

DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

CIN: L11101MH1979PLC021302

1001, RAHEJA CENTRE, 214, NARIMAN POINT, MUMBAI - 400 021.

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30TH SEPTEMBER, 2017

(Rs in lakhs)

	FOR THE QUARTER ENDED			HALF YEAR ENDED	
	30.09.2017	30.06.2017	30.09.2016	30.09.2017	30.09.2016
	Unaudited	Unaudited	Unaudited (Refer Note 3)	Unaudited	Unaudited (Refer Note 3)
INCOME					
I Revenue from operations	13,80.21	17,47.11	21,60.25	31,27.33	40,73.44
II Other income	15.41	36.63	17.07	52.04	35.04
III TOTAL INCOME FROM OPERATIONS (I+II)	13,95.62	17,83.74	21,77.32	31,79.37	41,08.48
IV EXPENSES					
a. Cost of services and materials	10,44.88	13,10.66	10,66.06	23,55.54	20,82.01
b. Changes in inventories	-	46.85	36.52	46.85	59.66
c. Employee benefits expense	2,45.43	2,55.33	2,80.62	5,00.76	5,50.45
d. Finance costs	3,23.40	2,98.44	2,28.46	6,21.84	4,93.49
e. Depreciation and amortization expense	47.26	66.81	77.14	1,14.07	1,52.61
f. Other expenses	30.26	1,10.70	3,14.31	1,40.96	4,92.21
TOTAL EXPENSES	16,91.23	20,88.79	20,03.11	37,80.02	38,31.43
V PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (III - IV)	(2,95.61)	(3,05.05)	1,74.21	(6,00.65)	2,77.05
VI Exceptional items (Refer Note No. 7)	-	-	(1,22.37)	-	24,48.52
VII LOSS BEFORE TAX (V - VI)	(2,95.61)	(3,05.05)	2,96.58	(6,00.65)	(21,71.47)
VIII TAX EXPENSE					
a. Current tax	-	-	-	-	-
b. Deferred tax	(2.89)	4.53	1.66	1.64	6.44
	(2.89)	4.53	1.66	1.64	6.44
IX LOSS FOR THE PERIOD (VII-VIII)	(2,92.72)	(3,09.58)	2,94.92	(6,02.29)	(21,77.91)
X OTHER COMPREHENSIVE INCOME					
A (i) Items that will not be reclassified to profit or loss					
(a) Remeasurement of Defined Benefit scheme	2.27	2.27	0.50	4.54	1.01
(b) Income tax relating to above	(0.70)	(0.70)	(0.16)	(1.40)	(0.31)
B (i) Items that will be reclassified to profit or loss					
Other Comprehensive Income for the year (net of tax)	1.57	1.57	0.34	3.14	0.70
XI Total Comprehensive Income for the period (IX + X)	(2,91.15)	(3,08.01)	2,95.26	(5,99.15)	(21,77.21)
XII Earnings per equity share (not annualised)					
(a) Basic (Rs)	(1.74)	(1.84)	1.76	(3.57)	(12.98)
(b) Diluted (Rs)	(1.74)	(1.84)	1.76	(3.57)	(12.98)



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STATEMENT OF ASSETS AND LIABILITIES

(Rs in lakhs)

