

**Annual Report 2010-2011**

**BOARD OF DIRECTORS**

Avik Duke : Managing Director  
Suresh S. Pawar : Director  
Pramod D. Patekar : Independent Director  
Cmde. Alan Quadros : Independent Director

**BANKERS:**

IDBI Bank Ltd.

**AUDITORS:**

B. B. Shah & Co.  
Chartered Accountants  
Rajguru Apartment,  
Ground Floor, Baburao Parulekar Road,  
Dadar (West), Mumbai 400 028.

**REGISTRAR AND SHARE TRANSFER AGENTS  
PURVA SHAREGISTRY INDIA PVT. LTD.**

9, Shiv Shakti Industrial Estate,  
Ground Floor, Sitaram Mill Compound,  
J. R. Boricha Road, Lower Parel,  
Mumbai - 400 011.  
Tel.:- 022 - 2301 676 / 2301 8261.

**REGISTERED OFFICE**

403, Urvashi Hsg. Society Ltd.,  
Off. Sayani Road, Prabhadevi,  
Mumbai - 400 025.  
Ph. : 022 - 2422 1225  
022 - 2436 5789  
Fax : 022 - 2422 7606  
Website : [www.dukeoffshore.com](http://www.dukeoffshore.com)  
e-mail : [info@dukeoffshore.com](mailto:info@dukeoffshore.com)

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## ANNUAL REPORT 2010 - 2011

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### NOTICE

NOTICE is hereby given that the Twenty Fifth Annual General Meeting of the Members of Duke Offshore Limited will be held on Tuesday 16th August, 2011, 11.a.m. at the Registered Office of the Company situated at 403, Urvashi Housing Society Limited, off. Sayani Road Prabhadevi, Mumbai- 400 025 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011 along with Directors Report and Auditor's Report thereon.
2. To Appoint Director in place of Cmde. Alan Quadros, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. B.B. Shah & Company, Chartered Accountants, Mumbai, as Statutory Auditors of the Company from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Audit Committee of the Board of Directors to fix the remuneration of the said Auditors.

### SPECIAL BUSINESS

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

"RESOLVED THAT in partial modification to the Resolution passed by the Members at the 24th Annual General Meeting held on August 20, 2010, approving the appointment and terms of remuneration of Mr. Avik Duke as Managing Director of the Company hereby approves, in accordance with the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the increase in remuneration of Mr. Avik Duke for the remaining period of his tenure of office, with effect from April 1, 2011, as set out in the Explanatory Statement annexed to the Notice convening this meeting.

RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Avik Duke as approved earlier by the Members, shall remain unchanged."

RESOLVED FURTHER THAT any one of the Directors of the Company be and is hereby authorised to do all necessary acts, deeds and things, which may be usual, expedient or proper to give effect to the above resolution."

Place : Mumbai  
Dated : 6th June, 2011

By Order of the board of Director  
DUKE OFFSHORE LIMITED  
SD/-  
AVIK DUKE  
MANAGING DIRECTOR

# DUKE OFFSHORE LIMITED

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## **NOTES:**

1. A 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.
2. THE INSTRUMENTS APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The Register of Members and the Share Transfer Books of Company shall remain closed from Monday 8, August 2011 to, Tuesday 16, August 2011, (both days inclusive).
4. **The members are requested to:**
  - a) Intimate changes, if any, in their Registered address to the Registrar and Transfer Agents of the Company.
  - b) Quote ledger folio numbers in all their correspondence.
  - c) Get the multiple folios consolidated and also get the shares transferred in joint names if they are held in single name to avoid inconvenience in future and
  - d) Bring their copies of the Annual Report and the Attendance Slips with them
  - e) Write at least 10 days prior to the date of Meeting, any information which they desire on the accounts, to enable the management to keep the information ready.

## **EXPLANATORY STATEMENT**

**(Pursuant to Section 173(2) of the Companies Act, 1956)**

### **ITEM No. 4**

The Members of the Company at the 24th Annual General Meeting held on August 20, 2010 approved the appointment of Mr. Avik Duke as Managing Director of the Company w.e.f. 12th April, 2010 for remaining period of his tenure on the remuneration, terms and conditions of his appointment as Managing Director.

