69
<b>EARNINGS PER EQUITY SHARE</b>			
<b>(Face value Rs. 10/- per share)</b>			
Basic earnings per equity share		<b>9.10</b>	13.90
Diluted earnings per equity share		<b>9.10</b>	13.90
Significant Accounting Policies and Notes to Accounts forming an integral part of financial statements.	2		

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

**Chetan Desai**  
Partner

Place : Mumbai  
Date : May 14, 2012

**FOR AND ON BEHALF OF THE BOARD**

Rear Admiral Kirpal Singh  
Mr. Jagadisa I Jayaraman  
Mr. Satpal Singh  
Mr. Navpreet Singh  
Mr. V. Surendran

Executive Chairman  
Director  
Managing Director  
Jt. Managing Director  
Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

(Currency: Indian Rupee in Lacs)

	Year Ended	
	31.03.2012	31.03.2011
<b>CASH FLOW FROM OPERATING ACTIVITES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>21,74.66</b>	32,41.57
Adjusted for :		
Depreciation	4,06.72	4,40.43
Interest expense	16,43.87	13,01.09
Interest income	(7,19.15)	(3,80.04)
Dividend Income	(2,97.60)	(3,00.00)
Fixed assets - Loss/(Profit) on sale	-	0.37
Investments - Profit on sale	-	(1.50)
Investment in subsidiary written off	-	5.00
Foreign exchange loss on conversion of FCCB Bonds	-	15.49
Operating profit before working capital changes	<b>32,08.50</b>	43,22.41
Adjustments for :		
Trade and other recivables	45,83.48	(10,46.58)
Inventory	(7,69.39)	-
Bank deposits maturing after 12 months period	(5,55.09)	-
Trade and other payables	(35,20.11)	(36,11.93)
Provisions	33.83	23.08
<b>CASH GENERATED FROM OPERATIONS</b>	<b>29,81.22</b>	(3,13.02)
Direct taxes paid	(8,26.44)	(22,20.59)
<b>NET CASH FLOW FROM OPERATING ACTIVITES</b>	<b>21,54.78</b>	(25,33.61)
<b>CASH FLOW FROM INVESTING ACTIVITES</b>		
Purchase of fixed assets	(1,14.62)	(1,67.23)
Capital Work in Progress	48.99	(20.99)
Sale of fixed assets	-	4.27
Investments made	-	(4.00)
Interest received	7,19.15	3,95.72
Sale of Investments	-	14,68.50
Purchase of Investments	-	(14,67.00)
Dividend Income	2,97.60	3,00.00
Loans to Subsidiary	(13,69.58)	(6,04.82)
<b>NET CASH FLOW FROM INVESTING ACTIVITES</b>	<b>(4,18.46)</b>	(95.55)
<b>CASH FLOW FROM FINANCING ACTIVITES</b>		
Repayment of borrowing	(50,34.20)	82,34.70
Proceeds from borrowing	48,00.00	-
Increase [decrease] in loan liabilities	(11.00)	(43,10.20)
Interest paid	(16,43.87)	(13,01.09)
Dividend paid	(2,51.59)	(2,36.36)
<b>NET CASH FLOW FROM FINANCING ACTIVITES</b>	<b>(21,40.66)</b>	23,87.05
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(4,04.34)</b>	(2,42.10)
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>7,34.08</b>	9,76.18
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>3,29.74</b>	7,34.08

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

**Chetan Desai**  
Partner

Place : Mumbai  
Date : May 14, 2012

**FOR AND ON BEHALF OF THE BOARD**

Rear Admiral Kirpal Singh  
Mr. Jagadisa I Jayaraman  
Mr. Satpal Singh  
Mr. Navpreet Singh  
Mr. V. Surendran

Executive Chairman  
Director  
Managing Director  
Jt. Managing Director  
Company Secretary



## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

### **1 Corporate Information**

Dolphin Offshore was incorporated as a Private Limited Company on May 17, 1979 with the objective of providing services to the Offshore Oil and Gas industry. The Company initially commenced operations by providing diving services to the Oil and Gas Natural Commission (now reconstituted as the Oil and Natural Gas Company Ltd). Over the years, the Company has expanded its capabilities and now provides a range of services as explained below.

In 1994, Dolphin Offshore went public and is currently listed on the Bombay Stock Exchange and the National Stock Exchange.

Dolphin Offshore has two wholly owned subsidiaries, Dolphin Offshore Shipping Ltd (hereinafter referred to as DOSL) and Dolphin Offshore Enterprises (Mauritius) Pvt Ltd (hereinafter referred to as DOEMPL). In addition, Dolphin Offshore has entered in a joint venture with IMPaC Offshore Engineering GMBH for providing design and engineering services. DOSL is only involved in the business of owning, operating and managing vessels and in handling marine logistics. DOEMPL, apart from owning vessels, will also provide to the international market the whole range of services that Dolphin Offshore provides.

The current range of services that Dolphin Offshore and subsidiaries provide are :

- a. Underwater diving and engineering
- b. Design and engineering
- c. Vessel operations and management
- d. Marine logistics
- e. Ship repair and rig repair services
- f. Fabrication
- g. E&I services
- h. Offshore hook-up and commissioning
- i. Undertaking turnkey EPC contracts.

### **2 Summary of significant accounting policies**

The financial statements are prepared on an accrual basis and 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 the relevant provisions of the Companies Act 1956.

#### **a) Fixed assets and depreciation**

Fixed assets are valued at cost (or as revalued), 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. 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.

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

Leasehold land is amortised over the period of lease.

Cost of improvement of leased premises is depreciated on straight line basis over lease period which also includes extension period available under lease agreement.



**b) Investments**

Long Term investments are stated at cost. Current Investments are stated at lower of cost or fair value. Cost of investments is determined as the purchase price of the investments plus other direct costs incurred on establishing clear ownership of the investment.

A provision for diminution is made to recognise a decline other than temporary in the value of long term investments.

**c) Inventories**

Stores and spares are valued at lower of cost and net realisable value.

**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 vessels to third parties when the vessels are 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.

**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 monetary items are translated using the exchange rate prevailing at year end, and any resulting foreign exchange gains or losses are recognised as period costs.

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 using the Projected Unit Credit method as at the Balance Sheet date.

**Other Long Term Benefits**

Long term compensated absences are provided on the basis of an actuarial valuation using the Projected Unit Credit method 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 and tax laws that have been enacted or substantively enacted by the balance sheet date, and is reviewed every year for the appropriateness of their carrying value on each Balance Sheet date.

**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.

**i) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

**ii) Provision, Contingent Liabilities and Contingent Assets:**

**Provisions** are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated

**Contingent Liability** is disclosed in case of

- a) present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- b) a possible obligation, unless the probability of outflow of resources is remote.

**Contingent Assets** are neither recognized, nor disclosed

*Provisions, Contingent Liabilities and Contingent Assets* are reviewed at each Balance Sheet Date.

	31-Mar-12	31-Mar-11
<b>3 Share Capital</b>		
<b>Authorised</b>		
2,50,000 (2011 - 2,50,000) equity shares of Rs. 10 each	<b>25,00.00</b>	25,00.00
<b>Issued, subscribed and fully paid up</b>		
1,67,72,518 (2011 - 1,67,72,518) equity shares of Rs. 10 each fully paid.	<b>16,77.25</b>	16,77.25
Total Issued, subscribed and fully paid-up share capital	<b>16,77.25</b>	16,77.25



a) **Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

**Equity Shares**

Particulars	31-Mar-12		31-Mar-11	
	No in lacs	Rs. in lacs	No in lacs	Rs. in lacs
Shares outstanding at the beginning of the year	1,67.72	16,77.25	1,57.57	15,75.75
Shares Issued during the year	-	-	10.15	1,01.50
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,67.72	16,77.25	1,67.72	16,77.25

b) **Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five year immediately preceeding the reporting date**

Particulars	Year (Aggregate No. of Shares) - No. in lacs				
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	38.26	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL

c) **Details of shareholders holding more than 5 % shares in the Company**

Name of Shareholder	31-Mar-12		31-Mar-11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kripal Singh	8,71,382	5.20%	7,51,371	4.48%
Navpreet Singh	9,80,152	5.84%	9,80,152	5.84%
Satpal Singh	9,41,555	5.61%	9,38,140	5.59%
Dolphin Offshore Projects Ltd.,	25,60,662	15.27%	25,60,662	15.27%
ClearWater CAP Partners CLO I PTE Ltd	9,81,666	5.85%	9,81,666	5.85%
ClearWater CAP. Partners Cyprus Ltd	10,03,786	5.98%	10,03,786	5.98%

d) **Terms/rights attached to equity shares**

The Company has only one type of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year 31<sup>st</sup> Mar 2012, the amount of per share dividend recognized as distribution to equity shareholder was Rs. 1.50

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.





		Rs. in lacs	
		31-Mar-12	31-Mar-11
<b>4 Reserves and Surplus</b>			
<b>RESERVES</b>			
<b>General reserve-</b>			
Opening balance		46,56.54	44,32.37
Add: Transfer from Profit and Loss account		1,52.64	2,24.17
<b>Closing balance</b>		<u>48,09.18</u>	<u>46,56.54</u>
<b>Bond Redemption Reserve</b>			
Opening balance		-	13,82.30
Less: Transferred to General Reserve		-	(13,82.30)
<b>Closing balance</b>		<u>-</u>	<u>-</u>
<b>Securities Premium Account</b>			
Opening balance		61,08.25	45,75.53
Add: Capitalised on conversion of FCCB		-	15,32.72
<b>Closing balance</b>		<u>61,08.25</u>	<u>61,08.25</u>
<b>SURPLUS</b>			
Opening balance		1,01,14.39	70,06.97
Add: Net Profit for the current year		15,26.40	22,41.69
Add: Transfer from Bond Redemption Reserves		-	13,82.30
Add : Tax on dividend distribution of previous year		40.81	-
Less: Proposed dividends (Including tax on dividend)		(2,51.59)	(2,92.40)
Less: Transfer to General Reserve		(1,52.64)	(2,24.17)
<b>Closing balance</b>		<u>1,12,77.37</u>	<u>1,01,14.39</u>
<b>TOTAL :</b>		<u>2,21,94.80</u>	<u>2,08,79.18</u>

		Rs. in lacs			
		Non-current		Current	
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
<b>5 Long-Term Borrowings</b>					
Loans from banks ( Secured )		23,82.00	-	15,96.00	-
<b>Other loans and advances:</b>					
Deposits from Shareholders & Others (Unsecured)		51.50	40.50	-	-
<b>TOTAL :</b>		<u>24,33.50</u>	<u>40.50</u>	<u>15,96.00</u>	<u>-</u>

(Secured by 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)

The above loans are repayable in 36 equal monthly instalments.

