DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.

32nd Annual Report | 2010-2011

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
Mrs. Manjit Kirpal Singh	Director
Mr. Robert D. Petty	Director
Mr. S. Sundar	Director
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. J. Jayaraman	Additional Director (w.e.f. October 27, 2010)

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

BOARD OF DIRECTORS

Rear Admiral Kirpal Singh
Executive Chairman

Mr. S. Venkiteswaran
Vice Chairman

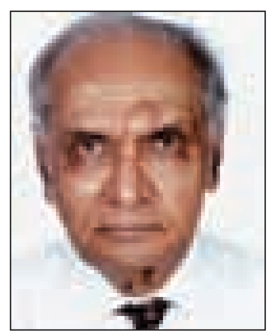
Mr. Satpal Singh
Managing Director

Mr. Navpreet Singh
Joint Managing Director

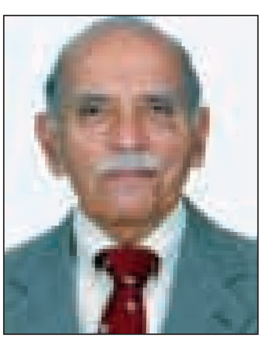
Mrs. Manjit Kirpal Singh
Director

Mr. S. Sundar
Director

Mr. Bipin R. Shah
Director



Mr. Arvind K. Parikh
Director



Dr. Faqir Chand Kohli
Director

Mr. Robert D. Petty
Director

Mr. J. Jayaraman
Additional Director

EXECUTIVE MANAGEMENT

Mr. Vikram Pahlajani
Chief Executive Officer
(Dolphin Offshore
Shipping Ltd.)

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

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

Mrs. Umaparvati 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)

It gives me pleasure to present the details of the performance of your Company for the Financial Year 2010 - 2011, which are more particularly described in the Annual Report, copy of which is enclosed.

The results of the Company have not been as good as I would have liked them to have been. The turnover was Rs.276.76 crores during FY10/11 on a standalone basis, as compared to Rs.532.47 crores for the FY09/10; the profit was down by 52% to Rs. 22.42 crores and EPS was down by 54% to Rs. 13.90. The main reason for the Company's poor performance this year was that despite the fact that the Company bid for several ONGC contracts competitively, it missed some of the major contracts by narrow margins. Major international offshore construction companies feeling the crunch of the international slow down resulting in limited work opportunities in their traditional areas, had cut their prices drastically to win major ONGC contracts. They cut prices to approximately 40% below ONGC's budgeted expenditures so as to be able to enter the Indian market. They could afford to do this as they had owned assets that they could put to work with marginal returns. While the Company continued to be cost competitive in its areas of core competency, the high cost resources which the Company had to hire from outside for these green field projects negated this advantage. In order to be able to compete with these parties for the forthcoming projects and to be on a more equitable footing, your Company has planned to synergise its capabilities with other players having resources and capabilities, both Indian and international, that the Company lacks so as to bring together a more cost competitive front.

At the same time, international oil activity has already shown signs of picking up. Saudi Arabia has set development plans in place to enhance their production output by close to 1 million tons of production and will spend close to 20 billion dollars in this activity alone. Abu Dhabi has scheduled development and ongoing expenditures of around 16 billion dollars for their offshore fields and Qatar has plans to spend close to 18 billion dollars. The Company has been successful in getting prequalified by both Saudi Aramco and Ras Gas and has already submitted tenders to both these operators. ONGC continues with its development plans and the Company will be responding to ONGC for its more than 1 billion dollars worth of tenders that the Company is qualified for, either on its own or in consortium with other parties. Your Board is confident that the worst is behind us and the future continues to be promising for the Company.

The Company's Board of Directors have recommended a dividend of Rs.1.50/- per share of Rs.10/- each subject to the approval of the shareholders.

It gives me great pleasure to inform my fellow shareholders that work on the new construction barge, Vikrant Dolphin, to be owned by Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., is almost complete. The arrival of the new barge early next year, will add to your Company's competitiveness significantly. Overall, we remain bullish about the future prospects of your Company. During March 2011, in spite of stiff competition from abroad, your Company has been awarded a contract from SCI for providing diving services on ONGC's vessels Sevak and Prabha which is a one-year contract, with an option to extend up to 18 months.

Your Company is also vigorously trying to get some projects abroad. Extension of Charter Hire of Seamec-1 for 2 years + 1 year extension (optional) and the delivery of the above new barge will help your Company in participating bidding directly as main bidder / consortium partner or sub contractor for high value tenders.

ONGC is likely to come up to Rs.4000 crores worth tenders on brown field job soon. Your Company has a competitive advantage in the brown field projects over the green field projects. The Company is conscious of the importance of being competitive in the present day market conditions and has taken several cost-cutting measures. I am confident that with these steps the company will soon resume its upward growth trend.

Your Company has consistently adopted high standards of Corporate Governance. Good Corporate Governance is always part of the Company's business philosophy. 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 off group 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 9 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 out 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 activites 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.

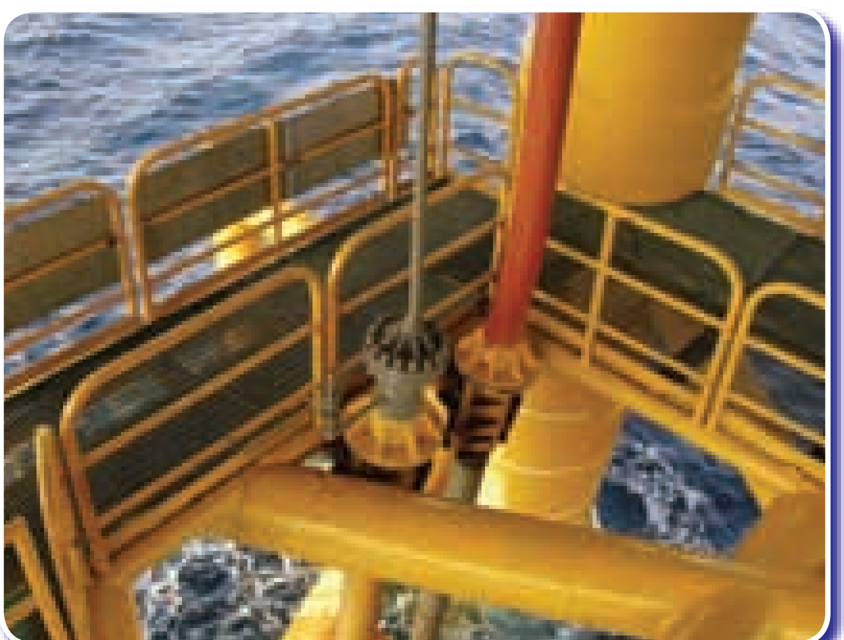
- Structural work comprising of steel modules and assemblies including painting of the same.
- Turnkey repairs to spud-can, mud-mats, shock-pad foundation on jack-up rigs using semi submersibles heavy lift barges and cofferdam techniques.

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, I-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 six Harbor Tugs, all of which are chartered out to reputed clients. These include:

- Brahmaputra Dolphin
- Ganga Dolphin
- Kamrup
- Pioneer Star
- SCH-3
- Marina Venus
- 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 subsidiaries 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.
- Betwa Dolphin – Delivery expected in April 2012.
- Vikrant Dolphin (DP Accomodation Barge) – Delivery expected in November 2011.

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, tugs, accommodation 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 is registered with Director General for Shipping and has a license for Dry Dock repairs at Mumbai Port Trust.

Our services pertaining to Ship Repair include:

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

For Jack-up Rigs we cover the following activities:

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

DESIGN ENGINEERING

The design engineering activities of Dolphin Offshore are handled by

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

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

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

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

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

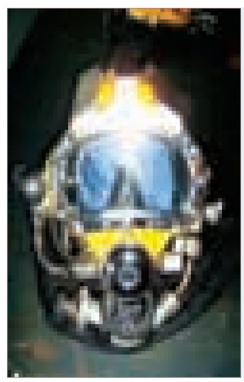
IMPaC Oil and Gas (India) Pvt. Ltd has just begun marketing activities for engineering services and studies, with very encouraging responses. Further vigorous marketing is being planned.

Men and Machines - Diving Systems

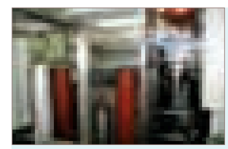
Saturation Diving Systems are diving spreads, used when divers are saturated to a particular pressure related to a particular depth thus allowing the person to work for longer duration of time.

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.



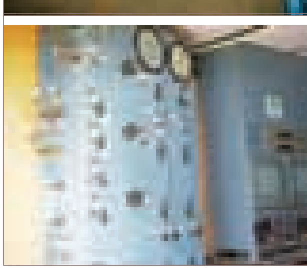
Diving Helmet (Reclaim): This helmet is designed to recover gas exhaled by divers which would otherwise have gone wasted thus saving costly helium gas.



Gas reclaim unit which reclaim gas (heliox) exhaled by divers which is then re-used thus saving costly helium gas. The unit can also be used to reclaim gas from chambers.

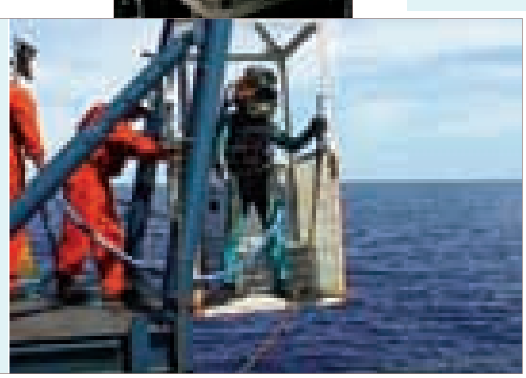
Air diving chamber: Used for decompressing divers to get rid of inert gas from their body on completion of dives following laid down decompression tables.

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.



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

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



MEN AND MACHINES - VESSELS

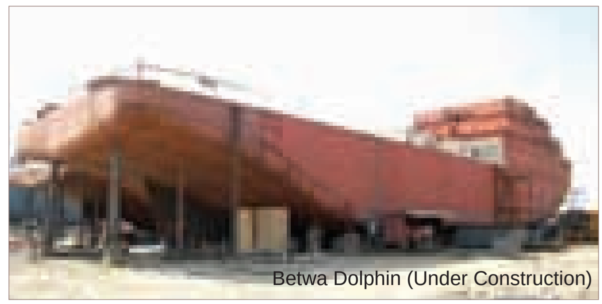
Multipurpose Workboats are used for Offshore Fabrication, Repairs, Diving Support and Services.


Brahmaputra Dolphin


Ganga Dolphin

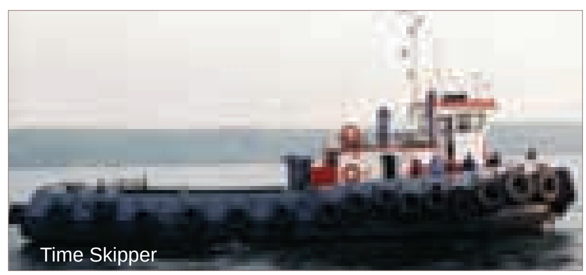

Kamrup

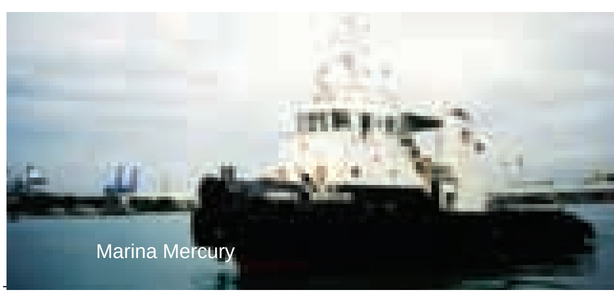

Beas Dolphin (Recently Launched)


Betwa Dolphin (Under Construction)

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


SCH 3

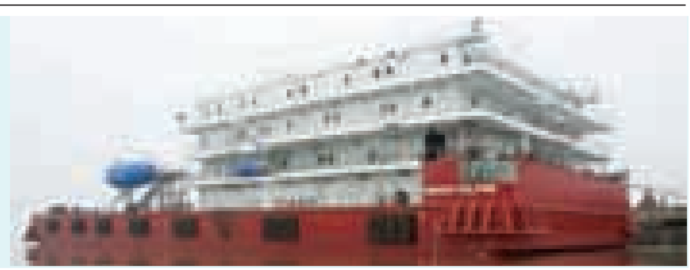

Time Skipper


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 (Under Construction)



Men and Machines - Fabrication And Topside

KOBELCO - 7450 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.

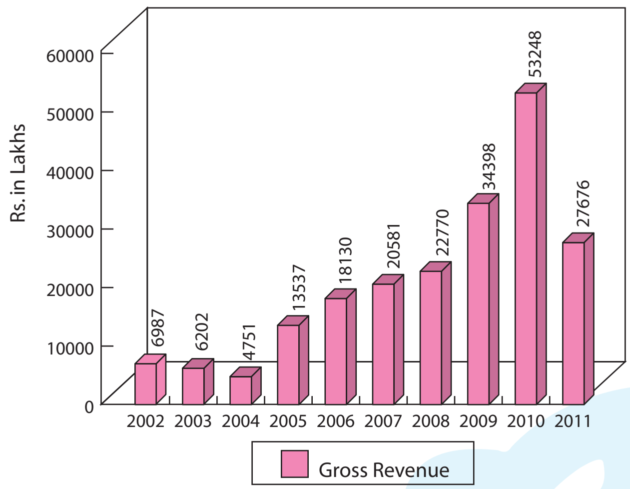
DOEIL supplied & commissioned Distributed Control System, PLC System and Fire & Gas Detection System consisting of - HPM controller & NIM Module at NQD & ICP platform for Monitoring & control of all the process variables for the additional facilities at NQD & ICP Platform.

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

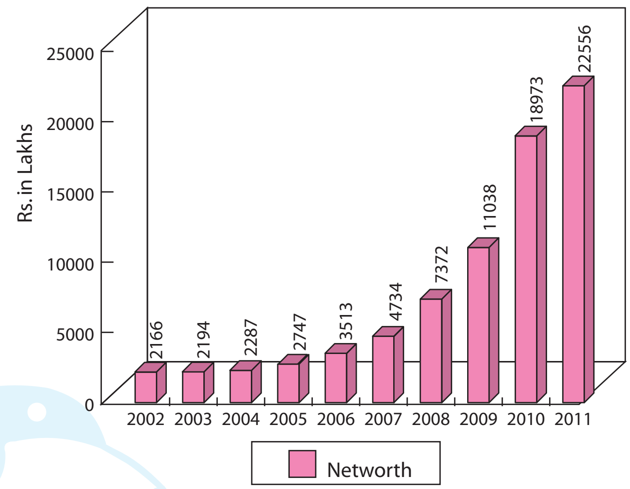
KEY PERFORMANCE INDICATORS

Year ended 31 March Financial Data (Rs. in Lakh)	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
ASSETS & LIABILITIES										
Net fixed Assets	3326	3583	3737	4992	4858	3241	3240	1699	1741	1088
Net Current Assets	28460	22297	20141	17254	10538	11005	3639	2535	2573	2032
Share Capital	1677	1576	956	956	896	560	560	560	560	560
Reserves & Surplus	20879	17397	10082	6416	3838	2953	2187	1727	1634	1606
Total Borrowings	11167	8861	14692	15918	11846	10528	3943	1828	2027	879
REVENUES & EXPENSES										
Gross Revenue	27676	53248	34398	22770	20581	18130	13537	4751	6202	6987
Operating Expenses	21940	41624	22336	17465	15975	14611	10660	3685	5379	5720
Gross Operating Profit	5736	11624	12061	5305	4605	3519	2877	1065	823	1267
Profit before Tax	3242	7064	5541	2483	2334	1438	974	165	117	446
Profit after Tax	2242	4664	4001	1626	1483	925	620	156	92	295
KEY RATIOS										
Earnings per Share (Rs.)	13.90	32.36	29.88	17.34	16.55	16.52	11.06	2.79	1.64	5.27
Rate of Dividend(%)	15	30	30	25	25	25	25	10	10	15
Gross Operating Profit Margin(%)	20.73	21.83	35.06	23.30	22.38	19.41	21.25	22.43	13.27	18.13
Net Profit Margin(%)	8.10	8.76	11.63	7.14	7.21	5.10	4.58	3.28	1.48	4.22
Current Ratio	1.86	1.76	1.58	1.38	1.44	1.87	1.05	1.25	1.15	1.68
Debt Equity Ratio	0.00	0.09	0.50	0.79	1.50	2.06	0.26	0.05	0.03	0.03
Return on Net Worth(%)	9.94	24.58	36.25	22.05	31.33	26.34	22.55	6.82	4.22	13.77
Return on Investment(%)	14.68	27.35	31.71	21.41	17.88	13.09	28.43	17.73	4.09	13.42