Particulars		As at 30.09.2017
		Unaudited
A	ASSETS	
1	NON-CURRENT ASSETS	
	(a) Property, plant and equipment	10,62.30
	(b) Intangible assets	0.01
	(c) Financial Assets	
	Investments	19,99.32
	Others	4,60.89
	(d) Deferred tax assets (Net)	71.28
	(e) Other non-current assets	78,78.37
	Sub Total	64,72.17
2	CURRENT ASSETS	
	(a) Inventories	6,02.74
	(b) Financial Assets	
	(i) Trade receivables	105,15.12
	(ii) Cash and cash equivalents	11.27
	(iii) Bank balances other than (ii) above	7,22.97
	(iv) Loans	12.91
	(v) Other	106,38.47
	(c) Other current assets	5,57.77
	Sub Total	230,61.25
	TOTAL ASSETS	295,33.42
B	EQUITY AND LIABILITIES	
1	EQUITY	
	(a) Equity Share Capital	16,77.25
	(b) Other Equity	90,26.30
	Sub Total	107,03.55
2	LIABILITIES	
	NON-CURRENT LIABILITIES	
	(a) Financial Liabilities	
	i) Borrowings	48.00
	(b) Provisions	49.21
	Sub Total	97.21
	CURRENT LIABILITIES	
	(a) Financial Liabilities	
	i) Borrowings	92,64.44
	ii) Trade payables	49,25.84
	iii) Other financial liabilities	41,45.23
	(c) Other current liabilities	3,21.55
	(d) Provisions	75.60
	Sub Total	187,32.66
	TOTAL EQUITY AND LIABILITIES	295,33.42



Notes :

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors (the 'Board') at their meeting held on 11th December, 2017. The results for the quarter ended 30th September, 2017 have been subjected to Limited Review and carried out by the Statutory Auditors under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2 In compliance of MCA Notification dated 16th February, 2016, the Company has adopted Indian Accounting Standards (the 'Ind AS') from 1st April, 2017 (Transactoin Date 1st April, 2016) and accordingly financial results for the quarter and half year ended 30th September 2017, has been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34, *Interim Financial Reporting*, prescribed under Section 133 of the Companies Act 2013, read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- 3 The Ind AS compliant financial figures for the quarter and half year ended 30th September, 2016 are not required to be subject to limited review or an audit in line with the SEBI Circular dated 5th July, 2016. However, the Management has exercised necessary due diligence to ensure that the said financial results provide a true and fair view.
- 4 The Statement does not include Ind AS complaint Statement of Assets and Liabilities for the pevious period as the same is not mandatory as per SEBI's Circular dated 5th July, 2016.
- 5 Revenue from operations have been presented in accordance with Ind AS 18, *Revenue*. For the previous periods, the revenue has been shown as net of value added tax and service tax (as applicable) and for the current quarter as net of Goods and Services Tax (GST) (as applicable). Similarly, total services and material costs for the previous periods include value added tax paid, whereas for the current quarter the cost has been presented net of GST. Hence, Revenue from operations and total services and material costs for the previous periods are not compareable with the current quarter figures.
- 6 Based on SEBI Circular CIR/CFD/FAC/62/2016 dated 5th July,2016, the Company has presented Ind AS compliant financial results for the previous period [subject to Note 8(e)] and provided below the reconciliation of net profit/(loss) in accordance with the Ind AS.

Reconciliation of net profit between Indian GAAP and the Ind AS for the previous quarter and half yearly ended 30th September, 2016 is as under

Particulars	(Rs in Lakhs)	
	Quarter Ended June 30th September, 2016	Half year Ended June 30th September, 2016
Net loss as per previous IGAAP	3,09.89	(21,51.58)
(a) Effect of measurement of financial guarantees contract in accordance with Ind AS 109, <i>Financial Instruments</i>	(15.09)	(26.56)
(b) Actuarial gain/ (loss) on employee defined benefit funds recognised in other comprehensive income	(0.50)	(1.01)
(c) Deferred tax adjustments (net)	0.62	1.24
Net loss for the quarter ended 30th June, 2016 as per Ind AS	2,94.92	(21,77.91)
Other comprehensive income, net of tax		
- Actuarial (gain)/ loss on employee defined benefit fund	0.34	0.70
Total Comprehensive Income for the period as per Ind AS	2,95.26	(21,77.21)

- 7 There is a possibility that these quarterly financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ending 31st March, 2018 due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA or changes in the use of one or more optional exemptions from full retrospective application as permitted under Ind AS 101, *First-time Adoption of Indian Accounting Standards*.