		Rs. in lacs	
		31-Mar-12	31-Mar-11
<b>6 Deferred Tax Liability</b>			
Difference between book and tax depreciation		3,85.50	3,72.54
Lease Equalisation		(53.50)	(47.43)
Provision for leave encashment		(1,06.65)	(72.82)
Net impact on timing difference		2,25.35	2,52.29
Effective tax rate		32.45%	32.45%
<b>Deferred tax liability</b>		<u>73.11</u>	<u>81.86</u>
<b>TOTAL :</b>		<u>73.11</u>	<u>81.86</u>



Rs. in lacs

	<u>Long-term</u>		<u>Short-term</u>	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<b>7 Provisions</b>				
<b>(a) Provision for employee benefits</b>				
Leave encashment (unfunded)	85.30	-	21.35	72.82
	<u>85.30</u>	<u>-</u>	<u>21.35</u>	<u>72.82</u>
<b>(b) Others</b>				
Proposed dividend	-	-	2,51.59	2,51.59
Tax on proposed dividend	-	-	-	40.81
	<u>-</u>	<u>-</u>	<u>2,51.59</u>	<u>2,92.40</u>
<b>TOTAL :</b>	<u><u>85.30</u></u>	<u><u>-</u></u>	<u><u>2,72.94</u></u>	<u><u>3,65.22</u></u>

	Rs. in lacs	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<b>8 Short-Term Borrowings</b>		
<b>Secured</b>		
Cash credit from scheduled banks (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)	56,87.07	98,99.27
Loans from companies & banks	-	2,00.00
	<u>56,87.07</u>	<u>1,00,99.27</u>
<b>Unsecured</b>		
<b>Loans and advances from related parties</b>		
From Directors	2,21.15	2,21.15
<b>Deposits</b>		
From Shareholders & Others	41.90	63.90
<b>Other loans and advances:</b>		
From Companies	9,42.00	7,42.00
	<u>12,05.05</u>	<u>10,27.05</u>
<b>TOTAL :</b>	<u><u>68,92.12</u></u>	<u><u>1,11,26.32</u></u>

	Rs. in lacs	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<b>9 Current Liabilities</b>		
Trade payables (refer note no. 34 for details of dues to MSE)	29,97.03	44,34.58
	<u>29,97.03</u>	<u>44,34.58</u>
<b>Other Liabilities</b>		
Current maturities of long term borrowings	15,96.00	-
Accrued expenses	15,16.54	33,51.90
Unpaid dividend	10.90	10.24
Other current liabilities	5,70.34	8,18.21
	<u>36,93.78</u>	<u>41,80.35</u>
<b>TOTAL :</b>	<u><u>66,90.81</u></u>	<u><u>86,14.93</u></u>



**10 Fixed Assets**

Rs. in lacs

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2011	Additions during the year	Deduction/ Adjustment/ during the year	As at 31.03.2012	Upto 31.03.2011	For the year	Deduction/ Adjustment/ during the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>										
Freehold Land	1,10.27	-	-	<b>1,10.27</b>	-	-	-	-	<b>1,10.27</b>	1,10.27
Premises	12,45.22	-	-	<b>12,45.22</b>	3,93.22	65.59	-	<b>4,58.81</b>	<b>7,86.41</b>	8,52.00
Plant and Machinery	37,92.83	1,12.79	-	<b>39,05.62</b>	19,66.16	2,55.90	-	<b>22,22.06</b>	<b>16,83.56</b>	18,26.67
Office Equipment	1,71.69	1.05	-	<b>1,72.74</b>	67.83	14.53	-	<b>82.36</b>	<b>90.38</b>	1,03.86
Furniture and Fixtures	1,53.32	-	-	<b>1,53.32</b>	88.96	11.65	-	<b>1,00.61</b>	<b>52.71</b>	64.36
Motor Vehicles	1,04.83	-	-	<b>1,04.83</b>	86.68	4.70	-	<b>91.38</b>	<b>13.45</b>	18.15
Computer	2,70.54	0.78	-	<b>2,71.32</b>	2,23.48	19.01	-	<b>2,42.49</b>	<b>28.83</b>	47.06
<b>Total (A)</b>	<b>58,48.70</b>	<b>1,14.62</b>	-	<b>59,63.32</b>	<b>28,26.33</b>	<b>3,71.38</b>	-	<b>31,97.71</b>	<b>27,65.61</b>	<b>30,22.37</b>
<b>Intangible Assets</b>										
Computer Software	2,17.56	-	-	<b>2,17.56</b>	79.35	35.34	-	<b>1,14.69</b>	<b>1,02.87</b>	1,38.21
<b>Total (B)</b>	<b>2,17.56</b>	-	-	<b>2,17.56</b>	<b>79.35</b>	<b>35.34</b>	-	<b>1,14.69</b>	<b>1,02.87</b>	<b>1,38.21</b>
Capital Work-in-progress									<b>1,16.41</b>	<b>1,65.40</b>
<b>Total (C)</b>	-	-	-	-	-	-	-	-	<b>1,16.41</b>	<b>1,65.40</b>
<b>Total (A+B+C)</b>	<b>60,66.26</b>	<b>1,14.62</b>	-	<b>61,80.88</b>	<b>29,05.68</b>	<b>4,06.72</b>	-	<b>33,12.40</b>	<b>29,84.89</b>	<b>33,25.98</b>
Previous Year	59,13.13	1,67.23	14.11	60,66.25	24,74.71	4,40.43	9.47	29,05.67	31,60.58	

Rs. in lacs

**11 Non-Current Investment**

**Trade Investments (valued at cost stated otherwise) - Refer A below**

**Unquoted equity instruments**

**In Subsidiary Companies-**

29,980 (2011 - 29,980) equity shares of  
Global Dolphin Drilling Company Ltd of Rs. 10/- each

**3.00** 3.00

25,000 (2011 - 25,000) equity shares of  
Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., of US Dollar 1/- each

**11.45** 11.45

1,24,000 (2011 - 1,24,000) equity shares of  
Dolphin Offshore Shipping Ltd. of Rs. 100/- each

**19,53.87** 19,53.87

**In Joint Venture**

2,60,000 (2011 - 2,60,000) equity shares of IMPaC Oil and  
Gas Engineering (India) Pvt. Ltd. of Rs. 10/- each

**26.00** 26.00

**19,94.32** 19,94.32

**Other Investments (valued at cost stated otherwise) - Refer B below**

**Quoted**

**In mutual funds**

2,50,000 (2011 - 2,50,000 ) units of SBI Infrastructure Fund - I Growth

**25.00** 25.00

**25.00** 25.00

**TOTAL :**

**20,19.32** 20,19.32

Aggregate amount of quoted investments  
(Market value of Rs. 19.53 lacs) (2011- Rs. 23.43 Lacs)

**25.00** 25.00

Aggregate amount of unquoted investments

**19,94.32** 19,94.32



**A. Details of Trade Investments**

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/Controlled Entity/ Others	No. of Shares/ Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (in lacs)		Whether stated at Cost Yes/No
			31-Mar-12	31-Mar-11			31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>(a) Other non-current investments</b>											
1	Global Dolphin Drilling Co. Ltd.,	Subsidiary	29,980	29,980	Unquoted	Fully paid	59.96%	59.96%	3.00	3.00	Yes
2	Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd.,	Subsidiary	25,000	25,000	Unquoted	Fully paid	100.00%	100.00%	11.45	11.45	Yes
3	Dolphin Offshore Shipping Ltd.	Subsidiary	124,000	124,000	Unquoted	Fully paid	100.00%	100.00%	19,53.87	19,53.87	Yes
4	IMPac Oil and Gas Engineering (India) Pvt. Ltd.	Joint Venture	260,000	260,000	Unquoted	Fully paid	40.00%	40.00%	26.00	26.00	Yes
<b>Total</b>									<b>19,94.32</b>	<b>19,94.32</b>	

**B. Details of Other Investments**

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/Controlled Entity/ Others	No. of Shares/ Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (in lacs)		Whether stated at Cost Yes/No
			31-Mar-12	31-Mar-11			31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>(a) Investments in Mutual Funds</b>											
1	SBI - Infrastructure Fund - I Growth	Others	250,000	250,000	Quoted	Fully paid	NA	NA	25.00	25.00	Yes
<b>Total</b>									<b>25.00</b>	<b>25.00</b>	

Rs. in lacs

**12 Loans and Advances**

**(Unsecured, considered good)**

Loans and Advances to related parties

Advances recoverable in cash or in kind or for value to be received

Security Deposits

**Other Loans and Advances**

Advance tax and tax deducted at source (Net)

**TOTAL :**

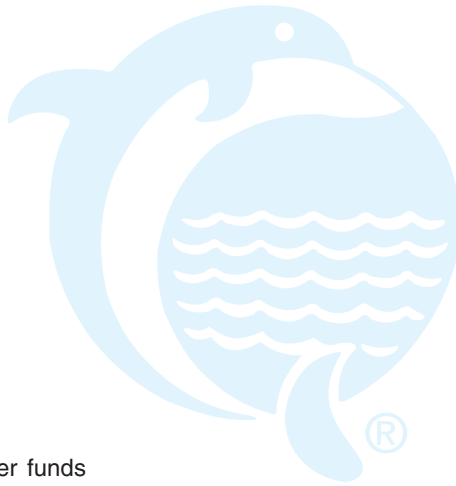
	<b>Non-current</b>		<b>Current</b>	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>	<u>31-Mar-12</u>	<u>31-Mar-11</u>
Loans and Advances to related parties			<b>92,59.65</b>	78,90.08
Advances recoverable in cash or in kind or for value to be received	-	-	<b>22,37.92</b>	21,53.98
Security Deposits	<b>40.33</b>	40.33	<b>1,04.21</b>	1,14.58
<b>Other Loans and Advances</b>				
Advance tax and tax deducted at source (Net)	<b>7,59.30</b>	5,89.86		
<b>TOTAL :</b>	<b><u>7,99.63</u></b>	<u>6,30.19</u>	<b><u>1,16,01.78</u></b>	<u>1,01,58.64</u>



	31-Mar-12	Rs. in lacs 31-Mar-11
<b>13 Inventories</b>		
Stores & Spares	7,69.39	-
<b>TOTAL :</b>	<u>7,69.39</u>	<u>-</u>
<p>Hitherto the Company followed the accounting policy of charging materials, stores and spares procured as per the needs of the projects to the Profit and Loss account and no inventory was recorded in the books of account. However with recent changes in its business model, especially with execution of large EPC contracts, the said accounting policy has been revisited by the management so as to reflect the said change in the business synergy.</p> <p>Accordingly, effective current year, the Company has changed its accounting policy and has brought in the inventory consisting of materials, stores and spares as was physically lying at godowns and workshops at the close of the financial year in the books of account . As a result, the Inventory and Profit for the year before tax is stated higher by Rs. 769.39 Lacs, with the corresponding effect on the Reserves and Surplus.</p>		
<b>14 Trade Receivables</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment	1,11,19.36	61,02.41
Other receivables	70,76.64	1,52,35.62
<b>TOTAL :</b>	<u>1,81,96.00</u>	<u>2,13,38.03</u>
<b>15 Cash and Bank Balances</b>		
<b>Cash and Cash Equivalents</b>		
Balances with banks	15.95	5.49
Cash on hand	13.68	12.96
Unclaimed dividend bank balances	10.90	10.24
Bank deposits maturing within 12 months period	2,89.21	7,05.39
	<u>3,29.74</u>	<u>7,34.08</u>
<b>Other Bank Balances</b>		
Bank deposits maturing after 12 months period	5,55.09	-
<b>TOTAL :</b>	<u>8,84.83</u>	<u>7,34.08</u>
<p>The fixed deposit receipts of Rs. 6,76.80 lacs (2011 - Rs. 5,79.00 lacs) have been deposited with the Banks in lieu of margin money on Guarantees and Letters of Credit issued by the Banks</p>		
<b>16 Other Current Assets</b>		
Insurance Claim	-	58.09
Billable Cost	5,07.97	87.52
Accrued Income	25,39.64	44,17.17
Interest accrued but not due	16.38	16.24
<b>TOTAL :</b>	<u>30,63.99</u>	<u>45,79.02</u>



		Rs. in lacs
	31-Mar-12	31-Mar-11
<b>17 Revenue from Operations</b>		
Contract revenues	1,74,98.31	2,76,76.06
<b>TOTAL :</b>	<u>1,74,98.31</u>	<u>2,76,76.06</u>
		Rs. in lacs
<b>18 Other Income</b>	31-Mar-12	31-Mar-11
Interest received	7,19.15	3,80.04
Dividend received	2,97.60	3,00.00
Applicable net gain/(loss) on foreign currency transactions and translation	6,00.15	6,24.24
Miscellaneous Income	4,45.31	4,09.21
Stores and spares inventorised ( Refer note no. 13)	7,69.39	-
Other Non-operating Income	-	1.50
<b>TOTAL :</b>	<u>28,31.60</u>	<u>17,14.99</u>
		Rs. in lacs
<b>19 Cost of Services and Material</b>	31-Mar-12	31-Mar-11
Subcontractor charges	53,26.66	72,19.90
Vessel Charter and Related Cost	48,66.33	93,57.02
Equipment related expenses	4,76.55	7,02.53
Material, stores and spares	8,37.84	14,45.33
<b>TOTAL :</b>	<u>1,15,07.38</u>	<u>1,87,24.78</u>
		Rs. in lacs
<b>20 Employee Benefit Expenses</b>	31-Mar-12	31-Mar-11
Salaries and wages	19,30.21	19,38.07
Contribution to provident and other funds	1,70.34	2,40.57
Bonus & exgratia	11.48	11.78
Staff welfare expenses	30.67	33.33
Other allowances	2,35.68	2,59.67
<b>TOTAL :</b>	<u>23,78.38</u>	<u>24,83.42</u>
		Rs. in lacs
<b>21 Finance Costs</b>	31-Mar-12	31-Mar-11
Interest on Cash Credit	10,11.41	8,94.76
Interest on Term Loan	3,04.66	3.09
Interest on Unsecured Loan	1,56.78	96.52
Interest on Commercial Paper	17.77	59.83
Other interest cost	3.25	22.72
Other borrowing cost	1,50.01	2,24.17
<b>TOTAL :</b>	<u>16,43.88</u>	<u>13,01.09</u>
		Rs. in lacs
<b>22 Depreciation and Amortization Expenses</b>	31-Mar-12	31-Mar-11
Depreciation on tangible assets	3,71.38	4,22.40
Amortization of intangible assets	35.34	18.03
<b>TOTAL :</b>	<u>4,06.72</u>	<u>4,40.43</u>





