

## DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

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

## STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2016

(Rupees in lacs)

PARTICULARS	QUARTER ENDED			YEAR ENDED	
	31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2015
	Audited	Unaudited	Audited	Audited	Audited
<b>1 INCOME</b>					
a. Operating income	34,80.00	43,19.59	49,23.26	1,58,28.10	1,96,45.02
b. Other operating income	3,25.46	2,54.85	2,57.89	10,49.42	9,93.07
<b>TOTAL INCOME FROM OPERATIONS</b>	<b>38,05.46</b>	<b>45,74.44</b>	<b>51,81.15</b>	<b>1,68,77.52</b>	<b>2,06,38.09</b>
<b>2 EXPENSES</b>					
a. Cost of Services availed					
i) Subcontractor charges	2,93.76	5,48.35	4,64.97	17,00.80	14,32.87
ii) Vessel charter and related cost	2,15.80	3,72.52	8,77.16	11,89.27	19,56.78
iii) Equipment related expenditure	42.40	1,87.50	53.69	4,06.03	2,01.25
iv) Material, stores and spares	86.85	2,04.23	2,04.38	7,03.47	7,89.33
b. Changes in inventories	99.89	(69.66)	66.58	28.48	1,16.37
c. Employee benefits expense	3,46.77	4,46.52	9,83.72	17,06.53	27,01.48
d. Depreciation and amortisation expense	5,07.22	5,51.36	5,70.55	21,36.70	21,87.50
e. Loss/(gain) on foreign currency transaction and translation	(3.96)	72.76	10,38.87	(6,42.31)	15,62.82
f. Provision for doubtful debts & bad debts written off	16,65.20	-	(25.00)	16,65.20	34.71
g. Other expenses	8,06.10	4,38.42	4,49.34	23,56.06	15,64.47
<b>TOTAL EXPENSES</b>	<b>40,60.03</b>	<b>27,52.00</b>	<b>46,84.26</b>	<b>1,12,50.23</b>	<b>1,25,47.58</b>
<b>3 PROFIT FROM OPERATION BEFORE OTHER INCOME, INTEREST AND TAX</b>	<b>(2,54.57)</b>	<b>18,22.44</b>	<b>4,96.89</b>	<b>56,27.29</b>	<b>80,90.51</b>
4 Other Income	-	-	3.13	0.01	3.13
<b>5 PROFIT BEFORE FINANCE COSTS &amp; EXCEPTIONAL ITEMS</b>	<b>(2,54.57)</b>	<b>18,22.44</b>	<b>5,00.02</b>	<b>56,27.30</b>	<b>80,93.64</b>
6 Finance costs	3,03.00	2,73.91	3,07.36	11,76.99	14,94.87
<b>7 PROFIT / (LOSS) AFTER FINANCE COST BUT BEFORE EXCEPTIONAL ITEMS</b>	<b>(5,57.57)</b>	<b>15,48.53</b>	<b>1,92.66</b>	<b>44,50.31</b>	<b>65,98.77</b>
8 Exceptional items	-	-	28,00.08	-	28,00.08
<b>9 PROFIT/(LOSS) BEFORE TAX</b>	<b>(5,57.57)</b>	<b>15,48.53</b>	<b>(26,07.42)</b>	<b>44,50.31</b>	<b>37,98.69</b>
<b>10 TAX EXPENSES</b>					
a. Current Tax	(20.74)	2,34.19	2,58.34	3,33.42	3,29.35
b. Deferred Tax	8.14	(4.42)	(1,08.04)	0.54	(1,00.64)
<b>11 NET PROFIT/(LOSS) AFTER TAX</b>	<b>(5,44.97)</b>	<b>13,18.76</b>	<b>(27,57.72)</b>	<b>41,16.35</b>	<b>35,69.98</b>
12 Minority Interest	0.08	(0.17)	0.06	(0.44)	(0.47)
<b>13 NET PROFIT AFTER TAXES &amp; MINORITY INTEREST</b>	<b>(5,44.89)</b>	<b>13,18.59</b>	<b>(27,57.66)</b>	<b>41,15.91</b>	<b>35,69.51</b>
14 Paid up Equity Share Capital (Face value Rs. 10/- each)	16,77.25	16,77.25	16,77.25	16,77.25	16,77.25
15 Reserves excluding revaluation reserves				4,27,53.48	3,74,35.30
16 Earnings per share (not annualised)					
- Basic (Rs.)	(3.25)	7.86	(16.44)	24.54	21.28
- Diluted (Rs.)	(3.25)	7.86	(16.44)	24.54	21.28



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**Notes :**

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 27, 2016.