Taking into consideration the size of the Company, the profile of Mr. Avik Duke, the responsibilities shouldered by him, the remuneration package was not commensurate with the remuneration package paid to managerial position in other Companies, accordingly it is proposed to revised remuneration of Mr. Avik Duke to Rs. 3,00,000/- p.m. w.e.f. April 1, 2011.

However, all other terms and conditions of the appointment will remain unchanged. The increased remuneration will be subject to the overall limits as provided under Section 198, 269, 309, 310, 311 and in terms of Section I of Part II of Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956.

The Directors of the Company on recommendation made by the Remuneration Committee, have approved the proposal of increase in their remuneration, subject to the approval of the members. Your Directors recommend the resolution for approval by the members of the Company.

The above variation in the terms of remuneration of Mr. Avik Duke as mentioned in Item No. 4 of the Notice will be treated as an abstract under Section 302 of the Companies Act, 1956.

None of the Directors of the Company except Mr. Avik Duke, is in any way concerned or interested in this resolution.

The members are requested to consider and approve the above proposal for increase in the remuneration of Avik Duke

**By Order of the board of Director  
DUKE OFFSHORE LIMITED**

**Sd/-**

**AVIK DUKE**

**MANAGING DIRECTOR**

Place : Mumbai

Dated : 6th June, 2011

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## DIRECTORS REPORT

To  
The Members,

Your Directors take pleasure in presenting the Twenty Fifth Annual Report together with the Audited Balance Sheet as at 31 March, 2011 and the Profit & Loss account for the year ended 31st March, 2011.

### FINANCIAL RESULTS

(Amount in Rs.)

Particulars	2010-11	2009-10
Services Income	23,658,875	22,938,290
Other Income	1,407,821	942,030
Export Sales	-	1,690,140
Profit before Tax	8,371,708	4,339,892
Current Taxation	1,945,000	603,000
Deferred Taxation	655,297	62,268
Profit after Tax	5,775,411	3,674,624
Add : Excess provision for tax		195
Add : Profit /(Loss) b/f from previous year	(24,921,509)	(28,595,938)
Balance of Loss carried to Balance Sheet	(19,150,099)	(24,921,509)

### DIVIDEND

The Company is in the process of wiping out the entire amount of losses of Past years on priority, for this reason and with a view to conserve the resources; your directors do not recommended payment of any dividend.

### OPERATIONS

The operations of the Company for the financial year under have been satisfactory. The Company during the year has focused on the rendering Services in terms of charter of fast interceptor craft to Indian Navy and providing specialized training for under water diving, in association with overseas associates.

During the year the Company has successfully won the floated tenders from Government of India for hiring of fast interceptor craft to Indian Navy for western costal to southern costal.

The management of the Company is exploring various options for augmenting sustainable revenue stream and for that matter, your Company has taken up to pursue providing support services for coastal surveillance and patrolling. The continued cross border security threat and disturbance from the neighboring countries, will result in compelling demand and wholesome measures by the Government in this area.

Your directors are confident for better business operations of the Company in the ensuing years.

### FIXED DEPOSITS

The Company has not accepted any deposit from public.

### DIRECTORS

Cmdr. Alan Quadros, the director of the Company, retire by rotation on conclusion of this Annual General Meeting and being eligible, offer himself for reappointment.

### PARTICULARS OF EMPLOYEES

The information required under the provisions of Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the annexure to the Directors report.

### COMPLIANCE OF LISTING AGREEMENT

Your directors are happy to place on record that, the management of the Company have pursued seriously and sincerely the compliance requirement of the Bombay Stock Exchange Limited.