	Rs. in lacs	
	31-Mar-12	31-Mar-11
<b>23 Other Expenses</b>		
Rent	2,04.64	2,19.15
Repairs to Buildings	17.03	30.37
Repairs to Machinery	50.90	63.00
Insurance	20.59	21.29
Travel and conveyance expenses	2,00.01	2,07.12
Rates and taxes	78.63	87.25
Office related expenses	1,28.99	1,48.62
Vehicle expenses	1,20.92	1,37.67
Promotional expenses	42.65	59.16
Legal and professional fees (includes payment to auditors*)	4,47.38	10,71.73
Bad debts	4,55.85	3,20.11
Miscellaneous Expenses	4,51.30	8,28.92
Loss on investment	-	5.00
Loss on sale of assets	-	0.37
<b>TOTAL :</b>	<b>22,18.89</b>	<b>31,99.76</b>
<b>*Payment to Auditors</b>		
<b>As Auditors</b>		
Audit fee	9.20	11.50
Tax audit fee	2.50	3.00
Limited review	2.40	3.00
<b>In other capacity</b>		
Other services (certification fees)	2.41	3.25
Reimbursement of expenses	0.22	0.11
<b>TOTAL :</b>	<b>16.73</b>	<b>20.86</b>

#### 24 Disclosure Under AS – 15 (Revised 2005)

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

##### I. Defined Contribution Plans

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

- Provident Fund
- Superannuation Fund
- Employer's Contribution to Employees' State Insurance
- Employer's 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 of India. 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	Rs. in lacs	
	31-Mar-12	31-Mar-11
Employer's contribution to Provident Fund	1,34.98	1,49.99
Employer's contribution to Superannuation Fund	21.12	27.58
Employer's contribution to Employees' State Insurance	14.30	22.17
Employer's Contribution to 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:

#### Funded Scheme Gratuity

Particulars	31-Mar-12	31-Mar-11
Discount Rate (per annum)	8%	8%
Rate of increase in compensation levels (per annum)	4%	4%
Expected Rate of Return	9.25%	9.25%

### (b) Change in the Present Value of Obligation

Rs. in lacs

#### Funded Scheme Gratuity

Particulars	31-Mar-12	31-Mar-11
Present Value of Defined Benefit Obligation as at beginning of the year	1,71.69	1,27.67
Interest Cost	13.74	10.21
Current Service Cost	15.10	19.81
Benefits Paid	(12.03)	(10.78)
Actuarial (gain) / loss on Obligations	(14.06)	24.78
Present Value of Defined Benefit Obligation as at the end of the year	1,74.44	1,71.69

### (c) Changes in the Fair Value of Plan Assets

Rs. in lacs

#### Funded Scheme Gratuity

Particulars	31-Mar-12	31-Mar-11
Present Value of Plan Assets as at beginning of the year	2,00.78	1,49.96
Expected Return on Plan Assets	18.28	13.98
Contributions	32.93	47.62
Benefits Paid	(12.03)	(10.78)
Actuarial gains / (losses)	-	-
Assets Distributed on Settlement	-	-
Fair Value of Plan Assets As at end of the year	2,39.96	2,00.78





(d) Percentage of each category of Plan Assets to total closing fair value of Plan Assets

**Funded Scheme Gratuity**

Particulars	31-Mar-12	31-Mar-11
Bank Deposits (SP. Dep. Scheme, 1975)	-	-
Debt Instruments	-	-
Administered by Life Insurance Corporation of India	100.00%	100.00%
Others	-	-

(e) Reconciliation of Present Value of Defined Benefit Obligation and the Fair Value of Assets. Rs. in lacs

**Funded Scheme Gratuity**

Particulars	31-Mar-12	31-Mar-11
Present Value of Funded Obligation as at end of the year	1,74.44	1,71.69
Fair Value of Plan Assets as at end of the year	2,39.96	2,00.78
Funded Liability/ (Asset) as at the Balance Sheet date	(65.52)	(29.09)

(f) Amount recognised in the Balance Sheet Rs. in lacs

**Funded Scheme Gratuity**

Particulars	31-Mar-12	31-Mar-11
Present Value of Defined Benefit Obligation as at end of the period	1,74.44	1,71.69
Fair Value of Plan Assets as at end of the period	2,39.96	2,00.78
Liability / (Net Asset) as at the end of the year	(65.52)	(29.09)

(g) Expenses / (Income) recognised in Profit and Loss Account Rs. in lacs

**Funded Scheme Gratuity**

Particulars	31-Mar-12	31-Mar-11
Current Service Cost	15.10	19.81
Past Service Cost	-	-
Interest Cost	13.74	10.21
Expected Return on Plan Assets	(18.28)	(13.98)
Curtailment Cost / Credit	-	-
Settlement Cost / Credit	-	-
Net Actuarial (gain) / Loss recognised in the period	(14.06)	24.78
Total Expenses / (Income) recognised in the Profit and Loss Account	(3.50)	40.82

(h) Actual Return on Plan Assets Rs. in lacs

**Funded Scheme Gratuity**

Particulars	31-Mar-12	31-Mar-11
Expected Return on Plan Assets	18.28	13.98
Actuarial gains / (losses) on Plan Assets	-	-
Actual Return on Plan Assets	18.28	13.98



## 25 Contingent Liabilities:

- i) As at March 31, 2012 the Company had contingent liabilities in respect of bank guarantees, issued to their customers of Rs. 64,32.61 lacs (2011 – Rs. 50,53.78 lacs) of which Rs. 64,32.61 lacs (2011 – Rs. 50,53.78 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.
- ii) Capital commitment and guarantees on behalf of subsidiary –  
The Company has given a corporate guarantee to the lenders of Dolphin Offshore Enterprises (Mauritius) Private Limited for US\$ 25.90 million (2011 – US\$ 25.90 million).
- iii) As at March 31, 2012, the Company has commitment to pay Rs. 13,07.36 lacs (2011 - Rs. 24,82.26 lacs) towards balance amount on account of Open Purchase/Service orders
- iv) The Company has appealed the award of the CIT(Appeals) on the block assessment of the Company under Sec. 158BC of Income Tax Act 1961 raising a demand of Rs. 52.97 lacs (2011 – Rs. 52.97 lacs).  
During the previous year the Company has preferred an appeal with ITAT, Mumbai against the order of CIT (A) disallowing dry-docking charges for A.Y. 2005-06 amounting to Rs. 24.94 Lacs.  
The Company has filed an appeal with the CIT (A) against the order of the Assessing Officer disallowing of FCCB issue expenses for A.Y. 2006-07 amounting to Rs. 2,35.78 lacs for which a demand of Rs. 1,04.88 lacs has been raised.

## 26 Segment reporting

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

## 27 Related Party Disclosures-

Related party transactions cover transactions between the Company and the following persons in accordance with Accounting Standard 18 notified pursuant to Companies (Accounting standards) Rules, 2006.

### 1) Related party relationships:

#### (As identified by the management)

#### a) Companies under common control, including subsidiaries:

- |  |                        |
|--|------------------------|
| i) Dolphin Offshore Projects Limited                         | - 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  |
| v) Dolphin Offshore Shipping Limited                         | - 100.00 % subsidiary  |
| vi) IMPaC Oil & Gas Engineering (India) Pvt. Limited         | - 40 % Joint Venture   |

#### b) Key Management Personnel

Rear Admiral Kirpal Singh	Executive Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Joint Managing Director

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

Mrs. Manjit Kirpal Singh	Spouse of Executive Chairman
Mrs. Prabha Chandran	Daughter of Executive Chairman
Mrs. Nitu Singh	Spouse of Managing Director
Ms. Rishma Singh	Daughter of Managing Director
Mr. Rohan Singh	Son of Managing Director
Mrs. Ritu Singh	Spouse of Joint Managing Director
Mr. Tarun Singh	Son of Joint Managing Director
Master Akhil Singh	Son of Joint Managing Director



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

Rs. in lacs

Nature of Transactions	Transactions during the year		Outstanding Balance as at March 31, 2012		Outstanding Balance as at March 31, 2011	
	2011 -12	2010 -11	Receivable	Payable	Receivable	Payable
<b>Companies under common control, including subsidiaries</b>			<b>95,73.58</b>	<b>78.61</b>	79,79.22	1,32.94
Interest Received	-	18.79				
Contract Revenues	<b>39.72</b>	2,51.50				
Subcontractor charges paid	<b>1,37.05</b>	1,56.90				
Hire charges paid	<b>7,38.01</b>	13,84.17				
Loans Given	<b>13,69.57</b>	6,04.82				
Loans taken repaid	-	2,50.00				
Loans Taken	-	2,50.00				
Dividend Received	<b>2,97.60</b>	2,97.60				
Recoverable Expenses incurred	<b>89.22</b>	94.00				
<b>Key Management Personnel</b>				<b>2,21.15</b>		2,36.15
Remuneration	<b>2,44.34</b>	3,64.82				
Interest paid	<b>24.63</b>	23.93				
Unsecured Loans received (repaid), net	<b>(15.00)</b>	1,00.00				
<b>Relatives of Key Management Personnel</b>				<b>57.00</b>		53.00
Commission	<b>3.05</b>	4.91				
Interest paid	<b>5.91</b>	5.77				
Fixed deposits received (repaid), net	<b>4.00</b>	9.00				

Rs. in lacs

Companies under common control, including subsidiaries	Sub contractor charges	Contract Revenues	Unsecured loan/Fixed Deposit Accepted/ (Repaid)	Recoverable Expenses incurred	Hire Charge/ Rent Paid	Interest Received	(Receivables)/ Payables
Dolphin Offshore Projects Limited	-	-	-	-	18.71	-	32.15
Dolphin Offshore Enterprises [Mauritius] Private Limited	-	-	13,69.57	-	2,35.41	-	(94,84.44)
IMPac Oil and Gas Engineering (India) Pvt Ltd.	-	-	-	-	-	-	(89.14)
Dolphin Offshore Shipping Ltd.	1,37.05	39.72	-	0.08	4,83.89	-	46.46



**Material related transactions:**

Particulars	Unsecured loan/ Fixed Deposit	Interest paid	Remuneration	(Receivables)/ Payables
<b>Key Management Personnel</b>				
Rear Admiral Kirpal Singh	-	2.70	37.33	25.00
Mr. Satpal Singh	-	0.04	1,04.66	0.40
Mr. Navpreet Singh	-	14.12	1,02.35	1,30.75
Mrs. Manjit Kirpal Singh	-	5.94	-	55.00
Mr. Bipin Shah H.U.F	-	0.75	-	-
Mr. Arvind Parikh	-	1.08	-	10.00
<b>TOTAL :</b>	<b>-</b>	<b>24.63</b>	<b>2,44.34</b>	<b>2,21.15</b>
<b>Relatives of Key Management Personnel</b>				
Mrs. Prabha Chandran	-	0.32	-	3.00
Mrs. Ritu Singh	-	0.32	-	3.00
Mr. Tarun Singh	-	3.21	-	29.75
Mr. Akhil Singh	4.00	2.06	-	21.25
<b>TOTAL :</b>	<b>4.00</b>	<b>5.91</b>	<b>-</b>	<b>57.00</b>

**Notes**

- Remuneration includes basic salary, allowance, perks and commission.
- There are no provisions for doubtful debts or amounts written off in respect of debts due to or from related parties.