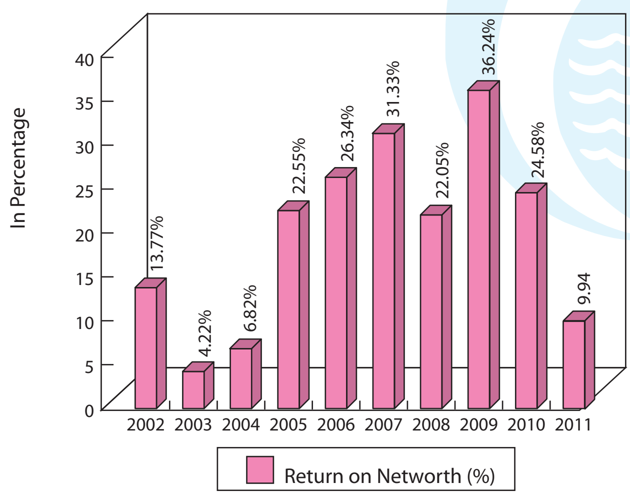
REVENUE



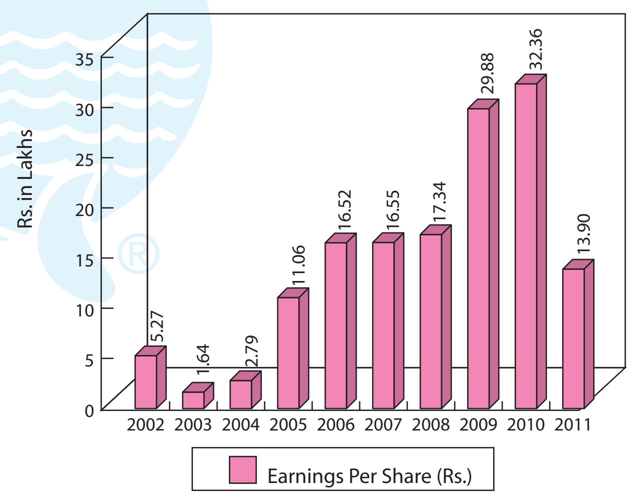
NETWORTH



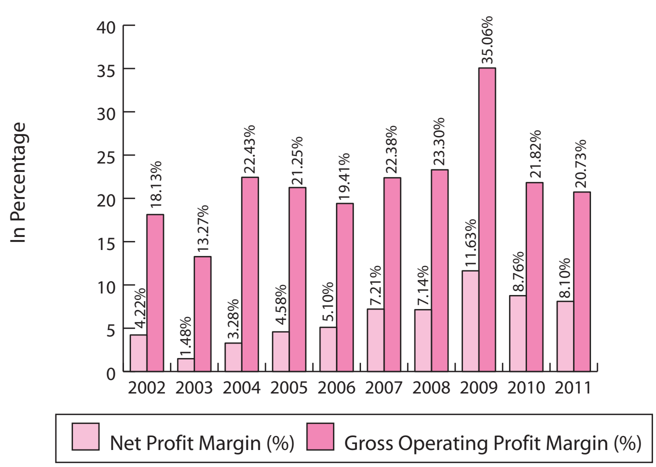
RETURN ON NETWORTH



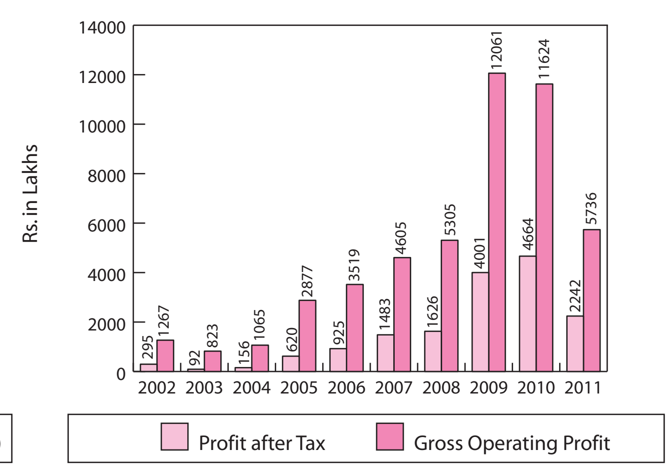
EARNING PER SHARE



PROFITS



PROFITABILITY



NOTICE

NOTICE is hereby given that the 32nd Annual General Meeting of DOLPHIN OFFSHORE ENTERPRISES [INDIA] LIMITED will be held on Friday, July 29, 2011 at 1500 hours (3.00 p.m.) at M. C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended March 31, 2011 together with the Reports of the Directors and the Auditors thereon.

2. To declare dividend.

3. To appoint a Director in place of Dr. F. C. Kohli, who retires by rotation, and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. S. Sundar, who retires by rotation, and being eligible, offers himself for re-appointment.

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

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

SPECIAL BUSINESS

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

   "**RESOLVED THAT** Mr. J. Jayaraman, who was appointed as an Additional Director of the Company on October 27, 2010 pursuant to Article 107 of the Articles of Association of the Company and under Section 260 of the Companies Act, 1956 and whose term 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 whose period of office shall be liable to determination by retirement by rotation."

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

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

sd/-
V. SURENDRAN
COMPANY SECRETARY

Date: May 20, 2011

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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY AT THE REGISTERED OFFICE OF THE COMPANY ATLEAST 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 July 23, 2011 to July 29, 2011 (both days inclusive).

3. Members are requested to intimate to Sharepro Services (India) Pvt. Ltd., 13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072 for changes, if any, in their registered address.

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 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:

   At the ensuing Annual General Meeting, Dr. F. C. Kohli and Mr. S. Sundar, Directors retire by rotation and being eligible offer themselves for re-appointment and Mr. J. Jayaraman to be appointed as Director whose office is liable to retirement by rotation. The information or details pertaining to these Directors are provided in terms of Clause 49 of the Listing Agreement with the Stock Exchange(s) are furnished in the Corporate Governance Report published in the Annual Report.

9. All unclaimed dividend lying in the unpaid dividend account till 2002 - 2003 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 31-03-2011	DATE OF TRANSFER TO INVESTOR EDUCATION & PROTECTION FUND
2003 - 2004	62,818.00	On or before 05/09/2011
2004 - 2005	90,991.00	On or before 09/09/2012
2005 - 2006	1,00,465.00	On or before 06/10/2013
2006 - 2007	1,61,233.00	On or before 06/10/2014
2007 - 2008	1,70,825.50	On or before 28/10/2015
2008 - 2009	1,84,017.00	On or before 23/08/2016
2009 – 2010 (Interim Dividend)	1,27,533.00	On or before 30/11/2016
2009 – 2010	1,26,063.00	On or before 21/08/2017

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

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

AGENDA ITEM NO. 6

Mr. J. Jayaraman was appointed as an Additional Director of the Company by the Board of Directors of the Company in terms of Section 260 of the Companies Act, 1956 w.e.f. October 27, 2010 vacates 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 Mr. J. Jayaraman as a Director of the Company. If appointed, his office shall 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.

Mr. J. Jayaraman had a long career in the Oil & Gas Industry. Earlier, he was on the Board of the Company from October 01, 1996 to November 04, 1998 when he resigned due to his appointment on the Board of Directors of ONGC. He has now retired from the Board of Directors of ONGC.

Keeping in view the experience and expertise of Mr. J. Jayaraman, your Company will be immensely benefited from his appointment.

The directors recommended the resolution at agenda no. 6 of the Notice for your approval.

None of the directors of the Company other than Mr. J. Jayaraman is interested in this resolution.

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

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

sd/-
V. SURENDRAN
COMPANY SECRETARY

Date: May 20, 2011

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 Second Annual Report on the business and operations of the Company, together with the audited financial statements for the year ended March 31, 2011.

1.0 AUDITED FINANCIAL STATEMENTS:

1.1 Summarised Audited Financial Results –

(Amounts in Thousands of Indian Rupees except EPS)

	2010-11	2009-10	Variation year on year (%)
Revenues	**2,76,76,06**	5,32,47,63	**(48.02)**
Gross operating profit	**57,35,66**	1,16,23,31	**(50.65)**
Net operating profit	**30,44,30**	88,41,71	**(65.57)**
Profit before interest and depreciation	**47,58,92**	85,62,83	**(44.42)**
Profit before tax	**32,41,57**	70,63,77	**(54.11)**
Net profit after tax	**22,41,69**	46,64,08	**(51.94)**
Earnings per share			
- Basic (Rs.)	**13.90**	32.36	**(57.05)**
- Diluted (Rs.)	**13.90**	30.29	**(54.11)**

During the year, the Company has not been able to win any EPC contracts, 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, the Company has received Duty Credit Entitlement Certificate worth ₹ 29.67 crores.

1.2 Dividend –

For the year 2010–11, the Board of Directors has recommended a dividend of ₹1.50 (2010: ₹3.00) per equity share of ₹10.00 each, which will result in a total outlay of ₹2.52 crores (2010: ₹4.61 crores) towards dividend and ₹0.41 crores (2010: ₹0.78 crores) towards tax on dividends.

1.3 Matters Arising Out Of The Auditors' Report –

Without qualifying their opinion, the Auditors' has invited attention of the members to note, with regard to the non provision of liquidated damages of ₹28.30 crores (2010: ₹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 –

During 2010, the World Real GDP grew by 3.9% after decling by 2.2% in 2009 (source: World Bank), primarily on the back of partial recoveries by most of the developed countries and on the continued growth of Asian economies. Consequently, during 2010, the consumption of oil increased by 1.9% to 86.09 million barrels per day (source: OPEC), and the trend was similar for natural gas.

Despite this increase in demand, production levels remained nearly flat with most of the demand being met from existing stocks or from oilfields that had reduced their production levels in the prior year. Hence, on the back of increased demand with marginal increase in supply, the price of oil steadily rose to around USD 90 per barrel as against USD 75 in the prior year.

The Gulf oil spill that occurred in April 2010 further impacted an already flat market, as the US Government were quick to impose a moratorium on all new drilling activities, and consequently other offshore activities were also severely impaired.

As a result of these factors, many oilfield service companies have found it difficult to secure work and most of their resources (i.e. manpower, equipments, vessels etc.)

have been idle. For example, as per Kennedy Marr Report, during March 2011, only 64% of the offshore drilling units were actually deployed (in the US, only 42% of the jack-up rigs) while only 36% of the Anchor Handling and Towing Supply Vessels were deployed in the North Sea. Consequently, there has been a softening of rates, and in several cases, oilfield service companies have had to resort to desperate measures in order to try to secure some work, and to generate some cashflows from their otherwise idle assets.

The Indian market, however, continued to remain buoyant during the year, with ONGC and GSPC floating a number of tenders, mainly for Greenfield work. This buoyancy is largely driven by India's desire for achieving energy security and enhancing domestic production.

2.2 The year in perspective –

During the year, ONGC floated a number of tenders mainly for Greenfield projects related to the laying of new pipelines or for the design, engineering, fabrication, installation and hook-up and commissioning of new platforms.

The Company does not have any inherent advantages 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.

The year also witnessed many foreign companies submitting offers against these tenders and there have been many participants in these tenders, sometime going up to as many as 10 bidders where as in the earlier years there were just about 4 or 5 bidders.

Simultaneously, prices quoted have also come down dramatically and most of these 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 and submitted offers in excess of USD 900 million. However, the Company was unsuccessful in winning any of these tenders despite coming in at L2 in most of the tenders.

The gap between prices bid by us and the winning bid reduced significantly during the year (for the MHN Pipeline Tender, L1 (Lowest) bid was USD 139 million where as the Company had bid USD 235 million at L2 (Second Lowest), whereas for the B46 Platform Tender, L1 bid was USD 227 million while the Company was L2 at USD 229 million). While Management was willing to look at sacrificing margins in order to win contracts, Management 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, 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 and corresponding profits have reduced during the year.

During the year, most of the revenues earned were done on undertaking subcontracts with other EPC contractors, both for underwater and diving contracts as well as for installation, hook-up and commissioning. Most of the Company's diving and top-side resources were deployed during the year, albeit not for the full year.

In March 2011, the Company was awarded a diving sub-contract from Shipping Corporation of India for the operations and management of diving services on ONGC's multipurpose support vessels for a period of one year at a value of ₹54 crores. SCI has the option to extend the contract for further periods of up to 18 months in tranches of 12 months plus 3 months plus 3 months. This is the first time that these diving contracts have been given to an Indian company without any foreign back-up. The Company is hopeful that this contract will be extended by SCI upto 18 months as stated above.

The order book position of the Company as at March 31, 2011 stood at ₹126 crores (2010: ₹235 crores).

2.3 Future Prospects –

Despite the hardships encountered in the year, the management hopes for much better prospects in the coming years. The reasons for this optimistic outlook are as follows:

- During the year, price of oil and gas has risen to over USD 116 per barrel (Brent oil prices) on the back of increasing demand, reducing stockpiles and unrest in many parts of the Middle East which contributes significantly to the global oil supply. Due to the "Arabian Spring", production from Libya has almost dried up, Egypt has still not gone into full production and Bahrain is undergoing civil unrest. Iraq has begun to produce oil and gas, but production levels are much lower than in the past. Iran is facing an embargo on the sale of its oil and gas especially from the United States and European Union. Hence, there is greater pressure on the more stable oil and gas producing majors like Saudi Arabia, Qatar and the UAE to ramp up their production levels. This can only be achieved by making heavy investments. It is expected that close to USD 30 – 35 billion will be invested in the Middle East in the oil and gas market.

  Saudi Aramco have already begun to float and award very large size tenders and it is believed that they have already awarded work worth USD 6 billion.

  Management is also confident that the trends being witnessed in the Middle East currently will also escalate to other markets in Europe, South America, Africa and the Far East over the next year or so.

- Due to the impact of the oil spill in the Gulf of Mexico, insurance premiums have shot up significantly and there is a demand from insurance companies that offshore facilities have to be regularly inspected, maintained and modified to reduce the risk of offshore accidents resulting in major oil spills. This again will result in more work in the coming season.

- With the activity levels picking up, more and more resources are being deployed and hence the pressure on oilfield service companies to obtain contracts at very low prices is diminishing. Further, companies that have already picked up work in the Indian market are going to have their resources tied up in executing their contracts during the coming year.

- As per indications given by ONGC, there will be a large number of brownfield projects coming out on tender during 2011-12. The Company is more competitive in undertaking these types of EPC contracts, as it has in-house capabilities for undertaking these contracts on its own.

- Furthermore, Management has noted that while the foreign companies who have been winning contracts in India during the last year have done so by reducing their prices, they continue to quote their regular charge out rates in the traditional market areas. Management has therefore decided to actively pursue work in the Middle East and has already submitted offers for some contracts. Management is pleased to state that the Company has been technically approved by the potential clients on two of the offers where technical evaluation has been completed. Management is confident of making inroads into these markets during the year, which will also help the Company in reducing its reliance solely on ONGC.

Given the factors stated above, Management is confident that the Company will be able to bounce back during 2011–12.

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 at 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.

Furthermore, Management expects that ONGC will float a larger number of brownfield tenders this year for which the Company can be more competitive as the Company 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 ONGC 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 has been looking at expanding its markets geographically into the Middle East and the Far East. However, as the markets were very flat since 2009, the Company has had to hold back its plans till now.

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 and has submitted offers against some tenders, the outcome of which is still awaited. The Company is hopeful of getting a couple of these contracts as the Company has already been technically qualified on two of the tenders.

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 the Company for their contributions to the 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 the 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 ₹35.53 crores (2010: ₹30.83 crores), and has received certificates worth ₹29.67 crores (2010: ₹21.35 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 the help 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 -

Dr. F. C. Kohli and Mr. S. Sundar are due to retire by rotation, and being eligible, offer themselves for re-appointment. Your Directors recommend their re-appointment.

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, 2011, the Company had accepted Fixed Deposits from shareholders and others of ₹1.04 crores (2011 – ₹0.90 crores). 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 or visit our website www.dolphinoffshore.com.

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, 2011, the Company's foreign exchange receipts and expenditure was as follows:

(Amounts in Thousands of Indian Rupees)

	2010-11	2009-10
Receipts		
Contract revenues	**2,04,56,27**	3,65,27,12
Other income	**3,24,42**	—
	2,07,80,69	3,65,27,12
Expenditure		
Plant & machinery	—	51,17
Foreign subcontractors	**2,26,93**	6,53,09
Vessel charter & related expenses	**7,56,13**	29,34,27
Advance to wholly owned subsidiary	**6,04,82**	16,84,55
Equipment related expenses	**61,87**	63,70
Materials, stores and spares	**2,33,31**	42,37,73
Foreign travel	**40,04**	64,09
Other matters	**27,64**	97,40
	19,50,74	97,86,00

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, 2011 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 20, 2011

ANNEXURE-A

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 as on March 31, 2011.

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

Category Designation	No. of outside Directorships and Committee Memberships/Chairmanships			
	Public Companies	Private Companies	Committee Membership	Committee Chairmanship
PROMOTER/ EXECUTIVE DIRECTORS				
Rear Admiral Kirpal Singh, EC	3	—	—	—
Mr. Satpal Singh, MD	5	5	—	—
Mr. Navpreet Singh, JMD	5	2	—	—
PROMOTER / NON-EXECUTIVE DIRECTOR				
Mrs. Manjit Kirpal Singh	2	—	—	—
INDEPENDENT/ NON-EXECUTIVE DIRECTOR				
Mr. S. Sundar	5	—	—	—
Mr. S. Venkiteswaran, VC	6	2	7	—
Mr. Arvind K. Parikh	—	—	—	—
Mr. Bipin R. Shah	3	—	3	1
Mr. Robert D. Petty	31	18	1	—
Dr. Faqir Chand Kohli	5	1	—	—
Mr. J. Jayaraman, Additional Director*	1	—	1	—

* Mr. J.Jayaraman has been appointed as an Additional Director of the Company w.e.f. October 27, 2010.