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## CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO

The information as required under the provision of Section 217 (1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are as follows:

**Foreign Exchange Earning**

**NIL**

**Foreign Exchange Outgo**

Type of Expenses	Amount (in Rs.)
Foreign Traveling	419,591
Import of Vessels	33,796,260
Reimbursement of Under Water Course Fees	3,952,083
<b>TOTAL</b>	<b>38,167,934</b>

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement Under Section 217 (2AA) of the Companies Act, 1956 with respect of the Director's responsibilities Statement, it is hereby confirmed;

- i) That in the preparation of the annual Account for the financial year 31st March, 2011, the applicable accounting standards has been followed along with proper explanation relating to material departures.
- ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affair of the company at the end of the financial year and of the profit of the company for the year under review.
- 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 Directors have prepared the Accounts for the financial year ended 31st March, 2011 on a going concern basis.

## CORPORATE GOVERNANCE

A separate section on Corporate Governance is included in the Annual Report and the Certificate from the Practicing Company Secretary confirming the completion of condition on Corporate Governance as stipulated in revised Clause 49 of the Listing Agreement with the Stock Exchanges is annexed hereto.

## AUDITORS

M/s. B. B. Shah & Company, Chartered Accountants, Mumbai, hold office as the Statutory Auditors of the Company, until the conclusion of the ensuing Annual General Meeting and being eligible, are recommended for re-appointment.

## MANAGEMENT'S DISCUSSIONS AND ANALYSIS

### 1. Industry Trends and Developments

There is an increasing requirement for specialized offshore vessels globally and this trend will continue to grow. Initially most of the offshore services were for the government oil companies, however this has changed significantly with private and international oil companies entering the oil exploration and production industry.

The demand for offshore oil field services, especially for highly skilled and experiences personnel is increasing and presents your company with areas of opportunities during the ensuing years.

Your Company's range of professional services are inspection of oil fields platform & operations, diving services, vessel management and marine logistics, fabrication, process and electrical engineering, installation and hook up - commissioning of offshore oil platforms and charter of Fast interceptor Craft to Indian Navy.

### 2. The year in perspective:

Your Company has made significant progress with on going projects in the oil industry especially on offshore oil platforms and has managed to wipe out its previous operating losses significantly.

### 3. Future Prospects & Outlook:

Your Company is continuing with existing contracts and the management has bid aggressively for several contracts which will, when awarded, enable your Company to have a quantum increase in its turn-over and profitability during the ensuing years.

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## 4. Business Risks and Management's assessments -

Your Company has identified the following risks that may arise:

1. Instability in Global oil price trend, could lead to other forms of energy, in particular renewable energy easing the dependence on oil in the future.
2. Availability of financial resources. The Company expects a substantial increase in revenue by way of additional contracts. However these contracts will require heavy investment for procurement of vessels and offshore assets.

## 5. Human Resources and Industrial Relations -

The Board wishes to express its deep appreciation to all employees, contract personnel and subcontractors for their contributions to the working of the Company during the year.

## 6. Financial Condition and Operational Performance

### 6.1 Share Capital

The Company has at present only one class of shares. The authorized share capital is 5,028,000 Equity shares of Rs. 10/- each, constituting to Rs. 50,280,000/-. There was no increase in the paid up capital of Rs. 50,280,000/- during the year under review.

### 6.2. Fixed Assets

During the year 2010-2011 the Company has added Rs. 49,642,056/- to the gross block of assets.

### 6.3. Net Worth

The Net Worth for the year ended March 31, 2011 is Rs. 30,676,295/- compared to the Net Worth of Rs. 2,5279,306/- for the same period last year registering overall improvement in the Net Worth.

### 6.4. Revenues

In the year under review the total revenue of the Company was Rs. 25,066,696/- compared to Rs. 25,570,460 for the same period in the previous year.

### 6.5. Operating Profit (EBIDTA)

We earned as operating profit Rs. 8,371,708 representing 35% of gross revenue, which is due to decrease in Office and administrative expenses related cost. The Company has exercised adequate control on all other expenses to sustain profitability.

### 6.6. Developments in Human Resources / Industrial Relations

The success of your company during the preceding year has been driven by our highly qualified and experienced personnel. Your company recognizes that the value of our human resources is the key to success in any organization. It is the endeavour of our HR Department to continually seek to recruit the best in the industry who are highly motivated and dedicated personnel. It is also the company's philosophy to have continues in house training for our qualified personell prior to any project deployment.