**28 Operating Lease commitments –**

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

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Not later than one year	89.18	71.84
Later than one year and not later than five years	3,34.42	3,56.71
Later than five years	-	-
<b>TOTAL :</b>	<b>4,23.60</b>	<b>4,28.55</b>

- Lease payments recognised in the statement of Profit & Loss for the period is Rs. 2,04.64 Lacs (2011 - Rs. 2,19.15 lacs)



**29 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 at year end.

Particulars		31-Mar-12	31-Mar-11
Net profit after tax for the year	(Rs. in lacs)	15,26.40	22,41.69
Add : Interest to be saved on conversion of bonds to shares (Net of taxes)	(Rs. in lacs)	-	-
Diluted net profit for the year	(Rs. in lacs)	15,26.40	22,41.69
Number of Ordinary shares	(Nos in lacs)	1,67.72	1,67.72
Weighted average shares (Basic)	(Nos in lacs)	1,67.72	1,61.27
Weighted average shares (Diluted)	(Nos in lacs)	1,67.72	1,61.27
Face value per share	(Rs.)	10.00	10.00
Basic earnings per share	(Rs.)	9.10	13.90
Diluted earnings per share	(Rs.)	9.10	13.90

**Calculation of weighted average number of shares**

Particulars		31-Mar-12	31-Mar-11
Number of Ordinary shares		1,67.72	1,57.57
Number of shares converted during the year		-	3.70
Weighted Average Shares (Basic)		1,67.72	1,61.27
Add : Deemed conversion of bonds to shares		-	-
Weighted average shares (Diluted)		1,67.72	1,61.27

**30 Additional disclosures required under Schedule VI :**

**a) Value of imports calculated on CIF basis in respect of –** Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Materials, stores and spares	70.95	2,33.31

**b) Break up of materials, stores and spares consumed -**

Particulars	31-Mar-12		31-Mar-11	
	Rs. in lacs	Percentage	Rs. in lacs	Percentage
Indigenous	7,66.90	91.53%	12,12.03	83.86%
Imported	70.94	8.47%	2,33.31	16.14%
<b>TOTAL :</b>	<b>8,37.84</b>	<b>100.00%</b>	<b>14,45.34</b>	<b>100.00%</b>

**c) Expenditure in foreign currency -** Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Project related material	14.09	-
Foreign subcontractors	3,79.10	2,26.93
Vessel charter & related expenses	2,92.72	7,56.13
Equipment related expenses	-	61.87
Materials, stores and spares	70.95	2,33.31
Foreign travel	25.71	40.04
Other matters	11.76	23.47
Interest on FCCB	-	4.17
<b>TOTAL :</b>	<b>7,94.33</b>	<b>13,45.92</b>



**d) Earnings / Borrowing in foreign exchange -**

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Contract revenues *	97,71.27	2,04,56.27
Other Income	1,08.58	3,24.42
<b>TOTAL :</b>	<b>98,79.85</b>	2,07,80.69

\* Contract revenue 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.

**31 Particulars of Derivative Instruments as at March 31, 2012**

- a) No derivative instruments are acquired for trading or speculation purposes.  
 b) Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are:

**Details of amount payable:**

Currency	31-Mar-12		31-Mar-11	
	Amount In Foreign Currency	Amount In Indian Rs. (lacs)	Amount In Foreign Currency	Amount In Indian Rs. (lacs)
EURO	-	-	841	0.53
GBP	143,633	1,17.41	335	0.24
SING. \$	12,976	5.28	70,397	24.93
US\$	283,582	1,45.17	359,487	1,60.33

**Details of amount receivable:**

EURO	11,585,595	79,12.96	13,954,448	89,55.32
US\$	7,373,172	37,73.59	3,874,755	17,27.75

**Details of Bank Balances:**

Particulars	Currency	31-Mar-12		31-Mar-11	
		Amount In Foreign Currency	Amount In Indian Rs. (lacs)	Amount In Foreign Currency	Amount In Indian Rs. (lacs)
State Bank of India Singapore	US\$	29,508	15.10	4,985	2.22
State Bank of India EEFC –US\$	US\$	5	*	5	*

\* Denotes amount less than Rs. 500 /-



**32 Disclosure as per clause 32 of the listing agreement:**

- a) Loans given to subsidiary Company where no repayment schedule is prescribed and no interest is charged.

Rs. in lacs

Name of Subsidiary Company	Amount Outstanding	Maximum Balance Outstanding during the year
Dolphin Offshore Enterprises [Mauritius] Private Limited	92,59.65	92,59.65

**33 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 up to 31st March 2012 is as under :

Percentage of ownership interest as at 31<sup>st</sup> March 2012 – 40%

Rs. in lacs

As at 31 <sup>st</sup> March 2012		For the period ended 31 <sup>st</sup> March 2012	
Assets	94.16	Income	41.09
Liability	68.16	Expenses	37.53

**34 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 and Small Enterprises as per The Micro, Small and Medium Enterprises Development Act, 2006.

**35 Debtors and Creditors :**

- a) Balances in respect of creditors and debtors are subject to confirmation/reconciliation, wherever required.
- b) Sundry debtors includes amount outstanding from a customer amounting to Rs. 25,25.82 lacs. This relates to a subcontract job done during 2006-07 and amount outstanding relates to change order which is still under process of resolution by the ultimate client. Management believes that this amount will be received and hence no provision has been made in the books till date.
- c) The Company has taken extra time to complete two of its EPC contracts beyond the scheduled contract completion date as the Company had to execute significant additional work and also on account of delays not attributable to the Company. The potential liability for liquidated damages resulting from the extended completion date as on March 31, 2012 amounts to Rs. 30,39.76 lacs (2011- Rs. 28,30.45 lacs). As the Company believes that the liquidated damages will be waived for the reasons stated above, no provision for the same has been made in the books till date.
- d) During the previous year, the Company has incurred additional expenditure on executing additional work under its EPC contracts. The Company has quantified and submitted some of its claims for extra work done and has commenced discussions with the clients for finalising the same. However, as a matter of abundant caution, only a portion of these extra claims amounting to Rs. 33,84.45 lacs (2011 - Rs. 33,59.47 lacs) have been recognised as revenue. The balance of the additional claims will be recognised as revenues as and when the same are accepted by the clients.

**36 Prior year comparatives:**

As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1<sup>st</sup> April, 2011. Accordingly, the financial statements for the year ended March 31, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of Revised Schedule VI.



---

---

# **CONSOLIDATED FINANCIAL STATEMENTS**

---

---







**AUDITORS' REPORT TO THE BOARD OF  
DIRECTORS OF DOLPHIN OFFSHORE  
ENTERPRISES (INDIA) LIMITED ON THE  
CONSOLIDATED FINANCIAL STATEMENTS**

1. We have audited the attached Consolidated Balance Sheet of Dolphin Offshore Enterprises (India) Limited ("the Company") and its Subsidiaries, its joint venture (collectively referred to as "the group") as at 31<sup>st</sup> March, 2012 and also the consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. 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 misstatement. 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets (net) of Rs. 17,639 Lacs as at 31<sup>st</sup> March, 2012, total net revenues of Rs. 2,169 Lacs and net cash inflows are amounting to Rs. 27 Lacs for the year then ended. We also did not audit the financial statements of a joint venture, whose aggregate share of net profit amounting to Rs. 3 Lacs are also included in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of such other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated financial statements", and Accounting standard (AS) 27, "Financial Reporting of Interests in Joint Ventures" as notified pursuant to

the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of Dolphin Offshore Enterprises (India) Limited and its subsidiaries.

5. Without qualifying our opinion, attention is invited to:
  - a. Note no. 30 (b) to accounts with regard to long outstanding of sundry debtors of Rs. 2526 Lacs, which has been considering by the management as good and recoverable.
  - b. Note no. 30 (d) to accounts with regard to recognition of Rs. 3384 Lacs being only a portion of extra claim for additional work carried out as revenue, for the reason stated therein.
6. *As stated in Note No. 30 (c) to accounts, no Provision is made for Liquidated damages amounting to Rs. 3040 Lacs for reasons stated therein. The Profit for the year and reserves and surplus are without considering the said provision.*
7. *Subject to our observation at point 6 above and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:*
  - (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31<sup>st</sup> March 2012;
  - (b) in the case of the Consolidated Statement of Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - (c) in the case of the consolidated cash flow statement, of the cash flows of the Group for the year ended on that date.

For **Haribhakti & Co.**  
Chartered Accountants  
Firm Registration No.103523W  
Chetan Desai  
Partner  
Membership No. : 17000

Place: Mumbai  
Date : May 14, 2012



**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2012**

(Currency: Indian Rupee in Lacs)

	<u>Notes</u>	<u>As at 31.03.2012</u>	<u>As at 31.03.2011</u>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS -</b>			
Share capital	3	16,77.25	16,77.25
Reserves and surplus	4	<b>2,24,16.83</b>	2,26,64.49
		<b>2,40,94.08</b>	2,43,41.74
Minority Interest		7.69	7.41
<b>NON-CURRENT LIABILITIES -</b>			
Long-term borrowings	5	<b>68,11.75</b>	50,41.14
Deferred tax liability (Net)	6	<b>71.80</b>	81.26
Long-term provisions	7	<b>98.91</b>	10.46
		<b>69,82.46</b>	51,32.86
<b>CURRENT LIABILITIES -</b>			
Short-term borrowings	8	<b>72,51.85</b>	1,13,71.38
Trade payables	9	<b>38,36.03</b>	46,10.32
Other current liabilities	9	<b>67,36.77</b>	68,11.55
Short-term provisions	7	<b>2,75.36</b>	4,18.90
		<b>1,81,00.01</b>	2,32,12.15
<b>TOTAL</b>		<b>4,91,84.24</b>	5,26,94.16
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Goodwill on consolidation		<b>11,47.01</b>	11,47.01
<b>Fixed assets</b>			
Tangible assets	10	<b>2,05,65.71</b>	1,00,44.62
Intangible assets	10	<b>1,02.95</b>	1,38.31
Capital work-in-progress	10	<b>1,62.65</b>	1,00,95.84
		<b>2,08,31.31</b>	2,02,78.77
Non-current investments	11	<b>27.00</b>	27.00
Long-term loans and advances	12	<b>12,07.42</b>	10,10.18
<b>CURRENT ASSETS</b>			
Inventories	13	<b>8,19.72</b>	53.18
Trade receivables	14	<b>1,83,00.29</b>	2,21,77.34
Cash and bank balance	15	<b>11,88.37</b>	10,22.59
Short-term loans and advances	12	<b>25,05.85</b>	23,30.43
Other current assets	16	<b>31,57.27</b>	46,47.66
		<b>2,59,71.50</b>	3,02,31.20
<b>TOTAL</b>		<b>4,91,84.24</b>	5,26,94.16

Significant Accounting Policies and Notes to Accounts forming an integral part of financial statements.

2

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

**Chetan Desai**  
Partner

Place : Mumbai  
Date : May 14, 2012

**FOR AND ON BEHALF OF THE BOARD**

Rear Admiral Kirpal Singh  
Mr. Jagadisa I Jayaraman  
Mr. Satpal Singh  
Mr. Navpreet Singh  
Mr. V. Surendran

Executive Chairman  
Director  
Managing Director  
Jt. Managing Director  
Company Secretary



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2012**

(Currency: Indian Rupee in Lacs)

	<u>Notes</u>	<u>Year Ended 31.03.2012</u>	<u>Year Ended 31.03.2011</u>
<b>INCOME</b>			
Revenue from operations - Sale of services	17	<b>2,00,00.87</b>	3,04,42.35
Other income	18	<b>34,04.60</b>	14,63.42
<b>Total revenue</b>		<b>2,34,05.47</b>	3,19,05.77
<b>EXPENSES</b>			
Cost of services and material	19	<b>1,30,62.51</b>	1,97,61.65
Employee benefits expense	20	<b>28,97.55</b>	29,20.88
Finance costs	21	<b>21,44.77</b>	17,77.70
Depreciation and amortization expense	22	<b>13,15.87</b>	10,22.85
Other expenses	23	<b>28,22.70</b>	36,90.90
<b>Total expenses</b>		<b>2,22,43.40</b>	2,91,73.98
Profit before tax		<b>11,62.07</b>	27,31.79
Minority Interest		<b>(0.27)</b>	(0.22)
<b>TAX EXPENSES</b>			
Current tax		<b>7,42.26</b>	11,05.70
Deferred tax		<b>(9.46)</b>	11.56
Profit after tax		<b>4,29.00</b>	16,14.31
<b>EARNINGS PER EQUITY SHARE</b>			
<b>(Face value Rs. 10/- per share)</b>			
Basic earnings per equity share		<b>2.56</b>	10.01
Diluted earnings per equity share		<b>2.56</b>	10.01

Significant Accounting Policies and Notes to Accounts forming an integral part of financial statements.