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.

Dr. F.C. Kohli and Mr. S. Sundar, Directors, who retire by rotation and being eligible, offer themselves for re-appointment.

Mr. J. Jayaraman, who was appointed as an Additional Director of the Company on October 27, 2010 u/s 260 of the Companies Act, 1956 to be appointed as a Director u/s 257 of the Companies Act, 1956.

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.

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.

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 U.K. Britannia, London, TT, ITIC, SKULD and South of England

P&I Clubs. He is on the Board of Directors of the Mundra Port & Special Economic Zone Ltd., Indian Register of Shipping, National Securities Clearing Corporation Ltd., Mahagujarat Chamunda Cements Company Pvt. Ltd., Pipavav Shipyard Ltd. and the Clearing Corporation of India Ltd.

He is the:

1. Member of the Audit Committee, Bye-laws, Rules & Regulations Committee, Capital Expenditure Approval 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, Remuneration Committee & Member of Audit Committee, Shareholders & Investors Grievance Committee, Finance Committee, Committee of Independent Director of Pipavav Shipyard Ltd.
4. Member of Remuneration Committee, Audit Committee and Finance Committee of Mundra Port and Special Economic Zone Ltd.
5. Member of Audit Committee, Remuneration Committee & Property Committee of Directors for Acquisition of Properties 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 Chairman of the Remuneration Committee and a Member of the Audit Committee.

He is the Chairman and also the Member of the Audit Committee of 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 NTPC Chair Professor in Regulatory Studies in TERI University and a Distinguished Fellow at The Energy and Resources Institute (TERI).

Mr. Sundar joined the Indian Administrative Service in 1963 and has held several senior positions in the State of Gujarat and in the Government of India. He was also with the Commonwealth Secretariat in London for 8 years, first as Special Advisor (International Finance) and then as Director of the Economic and Legal Advisory Services Division, which is the consulting arm of the Commonwealth Secretariat. He was Finance Director of one of India’s blue chip companies, the Gujarat Narmada Valley Fertilizer Company, a Joint Secretary in the Department of Economic Affairs in the Government of India, Finance Secretary to the Government of Gujarat and Secretary to the Government of India, Department of Tourism. His last assignment in the Government of India was as Secretary in the Ministry of Surface Transport when he spearheaded major reforms in the port and road sectors.

He was on the Faculty of the South Asian Forum for Infrastructure Regulation (SAFIR) and was a Distinguished Visiting Professor at the Faculty of Law, University of Toronto, Canada. He is 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 Finance 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 chairs the Audit Committee and is also a Member of the Remuneration Committee of Dolphin Offshore Enterprises (India) Ltd.

MR. BIPIN R. SHAH

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

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

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

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

In addition to Lipton responsibilities, Mr. Shah was also 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. and ITTI Pvt. Ltd.

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, 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 Co. Ltd. and a Director in Kanika Shipping Ltd., Dolphin Offshore Projects Ltd., Permastelisa (India) Pvt. Ltd., ECIE Impact Pvt. Ltd., Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., Dolphin Offshore Shipping Ltd. (Formerly known as "Procyon Offshore Shipping Ltd.") and IMPaC Oil & Gas Engineering (India) Pvt. Ltd.

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

MR. NAVPREET SINGH

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

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

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

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

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

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

MR. ROBERT D. PETTY

Mr. Robert D. Petty is the Managing Partner and Co-Founder of Clearwater Capital Partners and a member of the firm's Investment Committee. Over his 27-year career, Mr. Petty's predominant focus has been Asian special situations and credit investing, 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.

Since inception of the firm in 2001, Mr. Petty and his partner have utilized their credit oriented investment strategy to invest profitably across sectors and geographies, building an Asia-focused business that today is one of the largest credit investing firms in the region. Throughout his investment experience, Mr. Petty has been a capital committer across organizations and through cycles in hundreds of transactions encompassing bonds, loans, private placements, turnarounds and private equity. Mr. Petty's previous experience includes senior positions at Amroc Investments LLC, Peregrine Fixed Income Ltd. and thirteen years with Lehman Brothers Holdings, Inc.

Mr. Petty sits on the board of three Clearwater portfolio companies. He also serves on the boards of two non-profit organizations: EMPEA (The Emerging Markets Private Equity Association) and Engender Health, a 70-year leader in international healthcare education. Mr. Petty holds a B.A. in Political Science from Brown University. He currently resides in Hong Kong with his wife and three children.

DR. FAQIR CHAND KOHLI

Born in Peshawar (Pakistan), Dr. Kohli completed his schooling and matriculation in Peshawar. He obtained B.A. 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 a consultant to Tata Consulting Engineers. He became a 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. U.K. 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 in 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 been 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) Ltd., Sundaram Clayton Ltd. (a TVS Group Company), Citurgia Chemicals, Pioneer (ITI) (now Frannklin) 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, on the Board of M/s. Andhra Cements Limited as a Bank of Baroda Nominee and he is a member of the Outside Expert Committee for settling disputes between ONGC and their Contractors.

He has been appointed as an Additional Director of Dolphin Offshore Enterprises (India) Limited with effect from October 27, 2010.

1.2 MEETINGS OF THE BOARD

The Board of Directors met 5 times during the year 2010-2011 on May 21, 2010, July 23, 2010, October 27, 2010, January 28, 2011 and March 15, 2011.

DETAILS OF ATTENDANCE

Name of the Directors	No. of Board meetings held	No. of meetings attended	AGM held on July 23, 2010
Rear Adm. Kirpal Singh, EC	5	5	Yes
Mr. Satpal Singh, MD	5	5	Yes
Mr. Navpreet Singh, JMD	5	5	Yes
Mrs. Manjit Kirpal Singh, Director	5	4	Yes
Mr. S. Sundar, Director	5	4	No*
Mr. S.Venkiteswaran, VC	5	3	No
Mr. Arvind K. Parikh, Director	5	5	Yes
Mr. Bipin R. Shah, Director	5	4	No
Mr. Robert D. Petty, Director	5	0	No
Dr. Faqir Chand Kohli, Director	5	5	No
Mr. J. Jayaraman	2	2	N.A

* The Audit Committee Chairman, Mr. S. Sundar was unable to attend the Annual General Meeting held on July 23, 2010 due to personal reasons and in his place Mr. Arvind K. Parikh, Member of Audit Committee was authorised to attend.

2.0 SUB COMMITTEES OF THE BOARD OF DIRECTORS

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

2.1 AUDIT COMMITTEE

[A] Terms of Reference

a) Reviewing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.

b) Recommending the appointment and removal of external auditors and internal auditors, fixation of audit fee and also approval for payment for any other services.

c) Reviewing the quarterly / annual financial statements with management before submission to the Board.

d) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.

e) Reviewing the adequacy of internal audit function.

f) Discussion with internal auditors on any significant findings and follow up thereon.

g) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board, if any.

h) Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

i) Reviewing the Company's financial and risk management policies.

j) To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

k) To oversee compliance with the requirements of Corporate Governance norms of the listing agreement with NSE & BSE.

[B] Composition of Audit Committee

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

Non-Executive - Independent

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

Non-Executive – Promoter

(1) Mrs. Manjit Kirpal Singh - Member

[C] Meetings of the Audit Committee

The Audit Committee met 4 times during the year 2010-2011 on May 20, 2010, July 22, 2010, October 26, 2010 and January 28, 2011.

DETAILS OF ATTENDANCE

Name of Directors	No. of Audit Committee Meetings held	No. of Meetings attended
Mr. S. Sundar	4	3
Mrs. Manjit Kirpal Singh	4	3
Mr. S. Venkiteswaran	4	2
Mr. Arvind K. Parikh	4	4
Mr. Bipin R. Shah	4	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 6 times during the year 2010-2011 on April 07, 2010, May 27, 2010, September 17, 2010, October 13, 2010, November 19, 2010 and January 04, 2011.

DETAILS OF ATTENDANCE

Name of the Directors	No. of Managing Committee Meetings held	No. of Meetings attended
Rear Adm. Kirpal Singh	6	0
Mr. Satpal Singh	6	6
Mr. Navpreet Singh	6	6
Mr. Arvind K. Parikh	6	6

2.3 SHARE TRANSFER COMMITTEE

[A] Terms of Reference

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

[B] Composition of Share Transfer Committee

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

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

The Committee has met number of times during the year.

2.4. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

[A] Terms of Reference

To ensure redressal of shareholders and 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 4 times during the year on May 20, 2010, July 22, 2010, October 26, 2010 and January 28, 2011.

DETAILS OF ATTENDANCE

Name of Directors	No. of Meetings held	No. of Meetings attended
Mr. Arvind K. Parikh	4	4
Mr. Bipin R. Shah	4	4
Mr. Navpreet Singh	4	4

During the year 2010-2011, 8 (Eight) Investors / Shareholders complaints have been received by the Company. All these complaints have been attended in time and solved to the satisfication 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	Commi-ssion
1	Rear Adm. Kirpal Singh, EC	1,21,25,154	—	4,32,825
2	Mr. Satpal Singh, MD	1,17,67,754	—	3,24,619
3	Mr. Navpreet Singh, JMD	1,15,07,412	—	3,24,618
4	Mrs. Manjit Kirpal Singh, Director	—	55,000	4,91,180
5	Mr. S. Sundar, Director	—	55,000	4,91,180
6	Mr. S. Venkiteswaran, VC	—	40,000	4,91,180
7	Mr. Arvind K. Parikh, Director	—	1,20,000	4,91,180
8	Mr. Bipin R. Shah, Director	—	70,000	4,91,180
9	Mr. Robert D. Petty, Director	—	—	4,91,180
10	Dr. Faqir Chand Kohli, Director	—	50,000	4,91,180
11	Mr. J. Jayaraman, Additional Director	—	20,000	2,09,979

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

The Committee did not meet during the year 2010-11.

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

Mrs. Manjit Kirpal Singh (Promoter) holds 5,47,356 shares of the Company and Mr. S. Sundar holds 10 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 appointed 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
a)	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
b)	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
c)	M.C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai – 400 001.	September 29, 2008 (AGM)	1500 hours	2

4.0 RELATED PARTY DISCLOSURES

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

5.0 NON-COMPLIANCE

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

6.0. MEANS OF COMMUNICATION

* Quarterly results

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

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

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

7.0 POSTAL BALLOT

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

8.0 RISK MANAGEMENT

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

9.0 MANDATORY REQUIREMENTS

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

10.0 CODE OF CONDUCT

The Company has Code of Conduct for Directors and Senior Management and the same is complied 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	:	July 29, 2011
	Time	:	1500 hours
	Venue	:	M. C. Ghia Hall 2nd floor, Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 020
b)	Financial Year	:	2010-2011
c)	Key Financial Reporting Dates for the Financial Year 2011-12		
	Unaudited First Quarterly result	:	On or before August 13, 2011
	Unaudited Second Quarterly result	:	On or before November 15, 2011
	Unaudited Third Quarterly result	:	On or before February 15, 2012
	Audited results for the Financial Year 2011-12	:	On or before May 30, 2012
d)	Book Closure date	:	July 23, 2011 to July 29, 2011. (both days inclusive)
e)	Dividend Payment date	:	On or before August 27, 2011
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 2010 to March 2011 (BSE).

PERIOD – 2010-11	HIGH	LOW
APRIL 2010	405.00	361.40
MAY 2010	371.00	271.60
JUNE 2010	357.70	278.50
JULY 2010	328.00	242.00
AUGUST 2010	298.00	258.10
SEPTEMBER 2010	292.00	259.70
OCTOBER 2010	285.00	241.25
NOVEMBER 2010	283.00	191.00
DECEMBER 2010	264.70	197.25
JANUARY 2011	238.90	168.00
FEBRUARY 2011	174.90	132.15
MARCH 2011	158.10	134.30

Market Price Data HIGH/LOW during each month from April 2010 to March 2011 (NSE).

PERIOD – 2010-11	HIGH	LOW
APRIL 2010	406.00	362.50
MAY 2010	372.95	256.65
JUNE 2010	387.80	279.00
JULY 2010	353.85	242.65
AUGUST 2010	298.00	258.00
SEPTEMBER 2010	292.00	261.00
OCTOBER 2010	308.80	245.60
NOVEMBER 2010	282.75	187.00
DECEMBER 2010	264.40	191.25
JANUARY 2011	245.00	167.05
FEBUARY 2011	185.00	134.00
MARCH 2011	156.90	123.75

k) Registrar and Share Transfer Agent : M/s Sharepro Services (India) Pvt. Ltd.

13AB, Samhita Warehousing Complex, Second Floor, Sakinaka Telephone Exchange Lane, Off. Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai – 400 072.

l) Share Transfer System : Share transfer requests received in physical form are registered within an average period of 30 days. A Share Transfer Committee comprising members of the Board meets atleast once in 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, 2011**

Sr. No.	Category	No. of Shares Held	Percentage (%)
1	Promoters	89,93,269	53.63
2	Body Corporates	20,92,184	12.47
3.	NRI	1,21,441	0.72
4.	Foreign Bodies	26,82,512	15.99
5.	Govt / Financial Institution	—	—
6.	Other Non-Nationalised Banks	7,000	0.04
6.	Indian Public	28,65,059	17.08
7.	FIIs	11,043	0.07
8.	Directors other than Promoters	10	0.00
	Total	**1,67,72,518**	**100.00**

Note: Promoters include 7,65,279 shares i.e. 4.56% held by NRI relative and Indian Public includes 1,600 shares i.e. 0.01 % held in Trust.

n) Dematerialisation of Shares : 1,63,50,556 equity shares which constitutes 97.48% of the paid up capital as on March 31, 2011 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

: 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, Premises Co-op. Soc. Ltd. Minerva Studio Compound, Sewri Bunder Road, Sewri (East), Mumbai – 400 015
Tel. No. : 24131058 / 65182091

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

email : customer@dolphinoffshore.com

Investor Complaints ID : investors@dolphinoffshore.com

r) Website : www.dolphinoffshore.com

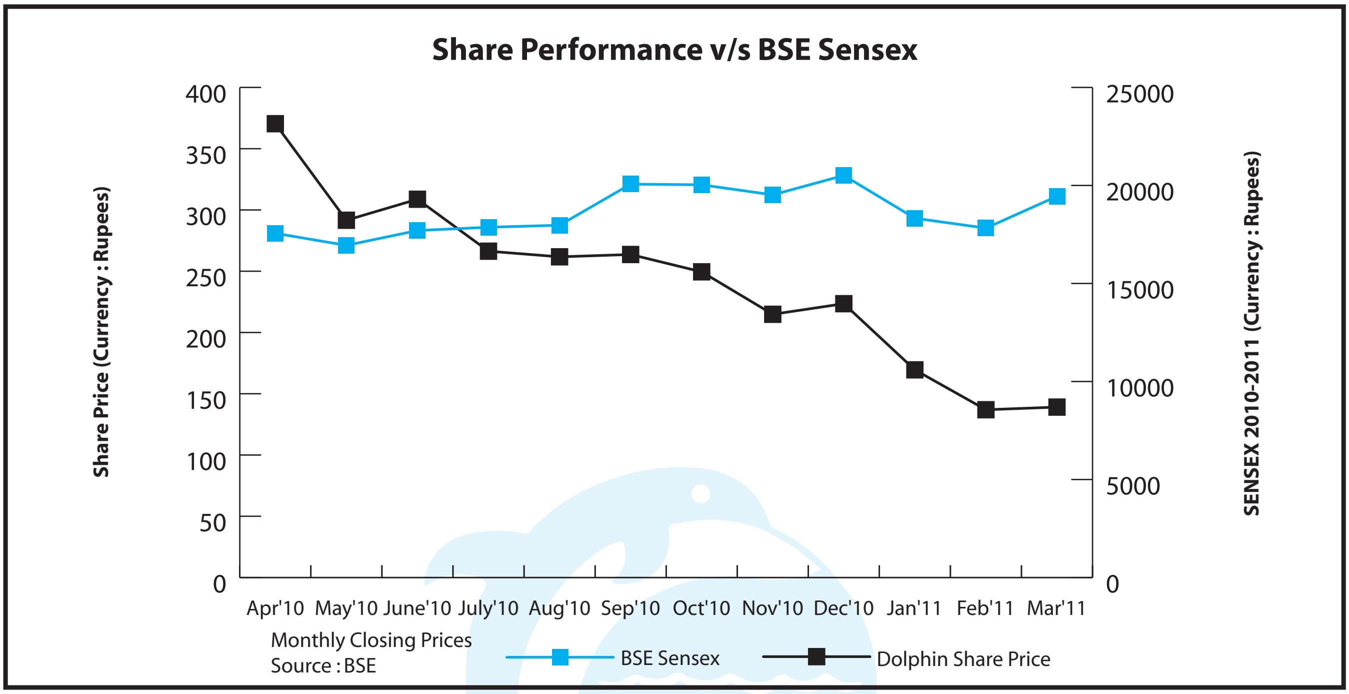
s) Transfer of unclaimed amounts to Investor Education and Protection Fund:

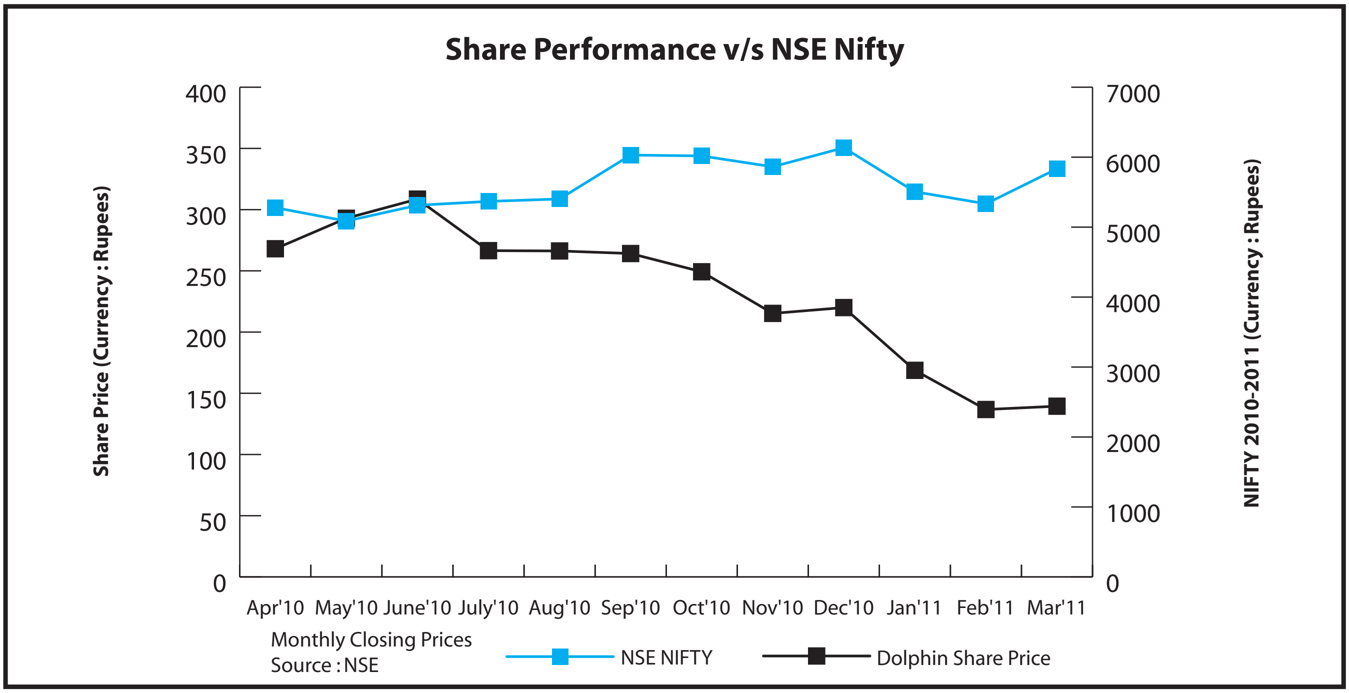
During the year unclaimed dividend of Rs. 58,503/- for the Financial Year 2002-2003 was transferred to the Investor Education and Protection Fund on September 27, 2010.

t) The Company has issued 15,000 Foreign Currency Convertible Bonds (FCCBs) of US$ 1,000 each on December 22, 2005. These FCCBs were listed on Singapore Stock Exchange and have been converted into equity shares as follows:

Particulars	No of Bonds of USD 1000 each	Shares issued on Conversion
1st Conversion – July 24, 2007	3,000	6,04,933
2nd Conversion – September 14, 2009	3,495	9,84,895
3rd Conversion – October 27, 2009	2,063	5,81,355
4th Conversion – December 12, 2009	2,840	8,00,315
5th Conversion – November 19, 2010	3,602	10,15,047
TOTAL	**15,000**	**39,86,545**

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


Share Performance v/s BSE Sensex
Share Price (Currency : Rupees)
SENSEX 2010-2011 (Currency : Rupees)
400
350
300
250
200
150
100
50
0
25000
20000
15000
10000
5000
0
Apr'10 May'10 June'10 July'10 Aug'10 Sep'10 Oct'10 Nov'10 Dec'10 Jan'11 Feb'11 Mar'11
Monthly Closing Prices
Source : BSE
BSE Sensex
Dolphin Share Price


Share Performance v/s NSE Nifty
Share Price (Currency : Rupees)
NIFTY 2010-2011 (Currency : Rupees)
400
350
300
250
200
150
100
50
0
7000
6000
5000
4000
3000
2000
1000
0
Apr'10 May'10 June'10 July'10 Aug'10 Sep'10 Oct'10 Nov'10 Dec'10 Jan'11 Feb'11 Mar'11
Monthly Closing Prices
Source : NSE
NSE NIFTY
Dolphin Share Price

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.

SD/-
Satpal Singh
Managing Director

Place: Mumbai
Date: May 20, 2011

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 2011, 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

Place: Mumbai
Date : May 20, 2011

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, 2011 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 (Auditors' Report) Order, 2003, as amended by the Companies (Auditors' Report) (Amendment) Order, 2004, 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') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, 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, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 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. "P(b)" of Schedule 18 - to Notes to accounts with regard to long outstanding sundry debtors of Rs.47.90 Crores, which has been considered by the management as good and recoverable.
     - (b) Note no. "P(d)" of Schedule 18- to Notes to accounts with regard to recognition of Rs. 33.59 Crores being only a portion of extra claim for additional work carried out as revenue, for the reasons stated therein.
   - vii. *As stated in Note No. "P(c)" of Schedule 18 - to Notes to accounts, no provision is made for Liquidated damages amounting to Rs. 28.30 Crores 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 Act, in the manner so required, and also 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, 2011;
     - 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
FRN No.103523W

Chetan Desai
Partner
Membership No. : 17000

Place: Mumbai
Date: May 20, 2011

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, 2011.

(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 off by the company during the year.

(ii) As per the information and explanation given to us, the Company does not hold any inventory. Accordingly, the provisions of Clause (ii) of the Companies (Auditors' Report) Order, 2003 (as amended) are not applicable to the Company.

(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. 78,90.08 Lacs and the year end balance of loan granted to such party was Rs. 78,90.08 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 loan given 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 four parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2,11.15 Lacs and the year end balance of loans taken from such parties was Rs. 2,11.15 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 fixed assets and for services rendered. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the aforesaid 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 activity 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, cess and other material statutory dues applicable to it.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441A of the Companies Act,1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.

(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, 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.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax	24.94 Lacs	2005-06	ITAT

(x) In our opinion, the Company does not have accumulated losses as on March 31, 2011. 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 & explanations given to us & based on the documents and records produced to us the Company has not granted loans and 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 (Auditors' 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 (Auditors' 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 explanations 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 Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money by 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
FRN No.103523W

Chetan Desai
Partner
Membership No. : 17000

Place: Mumbai
Date: May 20, 2011

BALANCE SHEET AS AT MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	SCHEDULES	2011	2010
SOURCES OF FUNDS			
Shareholders' Funds -			
Share capital	1	**16,77,25**	15,75,75
Reserves and surplus	2	**2,08,79,18**	1,73,97,17
		2,25,56,43	1,89,72,92
Loan Funds -			
Secured loans	3	**1,00,99,27**	69,41,68
Unsecured loans	4	**10,67,55**	19,19,39
		1,11,66,82	88,61,07
Deferred tax (net)	5,18 A (f)	**81,86**	65,98
		3,38,05,11	2,78,99,97
APPLICATION OF FUNDS			
Fixed Assets -			
Gross Block	6,18 A (a)	**60,66,25**	59,13,13
Less: Depreciation		**(29,05,67)**	(24,74,71)
Net Block		**31,60,58**	34,38,42
Add : Capital Work in progress		**1,65,40**	1,44,41
Net Fixed asset		**33,25,98**	35,82,83
Investments	7,18 A (b)	**20,19,32**	20,20,32
Current Assets, Loans and Advances -			
Sundry debtors	8	**2,13,38,03**	1,81,40,19
Cash and bank balances	9	**7,34,08**	9,76,18
Other current assets	10	**45,79,02**	61,23,36
Loans and advances	11	**1,08,69,04**	96,90,40
		3,75,20,17	3,49,30,13
Less: Current Liabilities and Provisions			
Current liabilities	12	**(86,95,14)**	(1,23,07,04)
Provisions	13	**(3,65,22)**	(3,26,27)
Net current assets		**2,84,59,81**	2,22,96,82
		3,38,05,11	2,78,99,97

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

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

Chetan Desai
Partner

Place : Mumbai
Date : May 20, 2011

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar	Director & Audit Committee Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. V. Surendran	Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	SCHEDULES	2010-11	2009-10
Contract revenues	18 A (c)	**2,76,76,06**	5,32,47,63
Operating expenses	14,18 A (c)	**(2,19,40,40)**	(4,16,24,32)
Gross operating profit		**57,35,66**	1,16,23,31
General and administrative expenses	15	**(26,91,36)**	(27,81,60)
Net operating profit		**30,44,30**	88,41,71
Miscellaneous income	16	**17,14,62**	(2,78,88)
Profit before interest and depreciation		**47,58,92**	85,62,83
Interest expenses		**(10,76,92)**	(9,81,50)
Depreciation	6,18 A (a)	**(4,40,43)**	(5,17,56)
Net profit before tax		**32,41,57**	70,63,77
Provision for taxation	17	**(9,99,88)**	(23,99,69)
Net Profit after tax		**22,41,69**	46,64,08
Profit and loss account - opening balance		**70,06,97**	33,48,32
Add : Transfer from Bond redemption reserve		**13,82,30**	21,47,96
Less: Transfer to general reserve		**(2,24,17)**	(26,14,37)
Interim dividend (including tax on dividend)		**-**	(2,62,49)
Less: Proposed dividend		**(2,51,59)**	(2,36,36)
Tax on dividend		**(40,81)**	(40,17)
Profit and loss account - closing balance		**1,01,14,39**	70,06,97
EARNINGS PER EQUITY SHARE			
(Face value Rs. 10/- per share)			
Basic earnings per equity share	18 I	**13.90**	32.36
Diluted earnings per equity share	18 I	**13.90**	30.29

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

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

Chetan Desai
Partner

Place : Mumbai
Date : May 20, 2011

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar	Director & Audit Committee Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. V. Surendran	Company Secretary

SCHEDULES AND NOTES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

		2011	2010
1.	**SHARE CAPITAL:**		
	Authorised		
	2,50,00,000 equity shares of Rs.10/- each	**25,00,00**	25,00,00
	Issued, subscribed and paid up		
	1,67,72,518 (2010 - 1,57,57,471) equity shares of Rs. 10/- each fully paid.	**16,77,25**	15,75,75
		16,77,25	15,75,75

Note:

Of the above shares 38,25,973 (2010 - 38,25,973) shares are alloted as fully paid up by way of bonus shares by utilising share premium.

Of the above shares 39,86,545 (2010 - 29,71,498) shares are alloted as fully paid up as a result of conversion of foreign currency convertible bonds.

		2011	2010
2.	**RESERVES AND SURPLUS:**		
	General reserve-		
	Opening balance	**44,32,37**	18,18,00
	Add: Transfer from profit and loss account	**2,24,17**	26,14,37
	Closing balance	**46,56,54**	44,32,37
	Bond Redemption reserve		
	Opening balance	**13,82,30**	35,30,26
	Less: Transfer to profit & loss account	**(13,82,30)**	(21,47,96)
	Closing balance	**-**	13,82,30
	Share premium account		
	Opening balance	**45,75,53**	13,84,61
	Less: Utilised for Bonus issue	**-**	(3,82,60)
	Add: Capitalised on conversion of FCCB Bonds	**15,32,72**	35,73,52
	Closing balance	**61,08,25**	45,75,53
	Profit and loss account	**1,01,14,39**	70,06,97
		2,08,79,18	1,73,97,17
3.	**SECURED LOANS:**		
	Cash credit from scheduled banks	**98,99,27**	23,24,48
	Loans from Companies & banks	**2,00,00**	45,10,20
	Term loan from Bank	**-**	1,07,00
		1,00,99,27	69,41,68

Note :

1 The cash credit facilities and loans from bank 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.

2 Loans from companies & banks include loans of Nil (2010 - Rs. 10.20 lacs) from banks under hire purchase schemes.

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

		2011	2010
4.	**UNSECURED LOANS:**		
	Foreign currency convertible bonds :		
	0.5% Foreign Currency Convertible Bonds redeemable - 2010	**-**	16,18,74
	Fixed Deposits :		
	From Shareholders & Others	**1,04,40**	89,50
	Short term loans and advances:		
	From Directors	**2,21,15**	1,21,15
	From Companies	**7,42,00**	90,00
		10,67,55	19,19,39

Note: Fixed deposits repayable within one year amounts to Rs. 60.90 lacs (2010 - Rs.35.00 lacs). Loans and advances from Directors & Companies repayable within one year amounts to Rs. 963.15 lacs (2010 - Rs. 211.15 lacs).

		2011	2010
5.	**DEFERRED TAX:**		
	Difference between book and tax depreciation	**3,72,54**	3,63,45
	Provision for doubtful debts	**-**	(79,51)
	Lease Equalisation	**(47,43)**	(35,57)
	Provision for leave encashment	**(72,82)**	(49,74)
	Net impact on timing difference	**2,52,29**	1,98,63
	Effective tax rate	**32.45%**	33.22%
	Deferred tax (asset)/liability	**81,86**	65,98

6. FIXED ASSETS:

(Amount in Rs. 000)

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01-04-2010	Additions during the year	Deduction / Adjustment during the year	**As at 31-03-2011**	Upto 01-04-2010	For the year	Deduction / Adjustment during the year	**Upto 31-03-2011**	**As at 31-03-2011**	As at 31-03-2010
A. FIXED ASSETS										
Freehold Land	1,10,27	-	-	**1,10,27**	-	-	-	**-**	**1,10,27**	1,10,27
Premises	12,45,22	-	-	**12,45,22**	3,27,13	66,10	-	**3,93,23**	**8,51,99**	9,18,09
Plant and Machinery	37,60,87	31,96	-	**37,92,83**	16,74,26	2,91,90	-	**19,66,16**	**18,26,67**	20,86,61
Office Equipment	1,65,96	5,73	-	**1,71,69**	51,46	16,37	-	**67,83**	**1,03,86**	1,14,50
Furniture and Fixtures	1,50,60	2,71	-	**1,53,31**	74,75	14,21	-	**88,96**	**64,35**	75,85
Motor Vehicles	1,18,93	-	14,11	**1,04,82**	92,30	3,84	9,47	**86,67**	**18,15**	26,63
Computer Software	93,98	1,23,59	-	**2,17,57**	61,32	18,03	-	**79,35**	**1,38,22**	32,66
Computer	2,67,30	3,24	-	**2,70,54**	1,93,49	29,98	-	**2,23,47**	**47,07**	73,81
Total	**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**	**34,38,42**
Previous Year	**57,41,90**	**2,53,79**	**82,56**	**59,13,13**	**20,24,39**	**5,17,56**	**67,24**	**24,74,71**	**34,38,42**	
B. CAPITAL WORK IN PROGRESS									1,65,40	1,44,41
TOTAL (A) + (B)									**33,25,98**	**35,82,83**

Note:

1. The cost of fixed assets as at March 31, 2011 includes fixed assets of cash value of Rs. 168.27 lacs (2010 - Rs. 168.27 lacs) which have been acquired on hire purchase by the Company from various finance companies and banks. As per the agreement with these organisations, the ownership of these assets have been transferred to the Company on payment of the last instalment.
2. Premises include leasehold land of Rs. 78.62 lacs (2010 - Rs. 78.62 lacs)

	2011	2010
7. INVESTMENT:		
(Long term)		
Quoted		
In mutual funds		
2,50,000 (2010 - 2,50,000) units of SBI Infrastruture Fund - I Growth	**25,00**	25,00
NAV as at March 31, 2011 - Rs. 23.43 Lacs (2010 - Rs. 25.85 Lacs)	**25,00**	25,00
Unquoted		
In Subsidiary Companies-		
29,980 (2010 - 29,980) equity shares of Global Dolphin Drilling Co. Ltd. of Rs. 10/- each	**3,00**	3,00
25,000 (2010 - 25,000) equity shares of Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd., of US Dollar 1/- each	**11,45**	11,45
-Nil- (2010 - 4,99,994) equity shares of Dolphin International Risk Services Ltd., of Rs 1/- each	**-**	5,00
1,24,000 (2010 - 24,000) equity shares of Dolphin Offshore Shipping Ltd. of Rs. 100/- each	**19,53,87**	14,53,87
-Nil- (2010 - 50,000) 12.25% Unsecured Optionally Convertible Debentures of Rs. 1,000 each of Dolphin Offshore Shipping Ltd.	**-**	5,00,00
In Joint Venture		
2,60,000 (2010 - 2,20,000) equity shares of IMPaC Oil and Gas Engineering (India) Pvt. Ltd. of Rs. 10/- each (includes application money for 40,000 equity shares alloted on 09.04.2011)	**26,00**	22,00
	20,19,32	20,20,32

Notes:

a) The net book value of investments in Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd. as on 31.03.2011 as per their books of accounts is Rs. 447.24 lacs (2010 - Rs. 640.19 lacs)

b) During the year 1,46,61,203 units of SBI-SHF-Ultra Short Term Fund were purchased and sold

	2011	2010
8. SUNDRY DEBTORS:		
(Unsecured, considered good, unless otherwise stated)		
Outstanding for less than six months	**1,43,99,30**	1,13,67,66
Outstanding for more than six months (Including Doubtful Nil (2010 - Rs. 79.51 lacs)	**69,38,73**	68,52,04
	2,13,38,03	1,82,19,70
Provision for doubtful debts	**-**	(79,51)
	2,13,38,03	1,81,40,19
9. CASH AND BANK BALANCE:		
Cash in hand	**12,96**	10,52
Balance with scheduled banks -		
in current accounts	**15,73**	2,28,79
in fixed deposits	**7,05,39**	7,36,87
	7,34,08	9,76,18

Notes :

a) The fixed deposit receipts of Rs. 705.39 lacs (2010 - Rs. 736.87 lacs) have been deposited with the State Bank of India in lieu of margin money on Guarantees and Letters of Credit issued by the banks.

b) Further, bank balance in current accounts includes Rs. 10.24 lacs (2010 - Rs. 9.74 lacs) in Unclaimed Dividend accounts. If the dividend remains unclaimed, these funds will be transferred to the Investor Education and Protection Fund on due dates.