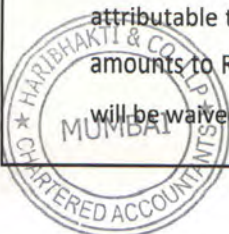
## 2 Statement of Assets and Liabilities

Rs. in lacs

Particulars	CONSOLIDATED	
	31.03.2016	31.03.2015
	Audited	Audited
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' funds</b>		
(a) Share Capital	16,77.25	16,77.25
(b) Reserves and Surplus	4,27,53.48	3,74,35.30
<b>Sub Total - Shareholders' funds</b>	<b>4,44,30.73</b>	<b>3,91,12.55</b>
<b>Minority Interest</b>	9.31	8.87
<b>Non-current liabilities</b>		
(a) Long-term borrowings	38.50	35.50
(d) Long-term provisions	91.24	93.89
<b>Sub Total - Non-current liabilities</b>	<b>1,29.74</b>	<b>1,29.39</b>
<b>Current liabilities</b>		
(a) Short-term borrowings	60,30.18	65,47.15
(b) Trade payables	44,45.11	47,07.35
(c) Other current liabilities	51,81.83	47,70.59
(d) Short-term provisions	91.95	1,02.32
<b>Sub Total - Current liabilities</b>	<b>1,57,49.07</b>	<b>1,61,27.41</b>
<b>TOTAL EQUITY AND LIABILITIES:</b>	<b>6,03,18.85</b>	<b>5,53,78.22</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Fixed assets	1,96,82.13	2,02,49.22
Goodwill on consolidation	11,47.01	11,47.01
Non-current investments	2.00	2.00
Deferred tax asset (net)	71.73	72.04
Long-term loans and advances	21,76.31	22,63.11
<b>Sub Total - Non-current assets</b>	<b>2,30,79.18</b>	<b>2,37,33.38</b>
<b>CURRENT ASSETS</b>		
Inventories	8,78.32	9,59.42
Trade receivables	2,39,98.55	1,75,19.57
Cash and cash equivalents	12,00.91	14,29.65
Short-term loans and advances	21,42.41	24,48.06
Other current assets	90,19.48	92,88.14
<b>Sub Total - Current assets</b>	<b>3,72,39.67</b>	<b>3,16,44.84</b>
<b>TOTAL ASSETS:</b>	<b>6,03,18.85</b>	<b>5,53,78.22</b>

3 The Auditors' report on the financial statements contains qualification/reservation as under:--

- 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.
- During the year 2009-2010, the Company has taken extra time to complete an EPC contract 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 amounts to Rs. 12,29.46 lacs (March 31, 2015 - Rs. 11,08.55 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.



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c) During the year 2010-2011, the Company has incurred additional expenditure on executing additional work in terms of an EPC contract. The Company has quantified and submitted some of its claims for extra work done and the matter has been referred to the Arbitration for resolution. However, as a matter of abundant caution, only a portion of these extra claims amounting to Rs. 18,98.24 lacs (March 31, 2015 - Rs. 18,98.24 lacs) has been recognised as revenue. The balance of the additional claims will be recognised as revenue as and when they are accepted by the customer.

d) The Company has incurred additional expenditure on executing additional work in terms of another EPC contract. Here also, the Company has quantified the value of extra work done at Rs. 1,02,00.76 lacs (March 31, 2015 - Rs. 1,02,00.76 lacs) and has commenced discussions with the customer for finalising it. Out of this, invoices for Rs. 23,24.07 lacs (March 31, 2015 - Rs. 23,24.07 lacs) have been raised on the customer and the balance amount of Rs. 78,76.69 lacs (March 31, 2015 - Rs. 78,76.69 lacs) accrued on this account is included under other current assets. The recognition of such revenue is subject to acceptance by the customer.

e) Current Assets include Rs. 29,76.60 lacs, due from parties which are either wound up or declared Sick and the claims are being lodged with Official liquidator/ Monitoring Agency. However, the management is confident that provisions amounting to Rs.12,64.85 lacs made against such receivables is adequate

f) The auditors of a Subsidiary Company have qualified their audit report for following matters:

Trade and other receivables include an amount of Rs. 1,04,44.69 lacs for which auditors of Subsidiary Company have not been able to obtain sufficient appropriate audit evidence as to its recoverability as at reporting date.