2

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

**Chetan Desai**  
Partner

Place: Mumbai  
Date : May 14, 2012

**FOR AND ON BEHALF OF THE BOARD**

Rear Admiral Kirpal Singh  
Mr. Jagadisa I Jayaraman  
Mr. Satpal Singh  
Mr. Navpreet Singh  
Mr. V. Surendran

Executive Chairman  
Director  
Managing Director  
Jt. Managing Director  
Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012**

(Currency: Indian Rupee in Lacs)

	Year Ended	
	31.03.2012	31.03.2011
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>NET PROFIT BEFORE TAX</b>	<b>11,62.07</b>	27,31.79
Adjusted for :		
Depreciation	13,15.87	10,22.85
Interest expense	21,44.77	17,77.70
Interest income	(8,13.42)	(3,78.66)
Fixed assets - Loss/(Profit) on sale	(5.49)	(95.85)
Investments - Profit on sale	-	(1.50)
Foreign exchange loss on conversion of FCCB Bonds	-	15.49
Operating profit before working capital changes	<b>38,03.80</b>	50,71.82
Adjustments for :		
Trade and other receivables	51,92.66	(12,25.22)
Inventory	(7,66.54)	-
Bank deposits maturing after 12 months period	(5,55.09)	-
Trade and other payables	(29,23.29)	(27,66.54)
Provisions	35.14	19.58
<b>CASH GENERATED FROM OPERATIONS</b>	<b>47,86.68</b>	10,99.64
Direct taxes paid	(9,40.12)	(23,58.82)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>38,46.56</b>	(12,59.18)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(1,18,01.61)	(4,88.65)
Capital Work in Progress	99,33.19	(6,30.99)
Sale of fixed assets	-	1,14.33
Foreign Exchange Transalation	(4,17.61)	(56.02)
Interest received	8,13.42	3,78.66
Sale of Investments	4,46.49	14,68.50
Purchase of Investments	(4,41.00)	(14,67.00)
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(14,67.12)</b>	(6,81.17)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowing	(49,26.47)	(2,73.32)
Proceeds from borrowing	48,00.00	83,62.25
Increase [decrease] in loan liabilities	(1,48.22)	(50,40.09)
Interest paid	(21,44.77)	(17,77.70)
Dividend paid	(3,49.29)	(2,38.76)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(27,68.75)</b>	10,32.38
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(3,89.31)</b>	(9,07.97)
<b>CASH AND CASH EQUIVALENTS (OPENING BALANCE)</b>	<b>10,22.59</b>	19,30.56
<b>CASH AND CASH EQUIVALENTS (CLOSING BALANCE)</b>	<b>6,33.28</b>	10,22.59

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

**Chetan Desai**  
Partner

Place: Mumbai  
Date : May 14, 2012

**FOR AND ON BEHALF OF THE BOARD**

Rear Admiral Kirpal Singh  
Mr. Jagadisa I Jayaraman  
Mr. Satpal Singh  
Mr. Navpreet Singh  
Mr. V. Surendran

Executive Chairman  
Director  
Managing Director  
Jt. Managing Director  
Company Secretary



## **CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012**

### **1 Corporate Information**

Dolphin Offshore was incorporated as a Private Limited Company on May 17, 1979 with the objective of providing services to the Offshore Oil and Gas industry. The Company initially commenced operations by providing diving services to the Oil and Gas Natural Commission (now reconstituted as the Oil and Natural Gas Company Ltd). Over the years, the Company has expanded its capabilities and now provides a range of services as explained below.

In 1994, Dolphin Offshore went public and is currently listed on the Bombay Stock Exchange and the National Stock Exchange.

Dolphin Offshore has two wholly owned subsidiaries, Dolphin Offshore Shipping Ltd (hereinafter referred to as DOSL) and Dolphin Offshore Enterprises (Mauritius) Pvt Ltd (hereinafter referred to as DOEMPL). In addition, Dolphin Offshore has entered in to a joint venture with IMPaC Offshore Engineering GMBH for providing design and engineering services. DOSL is only involved in the business of owning, operating and managing vessels and in handling marine logistics. DOEMPL, apart from owning vessels, will also provide to the international market the whole range of services that Dolphin Offshore provides.

The current range of services that Dolphin Offshore and subsidiaries provide are :

- a. Underwater diving and engineering
- b. Design and engineering
- c. Vessel operations and management
- d. Marine logistics
- e. Ship repair and rig repair services
- f. Fabrication
- g. E&I services
- h. Offshore hook-up and commissioning
- i. Undertaking turnkey EPC contracts.

### **2 Summary of significant accounting policies**

#### **Basis of Preparation**

The financial statements are prepared on an accrual basis and 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 the relevant provisions of the Companies Act 1956.

#### **a) Basis of Consolidation**

- i) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements notified pursuant to Company's (Accounting Standards) Rules, 2006. The consolidated financial statements comprise the financial statements of Dolphin Offshore Enterprises [India] Limited (DOEIL) and its subsidiaries and joint venture.

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'

In consolidation of Dolphin Offshore Enterprises (Mauritius) Private Limited, the operation of foreign subsidiary have been considered by the management as non integral, described in Accounting Standard – AS 11 (revised) "Accounting for the effects of changes in foreign exchange rates" issued by ICAI, on the basis that said foreign subsidiary transacts its activities with significant degree of autonomy, though parent controls major portion of its operations.

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 joint venture.



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

Name of the Company		Percentage holding	Country of Incorporation
1 Dolphin Offshore Enterprises (Mauritius) Private Limited *	Subsidiary	100.00%	Mauritius
2 Global Dolphin Drilling Co Ltd	Subsidiary	59.96%	India
3 Dolphin Offshore Shipping Ltd	Subsidiary	100.00%	India
4 IMPaC Oil & Gas Engineering (India) Pvt Ltd	Joint Venture	40.00%	India

\* The books of accounts 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 (or as revalued), 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. 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.

Depreciation [including depreciation on revalued portion of fixed assets] is calculated on the written down value 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 straight line method.

Leasehold land is amortised over the period of lease.

Cost of improvement of leased premises is depreciated on straight line basis over lease period which also includes extension period available under lease agreement.

**c) Investments**

Long term investments are stated at cost. Current Investment are stated at lower of cost or fair value. Cost of investments is determined as the purchase price of the investments plus other direct costs incurred on establishing clear ownership of the investment.

A provision for diminution is made to recognise a decline other than temporary in the value of long term investments.

**d) Inventories**

Stores and spares are valued at lower of cost and net realisable value.

**e) 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 vessels 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.



**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 monetary items are translated using the exchange rate prevailing at year end, and any resulting foreign exchange gains or losses are recognised as period costs.

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 using the Projected Unit Credit method as at the Balance Sheet date.

**Other Long Term Benefits**

Long term compensated absences are provided on the basis of an actuarial valuation using the Projected Unit Credit method 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 and tax laws that have been enacted or substantively enacted by 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 Dolphin Offshore Shipping 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 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.

**i) Use of Estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.



**ii) Provision, Contingent Liabilities and Contingent Assets:**

**Provisions** are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- a) the Company has a present obligation as a result of past event,
- b) a probable outflow of resources is expected to settle the obligation and
- c) the amount of the obligation can be reliably estimated

**Contingent Liability** is disclosed in case of

- a) present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation
- b) a possible obligation, unless the probability of outflow of resources is remote.

**Contingent Assets** are neither recognized, nor disclosed

*Provisions, Contingent Liabilities and Contingent Assets* are reviewed at each Balance Sheet Date.

**3 Share Capital**

**Authorised Shares**

2,50,000 (2011 - 2,50,000) equity shares of Rs. 10 each

**Issued, subscribed and fully paid up shares**

1,67,72,518 (2011 - 1,67,72,518) equity shares of Rs. 10 each fully paid.

Total Issued, subscribed and fully paid-up share capital

	31-Mar-12	31-Mar-11
	25,00.00	25,00.00
	16,77.25	16,77.25
	16,77.25	16,77.25

**a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**  
**Equity Shares**

Particulars	31-Mar-12		31-Mar-11	
	No in lacs	Rs. in lacs	No in lacs	Rs. in lacs
Shares outstanding at the beginning of the year	1,67.72	16,77.25	1,57.57	15,75.75
Shares Issued during the year	-	-	10.15	1,01.50
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	1,67.72	16,77.25	1,67.72	16,77.25

**b) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five year immediately preceeding the reporting date**

Particulars	Year (Aggregate No. of Shares) - No. in lacs				
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>Equity Shares :</b>					
Fully paid up pursuant to contract(s) without payment being received in cash	NIL	NIL	NIL	NIL	NIL
Fully paid up by way of bonus shares	NIL	NIL	38.26	NIL	NIL
Shares bought back	NIL	NIL	NIL	NIL	NIL





**c) Details of shareholders holding more than 5 % shares in the Company**

Name of Shareholder	31-Mar-12		31-Mar-11	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Kripal Singh	8,71,382	5.20%	7,51,371	4.48%
Navpreet Singh	9,80,152	5.84%	9,80,152	5.84%
Satpal Singh	9,41,555	5.61%	9,38,140	5.59%
Dolphin Offshore Projects Ltd.,	25,60,662	15.27%	25,60,662	15.27%
ClearWater CAP Partners CLO I PTE Ltd	9,81,666	5.85%	9,81,666	5.85%
ClearWater CAP. Partners Cyprus Ltd	10,03,786	5.98%	10,03,786	5.98%

**d) Terms/rights attached to equity shares**

The Company has only one type of equity shares having a par value of Rs.10 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

During the year 31<sup>st</sup> March 2012, the amount of per share dividend recognized as distributions to equity shareholder was Rs. 1.50

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**4 Reserves and Surplus**

**RESERVES**

**General reserve-**

Opening balance

Add: Transfer from Profit and Loss account

**Closing balance**

**Debenture Redemption reserve**

Opening balance

Add: Transfer from Profit and Loss account

Closing balance

**Tonnage Tax**

Opening balance

Add: Transfer from Profit and Loss account

Closing balance

**Bond Redemption reserve**

Opening balance

Less: Transferred to General Reserve

**Closing balance**

**Share premium account**

Opening balance

Add: Capitalised on conversion of FCCB

**Closing balance**

Foreign exchange translation reserve

	31-Mar-12	31-Mar-11
		Rs. in lacs
		31-Mar-11
	<b>48,78.07</b>	46,29.21
	<b>1,74.06</b>	2,48.86
	<b>50,52.13</b>	48,78.07
	-	1,00.55
	-	(1,00.55)
	-	-
	<b>4,48.38</b>	4,28.53
	<b>30.49</b>	19.85
	<b>4,78.87</b>	4,48.38
	-	13,82.30
	-	(13,82.30)
	-	-
	<b>61,08.25</b>	45,75.53
	-	15,32.72
	<b>61,08.25</b>	61,08.25
	<b>(1,44.49)</b>	2,73.11



		Rs. in lacs	
		31-Mar-12	31-Mar-11
<b>4 Reserves and Surplus (Contd.)</b>			
	<b>SURPLUS</b>		
	Opening balance	1,09,56.68	84,70.06
	Add: Net Profit for the current year	4,29.00	16,14.31
	Add: Transfer from Bond Redemption Reserves	-	13,82.30
	Add: Transfer from Debenture Redemption Reserves	-	1,00.55
	Add : Tax on dividend distribution of previous year	40.81	-
	Less: Proposed dividends (Including tax on dividend)	(2,99.87)	(3,41.83)
	Less: Transfer to General Reserves	(1,74.06)	(2,48.86)
	Less: Transfer to Tonnage Reserves	(30.49)	(19.85)
	<b>Closing balance</b>	<b>1,09,22.08</b>	<b>1,09,56.68</b>
	<b>TOTAL :</b>	<b>2,24,16.83</b>	<b>2,26,64.49</b>

		Rs. in lacs			
		Non-current portion		Current maturities	
		31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
<b>5 Long-Term Borrowings</b>					
	Loans from companies & banks (Secured)	65,93.95	46,68.02	42,76.58	22,02.37
	Term loan from banks	1,66.30	3,32.62	-	-
	<b>Other loans and advances:</b>				
	Deposits from Shareholders & Others (Unsecured)	51.50	40.50	-	-
	<b>TOTAL :</b>	<b>68,11.75</b>	<b>50,41.14</b>	<b>42,76.58</b>	<b>22,02.37</b>

(Loan from Banks 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).