	2011	2010
10. OTHER CURRENT ASSETS:		
(Unsecured, considered good)		
Insurance Claim*	**58,09**	97,98
Billable Cost	**87,52**	5,90,47
Accrued Income	**44,17,17**	54,02,99
Interest accrued but not due	**16,24**	31,92
	45,79,02	61,23,36

* Insurance claim receivable represent amounts claimed from Insurance Companies to cover the cost of repairs/spares etc. on damages caused to the Company's crane and the management is confident that the same will be realised in due course.

	2011	2010
11. LOANS AND ADVANCES:		
(Unsecured, considered good)		
Loans and Advances to Subsidiaries	**78,90,08**	72,85,26
Advances recoverable in cash or in kind	**12,54,83**	18,86,14
Advance tax and tax deducted at source (Net of provision for taxation)	**15,69,22**	3,72,80
Deposits	**1,54,91**	1,46,20
	1,08,69,04	96,90,40
12. CURRENT LIABILITIES:		
Sundry creditors *	**44,34,58**	45,48,50
Acceptances/Bills payable	**-**	21,41,37
Accrued expenses	**34,20,07**	46,44,91
Other current liabilities	**8,30,25**	9,58,87
Unclaimed Dividend	**10,24**	9,74
Interest accrued but not due	**-**	3,65
	**** 86,95,14**	1,23,07,04

* There are no amounts due to Micro and Small Enterprises units (2010 - Nil) as indicated by the Management.

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

	2011	2010
13. PROVISIONS:		
Proposed Dividend	**2,51,59**	2,36,36
Tax on proposed Dividend	**40,81**	40,17
Provision for Leave Encashment	**72,82**	49,74
	3,65,22	3,26,27

SCHEDULES AND NOTES FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011
(Currency: Thousands of Indian Rupee)

	2010-11	2009-10
14. **OPERATING EXPENSES**		
Employee costs	**14,50,85**	13,31,37
Subcontractor charges	**72,19,90**	1,06,87,77
Vessel Charter and Related Cost	**93,57,02**	1,56,75,71
Equipment related expenses	**7,02,53**	10,80,35
Materials, stores and spares	**14,45,33**	1,07,41,00
Travel and conveyance expenses	**68,60**	1,46,31
Financial expenses	**1,56,39**	2,06,96
Other operating expenses	**15,39,78**	17,54,85
	2,19,40,40	4,16,24,32
15. **GENERAL AND ADMINISTRATIVE EXPENSES:**		
Employee costs	**10,32,57**	13,92,25
Rents, rates and taxes	**1,48,95**	1,59,18
Office related expenses	**2,08,11**	3,17,25
Travel and conveyance	**1,38,52**	1,48,22
Vehicle expenses	**1,37,67**	1,04,08
Promotional expenses	**59,16**	77,10
Legal and professional fees	**3,19,95**	4,25,92
Bad debts	**3,20,11**	(20,35)
Other balances written off (net)	**-**	16,27
Other general & administrative expenses	**3,21,32**	1,61,68
Investment in subsidiary written off	**5,00**	-
	26,91,36	27,81,60
16. **MISCELLANEOUS INCOME:**		
Gain in foreign exchange (net)	**6,24,24**	(6,17,32)
Interest income	**3,80,04**	1,36,98
Profit/(Loss) on sale of assets	**(37)**	5,76
Dividend received from subsidiary	**3,00,00**	-
Profit on sale of investment	**-**	10,88
Income from units of Mutual Fund	**1,50**	13,15
Sundry income	**4,09,21**	1,71,67
	17,14,62	(2,78,88)
17. **PROVISION FOR TAXATION, NET:**		
Provision for Income tax / Wealth tax	**9,84,00**	24,77,56
Provision for deferred taxes	**15,88**	(77,87)
	9,99,88	23,99,69

18. NOTES ANNEXED TO AND FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

A. 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 [except as stated below], which includes the purchase price of the asset, and other direct costs incurred in getting the asset at the appropriate location and into a condition where they can be put to use. Financing costs incurred upto the date that the asset is ready to be used is included in the cost of the asset if they are significant. However, fixed assets costing upto Rs. 5,000 individually are charged off in the year of acquisition.

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

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

Depreciation [including depreciation on revalued portion of fixed assets] is calculated on the 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] Recognition of Revenue and Expenses -

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

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

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

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

[d] Foreign currency 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.

[e] 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.

[f] 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.

[g] 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. 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.

B. 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:

a. Provident Fund

b. Superannuation Fund

c. Employers' Contribution to Employees' State Insurance

d. Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the Trustee of the Life Insurance Corporation 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:

	Amount (Rs. in '000)	
Particulars	**2010-2011**	2009-2010
Employer's contribution to Provident Fund	**1,49,99**	1,63,60
Employer's contribution to Superannuation Fund	**27,58**	27,61
Employer's contribution to Employees State Insurance	**22,17**	37,87
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	**2010-2011**	2009-2010
Discount Rate (per annum)	**8%**	8%
Rate of increase in compensation levels (per annum)	**4%**	4%
Expected Rate of Return	**9.25%**	9.15%

Amount (Rs. in '000)

(a) Change in the Present Value of Obligation

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Present Value of Defined Benefit Obligation as at beginning of the year	**1,27,67**	73,64
Interest Cost	**10,21**	5,89
Current Service Cost	**19,81**	12,56
Benefits Paid	**(10,78)**	(4,99)
Actuarial (gain)/loss on Obligations	**24,78**	40,56
Present Value of Defined Benefit Obligation as at the end of the year	**1,71,69**	1,27,67

(b) Changes in the Fair Value of Plan Assets

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Present Value of Plan Assets as at beginning of the year	**1,49,96**	1,03,88
Expected Return on Plan Assets	**13,98**	9,31
Contributions	**47,62**	41,76
Benefits Paid	**(10,78)**	(4,99)
Actuarial gains/(losses)	**-**	-
Assets Distributed on Settlement	**-**	-
Fair Value of Plan Assets as at end of the year	**2,00,78**	1,49,96

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

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Bank Deposits (SP. Dep. Scheme, 1975)	**-**	-
Debt Instruments	**-**	-
Administered by Life Insurance Corporation of India	**2,00,78**	1,49,96
Others	**-**	-

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

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Present Value of Funded Obligation as at end of the year	**1,71,69**	1,27,67
Fair Value of Plan Assets as at end of the year	**2,00,78**	1,49,96
Funded Liability/(Asset) as at the Balance Sheet date	**(29,09)**	(22,29)

(e) Amount recognised in the Balance Sheet

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Present Value of Defined Benefit Obligation as at end of the period	**1,71,69**	1,27,67
Fair Value of Plan Assets as at end of the period	**2,00,78**	1,49,96
Liability / (Net Asset) as at the end of the year	**(29,09)**	(22,29)

Amount (Rs. in '000)

(f) Expenses recognised in Profit and Loss Account

	Funded Scheme Gratuity	
Particulars	**2010-2011**	2009-2010
Current Service Cost	**19,81**	12,56
Past Service Cost	**-**	-
Interest Cost	**10,21**	5,89
Expected Return on Plan Assets	**(13,98)**	(9,31)
Curtailment Cost/Credit	**-**	-
Settlement Cost/Credit	**-**	-
Net Actuarial (gain)/Loss recognised in the period	**24,78**	40,56
Total Expenses recognised in the Profit and Loss Account	**40,82**	49,70

(g) Actual Return on Plan Assets

	Funded Scheme Gratuity	
Particulars	**2010-2011**	2009-2010
Expected Return on Plan Assets	**13,98**	9,31
Actuarial gains/(losses) on Plan Assets	**-**	-
Actual Return on Plan Assets	**13,98**	9,31

C. Contingent Liabilities:

i) As at March 31, 2011 the Company had contingent liabilities in respect of bank guarantees, issued to their customers of Rs. 50,53.78 lacs (2010 – Rs. 59,79.13 lacs) of which Rs. 50,53.78 lacs (2010 – Rs 59,11.78 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's wholly owned subsidiary, Dolphin Offshore Enterprises (Mauritius) Private Limited is currently investing in a ship building programme worth US$ 45.90 million. This Capital expenditure is being met through unsecured interest free loan of US$ 20 million given by the Company and US$ 25.90 million from term loans.

In addition, the Company has given a corporate guarantee to the lenders of Dolphin Offshore Enterprises (Mauritius) Private Limited for US$ 25.90 million (2010 – US$ 20.00 million). Out of the additional guarantee of US $ 5.90 million given during the year, Dolphin Offshore Enterprises (Mauritius) Private Limited has utilized Guarantee of US$ 1.61 million.

As at March 31, 2011, the Company had already given unsecured loan of Rs. 78,90.08 lacs, equivalent to US$ 17.69 million (2010 - Rs. 72,85.26 lacs- equivalent to US$ 16.11 million) and the balance will be paid during the future financial years.

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 (2010 – Rs. 52.97 lacs).

The appeal filed against the disallowance of shipping reserve for A.Y. 1998-99 to A.Y. 2004-05 has been decided in favour of company by ITAT, Mumbai. The order giving effect to the said appellate order is awaited.

During the 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 penalty levied under section 271(1)(c) for A.Y. 1998-99 to A.Y. 2004-05.

D. Borrowing cost:

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

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

Amount (Rs. in '000s)

Particulars	**2010-2011**	2009-2010
Interest on Cash Credit	**8,94,76**	4,01,26
Interest on Secured Loan	**3,09**	26,19
Interest on Unsecured Loan	**96,52**	4,01,46
Interest on Commercial Paper	**59,83**	—
Other Interest	**22,72**	1,52,60
Total Borrowing Costs	**10,76,92**	9,81,51

E. Segment reporting:

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

F. Related Party Disclosures:

Related party transactions cover transactions between the Company and the following persons in accordance with the Accounting Standard (AS-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 International Risk Services Limited	-	99.99% subsidiary
vi) Dolphin Offshore Shipping Limited	-	100.00% subsidiary
vii) IMPaC Oil & Gas Engineering (India) Pvt. Limited	-	40% Joint Venture

b) Key Management Personnel

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

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

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

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

Amount (Rs. in '000)

NATURE OF TRANSACTIONS	TRANSACTION DURING THE YEAR		OUTSTANDING BALANCE AS AT MARCH 31, 2011		OUTSTANDING BALANCE AS AT MARCH 31, 2010	
	2010-11	2009-10	RECEIVABLE	PAYABLE	RECEIVABLE	PAYABLE
Companies under common control, including subsidiaries			79,79,22	1,32,94	78,62,97	4,39,33
Interest Received	18,79	65,78				
Contract Revenues	2,51,50	48,24				
Subcontractor charges paid	1,56,90	4,07,33				
Hire charges paid	13,84,17	23,97,49				
Loans Given	6,04,82	16,84,55				
Loans taken repaid	2,50,00					
Loans Taken	2,50,00					
Dividend Received	2,97,60					
Recoverable Expenses incurred	94,00	92,57				
Key Management Personnel				2,36,15		1,36,15
Remuneration	3,64,82	7,91,81				
Interest paid	23,93	15,14				
Unsecured Loans received (repaid), net	1,00,00	25,00				
Relatives of Key Management Personnel				53,00		44,00
Commission	4,91	11,31				
Interest paid	5,77	4,92				
Fixed deposits received (repaid), net	9,00	5,00				
Professional Fees	-	5,00				

Amount (Rs. in '000)

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					18,83		42,51
Dolphin Offshore Enterprises [Mauritius] Private Limited		1,70,91	6,04,82	(0.38)	7,82,90		(78,28,01)
IMPac Oil and Gas Engineering (India) Pvt Ltd.				89,14			(89,14)
Dolphin Offshore Shipping Ltd.	1,56,90	80,59	(2,50,00) 2,50,00	5,24	5,82,44	18,79	28,36

Material related transactions: **Amount (Rs. in '000)**

Particulars	Unsecured loan / Fixed Deposit	Interest paid	Remuneration	(Receivables)/ Payables
Key Management Personnel				
Rear Admiral Kirpal Singh		3,00	1,25,58	25,00
Mr. Satpal Singh		5	1,20,92	40
Mr. Navpreet Singh	1,00,00	11,28	1,18,32	1,30,75
Mrs. Manjit Kirpal Singh		6,60		55,00
Bipin R. Shah H.U.F		1,80		15,00
Mr. Arvind K. Parikh		1,20		10,00
	1,00,00	**23,93**	**3,64,82**	**2,36,15**
Relatives of Key Management Personnel				
Mrs. Prabha Chandran		36		3,00
Mrs. Ritu Singh		36		3,00
Master Tarun Singh	4,00	3,31		29,75
Master Akhil Singh	5,00	1,74		17,25
	9,00	**5,77**		**53,00**

Notes:

a. Remuneration includes basic salary, allowance, perks and commission.

b. The monthly reimbursement of expenses between the Company and related parties towards office expenses, provident fund etc., are not reflected in the statement above.

c. There are no provisions for doubtful debts or amounts written off in respect of debts due to or from related parties.

G. Hire Purchase Agreements:

The Company has purchased assets under hire purchase arrangements which are repayable within three years from the dates of agreement. During the year, the Company has paid instalments of Rs.10.77 lacs (2010 – Rs. 42.66 lacs). The Company has a future liability of Rs. Nil (2010 – Rs 10.77 lacs) towards the said agreements, of which Rs. Nil (2010 - Rs. 10.77 lacs) is payable within one year.

H. Operating Lease commitments:

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

Amount (Rs. in '000)

Particulars	2010-2011	2009-2010
Not later than one year	**71,84**	66,06
Later than one year and not later than five years	**3,56,71**	3,39,37
Later than five years	**96,94**	1,86,12
TOTAL	**5,25,49**	5,91,55

b. Lease payments recognised in the statement of Profit & Loss for the period is Rs. 2,19.15 Lacs.