## **ACKNOWLEDGMENT**

Your Directors acknowledge with gratitude the assistance, co-operation and support received by the Company from the Government and various other agencies and Commercial Banks during the year under review

**By Order of the board of Director**  
**DUKE OFFSHORE LIMITED**  
**SD/-**  
**AVIK DUKE**  
**MANAGING DIRECTOR**

Place : Mumbai  
Dated : 6th June, 2011

## **Annexure "A" to the Director's Report**

**INFORMATION AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPNAIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AND PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2011.**

(A) Employed throughout the year and were in receipt of remuneration of not less than Rs. 24,00,000 per annum.

Sr. No.	Name & Age	Designation	Remuneration in Rs.	Qualification and experience	Date of Comm. of Employment	Lat Employment Held
1	Mr. George Duke	Chief Executive Officer	36,00,000	(a) Graduate from National Defence Academy, Pune, 1964 (b) Onboard Training Indian Naval Ships, 1965	12th Dec, 1985	Commander in Indian Navy

# **DUKE OFFSHORE LIMITED**

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## **S.S. RISBUD & CO.**

**Company Secretary**

### **CERTIFICATE FROM PRATICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE**

**To the Shareholders of Duke Offshore Limited,**

We have examined the compliance of conditions of Corporate Governance by Duke Offshore Limited for the year ended 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management.

Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of 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, subject to the following:

The Board of Directors of the Company does not have an optimum combination of executive and non-executive directors. The number of non-executive is less than 50% of the strength of total directors, further since the board meetings are chaired by an executive director, the company does not have the minimum requisite number of independent directors.

We state that no investor grievance is pending against the Company exceeding one month as per records maintained by the company, which are presented to the Shareholders / Investors Grievance Committee.

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

**For S. S. Risbud & Co.**  
**Company Secretary**  
**Sd/-**  
**Sanjay S. Risbud**  
**Proprietor**  
**C.P. NO. 5117**

Place : Thane  
Date : 6th June,2011

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**CORPORATE GOVERNANCE REPORT**

The Bombay Stock Exchange Ltd., has implemented the revised provisions of clause 49 of the Listing Agreement from December 31st, 2005; the Company has already taken steps to comply with the revised provisions to the maximum extent possible.

As per Schedule IC of Clause 49 of Listing Agreement which requires to incorporate certain mandatory disclosure with regard to Corporate Governance Report. In pursuance of the said requirements, the Board of Directors reports the following:-

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company's philosophy on Corporate Governance strives for attaining the optimum level of transparency and accountability in all facts of its operations and all dealings which is shareholders, employees, lenders, creditors, customers, and the government. The Board of Directors by considering itself by trustees of its shareholders aims at maximizing shareholders value and protecting the interest of other stakeholders.

**2. BOARD OF DIRECTORS**

A fundamental requirement for Board membership is independence, knowledge and experience based upon the absence of relationship and interest that could compromise or could be perceived as compromising the ability of a Director to exercise judgment in the best interest of the Company.

The Board functions as a full Board and it meets at regular intervals. Policy formulation, evaluation of performance and control functions vest with the Board.

The Board of Directors of the Company consists of Executive and Non-Executive Directors. The present strength of the Board is 4 ( Five ) Directors comprises of 2 (Two) Executive Directors and 2 ( Two) Non-Executive Independent Directors. The Chairman of the Board is Chairman Emeritus.

During the financial year ended 31st March, 2011, total 8 (Eight) Board Meetings were held on 29/04/2010, 31/05/2010, 30/06/2010, 30/07/2010, 26/10/2010, 09/11/2010 and 27/01/2011. The last Annual General Meeting was held on 20th, August, 2010.