8 The Auditor's Report on the financial results contains qualifications/reservations as under:

a) Trade receivable include Rs.16,48.81 lakhs, (31st March, 2017 Rs.16,41.77 lakhs) due from an entity which is wound-up and the claim is being lodged with Official Liquidator. However, the Management is of the opinion that provision amounting to Rs. 8,38.74 lakhs (31st March, 2017 Rs. 8,38.74 lakhs) made against such receivable is adequate.

b) Trade receivable and accrued income include Rs.13,17.77 lakhs, (31st March, 2017 Rs.13,17.77 lakhs) due from an entity which is declared Sick in respect of which a Scheme of Rehabilitation is under implementation. However, the Management is of the opinion that provision amounting to Rs.4,26.12 lakhs (31st March, 2017 Rs. 4,26.12 lakhs) made against such receivable is adequate .

c) Trade receivable includes Rs. 99.28 lakhs (31st March, 2017 Rs.99.28 lakhs) due from a related party having negative net worth and is outstanding for a long period of time. However, the Management is of the opinion that no provision is required against such receivable.

d) Advances recoverable includes Rs. 2,13.18 lakhs (31st March, 2017 Rs.2,13.18 lakhs) from a vendor which has not been refunded/ adjusted for a long period of time. However, the Management is of the opinion that such amount will be refunded /adjusted.

e) The Company is in the process of compiling information for computation of Expected Credit Losses on financial assets as required under Ind AS 109, *Financial Instruments*, accordingly, no provision is being made for the reporting periods.

f) Considering the nature of projects being executed by the Company and its main customers, the consequential claims and counter claims towards liquidated damages, change order, etc., as per general practice prevalent in the industry, the balances outstanding as trade receivables (which also include interest charged as per contract terms), billable costs, advances to/balances payables towards contractors and vendors of the Company are not confirmed and against some of them the Company has also initiated legal actions. However, the Management is confident that such receivables/ payables are stated at their realisable/ payable value and adequate provisions are made in the accounts, wherever required.

g) During the year 2013-14 and 2014-15, the Company has incurred additional expenditure on executing additional work in terms of an EPC contract. The Company has quantified the value of extra work done at Rs. 102,74.14 lakhs (31st March, 2017 - Rs. 100,35.13 lakhs) and has commenced discussions with the customer for finalising it. Further, the matter has also been referred to the Outside Expert Committee (OEC) for resolution. Out of this, invoices for Rs. 23,97.44 lakhs (31st March, 2017 - Rs. 21,58.43 lakhs) have been raised on the customer and the balance amount of Rs. 78,76.70 lakhs (31st March, 2017 - Rs. 78,76.70 lakhs) accrued on this account is included under other current assets. The recognition of such revenue is subject to acceptance by the customer

h) During the year 2016-17, the Company has recognised revenue of Rs. 25,12.94 lakhs from one of its charter hire contract. The admission of such receivable is disputed by the customer and has raised the counter claim for damages of Rs. 15,83.03 lakhs against the Company. However, the Management is confident that no provision is required against such receivable and the counter claim raised by the customer is not tenable.

9 Exceptional items reported for the quarter and half year ended 30th September, 2016 includes the following :

	(Rs in Lakhs)	
	Quarter Ended 30.09.2016	Half Year Ended 30.09.2016
- Debts written off *	29.89	26,00.78
- Recovery of Debts written off in earlier years*	(1,52.26)	(1,52.26)
Total :	(1,22.37)	24,48.52

* On account of extended litigation / resolution

10 As the Company has only one business segment, namely, Offshore Services, the segment reporting requirement under Ind AS 108, Operating Segments, is not applicable.

11 Previous quarter figures have been re-grouped, where necessary.

For and on behalf of the Board of
Dolphin Offshore Enterprises (India) Limited


Sabyasachi Hajara
Chairman

DIN No. 00004485

Place : Mumbai
Date : 11th December, 2017