I. Earnings per share:

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

		2010-2011	2009-2010
Net profit after tax for the year	**(Rs. in '000)**	**22,41,68**	46,64,08
Add : Interest to be saved on conversion of bonds to shares (Net of taxes)	**(Rs. in '000)**	**-**	9,16
Diluted net profit for the year	**(Rs. in '000)**	**22,41,68**	46,73,80
Number of Ordinary shares	**(Nos. in '000)**	**1,67,73**	1,57,57
Weighted average shares (Basic)	**(Nos. in '000)**	**1,61,27**	1,44,10
Weighted average shares (Diluted)	**(Nos. in '000)**	**1,61,27**	1,54,25
Face value per share	**(Rs.)**	**10.00**	10.00
Basic earnings per share	**(Rs.)**	**13.90**	32.36
Diluted earnings per share	**(Rs.)**	**13.90**	30.29

Calculation of weighted average number of shares **(Nos. in '000)**

	2010-2011	2009-2010
Number of Ordinary shares	**1,57,57**	1,33,90
Number of shares converted during the year	**3,70**	10,20
Weighted Average Shares (Basic)	**1,61,27**	1,44,10
Add : Deemed conversion of bonds to shares	**-**	10,15
Weighted average shares (Diluted)	**1,61,27**	1,54,25

J. Additional disclosures required under Schedule VI:

[a] Remuneration to Directors, including Managing Director-

Amount (Rs. in '000)

	2010-2011	2009-2010
Salary	**3,22,56**	3,18,74
Perquisites	**31,44**	32,57
Commission - Wholetime Directors	**10,82**	4,40,51
- Other Directors	**36,48**	79,18
Total	**4,01,30**	8,71,00

Calculation of adequacy of profit for Directors' Remuneration

Amount (Rs. in '000)

	2010-2011	2009-2010
Net Profit before tax	**32,41,56**	70,63,76
Add : Loss on sale of assets	**37**	(5,75)
Add : Loss on Investment in Subsidiaries	**5,00**	—
Add : Directors' remuneration	**4,01,30**	8,71,00
Provision for Diminution on investment	**—**	(10,87)
Profit for calculation of Directors' Commission	**36,48,23**	79,18,14
Directors' remuneration at 11%	**4,01,30**	8,71,00

Amount (Rs. in '000)

[b] Legal and professional fees include fees to auditors –

		2010-2011	2009-2010
[I]	As Auditors -		
	- Statutory auditors	**11,50**	11,50
	- Tax auditors	**3,00**	3,00
[ii]	Fees for other services -		
	- Limited Review Fees	**3,00**	3,00
	- Certification Fees	**3,25**	1,98
[iii]	Out of pocket expenses	**11**	—
	Total	**20,86**	19,48

[c] Operating Expenses and General and Administrative Expenses include –

	2010-2011	2009-2010
Rent	**2,19,15**	2,28,70
Repairs & Maintenance		
- Building	**30,37**	47,96
- Machinery	**31,80**	51,67
- Vessels	**—**	45,05
- Others	**1,08,85**	1,00,05
Total	**1,71,02**	2,44,73
Employee's Remuneration and benefits		
- Salaries, Wages, Bonus, allowances and others	**21,42,56**	23,49,57
- Contribution to Prov. Fund and other funds	**2,40,57**	2,78,79
- Employee's Welfare and other Amenities	**30,64**	33,32
Total	**24,13,77**	26,61,68
Insurance		
- Personnel	**51,54**	27,79
- Others	**2,50,39**	2,05,56
Total	**3,01,93**	2,33,35
Rates & Taxes	**87,07**	1,99,72

[d] Value of imports calculated on CIF basis in respect of –

	2010-2011	2009-2010
Materials, stores and spares	**2,33,31**	42,37,73

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

Amount (Rs. in '000)

	2010-2011		2009-2010	
Particulars	**Value**	**Percentage**	Value	Percentage
Indigenous	**12,12,03**	**83.86 %**	65,56,61	60.75%
Imported	**2,33,31**	**16.14 %**	42,37,73	39.25%
Total	**14,45,33**	**100.00 %**	1,07,94,34	100.00%

Amount (Rs. in '000)

[f] Expenditure in foreign currency -

	2010-2011	2009-2010
Plant & Machinery	**-**	51,17
Foreign subcontractors	**2,26,93**	6,53,09
Vessel Charter & Related expenses	**7,56,13**	29,34,27
Equipment related expenses	**61,87**	63,70
Materials, stores and spares	**2,33,31**	42,37,73
Foreign travel	**40,04**	64,09
Other matters	**23,47**	81,54
Interest on FCCB	**4,17**	15,86
Advance to Wholly owned subsidiary	**6,04,82**	16,84,55
Total	**19,50,74**	97,86,00

[g] Earnings / Borrowing in foreign exchange -

	2010-2011	2009-2010
Contract revenues *	**2,04,56,27**	3,65,27,12
Other Income	**3,24,42**	—
Total	**2,07,80,69**	3,65,27,12

* 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.

K Particulars of Derivative Instruments as at March 31, 2011

a) Following derivative instruments have been acquired for hedging purposes against our Export Receivables.

Type Of Currency	No of Contracts Outstanding as on 31.03.2011	Value of Contract
Euro / INR	**5**	**Euro 2,750,000**

b) No derivative instruments are acquired for trading or speculation purposes.

c) Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are:

Details of amount payable:

		2010-11		2009-10	
Sr.No.	**Currency**	**Amount In Foreign Currency**	**Amount In Indian Rupees**	Amount In Foreign Currency	Amount In Indian Rupees
1	EURO	**841**	**53,354**	1,555	94,145
2	GBP	**335**	**24,043**	28,812	19,60,956
3	SING. $	**70,397**	**24,92,761**	18,715	6,00,361
4	US$	**359,487**	**1,60,33,133**	2,286,666	10,26,71,313

Details of amount receivable:

		2010-11		2009-10	
Sr.No.	**Currency**	**Amount In Foreign Currency**	**Amount In Indian Rupees**	Amount In Foreign Currency	Amount In Indian Rupees
1	EURO	**13,954,448**	**89,55,31,776**	4,302,604	26,05,22,686
2	US$	**3,874,755**	**17,27,75,350**	3,001,293	13,47,28,056

Details of Bank Balances:

Particulars	**Currency**	**2010-11**		2009-10	
		Amount In Foreign Currency	**Amount In Indian Rupees**	Amount In Foreign Currency	Amount In Indian Rupees
State Bank of India Singapore	US$.	**4,985**	**2,22,279**	445,106	1,99,80,791
State Bank of India EEFC –US$	US$	**05**	**242**	3,967	1,78,064
State Bank of India EEFC –EURO	EURO	**—**	**—**	19,796	11,98,640

L. 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.

Amount (Rs. in '000)

Name of Subsidiary Company	**Amount Outstanding**	**Maximum Balance Outstanding during the year**
Dolphin Offshore Enterprises [Mauritius] Private Limited	78,90,08	78,90,08

b) Loans given by a subsidiary company where no repayment scheduled is prescribed.

Amount (Rs. in '000)

Name of Subsidiary Company	**Amount Outstanding**	**Maximum Balance Outstanding during the year**
Dolphin Offshore Shipping Limited	—	2,50,00

M. Issue of shares:

During the year, the Company received notice from FCCB holders for conversion of 3,602 bonds of US$ 1000 each. Consequently, 10.15 Lacs equity shares of Rs.10/- each have been issued resulting in increase in equity share capital by Rs. 101.50 Lacs and share premium by Rs. 15,32.72 Lacs.

N. 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 2011 is as under :

Percentage of ownership interest as at 31st March 2011 – 40%

Amount (Rs. in '000)

As at 31st March 2011		**For the period ended 31st March 2011**	
Assets	89,04	Income	20,19
Liability	63,04	Expenses	37,93

O. 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.

P. 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. 47.90 crores. 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. During the course of execution of its EPC contracts, the Company has undertaken additional work which the Company can invoice only after the contracts have been completed and change orders agreed to by the clients. Due to this reason and other delays not attributable to the Company, the Company expects the liquidated damages of Rs. 28.30 Crores currently levied will be waived by its clients. Accordingly, liquidated damages of Rs. 28.30 Crores have not been provided.

d. During the 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. 33.59 crores have been recognised as revenue. The balance of the additional claims will be recognised as revenues as and when the same are quantified and submitted to the clients.

Q. Prior year comparatives:

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

PART IV

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details:

Registration No.	L11101MH1979PLCO21302	State Code	11
Balance Sheet Date	31032011		

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

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placement *	10150

* Conversion of FCCB's

III. Position of Mobilisation and Deployment of Funds [Amount Rupees in Thousands]

Total Liabilities	4286547	Total Assets	4286547
Sources of Funds:			
Paid-up Capital	167725	Reserves & Surplus	1739717
Secured Loans	1009927	Unsecured Loans	106755
Application of Funds:			
Net Fixed Assets	332598	Investments	201932
Net Current Assets	2845981	Misc. Expenditure	-

IV Performance of Company [Amount Rupees in Thousands]

Turnover (includes misc. income)	2939068	Total Expenditure	2614911
+-Profit/(Loss) Before Tax	324157	+-Profit/(Loss) After Tax	224169
Earning per Share in Rs.	13.90	Dividend rate	15%

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

Item code [ITC Code]	N.A.
Service Description	DIVING
Item code [ITC Code]	N.A.
Service Description	MARINE MANAGEMENT
Item code [ITC Code]	N.A.
Service Description	OFFSHORE TURNKEY PROJECTS

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar	Director & Audit Committee Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. V. Surendran	Company Secretary

Place : Mumbai
Date : May 20, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	2010-2011	2009-2010
CASH FLOW FROM OPERATING ACTIVITES		
NET PROFIT BEFORE TAX	**32,41,57**	70,63,77
Adjusted for :		
Depreciation	**4,40,43**	5,17,56
Interest (Net)	**6,96,88**	8,44,52
Dividend Income from subsidiary	**(3,00,00)**	-
Fixed assets - Loss/(Profit) on sale	**37**	(5,76)
Investments - Profit on sale	**(1,50)**	(13,15)
Investment in subsidiary written off	**5,00**	-
Foreign exchange loss on conversion of FCCB's	**15,49**	36,11
Provision on Investment written back	**-**	(10,88)
Operating profit before working capital changes	**40,98,24**	84,32,17
Adjustments for :		
Trade and other receivables	**(10,46,58)**	(32,94,27)
Trade and other payables	**(35,88,84)**	29,10,56
CASH GENERATED FROM OPERATIONS	**(5,37,18)**	80,48,46
Direct taxes paid	**(22,20,59)**	(25,06,72)
NET CASH FLOW FROM OPERATING ACTIVITES	**(27,57,77)**	55,41,74
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of fixed assets	**(1,67,23)**	(2,53,78)
Capital Work in Progress	**(20,99)**	(1,25,36)
Sale of fixed assets	**4,27**	21,06
Investments made	**(4,00)**	(14,00)
Interest received	**3,95,72**	1,27,00
Purchase of Investment	**14,68,50**	3,13,15
Sale of Investment	**(14,67,00)**	(3,00,00)
Dividend Income from subsidiary	**3,00,00**	-
Loan to subsidiary	**(6,04,82)**	(16,84,56)
NET CASH FLOW FROM INVESTING ACTIVITES	**(95,55)**	(19,16,49)
CASH FLOW FROM FINANCING ACTIVITES		
Repayment of long term borrowing	**(1,07,00)**	(2,04,00)
Proceeds/(Repayment) from/(of) short term borrowing	**83,41,70**	(63,10,55)
Increase (decrease) in loan liabilities	**(43,10,20)**	44,58,08
Interest paid	**(10,76,92)**	(9,81,50)
Dividend paid	**(2,36,36)**	(5,11,31)
NET CASH FLOW FROM FINANCING ACTIVITES	**26,11,22**	(35,49,28)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(2,42,10)**	75,97
CASH AND CASH EQUIVALENTS AS ON 01.04.2010	**9,76,18**	9,00,21
CASH AND CASH EQUIVALENTS AS ON 31.03.2011	**7,34,08**	9,76,18

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

Chetan Desai
Partner

Place : Mumbai
Date : May 20, 2011

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar	Director & Audit Committee Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. V. Surendran	Company Secretary

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 jointly controlled entity; (collectively referred to as "the Group") as at 31st March, 2011 and also the consolidated Profit and Loss Account 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 net assets of Rs. 4.66 Crores as at 31st March, 2011, total net revenues of Rs. 16.04 Crores and net cash outflows of Rs. 3.54 Crores for the year then ended. We also did not audit the financial statements of a joint venture whose financial statements reflect total net assets of Rs. (1.46) Crores as at 31st March, 2011, total net revenues of Rs.0.50 Crores and net cash outflows of Rs. 0.15 Crores for the year then ended.

   These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statement to the extent they are derived from such financial statements 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 Standard (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 Note:
   (a) Note no. "J(b)" of Schedule 19 - to Notes to accounts with regard to long outstanding sundry debtors of Rs. 47.90 Crores, which has been considered by the management as good and recoverable.
   (b) Note no. "J(d)" of Schedule 19 - to Notes to accounts with regard to recognition of Rs. 33.59 Crores being only portion of extra claim for additional work carried out as revenue for the reasons stated therein.
6. *As stated in Note no. "J(c)" of Schedule 19 - to Notes to accounts, no provision is made for liquidated damages amounting to Rs. 28.30 Crores 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 31st March 2011;
   (b) in the case of the Consolidated Profit and Loss Account, of the profit 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
FRN No.103523W

Chetan Desai
Partner
Membership No.17000

Place : Mumbai
Date : 20th May, 2011

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	SCHEDULES	2011	2010
SOURCES OF FUNDS			
Shareholders' Funds -			
Share capital	1	**16,77,25**	15,75,75
Reserves and surplus	2	**2,26,35,91**	1,99,15,31
		2,43,13,16	2,14,91,06
Minority Interests		**7,41**	7,19
Loan Funds -			
Secured loans	3	**1,75,46,54**	1,52,65,39
Unsecured loans	4	**10,68,35**	19,19,39
		1,86,14,89	1,71,84,78
Deferred tax liability (net)	5, 19 A (g)	**81,26**	70,01
		4,30,16,72	3,87,53,04
APPLICATION OF FUNDS			
Goodwill on Consolidation		**11,47,01**	11,47,01
Fixed Assets -			
Gross Block	6, 19 A (b)	**1,53,37,04**	1,49,13,13
Less: Depreciation		**(51,54,11)**	(41,77,52)
Net Block		**1,01,82,93**	1,07,35,61
Add : Capital Work in progress		**1,00,95,84**	94,64,85
Net Fixed asset		**2,02,78,77**	2,02,00,46
Investments	7, 19 A (c)	**27,00**	27,00
Current Assets, Loans and Advances -			
Inventories	8	**53,18**	33,16
Sundry debtors	9	**2,21,77,34**	1,88,42,08
Cash and bank balances	10	**10,22,59**	19,30,56
Other current assets	11	**46,42,78**	61,46,90
Loans and advances	12	**33,97,10**	28,39,80
		3,12,92,99	2,97,92,50
Less: Current Liabilities and Provisions -			
Current liabilities	13	**(92,99,66)**	(1,20,66,23)
Provisions	14	**(4,29,39)**	(3,47,70)
Net current assets		**2,15,63,94**	1,73,78,57
		4,30,16,72	3,87,53,04

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

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

Chetan Desai
Partner

Place : Mumbai
Date : May 20, 2011

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar	Director & Audit Committee Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. V. Surendran	Company Secretary

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	SCHEDULES	2010-2011	2009-2010
Contract revenues	19 A (d)	**3,04,42,35**	5,52,99,09
Operating expenses	15, 19 A (d)	**(2,37,31,93)**	(4,10,97,77)
Gross operating profit		**67,10,42**	1,42,01,32
General and administrative expenses	16	**(28,81,44)**	(31,03,47)
Net operating profit		**38,28,98**	1,10,97,85
Miscellaneous income	17	**14,63,43**	(2,58,27)
Profit before interest and depreciation		**52,92,41**	1,08,39,58
Interest expenses		**(15,37,77)**	(13,04,90)
Depreciation	6, 19 A (b)	**(10,22,85)**	(8,51,20)
Net profit before tax		**27,31,79**	86,83,48
Minority Interest		**(22)**	(27)
Provision for taxation, net -	18	**(11,45,84)**	(24,53,57)
Net profit after tax		**15,85,73**	62,29,64
Profit and loss account - opening balance		**84,70,06**	37,09,79
Add: Transfer from Bond redemption reserve		**13,82,30**	21,47,96
Less: Transfered to -			
General reserve		**(2,46,00)**	(27,36,36)
Debenture redemption reserve		**1,00,55**	(1,00,00)
Tonnage tax reserve		**(9,60)**	(2,39,14)
Dividend paid (Including tax on dividend)		**-**	(2,62,49)
Proposed dividend		**(2,51,59)**	(2,38,76)
Tax on dividend		**(90,24)**	(40,58)
Profit and loss account - closing balance		**1,09,41,21**	84,70,06
EARNINGS PER EQUITY SHARE			
(Face value Rs. 10/- per share)			
Basic earnings per equity share	19 I	**9.83**	43.23
Diluted earnings per equity share	19 I	**9.83**	40.44

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

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

Chetan Desai
Partner

Place : Mumbai
Date : May 20, 2011

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar — Director & Audit Committee Chairman
Mr. Satpal Singh — Managing Director
Mr. Navpreet Singh — Jt. Managing Director
Mr. V. Surendran — Company Secretary

SCHEDULES AND NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	2011	2010
1. SHARE CAPITAL:		
Authorised		
2,50,00,000 equity shares of Rs. 10/- each	**25,00,00**	25,00,00
Issued, subscribed and paid up		
1,67,72,518 (2010 - 1,57,57,471) equity shares of Rs. 10/- each fully paid.	**16,77,25**	15,75,75
	16,77,25	15,75,75

Note:
Of the above shares 38,25,973 (2010 - 38,25,973) shares are alloted as fully paid up by way of bonus shares by utilising share premium.
Of the above shares 39,86,545 (2010 - 29,71,498) shares are alloted as fully paid up as a result of conversion of foreign currency convertible bonds.

	2011	2010
2 RESERVES AND SURPLUS:		
General reserve -		
Opening balance	**46,29,21**	18,92,85
Add: Transfer from profit and loss account	**2,46,00**	27,36,36
Closing balance	**48,75,21**	46,29,21
Bond Redemption reserve -		
Opening balance	**13,82,30**	35,30,26
Less: Transfer to profit & loss account	**(13,82,30)**	(21,47,96)
Closing balance	**-**	13,82,30
Debenture Redemption reserve -		
Opening balance	**1,00,55**	55
Add: Transfer from/(to) profit and loss account	**(1,00,55)**	1,00,00
Closing balance	**-**	1,00,55
Tonnage Tax Reserve -		
Opening balance	**4,28,53**	1,89,39
Add: Transfer from profit and loss account	**9,60**	2,39,14
Closing balance	**4,38,13**	4,28,53
Share premium account -		
Opening balance	**45,75,53**	13,84,61
Less: Utilised for Bonus issue	**-**	(3,82,60)
Add: Capitalised on conversion of FCCB Bonds	**15,32,72**	35,73,52
	61,08,25	45,75,53
Foreign Currency Monetary item Translation difference reserve	**2,73,11**	3,29,13
Profit and loss account	**1,09,41,21**	84,70,06
	2,26,35,91	1,99,15,31
3 SECURED LOANS:		
Cash credit from scheduled banks	**99,19,04**	23,24,48
Loans from Companies & banks	**71,28,56**	1,21,68,65
Term loan from Bank	**4,98,94**	7,72,26
	1,75,46,54	1,52,65,39

Notes:
1 The cash credit facilities and loans from bank 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.
2 Loan from companies & banks include loans of Nil (2010 - Rs. 10.20 lacs) from banks under hire purchase schemes.
3 Term loan from bank is secured by a first charge on the assets financed through the term loan.
4 Loan from banks are secured by the exclusive mortgage on the assets being financed, personal guarantees of the whole-time Directors of Dolphin Offshore Enterprises [India] Limited, Corporate guarantee from Dolphin Offshore Enterprises [India] Limited and Pledge of 30% of shares of the Company in favour of the Bank.