**Board Meeting Attendance record of the Directors in 2010 -2011**

Name of Director	Designation & Category	No. of Board Meeting in the year	Attendance Last AGM	No. of Outside Directorship	No. of Outside Board / Committee
Mr. George Duke	CEO	5	Yes	Yes	One
Mr. Suresh Pawar	E. D.	8	Yes	Yes	One
Mr. Avik Duke	E. D.	8	Yes	No	No
Mr. Pramod Patekar	I.N.E	4	Yes	Yes	One
Cmde. A. Quadros	I.N.E	3	No	Yes	One

ED = Executive director, INE = Independent Non-Executive Director



# DUKE OFFSHORE LIMITED

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## Code of conduct:

The Board has formulated a code conduct for the Board members and senior management of the Company. All Board members and senior management have affirmed their compliance with the code. A declaration to their effect signed by the Managing Director of the Company is given elsewhere in the Annual Report.

## 3. AUDIT COMMITTEE

### Terms of reference

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management financial reporting process with a view to ensure accurate, timely and proper disclosures and the transparency, integrity and quality of financial reporting. The committee oversees the work carried out in the financial reporting process-by the management, including the internal auditor and the independent auditor.

### Composition and Attendance at the Audit Committee Meeting:

The company has an Audit Committee of the Board comprising of 2 directors. This Committee comprises of the following "Non Executive Independent Directors": who met 3 ( Three) times during the year (i.e.) on

Name of Director	Status	No. of Meeting held	No. of Meeting Attended
Mr. Pramod D. Patekar	Non Executive Independent Director	3	3
Comde. Alan Quadros	Non Executive Independent Director	3	3

## 4. REMUNERATION COMMITTEE

The purpose of the Remuneration Committee of the board of directors of DUKE OFFSHORE LTD. shall be to discharge the Board responsibilities relating to remuneration of the company's executive director and senior management. The committee has overall responsibility for approving and evaluating the executive directors and senior management remuneration plans, policies and programs of the company.

### The following are the members of Committee:

1. Avik Duke
2. Suresh Pawar

## 5. SHAREHOLDERS GRIEVANCES COMMITTEE:

The Board of Directors has constituted a Shareholders / Investor's Grievance Committee , comprising of Mr. George A. Duke and Mr. Suresh Pawar. Where Shri Suresh Pawar, Director is designated as Compliance Officer of the Company . The Committee looks into redressing of shareholders complaints like non transfer of shares, non receipt of Balance Sheet, non receipt of declared dividend etc.

## 6. GENERAL BODY MEETINGS

Date, Time, and venue for the last 3 (Three) Annual General Meetings are given below:-

Fin. Year	Date	Location	Time
31-3-2008	30 - 9 - 2008	Registered Office	10.00 AM
31-3-2009	28 - 08 - 2009	Registered Office	10.00 AM
31-3-2010	20-08-2010	Registered Office	11.00 AM

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### Notes

1. There were no special resolution passed by the Company at any of the above meeting
2. There was no special resolution passed through postal ballot last year.
3. At the ensuing Annual General Meetings, there are no resolution proposed to be Passed through postal ballot

## 7. DISCLOSURES

- i The company has not entered into any materially significant related party transaction during the year that may have potential conflict with the interests of the company at large
- ii There has been no incidence of non-compliance by the company of the any statutory regulations, nor any penalty or stricture imposed by the Stock Exchange or SEBI or any other statutory authority on any matter relating to the capital market over the last four years.
- iii The details of all transactions with related parties are placed before the Audit Committee on quarterly basis.
- iv In the preparation of financial statements the Company has followed Accounting Standards issued by the institute of Chartered Accountants of India to the extent applicable.
- v The constitution of whistle blower policy is a non - mandatory requirement. However the Company affirms that no employee has been denied access to the Audit Committee during the financial year 2010 - 2011.
- vi The Company has complied with all mandatory requirements of clause 49 of listing requirements.

## 8. MEANS OF COMMUNICATIONS

The Company's quarterly results in the format prescribed by the Stock Exchange are approved and taken on record by the Board within the prescribed time frame and sent immediately to the BSE. These results are published in the newspaper, i.e. Free Press Journal and Nav Shakti

## 9. GENERAL SHAREHOLDER INFORMATION

**AGM Date** :- 16th August, 2011

**Financial Year** :- 1st April, 2010 to 31st March, 2011.

**Book Closure** :- Monday 8th August, 2011 to Tuesday 16th August, 2011. [ Inclusive of both days ]

**Dividend** :- No Dividend is declared.

**Listing of Shares** :- The Company's shares are listed only at Bombay Stock Exchange Ltd. Listing fees for Bombay Stock Exchange Ltd., has been paid.