Property, Plant and Equipment includes work in progress of Rs. 19,85.77 lacs relating to amount spent towards the construction of barges. As at reporting date, the construction has been withheld and impairment thereof (if any) cannot be assessed.

Consequently, auditors of a Subsidiary Company were unable to determine whether any adjustments to the above amounts would be necessary.

4 Exceptional items amounting to Rs Nil (2015 - Rs. 28,00.08 lacs) reported in the account include the following :


	<u>Rs. in lacs</u>	
	<u>31/03/2016</u>	<u>31/03/2015</u>
- Debts written off *	-	20,84.54
- Reversal of accrued income *	-	7,15.54
* On account of extended litigation / resolution	-	28,00.08
TOTAL :	-	<u>28,00.08</u>

5 As the Company has only one business segment, namely Offshore Services, the segment reporting requirement is not applicable.

6 The figures for last quarter of the current year and for the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the third quarter

7 Prior period figures have been reclassified as necessary for comparative purpose only.

Place : Mumbai  
Date : May 27, 2016

  
For and on behalf of the Board  
Sabyasachi Hajara  
Vice Chairman



Auditor's Report on Annual Consolidated Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors  
Dolphin Offshore Enterprises (India) Limited

1. We have audited the accompanying Statement of Annual Consolidated Financial Results of Dolphin Offshore Enterprises (India) Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and jointly controlled entity for the year ended March 31, 2016 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. This Statement has been prepared on the basis of the annual consolidated financial statements. Our responsibility is to express an opinion on this Statement based on our audit of such annual consolidated financial statements, which have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Account) Rules, 2014 and other accounting principles generally accepted in India.
2. We conducted our audit of the Statement in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in the Statement. An audit also includes assessing the accounting principles used and significant estimates made by management.
3. We believe that the audit evidences obtained by us and obtained by the other auditors in terms of their report referred to in paragraph 7 below, is sufficient and appropriate to provide a reasonable basis for our opinion on the Statement.



4. As stated in note no. 3(f) to the Statement, the auditors of a Subsidiary Company have, in their audit report, conveyed their inability to assess the recoverability of certain Trade Receivables amounting to Rs. 10,444.69 lacs. Further, they have also conveyed their inability to determine whether any adjustment on account of impairment would be necessary in Property Plant and Equipment amounting to Rs. 1,985.77 lacs.
5. In our opinion and to the best of our information and according to the explanations given to us, and on consideration of the reports of the other auditors and subject to the effects of the matter described in paragraph 4 above, the Statement:

(i) includes the annual financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Dolphin Offshore Enterprises (India) Limited	Holding
2	Dolphin Offshore Enterprises (Mauritius) Private Limited	Subsidiary
3	Dolphin Offshore Shipping Limited	Subsidiary
4	Global Dolphin Drilling Company Limited	Subsidiary
5	IMPac Oil & Gas Engineering (India) Private Limited	Joint Venture

(ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; and

(iii) gives a true and fair view of the consolidated net profit and other financial information of the Group including its jointly controlled entity for the year ended March 31, 2016.

6. We draw attention to the notes to the Statement in respect of the matters stated below:
- Note no. 3 (a) to the Statement, with regard to non availability of confirmations of balances in respect of receivables and payables;
  - Note no. 3 (b) to the Statement, with regard to non provisioning of liquidated damages amounting to Rs. 1,229.46 lacs;
  - Note no. 3 (c) and 3 (d) to the Statement, with regard to recognition of aggregate revenue of Rs. 12,099.00 lacs and the status of admission of amounts claimed by the Company.



# HARIBHAKTI & CO. LLP

Chartered Accountants

- d) Note no. 3 (e) to the Statement, with regard to provision of Rs. 1,264.85 lacs against dues of Rs. 2,976.60 lacs from parties which are wound up or declared sick.



Our report is not modified in respect of these matters.

7. We did not audit the financial statements of two subsidiaries and one jointly controlled entity included in Statement, whose financial statements reflects total assets of Rs. 30,812.85 lacs as at March 31, 2016, total revenues of Rs. 120,58.00 lacs and total profit after tax of Rs. 86,81.36 lacs for the year ended on that date, as considered in the Statement. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entity, is based solely on the reports of the other auditors.
8. The Statement includes the results for the Quarter ended March 31, 2016, being the balancing figure between audited figures in respect of full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W



Chetan Desai

Partner

Membership No.: 017000

Place: Mumbai

Date: May 27, 2016