		2011	2010
4.	**UNSECURED LOANS:**		
	Foreign Currency Convertible Bonds -		
	0.5% Foreign Currency Convertible Bonds redeemable - 2010	**-**	16,18,74
	Fixed Deposits		
	From Shareholders & others	**1,04,40**	89,50
	Short Term Loans and Advances		
	From Directors	**2,21,95**	1,21,15
	From Companies	**7,42,00**	90,00
		10,68,35	19,19,39

Note: Fixed deposits repayable within one year amounts to Rs. 60.90 lacs (2010 - Rs. 35.00 lacs). Loans and advances from Directors & Companies repayable within one year amounts to Rs. 9,63.95 lacs (2010 - Rs. 2,11.15 lacs)

		2011	2010
5	**DEFERRED TAX (NET) :**		
	Difference between book and tax depreciation	**3,85,38**	3,88,09
	Provision for doubtful debts	**-**	(79,51)
	Lease Equalisation	**(47,43)**	(35,57)
	Provision for leave encashment, gratuity, superannuation, bonus	**(86,51)**	(60,54)
	Net impact on timing difference	**2,51,44**	2,12,47
	Effective tax rate	**32.45%**	33.22%
		81,58	70,58
Share in Joint venture		**(32)**	(57)
	Deferred tax (asset)/liability	**81,26**	70,01

6. FIXED ASSETS:

Particulars	Gross Block (At Cost)				Depreciation				Net Block	
	As at 01-04-2010	Additions during the year	Deduction / Adjustment during the year	**As at 31-03-2011**	Upto 01-04-2010	For the year	Deduction / Adjustment during the year	**Upto 31-03-2011**	**As at 31-03-2011**	As at 31-03-2010
A. FIXED ASSETS										
Freehold Land	1,10,27	-	-	**1,10,27**	-	-	-	**-**	**1,10,27**	1,10,27
Premises	12,78,52	-	-	**12,78,52**	3,45,70	66,83	-	**4,12,53**	**8,65,99**	9,32,82
Plant and Machinery	37,60,86	31,96	-	**37,92,82**	16,74,26	2,91,90	-	**19,66,16**	**18,26,66**	20,86,60
Office Equipment	1,69,69	5,79	-	**1,75,48**	53,02	16,94	-	**69,96**	**1,05,52**	1,16,67
Furniture and Fixtures	1,54,93	2,71	-	**1,57,64**	78,11	14,38	-	**92,49**	**65,15**	76,82
Motor Vehicles	1,27,20	8,45	14,11	**1,21,54**	97,47	6,46	9,47	**94,46**	**27,08**	29,73
Computer Software	94,13	1,23,70	-	2,17,83	61,35	18,17	-	79,52	1,38,31	32,78
Computer	2,80,27	5,58	-	**2,85,85**	2,00,67	33,27	-	**2,33,94**	**51,91**	79,60
Vessel	89,37,26	3,09,87	50,04	**91,97,09**	16,66,94	5,74,90	36,79	**22,05,05**	**69,92,04**	72,70,32
Total	**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**	**1,07,35,61**
Previous Year	**85,35,96**	**64,59,73**	**82,56**	**1,49,13,13**	**33,93,59**	**8,51,20**	**67,27**	**41,77,52**	**1,07,35,61**	
B. CAPITAL WORK IN PROGRESS									1,00,95,84	94,64,85
TOTAL (A) + (B)									**2,02,78,77**	**2,02,00,46**

Note:

1 The cost of fixed assets as at March 31, 2011 includes fixed assets of cash value of Rs.168.27 lacs (2010 - Rs.168.27 lacs) which have been acquired on hire purchase by the Company from various finance companies and banks. As per the agreement with these organisations, the ownership of these assets have been transfered to the Company on payment of the last instalment.

2 Premises include leasehold land of Rs. 78.62 lacs (2010 - Rs. 78.62 lacs).

		2011	2010
7	**INVESTMENT:**		
	(Long term)		
	Quoted		
	In Mutual Funds -		
	2,50,000 (2010 - 2,50,000) units of SBI Infrastructure Fund - I Growth	**25,00**	25,00
	NAV as at March 31, 2011 - Rs. 23.43 Lacs (2010 - Rs. 25.85 Lacs)	**25,00**	25,00
	Unquoted		
	In Others		
	6,668 Equity shares of Bombay Mercantile Bank Ltd of Rs. 10/- each	**2,00**	2,00
		27,00	27,00
	Notes:		
	During the year:		
	a) 1,46,61,203 units of SBI-SHF-Ultra Short Term Fund were purchased and sold		
	b) 9,52,909 units of Reliance Liquid Fund were purchased and sold		
8	**INVENTORIES**		
	Stock of gas	**53,18**	33,16
		53,18	33,16
9	**SUNDRY DEBTORS:**		
	(Unsecured, considered good, unless otherwise stated)		
	Outstanding for less than six months	**1,49,19,53**	1,20,63,18
	Outstanding for more than six months [Including Doubtful Nil (2010 - Rs. 79.51 lacs)]	**72,55,41**	68,56,56
		2,21,74,94	1,89,19,74
	Provision for doubtful debts	**-**	(79,51)
		2,21,74,94	1,88,40,23
	Share in Joint venture	**2,40**	1,85
		2,21,77,34	1,88,42,08
10	**CASH AND BANK BALANCE:**		
	Cash on hand	**13,78**	12,28
	Balance with scheduled banks -		
	in current accounts	**20,33**	7,58,09
	in fixed deposits	**9,86,81**	11,52,28
		10,20,92	19,22,65
	Share in Joint venture	**1,67**	7,91
		10,22,59	19,30,56

Notes:

1 The fixed deposit receipts of Rs. 9,70.24 lacs (2010 - Rs.11,33.29 lacs) have been deposited with the State Bank of India in lieu of margin money on Guarantees and Letters of Credit issued by the banks.

2 Further, bank balance in current accounts includes Rs.10.24 lacs (2010 - Rs.9.74 lacs) in Unclaimed Dividend accounts. If the dividend remains unclaimed, these funds will be transferred to the Investor Education and Protection Fund on due dates.

		2011	2010
11	**OTHER CURRENT ASSETS:**		
	(Unsecured, considered good)		
	Insurance Claim Receivable*	**58,09**	97,98
	Billable Cost	**87,52**	5,90,47
	Accrued Income	**44,80,93**	54,26,53
	Interest accrued but not due	**16,24**	31,92
		46,42,78	61,46,90
	Share in Joint venture	**-**	-
		46,42,78	61,46,90

* Insurance claim receivable represent amounts claimed from Insurance Companies to cover the cost of repairs/spares etc. on damages caused to the Company's crane and the management is confident that the same will be realised in due course.

		2011	2010
12	**LOANS AND ADVANCES:**		
	(Unsecured, considered good)		
	Advances recoverable in cash or in kind	**12,82,15**	19,49,50
	Advance tax and tax deducted at source (Net of provision for taxation)	**19,20,04**	7,36,77
	Advance to creditors	**34,16**	1,07
	Deposits	**1,59,78**	1,50,40
		33,96,13	28,37,74
	Share in Joint venture	**97**	2,06
		33,97,10	28,39,80
13	**CURRENT LIABILITIES:**		
	Sundry creditors *	**45,52,94**	40,88,65
	Bills/Letter of credit payable	**-**	21,41,37
	Accrued expenses	**37,24,69**	48,34,09
	Interest accrued but not due	**-**	3,65
	Unclaimed dividend	**10,24**	9,74
	Other current liabilities	**9,50,48**	9,30,66
	Contract Income billed in advance	**-**	3,69
		92,38,35	1,20,11,85
	Share in Joint venture	**61,31**	54,38
		** **92,99,66**	1,20,66,23

* There are no amounts due to Micro and Small Enterprises units (2010 - Nil) as indicated by the Management.

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

		2011	2010
14	**PROVISIONS:**		
	Proposed dividend	**2,51,59**	2,38,76
	Tax on proposed dividend	**90,24**	40,58
	Provision for leave encashment	**85,83**	66,26
		4,27,66	3,45,60
	Share in Joint venture	**1,73**	2,10
		4,29,39	3,47,70

SCHEDULES AND NOTES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

		2010-2011	2009-2010
15	**OPERATING EXPENSES:**		
	Employee costs	**16,80,91**	15,89,69
	Subcontractor charges	**79,69,82**	1,12,65,94
	Vessel charter and related cost	**86,31,34**	1,35,73,43
	Equipment related expenses	**8,41,33**	10,76,24
	Materials, stores and spares	**23,18,23**	1,10,77,16
	Travel and conveyance expenses	**1,06,19**	1,61,63
	Financial expenses	**1,61,70**	2,13,75
	Other operating expenses	**19,94,25**	21,07,16
		2,37,03,77	4,10,65,00
	Share in Joint venture	**28,16**	32,77
		2,37,31,93	4,10,97,77
16	**GENERAL AND ADMINISTRATIVE EXPENSES:**		
	Employee costs	**12,12,02**	15,73,61
	Rents, rates and taxes	**1,66,35**	1,71,78
	Office related expenses	**2,08,11**	3,17,25
	Travel and conveyance	**1,39,03**	1,49,00
	Vehicle expenses	**1,41,42**	1,08,90
	Promotional expenses	**59,16**	77,10
	Legal and professional fees	**3,48,83**	4,49,15
	Bad debts (net)	**3,20,66**	(18,87)
	Other balances written off (net)	**5,00**	16,27
	Preliminary expenses written off	**-**	58
	Other general & administrative expenses	**2,71,32**	2,20,19
		28,71,90	30,64,96
	Share in Joint venture	**9,54**	38,51
		28,81,44	31,03,47
17	**MISCELLANEOUS INCOME:**		
	Foreign Exchange Gain / (Loss)	**5,97,63**	(5,42,79)
	Interest income	**3,80,04**	82,65
	Profit on sale of assets	**95,85**	5,76
	Profit on sale of investment	**-**	10,88
	Income from units of Mutual Fund	**1,50**	13,15
	Sundry income	**3,88,61**	1,70,82
		14,63,63	(2,59,53)
	Share in Joint venture	**(20)**	1,26
		14,63,43	(2,58,27)
18	**PROVISION FOR TAXATION, NET:**		
	Provision for Income tax / Wealth tax	**11,34,28**	25,43,43
	Provision for Deferred taxes	**11,00**	(89,51)
		11,45,28	24,53,92
	Share in Joint venture (Fringe benefit tax)	**32**	-
	Share in Joint venture (Deferred tax)	**24**	(35)
		11,45,84	24,53,57

19. NOTES ANNEXED TO AND FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011.

A. 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] 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.

ii) 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'.

iii) 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.

iv) 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:-

No.	Name of the Company		Percentage holding	Country of Incorporation
1	Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd. (DOEMPL) *	Subsidiary	100.00 %	Mauritius
2	Global Dolphin Drilling Co. Ltd.	Subsidiary	59.96 %	India
3	Dolphin International Risk Services Ltd. **	Subsidiary	99.99 %	India
4	Dolphin Offshore Shipping Ltd.	Subsidiary	100.00%	India
5	IMPaC Oil & Gas Engineering (India) Pvt. Ltd.	Joint Venture	40.00%	India

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

** Company has applied for striking off its name from the Register of Companies under "Easy Exit Scheme" 2011 and awaits communication from ROC in this regard.

[b] Fixed Assets and Depreciation -

Fixed assets are valued at cost [except as stated below], which includes the purchase price of the asset, and other direct costs incurred in getting the asset at the appropriate location and into a condition where they can be put to use. Financing costs incurred up to the date that the asset is ready to be used is included in the cost of the asset if they are significant. However, fixed assets costing up to Rs. 5,000 individually are charged off in the year of acquisition.

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

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

Depreciation [including depreciation on revalued portion of fixed assets] is calculated on the 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] Recognition of Revenue and Expenses -

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

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

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

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

[e] Foreign currency 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.

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.

[h] Earnings per share -

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

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. 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.

B. Disclosure Under AS – 15 (Revised 2005)

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

I. Defined Contribution Plans

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

a. Provident Fund

b. Superannuation Fund

c. Employers' Contribution to Employees' State Insurance

d. Employers' Contribution to Employees' Pension Scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner and the Superannuation Fund is administered by the Trustee of the Life Insurance Corporation 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:

Amount (Rs. in '000)

Particulars	**2010-2011**	2009-2010
Employer's contribution to Provident Fund	**1,77,11**	1,93,19
Employer's contribution to Superannuation Fund	**27,58**	27,61
Employer's contribution to Employees' State Insurance	**22,17**	37,87
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	**2010-2011**	2009-2010
Discount Rate (per annum)	**8%**	8%
Rate of increase in compensation levels (per annum)	**4%**	4%
Expected Rate of Return	**9.25%**	9.15%

(a) Change in the Present Value of Obligation

Amount (Rs. in '000)

	Funded Scheme Gratuity	
Particulars	**2010-2011**	2009-2010
Present Value of Defined Benefit Obligation as at beginning of the year	**1,44,75**	78,39
Interest Cost	**11,58**	6,27
Current Service Cost	**24,50**	16,62
Benefits Paid	**(10,78)**	(4,99)
Actuarial (gain) / loss on Obligations	**12,74**	48,46
Present Value of Defined Benefit Obligation as at the end of the year	**1,82,79**	1,44,75

(b) Changes in the Fair Value of Plan Assets

Amount (Rs. in '000)

	Funded Scheme Gratuity	
Particulars	**2010-2011**	2009-2010
Present Value of Plan Assets as at beginning of the year	**1,64,51**	1,13,82
Expected Return on Plan Assets	**15,31**	10,21
Contributions	**50,88**	45,46
Benefits Paid	**(10,78)**	(4,99)
Actuarial gains / (losses)	**-**	-
Assets Distributed on Settlement	**-**	-
Fair Value of Plan Assets as at end of the year	**2,19,92**	1,64,51

Amount (Rs. in '000)

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

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Bank Deposits (SP. Dep. Scheme, 1975)	-	-
Debt Instruments	-	-
Administered by Life Insurance Corporation of India	2,19,92	1,64,51
Others	-	-

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

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Present Value of Funded Obligation as at end of the year	1,82,79	1,44,75
Fair Value of Plan Assets as at end of the year	2,19,92	1,64,51
Funded Liability/(Asset) as at the Balance Sheet date	37,13	(19,76)

(e) Amount recognised in the Balance Sheet

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Present Value of Defined Benefit Obligation as at end of the period	1,82,79	1,44,75
Fair Value of Plan Assets as at end of the period	2,19,92	1,64,51
Liability / (Net Asset) as at the end of the year	37,13	(19,76)

(f) Amount recognised in the Balance Sheet

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Current Service Cost	24,50	16,62
Past Service Cost	-	-
Interest Cost	11,58	6,27
Expected Return on Plan Assets	(15,31)	(10,21)
Curtailment Cost / (Credit)	-	-
Settlement Cost / (Credit)	-	-
Net Actuarial (gain) / Loss recognised in the Period	12,74	48,46
Total Expenses recognised in the Profit and Loss Account	33,51	61,13

(g) Actual Return on Plan Assets

Particulars	Funded Scheme Gratuity 2010-2011	Funded Scheme Gratuity 2009-2010
Expected Return on Plan Assets	15,31	10,21
Actuarial gains / (losses) on Plan Assets	-	-
Actual Return on Plan Assets	15,31	10,21

C. Contingent Liabilities:

i) As at March 31, 2011 the Company had contingent liabilities in respect of bank guarantees, issued to their customers of Rs. 50,53.78 lacs (2010 - Rs. 59,79.13 lacs) of which Rs. 50,53.78 lacs (2010 – Rs. 59,11.78 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. 3,99 lacs (2010 – Rs.4,19 lacs) of which Rs. 3,99 lacs (2010 – Rs. 4,19 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's wholly owned subsidiary, Dolphin Offshore Enterprises (Mauritius) Private Limited is currently investing in a ship building programme worth US$ 45.90 million. This Capital expenditure is being met through unsecured interest free loan of US$ 20 million given by the Company and US$ 25.90 million from term loans.

In addition, the Company has given a corporate guarantee to the lenders of Dolphin Offshore Enterprises (Mauritius) Private Limited for US$ 25.90 million (2010 – US$ 20.00 million). Out of the additional guarantee of US $ 5.90 million given during the year, Dolphin Offshore Enterprises (Mauritius) Private Limited has utilized Guarantee of US$ 1.61 million.