Term Loan from Banks is secured by a first charge on the assets financed through the term loan.

Loan from banks for purchase of assets 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.

The above loans are repayable in monthly instalments ranging from 36 to 60 months.

		Rs. in lacs	
		31-Mar-12	31-Mar-11
<b>6 Deferred Tax Liability</b>			
	Difference between book and tax depreciation	3,96.67	3,85.38
	Lease Equalisation	(53.50)	(47.43)
	Provision for leave encashment	(1,18.16)	(86.51)
	Net impact on timing difference	2,25.01	2,51.44
	Effective tax rate	32.45%	32.45%
	<b>Deferred tax (asset)/liability</b>	<b>73.00</b>	<b>81.58</b>
	<b>Share in Joint venture</b>	<b>(1.20)</b>	<b>(0.32)</b>
	<b>TOTAL :</b>	<b>71.80</b>	<b>81.26</b>



Rs. in lacs

	Long-term		Short-term	
	31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11
<b>7 Provisions</b>				
<b>(a) Provision for employee benefits</b>				
Leave encashment (unfunded)	94.93	8.75	22.37	77.07
	<u>94.93</u>	<u>8.75</u>	<u>22.37</u>	<u>77.07</u>
<b>(b) Others</b>				
Proposed dividend	-	-	2,51.59	2,51.59
Tax on proposed dividend	-	-	-	90.24
	<u>-</u>	<u>-</u>	<u>2,51.59</u>	<u>3,41.83</u>
	<u>94.93</u>	<u>8.75</u>	<u>2,73.96</u>	<u>4,18.90</u>
<b>Share in Joint venture</b>	<u>3.98</u>	<u>1.71</u>	<u>1.40</u>	<u>-</u>
<b>TOTAL:</b>	<u><u>98.91</u></u>	<u><u>10.46</u></u>	<u><u>2,75.36</u></u>	<u><u>4,18.90</u></u>
				Rs. in lacs
<b>8 Short-Term Borrowings</b>			<b>31-Mar-12</b>	<b>31-Mar-11</b>
<b>Secured</b>				
Cash credit from scheduled banks			57,92.40	99,19.03
(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)				
Loans from companies & banks			2,54.40	4,24.50
			<u>60,46.80</u>	<u>1,03,43.53</u>
<b>Unsecured Loans and advances from related parties</b>				
From Directors			2,21.15	2,21.15
<b>Deposits</b>				
From Shareholders & Others			41.90	63.90
<b>Other loans and advances:</b>				
From Companies			9,42.00	7,42.00
			<u>12,05.05</u>	<u>10,27.05</u>
			<u>72,51.85</u>	<u>1,13,70.58</u>
<b>Share in Joint venture</b>			<u>-</u>	<u>0.80</u>
<b>TOTAL :</b>			<u><u>72,51.85</u></u>	<u><u>1,13,71.38</u></u>
				Rs. in lacs
<b>9 Other Current Liabilities</b>			<b>31-Mar-12</b>	<b>31-Mar-11</b>
Trade payables *			37,77.10	45,52.94
			<u>37,77.10</u>	<u>45,52.94</u>
<b>Share in Joint venture</b>			<u>58.93</u>	<u>57.38</u>
			<u>38,36.03</u>	<u>46,10.32</u>
<b>Other liabilities</b>				
Current maturities of long term borrowings			42,76.58	22,02.37
Accrued expenses			17,50.90	34,93.09
Unpaid dividend **			10.90	10.24
Other liabilities			6,94.54	11,01.90
			<u>67,32.92</u>	<u>68,07.60</u>
<b>Share in Joint venture</b>			<u>3.85</u>	<u>3.95</u>
			<u>67,36.77</u>	<u>68,11.55</u>
<b>TOTAL :</b>			<u><u>1,05,72.80</u></u>	<u><u>1,14,21.87</u></u>

\*There are no amounts due to Micro and Small Enterprises units (2011-Nil) as indicated by the Management

\*\*There are no amounts due and outstanding to be credited to Investor Education and Protection Fund



**10 Fixed Assets**

Rs. in lacs

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01.04.2011	Additions during the year	Deduction/ Adjustment during the year	As at 31.03.2012	Upto 31.03.2011	For the year	Deduction/ Adjustment during the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
<b>Tangible Assets</b>										
Freehold Land	1,10.27	-	-	1,10.27	-	-	-	-	1,10.27	1,10.27
Premises	12,78.52	-	-	12,78.52	4,12.52	66.29	-	4,78.81	7,99.71	8,66.00
Plant and Machinery	37,92.83	1,12.79	-	39,05.62	19,66.16	2,55.91	-	22,22.07	16,83.55	18,26.67
Office Equipment	1,75.48	1.04	(0.14)	1,76.66	69.94	14.82	(0.07)	84.83	91.83	1,05.54
Furniture and Fixtures	1,57.65	-	-	1,57.65	92.49	11.79	-	1,04.28	53.37	65.16
Motor Vehicles	1,21.55	-	-	1,21.55	94.50	7.00	-	1,01.50	20.05	27.05
Computer	2,85.83	1.12	(0.67)	2,87.62	2,33.94	21.15	(0.11)	2,55.20	32.42	51.89
Vessel	91,97.09	1,12,99.16	(3,15.92)	2,08,12.17	22,05.05	9,03.56	70.95	30,37.66	1,77,74.51	69,92.04
<b>Total (A)</b>	<b>1,51,19.22</b>	<b>1,14,14.11</b>	<b>(3,16.73)</b>	<b>2,68,50.06</b>	<b>50,74.60</b>	<b>12,80.52</b>	<b>70.77</b>	<b>62,84.35</b>	<b>2,05,65.71</b>	<b>1,00,44.62</b>
<b>Intangible Assets</b>										
Computer Software	2,17.82	-	-	2,17.82	79.51	35.35	-	1,14.87	1,02.95	138.31
<b>Total (B)</b>	<b>2,17.82</b>	<b>-</b>	<b>-</b>	<b>2,17.82</b>	<b>79.51</b>	<b>35.35</b>	<b>-</b>	<b>1,14.87</b>	<b>1,02.95</b>	<b>138.31</b>
Capital Work-in-progress									1,62.65	1,00,95.84
<b>Total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,62.65</b>	<b>1,00,95.84</b>
<b>Total (A+B+C)</b>	<b>1,53,37.04</b>	<b>1,14,14.11</b>	<b>(3,16.73)</b>	<b>2,70,67.88</b>	<b>51,54.11</b>	<b>13,15.87</b>	<b>70.77</b>	<b>63,99.22</b>	<b>2,08,31.31</b>	<b>2,02,78.77</b>
Previous Year	1,49,13.13	4,88.06	64.15	1,53,37.04	41,77.52	10,22.85	46.26	51,54.11	1,01,82.93	

**11 Non-Current Investment**

**Trade Investments (valued at cost stated otherwise) - Refer A below**

**Unquoted equity instruments**

**In Others**

6,668 (2011 - 6,668) shares of Bombay Mercantile Bank Ltd. @ 30 per share

**31-Mar-12**

Rs. in lacs

31-Mar-11

**2.00**

2.00

**2.00**

2.00

**Other Investments (valued at cost stated otherwise) - Refer B below**

**Quoted**

**In mutual funds**

2,50,000 (2011 - 2,50,000 ) units of SBI Infrastructure Fund - I Growth

**25.00**

25.00

**25.00**

25.00

**TOTAL :**

**27.00**

27.00

Aggregate amount of quoted investments (Market value of Rs. 19.53 lacs  
(2011- Rs. 23.43 Lacs)

**25.00**

25.00

Aggregate amount of unquoted investments

**2.00**

2.00



**A. Details of Trade Investments**

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/Controlled Entity/ Others	No. of Shares/ Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (in Lacs)		Whether stated at Cost Yes/No
			31-Mar-12	31-Mar-11			31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>(a) Other non-current investments</b>											
1	Bombay Mercantile Bank Ltd	Others	6,668	6,668	Unquoted	Fully paid	NA	NA	2.00	2.00	Yes
<b>Total</b>									<b>2.00</b>	<b>2.00</b>	

**B. Details of Other Investments**

Sr. No.	Name of the Body Corporate	Subsidiary/ Associate/ JV/Controlled Entity/ Others	No. of Shares/ Units		Quoted/ Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (in Lacs)		Whether stated at Cost Yes/No
			31-Mar-12	31-Mar-11			31-Mar-12	31-Mar-11	31-Mar-12	31-Mar-11	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
<b>(a) Investments in Mutual Funds</b>											
1	SBI - Infrastructure Fund - I Growth	Others	2,50,000	2,50,000	Quoted	Fully paid	NA	NA	25.00	25.00	Yes
<b>Total</b>									<b>25.00</b>	<b>25.00</b>	

Rs. in Lacs

	<b>Non-Current</b>		<b>Current</b>	
	<u>31-Mar-12</u>	<u>31-Mar-11</u>	<u>31-Mar-12</u>	<u>31-Mar-11</u>
<b>12 Loans and advances (Unsecured, considered good)</b>				
Advances recoverable in cash or in kind or for valued to be received	0.41	0.45	24,01.36	22,15.46
Deposits	40.33	40.33	1,04.21	1,14.58
<b>Other Loans and Advances</b>				
Advance tax and tax deducted at source (Net)	11,66.68	9,68.82	-	-
	<u>12,07.42</u>	<u>10,09.60</u>	<u>25,05.57</u>	<u>23,30.04</u>
<b>Share in Joint venture</b>				
	-	0.58	0.28	0.39
<b>TOTAL :</b>	<u>12,07.42</u>	<u>10,10.18</u>	<u>25,05.85</u>	<u>23,30.43</u>



		Rs. in lacs
		31-Mar-11
		31-Mar-12
<b>13 Inventories</b>		
Stock of Gases/Fuel	50.33	53.18
Stores & Spares	7,69.39	-
<b>TOTAL :</b>	<b>8,19.72</b>	<b>53.18</b>
<p>Hitherto the Company followed the accounting policy of charging materials, stores and spares procured as per the needs of the projects to the Profit and Loss account and no inventory was recorded in the books of account. However with recent changes in its business model, especially with execution of large EPC contracts, the said accounting policy has been revisited by the management so as to reflect the said change in the business synergy.</p> <p>Accordingly, effective current year, the Company has changed its accounting policy and has brought in the inventory consisting of materials, stores and spares as was physically lying at godowns and workshops at the close of the financial year in the books of account . As a result, the Inventory and Profit for the year before tax is stated higher by Rs. 7,69.39 Lacs, with the corresponding effect on the Reserves and Surplus.</p>		
<b>14 Trade Receivables</b>		
<b>Unsecured, considered good unless stated otherwise</b>		
Outstanding for a period exceeding six months from the date they are due for payment	1,21,11.78	64,04.03
Other receivables	61,77.62	1,57,70.91
	<b>1,82,89.40</b>	<b>2,21,74.94</b>
<b>Share in Joint venture</b>	<b>10.89</b>	<b>2.40</b>
<b>TOTAL :</b>	<b>1,83,00.29</b>	<b>2,21,77.34</b>
<b>15 Cash and Bank Balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks	48.66	10.09
Cash on hand	14.72	13.78
Unclaimed dividend bank balances	10.90	10.24
Bank deposits maturing within 12 months period	5,58.07	9,86.81
	<b>6,32.35</b>	<b>10,20.92</b>
<b>Other bank balances</b>		
Bank deposits maturing after 12 months period	5,55.09	-
	<b>11,87.44</b>	<b>10,20.92</b>
<b>Share in Joint venture</b>	<b>0.93</b>	<b>1.67</b>
<b>TOTAL :</b>	<b>11,88.37</b>	<b>10,22.59</b>

The fixed deposit receipts of Rs. 7,62.95 lacs (2011 - Rs. 6,78.85 lacs) have been deposited with the Banks in lieu of margin money on Guarantees and Letters of Credit issued by the Banks.