**Stock Code** :- Bombay Stock Exchange, Mumbai Physical Script Code No. - 531417 De-mat Script Code No. -ISIN: INE 397G01019

**Registrar & Transfer Agents** :- Share Transfers in physical and de-mat form is handled by the Company's Share Transfer Agents M/s. Purva Share Registry Pvt. Ltd., having their office situated at 9, Shiv Shakti Industrial Estate, Ground Floor, Sitaram Mill Compound, J. R. Boricha Road Lower Parel, Mumbai - 400011.  
Tel No. 2301 6761 / 2301 8261

### Share Transfer System

All the transfers are received, processed and approved by the Registrar and share transfer agents and sent back to transferee.

# DUKE OFFSHORE LIMITED

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## Shareholding Pattern

The following the pattern of shareholding as on 31st March, 11

### Pattern of shareholding by ownership as on 31st March, 2010.

Category	No. of Shares Held	% of Shareholding
A Promoter's holding.		
1. Promoters*		
Indian Promoters		
--Directors	28343355	56.37
--Director's Relatives	546430	10.87
--Director's Promoters	125735	02.50
2. Persons Acting in Concert #		
<b>SUB-TOTAL</b>	<b>3506500</b>	<b>69.74</b>
B. Non-Promoters Holding		
3. Institutional Investors	0	00.00
A. Mutual Funds and UTI	0	00.00
B. Banks, Financial Institutions, Insurance	0	00.00
(Central/ State Govt.Institution/Non	0	00.00
Government Institutions)	0	00.00
C. FIIS	0	00.00
<b>SUB-TOTAL</b>	<b>0</b>	<b>00.00</b>
4. Others	0	00.00
A. Private Corporate Bodies	435900	08.67
B. Indian Public	1080000	21.48
C. NRI/OCB	5600	0.11
D. Others	0	00.00
<b>SUB-TOTAL</b>	<b>1521500</b>	<b>30.26</b>
<b>GRAND TOTAL</b>	<b>5028000</b>	<b>100.00</b>

#### **Dematerialization of shares and liquidity**

3829400 Shares representing 76.16% of shareholding has been dematerialized.

#### **Registered Office**

403, Urvashi Housing Society Ltd., Off. Sayani Road, Prabhadevi, Mumbai 400 025.

#### **10. Practicing Company Secretary's Certificate on Corporate Governance**

Practicing Company Secretary's Certificate on Compliance of Clause 49 of the Listing Agreement relating to Corporate Governance is published as an annexure to the Director's Report.

#### **Management Certificate on clause 49 (1D) of the Listing Agreement.**

To,  
The Members  
Duke Offshore Limited

This is to affirm that the Board of Directors of Duke Offshore Limited has adopted a Code of Conduct for its Directors and Senior Management Personnel in compliance with the provision of clause 49 (1D) of the Listing Agreement with the Stock Exchange and Board of Members and Senior Management Personnel of the Company have confirmed the compliance of the provision of the said code for the financial year ended 31st March 2011.

Place : Mumbai  
Date : 6th June, 2011.

Sd/-  
Avik Duke  
Managing Director

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**AUDITOR'S REPORT**

To The Members of **DUKE OFFSHORE LIMITED.**

We have audited the attached Balance Sheet of **M/S. DUKE OFFSHORE LIMITED**, as on 31st March, 2011 and also the Profit and Loss Account and also the cash flow statement for the year ended 31st March, 2011 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.