Dolphin Offshore Shipping Limited has Capital Commitment amounting to Rs. 4.00 Lacs (Spent Rs. 39.00 Lacs during FY 10-11) 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 (2010 – Rs. 52.97 lacs).

The appeal filed against the disallowance of shipping reserve for A.Y. 1998-99 to A.Y. 2004-05 has been decided in favour of company by ITAT, Mumbai. The order giving effect to the said appellate order is awaited.

During the 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 penalty levied under section 271(1)(c) for A.Y. 1998-99 to A.Y. 2004-05.

iv) 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 (2010 - Rs. 4,46 lacs). The Company has filed appeals with the CIT (Appeals) for A.Y. 2004-2005 – Rs.19 lacs, A.Y. 2006-2007 – Rs.19 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 lacs.

D. Borrowing cost:

As stated in Schedule 18A (a), financing costs incurred up to the date the asset is ready to be used is included in the cost of the asset, if they are significant. Interest amounting to Rs. 204.57 lacs (2010 – Rs. 2,47.22 lacs) have been capitalised during the year.

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

Amount (Rs. in '000)

Particulars	**2010-2011**	**2009-2010**
Interest on Cash Credit	**8,94,76**	4,01,25
Interest on Secured Loan	**4,63,14**	3,49,44
Interest on Unsecured Loan	**96,52**	4,01,46
Interest on Commercial Paper	**59,83**	-
Other Interest	**23,51**	1,52,75
Total Borrowing Costs	**15,37,76**	13,04,90

E. Segment reporting:

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

F. Related Party Disclosures:

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

1) Related party relationships:

a) Companies under common control:

i) Dolphin Offshore Projects Limited - under common control

ii) Kanika Shipping Limited - under common control

b) Key Management Personnel

i) Rear Admiral Kirpal Singh - Executive Chairman

ii) Mr. Satpal Singh - Managing Director

iii) Mr. Navpreet Singh - Joint Managing Director

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

i) Mrs. Manjit Kirpal Singh

ii) Mrs. Prabha Chandran

iii) Mrs. Nitu Singh

iv) Ms. Rishma Singh

v) Master Rohan Singh

vi) Mrs. Ritu Singh

vii) Master Tarun Singh

viii) Master Akhil Singh

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

(Amount Rs. In '000)

NATURE OF TRANSACTIONS	TRANSACTION DURING THE YEAR		OUTSTANDING BALANCE AS AT MARCH 31, 2011		OUTSTANDING BALANCE AS AT MARCH 31, 2010	
	2010 -11	2009 – 10	(RECEIVABLE)	PAYABLE	(RECEIVABLE)	PAYABLE
Companies under common control				42,51		31,92
Hire charges paid	18,83	48,15				
Key Management Personnel				2,36,15		1,36,15
Remuneration	3,64,82	7,91,81				
Interest paid	23,93	15,14				
Unsecured loans received (repaid),net	1,00,00	25				
Relatives of Key Management Personnel				53,00		44,00
Commission	4,91	11,31				
Interest paid	5,77	4,92				
Professional Fees	-	5,00				
Fixed deposits received (repaid), net	9,00	5,00				

Companies under common control	Unsecured loan/ Fixed Deposit	Hire Charge/ Rent Paid	Interest paid	Payables/ (Receivables)
Dolphin Offshore Projects Limited		18,83		42,51

Material related transactions: **(Amount Rs. in '000)**

Particulars	Unsecured loan/ Fixed Deposit	Interest paid	Remuneration	(Receivables)/ Payables
Key Management Personnel				
Rear Admiral Kirpal Singh		3,00	1,25,58	25,00
Mr. Satpal Singh		05	1,20,92	40
Mr. Navpreet Singh	1,00,00	11,28	1,18,32	1,30,75
Mrs. Manjit Kirpal Singh		6,60		55,00
Bipin R. Shah – H.U.F.		1,80		15,00
Mr. Arvind K. Parikh		1,20		10,00
	1,00,00	**23,93**	**3,64,82**	**2,36,15**
Relatives of Key Management Personnel				
Mrs. Prabha Chandran		36		3,00
Mrs. Ritu Singh		36		3,00
Master Tarun Singh	4,00	3,31		29,75
Master Akhil Singh	5,00	1,74		17,25
	9,00	**5,77**		**53,00**

Notes:

a. Remuneration includes basic salary, allowance, perks and commission.

b. The monthly reimbursement of expenses between the Company and related parties towards office expenses, provident fund etc., are not reflected in the statement above.

c. There are no provisions for doubtful debts or amounts written off in respect of debts due to or from related parties.

G. Hire Purchase Agreements:

The Company has purchased assets under hire purchase arrangements which are repayable within three years from the date of agreement. During the year, the Company has paid instalments of Rs.10.77 Lacs (2010 – Rs. 44.24 lacs). The Company has a future liability of Nil (2010 – Rs.10.77 lacs) towards the said agreements, of which Nil (2010 – Rs.10.77 lacs) is payable within one year.

H. 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:

Amount (Rs. in '000)

Particulars	**2010-2011**	2009-2010
Not later than one year	**71,84**	66,06
Later than one year not later than five years	**3,56,71**	3,39,37
Later than five years	**96,94**	1,86,12
Total	**5,25,49**	5,91,55

b. Lease payments recognised in the statement of Profit & Loss for the period is Rs. 2,25.91 Lacs.

B. Disclosure in respect of Finance Lease

a. The minimum amounts payable in future towards non-cancellable lease agreement for Vessel taken on lease as follows**:**

Amount (Rs. in '000)

Particulars	**2010-2011**	**2009-2010**
Gross carrying amount of assets given on lease	**29,91,10**	29,54,67
Accumulated depreciation of assets given on lease	**3,35,80**	1,27,50
Depreciation recognized in P & L for the year ended 31st March 2011	**2,08,30**	1,27,50

Particulars	**2010-2011**	**2009-2010**
Not later than one year	**7,88,13**	7,85,98
Later than one year and not later than five years	**18,08,82**	25,96,95
Later than five years	**-**	-
Total	**25,96,95**	**33,82,93**

I. Earnings per share:

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year.

		2010-11	2009-10
Net profit after tax for the year	**(Rs. in '000)**	**15,85,95**	62,92,91
Add: Interest to be saved on conversion of bonds to shares (Net of taxes)	**(Rs. in '000)**	**-**	9,16
Diluted net profit for the year	**(Rs. in '000)**	**15,85,95**	62,39,07
Number of Ordinary shares	**(Nos. in '000)**	**1,67,73**	1,57,57
Weighted average shares (Basic)	**(Nos. in '000)**	**1,61,27**	1,44,10
Weighted average shares (Diluted)	**(Nos. in '000)**	**1,61,27**	1,54,25
Basic earnings per share	**(Rs.)**	**9.83**	43.23
Diluted earnings per share	**(Rs.)**	**9.83**	40.44

Calculation of Weighted Average Number of Shares **(Nos. in '000)**

	2010-11	2009-10
Number of Ordinary Shares	**1,57,57**	1,33,90
Number of Shares Converted During the Year	**3,70**	10,20
Weighted Average Shares (Basic)	**1,61,27**	1,44,10
Add : Deemed Conversion of Bonds to Shares	**-**	10,15
Weighted Average Shares (Dilluted)	**1,61,27**	1,54,25

J. 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. 47.90 crores. This relates to a subcontract job done during 2006-07 and amount outstanding relates to change orders, which are 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. During the course of execution of its EPC contracts, the Company has undertaken additional work which the Company can invoice only after the contracts have been completed and change orders agreed to by the clients. Due to this reason and other delays not attributable to the Company, the Company expects the liquidated damages of Rs. 28.30 Crores currently levied will be waived by its clients. Accordingly, liquidated damages of Rs. 28.30 Crores have not been provided**.**

d. During the 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. 33.59 crores have been recognised as revenue. The balance of the additional claims will be recognised as revenues as and when the same are quantified and submitted to the clients.

K. Particulars of Derivative Instruments as at March 31, 2011:

a) Following derivative instruments have been acquired for hedging purposes against our Export receivables.

Type Of Currency	No of Contracts Outstanding as on 31.03.2011	Value of Contract
Euro / INR	**5**	**Euro 2,750,000**

b) No derivative instruments are acquired for trading or speculation purposes.

c) Foreign Currency Exposures that are not hedged by derivative instruments or otherwise are:

Details of amount payable:

		2010-11		2009-10	
Sr. No.	**Currency**	**Amount In Foreign Currency**	**Amount In Indian Rupees**	Amount In Foreign Currency	Amount In Indian Rupees
01	EURO	**841**	**53,354**	1,555	94,145
02	GBP	**335**	**24,043**	28,812	19,60,956
03	SING. $	**90,065**	**31,89,201**	21,640	6,94,181
04	US$	**418,935**	**1,86,84,490**	2,340,923	10,51,06,930
05	AED	**119,347**	**14,71,288**	-	-
06	JPY	**558,465**	**3,05,179**	-	-

Details of amount receivable:

		2010-11		2009-10	
Sr. No.	**Currency**	**Amount In Foreign Currency**	**Amount In Indian Rupees**	Amount In Foreign Currency	Amount In Indian Rupees
01	EURO	**13,954,448**	**89,55,31,776**	4,302,604	26,05,22,686
02	US$	**5,906,553**	**26,33,75,259**	3,435,436	15,42,32,031

Bank Balances:

Particulars	**Currency**	**2010-11**		2009-10	
		Amount In Foreign Currency	**Amount In Indian Rupees**	Amount In Foreign Currency	Amount In Indian Rupees
State Bank of India Singapore	US$	**4,985**	**2,22,279**	445,106	1,99,80,791
State Bank of India EEFC –US$	US$	**05**	**242**	3,967	1,78,064
State Bank of India EEFC –EURO	EURO	**—**	**—**	19,796	11,98,640

L. Issue of shares:

During the year, the Company received notice from FCCB holders for conversion of 3,602 bonds of US$ 1000 each. Consequently, 10.15 Lacs equity shares of Rs.10/- each have been issued resulting in increase in equity share capital by Rs. 1,01.50 Lacs and share premium by Rs. 15,32.72 Lacs.

M. Details relating to Subsidiary Companies as on March 31, 2011:

Amount (Rs. in '000)

Name of Subsidiary Company	Dolphin Offshore Shipping Ltd.	Dolphin Offshore Enterprises (Mauritius) Pvt. Ltd.	Global Dolphin Drilling Company Ltd.
Issued Subscribed & Paid Up Capital	1,24,00,000	11,68,000	5,00,000
Reserves	27,04,02,401	4,35,56,860	13,50,861
Total Assets	39,68,62,743	1,64,13,95,040	18,61,582
Total Liabilities	39,68,62,743	1,64,13,95,040	18,61,582
Investments	2,00,040	—	—
Turnover	40,52,02,671	16,04,18,079	—
Profit/Loss before Taxation	3,23,60,013	(97,14,281)	80,536
Provision for Taxation	(1,05,37,894)	(39,78,181)	(24,430)
Profit/Loss after Taxation	2,18,22,119	(1,36,92,462)	56,106
Proposed Dividend	—	—	—

N. Prior year comparatives:

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Currency: Thousands of Indian Rupee)

	2010-2011	2009-2010
CASH FLOW FROM OPERATING ACTIVITES		
NET PROFIT BEFORE TAX	**27,31,79**	86,83,48
Adjusted for :		
Depreciation	**10,22,85**	8,51,20
Interest (Net)	**11,57,73**	12,22,25
Fixed assets - Profit on sale	**(95,85)**	(5,76)
Investments - Profit on sale	**(1,50)**	(13,15)
Foreign exchange loss on conversion of FCCB's	**15,49**	36,11
Preliminary expenses written off	**-**	16,94
Provision on Investment written back	**-**	(10,88)
Operating profit before working capital changes	**48,30,51**	1,07,80,19
Adjustments for :		
Trade and other receivables	**(12,09,53)**	(46,26,76)
Trade and other payables	**(27,46,96)**	26,99,69
CASH GENERATED FROM OPERATIONS	**8,74,02**	88,53,12
Direct taxes paid	**(23,58,82)**	(27,39,22)
NET CASH FLOW FROM OPERATING ACTIVITES	**(14,84,80)**	61,13,90
CASH FLOW FROM INVESTING ACTIVITES		
Purchase of fixed assets	**(4,88,65)**	(64,59,73)
Capital work-in-progress	**(6,30,99)**	(58,18)
Sale of fixed assets	**1,14,33**	21,06
Foreign exchange transalation reserve	**(56,02)**	3,02,08
Interest received	**3,64,35**	72,67
Sale of Investments	**14,68,50**	3,13,15
Purchase of Investments	**(14,67,00)**	(3,00,00)
NET CASH FLOW FROM INVESTING ACTIVITES	**(6,95,48)**	(61,08,95)
CASH FLOW FROM FINANCING ACTIVITES		
Proceeds/(Repayment) from/(of) long term borrowing	**(2,73,32)**	4,61,27
Proceeds/(Repayment) from/(of) short term borrowing	**83,62,25**	(63,10,55)
Increase (decrease) in loan liabilities	**(50,40,09)**	84,69,09
Interest paid	**(15,37,77)**	(13,04,90)
Dividend paid	**(2,38,76)**	(5,11,31)
NET CASH FLOW FROM FINANCING ACTIVITES	**12,72,31**	8,03,60
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(9,07,97)**	8,08,55
CASH AND CASH EQUIVALENTS AS ON 01.04.2010	**19,30,56**	11,22,01
CASH AND CASH EQUIVALENTS AS ON 31.03.2011	**10,22,59**	19,30,56

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

Chetan Desai
Partner

Place : Mumbai
Date : May 20, 2011

FOR AND ON BEHALF OF THE BOARD

Mr. S. Sundar	Director & Audit Committee Chairman
Mr. Satpal Singh	Managing Director
Mr. Navpreet Singh	Jt. Managing Director
Mr. V. Surendran	Company Secretary

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) Pvt. Ltd.**	**Global Dolphin Drilling Company Limited**	**Dolphin International Risk Services Limited**
2	Financial Year Ending	March 31, 2011	March 31, 2011	March 31, 2011	January 24, 2011
3	Date from which it became a subsidiary	August 31, 2006	November 2000	March 31, 1997	December 30, 2005
4	Extent of interest of the Holding Company in the capital of the subsidiary	100%	100%	59.96%	100%
5	Net aggregate amount of the Subsidiary's profit / (loss) not dealt with in the Holding Company's Account	IN RUPEES	IN RUPEES	IN RUPEES	IN RUPEES
	(i) Current Year	2,18,22,192	(1,36,92,462)	56,106	(3,83,054)
	(ii) Previous year's since it become subsidiary	15,99,21,971	2,99,59,943	12,94,755	(1,09,580)
6	Net aggregate amount of the Subsidiary's profit / (loss) dealt with in the Holding Company's Account				
	(i) Current Year	Nil	Nil	Nil	Nil
	(ii) Previous year's since it become subsidiary	Nil	Nil	Nil	Nil

The holding company undertake 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 : June 27, 2011

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

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

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

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

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

Shareholders holding shares in physical form and who wish to avail of this facility are requested to fill in the form given overleaf and return the same along with a photo copy of the cheque pertaining to the Bank Account where they would like the amount to be credited. Such forms should be received by **M/s. SHAREPRO SERVICES (INDIA) PVT. LTD.** Share Transfer Agent of the Company at the address as mentioned overleaf preferably **on or before 29th July, 2011** 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 29th July, 2011** 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 27th June, 2011 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

June 27, 2011

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 **'É-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 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-COMMUNCIATION 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 June 27, 2011, 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.

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 SECOND ANNUAL GENERAL MEETING** of the Company at M. C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai - 400 001 on Friday, July 29, 2011 at 1500 hrs (3.00 p.m.) (Tel. No. 22844350 / 22844401)

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

Regd. Folio No. ....

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

— — — — — — — — — — — — — — — — — — — (TEAR HERE) — — — — — — — — — — — — — — — — — — —

DOLPHIN OFFSHORE ENTERPRISES (INDIA) LIMITED

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

PROXY FORM

I/We ....

of .... in the district of ....

.... being member(s) of the above named Company, hereby

appoint ....

of .... in the district of ....

or failling him ....

of .... in the district of ....

as my / our proxy to vote for me / us on my / our behalf at the **THIRTY SECOND ANNUAL GENERAL MEETING** of the Company at M. C. Ghia Hall, Second Floor, Bhogilal Hargovindas Building, 18/20 K. Dubash Marg, Kalaghoda, Mumbai - 400 001 on Friday, July 29, 2011 at 1500 hrs (3.00 p.m.) (Tel. No. 22844350 / 22844401)

Signed this .... day of .... 2011.

Regd. Folio No. ....

Please affix
Revenue
Stamp

No. of Shares held: ....

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.

Head Office: LIC Building, Plot No 54, Sector 11, CBD Belapur (E), Navi Mumbai-400614
Tel: (91) 22-66026602 Fax: (91) 22-66026603
Registered Office: 1001, Raheja Center, 214 Nariman Point, Mumbai-400 021
Tel: (91) 22-22832226, 22832234 Fax: (91) 22-22875403
Email: customers@dolphinoffshore.com
Website: www.dolphinoffshore.com

Infomedia18 Ltd.