	31-Mar-12	Rs. in lacs 31-Mar-11
<b>16 Other current assets</b>		
Insurance Claim	74.62	58.09
Billable Cost	5,07.97	87.52
Accrued Income	25,57.31	44,80.93
Interest accrued but not due	16.38	16.24
Deposits	0.99	4.88
<b>TOTAL :</b>	<b>31,57.27</b>	<b>46,47.66</b>
<b>17 Revenue from Operations</b>		Rs. in lacs
Contract revenues	1,99,59.78	3,04,22.16
	<b>1,99,59.78</b>	<b>3,04,22.16</b>
<b>Share in Joint venture</b>	<b>41.09</b>	<b>20.19</b>
<b>TOTAL :</b>	<b>2,00,00.87</b>	<b>3,04,42.35</b>
<b>18 Other Income</b>		Rs. in lacs
Interest received	8,13.42	3,78.66
Profit on sale of assets	-	95.85
Applicable net gain/loss on foreign currency transactions and translation	12,88.57	5,97.63
Miscellaneous Income	4,45.31	3,79.30
Stores and spares inventorised ( Refer note no. 13 )	7,69.39	-
Other Non-operating Income	89.57	12.18
	<b>34,06.26</b>	<b>14,63.62</b>
<b>Share in Joint venture</b>	<b>(1.66)</b>	<b>(0.20)</b>
<b>TOTAL :</b>	<b>34,04.60</b>	<b>14,63.42</b>
<b>19 Cost of Services and Material</b>		Rs. in lacs
Subcontractor charges	61,69.84	79,69.82
Vessel Charter and Related Cost	48,97.17	91,15.48
Equipment related expenses	5,71.71	3,57.19
Material, stores and spares	14,22.93	23,18.23
	<b>1,30,61.65</b>	<b>1,97,60.72</b>
<b>Share in Joint venture</b>	<b>0.86</b>	<b>0.93</b>
<b>TOTAL :</b>	<b>1,30,62.51</b>	<b>1,97,61.65</b>
<b>20 Employee Benefit Expenses</b>		Rs. in lacs
Salaries and wages	23,70.74	22,96.79
Contribution to provident and other funds	1,97.13	2,65.85
Bonus & exgratia	12.34	12.51
Staff welfare expenses	33.39	38.25
Other allowances	2,53.28	2,80.99
	<b>28,66.88</b>	<b>28,94.39</b>
<b>Share in Joint venture</b>	<b>30.67</b>	<b>26.49</b>
<b>TOTAL :</b>	<b>28,97.55</b>	<b>29,20.88</b>



	31-Mar-12	31-Mar-11
<b>21 Finance Costs</b>		Rs. in lacs
Interest on Cash Credit	10,18.45	8,95.55
Interest on Term Loan	7,44.65	4,63.15
Interest on Unsecured Loan	1,56.78	77.72
Interest on Commercial Paper	17.77	59.83
Other interest cost	5.17	41.52
Other borrowing cost	2,01.87	2,39.89
	<u>21,44.69</u>	<u>17,77.66</u>
<b>Share in Joint venture</b>	<b>0.08</b>	0.04
<b>TOTAL :</b>	<u><b>21,44.77</b></u>	<u>17,77.70</u>
<b>22 Depreciation and Amortization Expenses</b>		Rs. in lacs
Depreciation on tangible assets	12,80.52	10,04.68
Amortization of intangible assets	35.35	18.17
<b>TOTAL :</b>	<u><b>13,15.87</b></u>	<u>10,22.85</u>
<b>23 Other Expenses</b>		Rs. in lacs
Rent	2,05.91	2,25.91
Repairs to Buildings	21.41	35.25
Repairs to Machinery	1,11.53	1,17.76
Insurance	64.85	75.93
Travel and conveyance expenses	2,44.23	2,54.61
Rates and taxes	80.68	93.01
Office related expenses	1,28.99	1,48.62
Vehicle expenses	1,23.55	1,41.42
Promotional expenses	42.65	59.16
Legal and professional fees	5,09.89	10,98.75
Bad debts	5,30.42	3,20.66
Miscellaneous Expenses	7,54.90	11,04.59
Loss on investment	-	5.00
	<u>28,19.01</u>	<u>36,80.67</u>
<b>Share in Joint venture</b>	<b>3.69</b>	10.23
<b>TOTAL :</b>	<u><b>28,22.70</b></u>	<u>36,90.90</u>
<b>24 Disclosure Under AS – 15 (Revised 2005)</b>		

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

**I. Defined Contribution Plans**

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

- a. Provident Fund
- b. Superannuation Fund
- c. Employer’s Contribution to Employees’ State Insurance
- d. Employer’s 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 of India. 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:

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Employer's contribution to Provident Fund	1,63.08	1,77.11
Employer's contribution to Superannuation Fund	21.13	27.58
Employer's contribution to Employees' State Insurance	14.30	22.17
Employer's Contribution to 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:

#### Funded Scheme Gratuity

Particulars	31-Mar-12	31-Mar-11
Discount Rate (per annum)	8%	8%
Rate of increase in compensation levels (per annum)	4%	4%
Expected Rate of Return	9.25%	9.25%

### (b) Change in the Present Value of Obligation

#### Funded Scheme Gratuity

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Present Value of Defined Benefit Obligation as at beginning of the year	1,82.79	1,44.75
Interest Cost	14.62	11.58
Current Service Cost	18.36	24.50
Benefits Paid	(12.03)	(10.78)
Actuarial (gain) / loss on Obligations	(13.51)	12.74
Present Value of Defined Benefit Obligation as at the end of the year	1,90.23	1,82.79

### (c) Changes in the Fair Value of Plan Assets

#### Funded Scheme Gratuity

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Present Value of Plan Assets as at beginning of the year	2,19.92	1,64.51
Expected Return on Plan Assets	20.04	15.31
Contributions	37.58	50.88
Benefits Paid	(12.03)	(10.78)
Actuarial gains / (losses)	-	-
Assets Distributed on Settlement	-	-
Fair Value of Plan Assets As at end of the year	2,65.51	2,19.92



(d) Percentage of each category of Plan Assets to total closing fair value of Plan Assets

**Funded Scheme Gratuity**

Particulars	31-Mar-12	31-Mar-11
Bank Deposits (SP. Dep. Scheme, 1975)	-	-
Debt Instruments	-	-
Administered by Life Insurance Corporation of India	100.00%	100.00%
Others	-	-

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

**Funded Scheme Gratuity**

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Present Value of Funded Obligation as at end of the year	1,90.23	1,82.79
Fair Value of Plan Assets as at end of the year	2,65.51	2,19.92
Funded Liability/(Asset) as at the Balance Sheet date	(75.28)	(37.13)

(f) Amount recognised in the Balance Sheet

**Funded Scheme Gratuity**

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Present Value of Defined Benefit Obligation as at end of the period	1,90.23	1,82.79
Fair Value of Plan Assets as at end of the period	2,65.51	2,19.92
Liability / (Net Asset) as at the end of the year	(75.28)	(37.13)

(g) Expenses / (Income) recognised in Profit and Loss Account

**Funded Scheme Gratuity**

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Current Service Cost	18.36	24.50
Past Service Cost	-	-
Interest Cost	14.62	11.58
Expected Return on Plan Assets	(20.04)	(15.31)
Curtailment Cost / Credit	-	-
Settlement Cost / Credit	-	-
Net Actuarial (gain) / Loss recognised in the period	(13.51)	12.74
Total Expenses/ (Income) recognised in the Profit and Loss Account	(0.57)	33.51

(h) Actual Return on Plan Assets

**Funded Scheme Gratuity**

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Expected Return on Plan Assets	16.53	15.31
Actuarial gains / (losses) on Plan Assets	-	-
Actual Return on Plan Assets	16.53	15.31



## 25 Contingent Liabilities:

- i) As at March 31, 2012 the Company had contingent liabilities in respect of bank guarantees, issued to their customers of Rs. 64,32.61 lacs (2011 – Rs. 50,53.78 lacs) of which Rs. 64,32.61 lacs (2011 – Rs. 50,53.78 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.
- Similarly, Dolphin Offshore Shipping Limited has contingent liabilities in respect of bank guarantees issued to their customers of Rs. Nil lacs (2011 – Rs. 3.99 lacs ) of which Rs. Nil lacs (2011 – Rs. 3.99 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, fixed deposits , securities, investments and rights and further secured by personal guarantee of whole- time Directors.
- ii) Capital commitment and guarantees on behalf of subsidiary –
- The Company has given a corporate guarantee to the lenders of Dolphin Offshore Enterprises (Mauritius) Private Limited for US\$ 25.90 million (2011 – US\$ 25.90 million).
- Dolphin Offshore Shipping Limited has Capital Commitment amounting to Rs. 18.00 lacs (2011- Rs. 4.00 Lacs) towards development of ERP (IBS) System.
- iii) The Company has appealed the award of the CIT(Appeals) on the block assessment of the Company under Sec. 158BC of Income Tax Act 1961 raising a demand of Rs. 52.97 lacs (2011 – Rs. 52.97 lacs).
- During the previous year the Company has preferred an appeal with ITAT, Mumbai against the order of CIT (A) disallowing dry-docking charges for A.Y. 2005-06 amounting to Rs. 24.94 Lacs.
- The Company has filed an appeal with the CIT (A) against the order of the Assessing Officer disallowing of FCCB issue expenses for A.Y. 2006-07 amounting to Rs. 2,35.78 lacs for which a demand of Rs. 1,04.88 lacs has been raised.
- During the year, Dolphin Offshore Shipping Limited has received orders for A.Y 2004-2005, A.Y.2005-2006 ,A.Y.2006-2007 and A.Y.2007-2008 amounting to Rs. 4.33 lacs (2011 – Rs. 4.33 lacs). The Company has filed appeals with the CIT (Appeals) for A.Y.2004-2005 – Rs. 19.00 lacs , A.Y. 2006-2007 – Rs. 19.00 lacs and A.Y.2007-2008 – Rs. 3.84 lacs .The Company has also filed an appeal with the ITAT for A.Y.2005-2006 – Rs. 12.00 lacs.

## 26 Segment reporting

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

## 27 Related Party Disclosures-

Related party transactions cover transactions between the Company and the following persons in accordance with the Accounting Standard 18 notified pursuant to Companies (Accounting standards) Rules, 2006.

### 1) Related party relationships:

#### a) Companies under common control, including subsidiaries:

- i) Dolphin Offshore Projects Limited - under common control  
ii) Kanika Shipping Limited - under common control

#### b) Key Management Personnel

- Rear Admiral Kirpal Singh Executive Chairman  
Mr. Satpal Singh Managing Director  
Mr. Navpreet Singh Joint Managing Director

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

- Mrs. Manjit Kirpal Singh Spouse of Executive Chairman  
Mrs. Prabha Chandran Daughter of Executive Chairman  
Mrs. Nitu Singh Spouse of Managing Director  
Ms. Rishma Singh Daughter of Managing Director  
Mr. Rohan Singh Son of Managing Director  
Mrs. Ritu Singh Spouse of Joint Managing Director  
Mr. Tarun Singh Son of Joint Managing Director  
Master Akhil Singh Son of Joint Managing Director



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

Rs. in lacs

Nature of Transactions	Transactions during the year		Outstanding Balance as at March 31, 2012		Outstanding Balance as at March 31, 2011	
	2011 -12	2010 -11	Receivable	Payable	Receivable	Payable
<b>Companies under common control</b>			-	32.15		42.51
Hire charges paid	18.71	18.83				
<b>Key Management Personnel</b>				2,21.15		2,36.15
Remuneration	2,44.34	3,64.82				
Interest paid	24.63	23.93				
Unsecured Loans received (repaid), net	(15.00)	1,00.00				
<b>Relatives of Key Management Personnel</b>				57.00		53.00
Commission	3.05	4.91				
Interest paid	5.91	5.77				
Fixed deposits received (repaid), net	4.00	9.00				

Rs. in lacs

Companies under common control	Hire Charge/ Rent Paid	(Receivables/ Payables)
Dolphin Offshore Projects Limited	18.71	32.15

**Material related transactions:**

Rs. in lacs

Particulars	Unsecured loan/ Fixed Deposit	Interest paid	Remuneration	(Receivables/ Payables)
<b>Key Management Personnel</b>				
Rear Admiral Kirpal Singh	-	2.70	37.33	25.00
Mr. Satpal Singh	-	0.04	1,04.66	0.40
Mr. Navpreet Singh	-	14.12	1,02.35	1,30.75
Mrs. Manjit Kirpal Singh	-	5.94	-	55.00
Mr. Bipin Shah H.U.F	-	0.75	-	-
Mr. Arvind Parikh	-	1.08	-	10.00
<b>TOTAL :</b>	-	<b>24.63</b>	<b>2,44.34</b>	<b>2,21.15</b>

**Relatives of Key Management Personnel**

Mrs. Prabha Chandran	-	0.32	-	3.00
Mrs. Ritu Singh	-	0.32	-	3.00
Mr. Tarun Singh	-	3.21	-	29.75
Mr. Akhil Singh	4.00	2.06	-	21.25
<b>TOTAL :</b>	<b>4.00</b>	<b>5.91</b>	<b>-</b>	<b>57.00</b>

**Notes**

- a) Remuneration includes basic salary, allowance, perks and commission.
- b) There are no provisions for doubtful debts or amounts written off in respect of debts due to or from related parties.