1. We conducted our audit in accordance with the auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material 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.
2. As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable.
3. Further to our comments in the Annexure referred to 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 these books of the Company.
  - (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) Based on the representations made by the Directors of the Company and taken on record by the Board of Directors and the information and explanations given to us, we report that none of the Director of the Company is disqualified from being appointed as a Director of the Company, as on 31.03.2011 in terms of Section 274 (1) (g) of the Companies Act, 1956.
  - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, read together with the notes thereon and subject to **Note No. 4 (b) relating to non provision of Gratuity Liability in compliance with AS 15**, give the information required by the Companies Act, 1956, in the manner so required and present 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 a affairs of the company as at 31st March 2011 and
    - (b) In the case of the Profit and Loss Account, of the profit of the year for the year ended on 31st March, 2011.
    - (c) In the case of Cash flow statement, of the Cash Flows for the year ended on that date.

**For B. B. Shah & Company**  
**Chartered Accountants**  
**Firm Reg. No. 129121W**

Sd/-

**C. A. Bipin B. Shah**  
**(Partner)**  
**(Membership No. 16862)**

Date : 06th June, 2011

Place : Mumbai

# DUKE OFFSHORE LIMITED

F.Y 2010 - 2011

## ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 2 OF REPORT OF EVEN DATE ON THE ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2011

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 our comments in respect of matters specified in paragraphs 4 and 5 of the said order are as follows:

- i. (a) According to the information and explanations given to us and in our opinion, the Company has maintained proper records showing full particulars, including quantitative details and the situation of fixed assets.  
(b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year at reasonable intervals. As explained to us, no material discrepancies were noticed as compared to the book records, on such physical verification.  
(c) In our opinion and according to the information and explanations given to us, the Company has not made substantial disposal of the fixed assets during the year and the going concern status of the Company is not affected.
- ii. As the company does not hold inventories as defined in Accounting Standard 2 on valuation of inventories, item (ii) and (iii) of paragraph 4 of the order is not applicable to the company.
- iii. (a) As explained to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.  
(b) According to the information and explanations given to us, the Company has taken interest free loan from One (1) party listed in the register maintained under section 301 of the Companies Act, 1956. In respect of said loan, the maximum amount outstanding at any time during the year was Rs. 4,230,356/- and the year end balance of loans taken from this party was Rs.2,671,356/- .  
(d) In our opinion and according to information and explanations given to us, other terms and conditions of loans taken by the company are not prima facie prejudicial to the interest of the Company.  
(e) According to the information and explanations given to us, the company is generally regular in repaying the principal amount.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of fixed assets and also for sale of Services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls procedure.
- v. In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act, 1956 in our opinion and according to information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956, and consequently the paragraph v(b) of the order is not applicable.
- vi. In our opinion and according to the information and explanations given to us, the company has complied with the Provisions of Section 58A of the companies Act and its rules, and also the directives of Reserve Bank of India. Since the company has not defaulted in repayment of deposits, compliance of Section 58AA of the Companies Act and its Rules, does not apply.
- vii. According to the information and explanations given to us and in our opinion, the Company has no formal internal audit department as such. However, its control procedures ensure reasonable internal checking of its financial and other records.
- viii. According to the information and explanations given to us, the maintenance of cost records have not been prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956, in respect of activities of the Company.
- ix. In Respect of Statutory Dues :  
(a) According to the information and explanations given to us and according to the records, the Company has been regular in depositing undisputed statutory dues, including, Income Tax, and any other statutory dues with appropriate authorities during the year. As per the information and explanations given to us and in our opinion, the statutes relating to Sales Tax, Employees Provident Fund, Employee's State Insurance, Customs duty, Excise Duty & Cess, are not applicable to the Company.

## ANNUAL REPORT 2010 - 2011

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According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March , 2011 for a period of more than six months from the date of them becoming payable.

- (b) The disputed statutory dues being interest U/s. 234 aggregating to Rs. 1,452,975/- for the A.Y. 2003 - 04 that have not been deposited on account of pending waiver application before appropriate authorities are as under.