**28 Operating Lease commitments –**

**A) Disclosure in respect of Operating Lease**

- a) The minimum amounts payable in future towards non-cancellable lease agreements for premises are as follows: Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Not later than one year	89.18	71.84
Later than one year and not later than five years	3,34.42	3,56.71
Later than five years	-	-
<b>TOTAL</b>	<b>4,23.60</b>	<b>4,28.55</b>

- b) Lease payments recognised in the statement of Profit & Loss for the period is Rs. 2,05.91 Lacs (2011-Rs.2,25.91 lacs).

**B) Disclosure in respect of Finance Lease**

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Gross carrying amount of assets given on lease	31,09.67	29,91.10
Accumulated depreciation of assets given on lease	5,67.82	3,35.80
Depreciation recognized in P & L for the year ended 31 <sup>st</sup> March 2012	2,05.35	2,08.30

Rs. in lacs

Particulars	31-Mar-12	31-Mar-11
Not later than one year	8,17.00	7,88.13
Later than one year and not later than five years	10,63.39	18,08.82
Later than five years	-	-

**29 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 at year end.

Particulars		31-Mar-12	31-Mar-11
Net profit after tax for the year	(Rs. in lacs)	4,29.00	16,14.31
Add : Interest to be saved on conversion of bonds to shares (Net of taxes)	(Rs. in lacs)	-	-
Diluted net profit for the year	(Rs. in lacs)	4,29.00	16,14.31
Number of Ordinary shares	(Nos in lacs)	1,67.72	1,67.72
Weighted average shares (Basic)	(Nos in lacs)	1,67.72	1,61.27
Weighted average shares (Diluted)	(Nos in lacs)	1,67.72	1,61.27
Basic earnings per share	(Rs.)	2.56	10.01
Diluted earnings per share	(Rs.)	2.56	10.01

**Calculation of weighted average number of shares**

Nos. in lacs

Particulars	31-Mar-12	31-Mar-11
Number of Ordinary shares	1,67.72	1,57.57
Number of shares converted during the year	-	3.70
Weighted Average Shares (Basic)	1,67.72	1,61.27
Add : Deemed conversion of bonds to shares	-	-
Weighted average shares (Diluted)	1,67.72	1,61.27



**30 Debtors and Creditors**

- a) Balances in respect of creditors and debtors are subject to confirmation/reconciliation, wherever required.
- b) Sundry debtors includes amount outstanding from a customer amounting to Rs. 25,25.82 lacs. This relates to a subcontract job done during 2006-07 and amount outstanding relates to change order which is still under process of resolution by the ultimate client. Management believes that this amount will be received and hence no provision has been made in the books till date.
- c) The Company has taken extra time to complete two of its EPC contracts beyond the scheduled contract completion date as the Company had to execute significant additional work and also on account of delays not attributable to the Company. The potential liability for liquidated damages resulting from the extended completion date as on March 31, 2012 amounts to Rs. 30,39.76 lacs (2011- Rs. 28,30.45 lacs). As the Company believes that the liquidated damages will be waived for the reasons stated above, no provision for the same has been made in the books till date.
- d) During the previous year, the Company has incurred additional expenditure on executing additional work under its EPC contracts. The Company has quantified and submitted some of its claims for extra work done and has commenced discussions with the clients for finalising the same. However, as a matter of abundant caution, only a portion of these extra claims amounting to Rs. 33,84.45 lacs (2011 - Rs. 33,59.47 lacs) have been recognised as revenue. The balance of the additional claims will be recognised as revenues as and when the same are accepted by the clients.

**31 Particulars of Derivative Instruments as at March 31, 2012**

- a) No derivative instruments are acquired for trading or speculation purposes.
- b) Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are:

**Details of amount payable:**

Currency	31-Mar-12		31-Mar-11	
	Amount In Foreign Currency	Amount In Indian Rs. (lacs)	Amount In Foreign Currency	Amount In Indian Rs. (lacs)
EURO	-	-	841	0.53
GBP	143,633	1,17.41	335	0.24
SING. \$	20,640	8.39	90,065	31.89
US\$	292,532	1,49.72	418,935	1,86.84
AED	395	0.05	119,347	14.71
JPY	1,155,710	7.17	558,465	3.05

**Details of amount receivable:**

EURO	11,585,595	79,12.96	13,954,448	89,55.32
US\$	7,445,948	38,10.61	5,906,553	26,33.75

**Details of Bank Balances:**

Particulars	Currency	31-Mar-12		31-Mar-11	
		Amount In Foreign Currency	Amount In Indian Rs. (lacs)	Amount In Foreign Currency	Amount In Indian Rs. (lacs)
State Bank of India Singapore	US\$	29,508	15.10	4,985	2.22
State Bank of India EEFC –US\$	US\$	5	*	5	*

\* Denotes amount less than Rs. 500 /-



**32 Details relating to Subsidiary Companies as on March 31, 2012**

Rs. in lacs

Name of Subsidiary Company	Dolphin Offshore Shipping Limited	Dolphin Offshore Enterprises (Mauritius) Pvt. Limited	Global Dolphin Drilling Company Limited
Issued Subscribed & Paid Up Capital	1,24.00	11.68	5.00
Reserves	26,00.81	(8,86.58)	14.18
Total Assets	35,56.37	1,76,20.47	19.29
Total Liabilities	35,56.37	1,76,20.47	19.29
Investments	2.00	-	-
Turnover	25,31.67	14,05.34	-
Profit / (Loss) before Taxation	2,46.02	(8,52.76)	0.99
Provision for Taxation	31.94	51.76	0.32
Profit / (Loss) after Taxation	2,14.08	(9,04.52)	0.67
Proposed Dividend	-	-	-

**33 Prior year comparatives:**

As notified by Ministry of Corporate Affairs, Revised Schedule VI under the Companies Act, 1956 is applicable to the Financial Statements for the financial year commencing on or after 1<sup>st</sup> April, 2011. Accordingly, the financial statements for the year ended March 31, 2012 are prepared in accordance with the Revised Schedule VI. The amounts and disclosures included in the financial statements of the previous year have been reclassified to conform to the requirements of Revised Schedule VI.



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

1 Name of Subsidiary Companies	Dolphin Offshore Shipping Limited	Dolphin Offshore Enterprises (Mauritius) Private Limited	Global Dolphin Drilling Company Limited
2 Financial Year Ending	March 31, 2012	March 31, 2012	March 31, 2012
3 Date from which it became a subsidiary	August 31, 2006	November 2000	March 31, 1997
4 Extent of interest of the Holding Company in the capital of the subsidiary	100%	100%	59.96%
5 Net aggregate amount of the Subsidiary's profit / (loss) not dealt with in the Holding Company's Account	Rs. in lacs	Rs. in lacs	Rs. in lacs
(i) Current Year	2,14.08	(9,04.52)	0.67
(ii) Previous year's since it become subsidiary	15,55.00	1,62.67	13.51
6 Net aggregate amount of the Subsidiary's profit / (loss) dealt with in the Holding Company's Account			
(i) Current Year	Nil	Nil	Nil
(ii) Previous year's since it become subsidiary	Nil	Nil	Nil

The holding company undertakes that the annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholders in the Registered Office of the holding company and of the subsidiary companies concerned. The holding company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.



# DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

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

Date : July 27, 2012

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 15<sup>th</sup> 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 September 14, 2012** 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 September 14, 2012** 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 July 27, 2012 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.**

1001, Raheja Centre, 214 Nariman Point, Mumbai – 400021

Tel: 022-22832226/34/42 Fax: 022-22875403

email: investors@dolphinoffshore.com Website: www.dolphinoffshore.com



July 27, 2012

Dear Shareholder,

**Sub : Registration of e-mail – Green Initiative in Corporate Governance**

**Ref : Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively, issued by the Ministry of Corporate Affairs, Government of India (MCA)**

As you may be aware, the MCA, vide Circular Nos.17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively (the said Circulars), has clarified that a company will be deemed to have complied with the provisions of Sections 53 and 219 (1) of the Companies Act, 1956, in case documents like notice, annual report, etc., are sent to its Members in electronic form, subject to compliance with the conditions stated therein.

The Company proposes to send its notice, annual report, etc. in electronic form to its Members in support of the said Green Initiative of the MCA for all Annual General Meetings to be held in future. The Company has accordingly informed those Members holding equity shares of the Company in electronic form and whose e-mail address has been made available to it by the Depositories, of the said proposal. We are pleased to inform you that the response to the said initiative has been very encouraging.

As per our records, we note that some of you have either not registered your e-mail address nor updated the same with your Depository Participant (DP)/the Company. Members who wish to receive the said documents in electronic form, are requested to comply with the following:

- a. Members holding equity shares of the Company in physical form are requested to provide their email address to the Company by completing the ‘**E-communication Registration Form**’ given below and returning the self addressed business reply letter.
- b. Members holding equity shares of the Company in electronic form are requested to register their e-mail address with their DP.

Please note that the said documents will be uploaded on the website of the Company viz [www.dolphinoffshore.com](http://www.dolphinoffshore.com) for the ready reference of its Members and the Company will notify the date of the Annual General Meeting and the availability of the said documents by publishing the same in leading financial dailies and uploading it on the website of the Company.

Please note that as a Member of the Company you are always entitled to receive on request, copy of the said documents, free of cost, in accordance with the provisions of the Companies Act, 1956.

Thanking you for supporting this unique initiative and assuring you of our best attention at all times.

Yours sincerely,

**For Dolphin Offshore Enterprises (India) Ltd.**

**V. Surendran**

Company Secretary

**E-COMMUNICATION REGISTRATION FORM**

Dear Sir,

**Sub : Registration of my e-mail address – Green Initiative in Corporate Governance**

I agree to receive the documents as referred to in the Company’s letter dated July 27, 2012, in electronic mode. Please register my e-mail address in your records, being my consent towards the same.

Folio No. : \_\_\_\_\_

Email ID : \_\_\_\_\_

Name of First / Sole Holder : \_\_\_\_\_

Signature of the First / Sole holder : \_\_\_\_\_

Date : .....

Notes:

- 1) Shareholders are requested to keep the Company informed as and when there is any change in their e-mail address. Unless the e-mail address given above is changed by the concerned shareholder by sending another communication in writing, the Company will continue to send the said documents to the e-mail address registered with Company.
- 2) The above e-mail address will be registered subject to verification of your signature with the specimen signature registered with the Company.
- 3) This form has been uploaded on the website of the Company [www.dolphinoffshore.com](http://www.dolphinoffshore.com).



# 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 .....  
(To be filled in if first named joint-holder does not attend the meeting)

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 **THIRTY THIRD ANNUAL GENERAL MEETING** of the Company at M. C. Ghia Hall, Fourth Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai - 400 001 on Friday, September 14, 2012 at 1000 hrs (10.00 a.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 **THIRTY THIRD ANNUAL GENERAL MEETING** of the Company at M. C. Ghia Hall, Fourth Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai - 400 001 on Friday, September 14, 2012 at 1000 hrs (10.00 a.m.) (Tel. No. 22844350 / 22844401)

Signed this ..... day of ..... 2012.

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.





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

Corporate 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](mailto:customers@dolphinoffshore.com)

Website: [www.dolphinoffshore.com](http://www.dolphinoffshore.com)