Name of the Statute	Nature Dues	Amount (Rs.)	Period to Which the amount relates	Forum where the matter is Pending
Income Tax Act 1961	Income Tax	14,52,975	2003 - 2004	Income Tax Appellate Tribunal Range - 10(1), Mumbai

- x. The Company's accumulated losses at the end of the financial year are not more than fifty percent of its net worth. However, it has not incurred cash losses both in the current as well as immediately preceding financial year.
- xi. In our opinion and according to information and explanations given to us, the Company has no outstanding dues at the beginning of the year and has not taken any dues during the financial year and therefore the question of default in repayment of dues to financial institutions, banks and debenture holders does not arise.
- xii. In our opinion and according to information and explanations given to us, the Company has not given any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Accordingly, the clause 4(xiii) and sub-clauses (a) to (d) of the Order is not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in share, securities, debentures and other investments.
- xv. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. According to the information and explanations given to us, the Company has not availed any term loans and consequently the paragraph 4(xvi) of the Order is not applicable to the Company.
- xvii. According to the information and explanations given to us, the Company has not raised any funds on short term or long-term basis and consequently the paragraph 4(xvii) of the Order is not applicable to the Company.
- xviii. During the year the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, the Company has not issued any debentures and consequently the paragraph (xix) of the Order is not applicable.
- xx. The Company has not raised any money by public issue during the year.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report no fraud on or by the Company has been noticed or reported during the course of our audited.

**For B. B. Shah & Company**  
**Chartered Accountants**  
**Firm Reg. No. 129121W**

**Sd/-**  
**C. A. Bipin B. Shah**  
**(Partner)**  
**(Membership No. 16862)**

Date : 06th June, 2011  
Place : Mumbai

# DUKE OFFSHORE LIMITED

F.Y 2010 - 2011

<b>DUKE OFFSHORE LIMITED BALANCE SHEET AS AT 31ST MARCH, 2011</b>			
PARTICULARS	Schedule No.	As on 31.03.2011 (Rs.)	As on 31.03.2010 (Rs.)
<b>I SOURCES OF FUNDS :</b>			
<b>Share Holders Fund</b>			
Share Capita	1	49,822,394	49,817,260I
<b>Borrowed Funds</b>			
Unsecured Loans	2	21,717,184	4,230,356
Deferred Tax Liability	3	383,347	(271,950)
<b>Total Rs</b>		<b>71,922,926</b>	<b>53,775,666</b>
<b>II APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	4	50,970,137	1,336,095
Less : Accumulated Depreciation		4,590,421	501,047
Net Block		<b>46,379,716</b>	<b>835,048</b>
<b>Investments</b>	5		9,133,691
<b>Current Assets, Loans and Advances</b>			
<b>Current Assets</b>	6		
Sundry Debtors		23,710,755	(51,294)
Cash & Bank Balances		9,171,489	14,640,162
<b>Loans &amp; Advances</b>	7	14,477,831	12,769,837
	<b>(A)</b>	<b>47,360,076</b>	<b>27,358,705</b>
<b>Current Liabilities &amp; Provisions</b>			
<b>Current Liabilities</b>	8	34,628,965	4,080,287
<b>Provisions</b>	9	6,338,000	4,393,000
	<b>(B)</b>	<b>40,966,965</b>	<b>8,473,287</b>
<b>Net Current Assets</b>	<b>(A - B)</b>	<b>6,393,110</b>	<b>18,885,418</b>
<b>Miscellaneous Expenditure</b>			
(To the extent not written off or adjusted)			
Profit & Loss Account	10	19,150,099	24,921,509
		<b>71,922,926</b>	<b>53,775,666</b>
Notes on Accounts and Significant Accounting Policies	16		

As per our report of even date attached

**For B. B. Shah & Company**  
Chartered Accountants  
Firm Reg. No. 129121W  
Sd/-  
C. A. Bipin B. Shah  
(Partner)  
(Membership No. 16862)

**For DUKE OFFSHORE LIMITED**

Sd/-  
**MR. AVIK G. DUKE**  
(Managing Director)

Sd/-  
**MR. SURESH S. PAWAR**  
(Director)

Place : Mumbai  
Dated : 06th June, 2011

Place : Mumbai  
Dated : 06th June, 2011

# ANNUAL REPORT 2010 - 2011

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<b>DUKE OFFSHORE LIMITED</b>			
<b>PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011</b>			
PARTICULARS	SCHEDULE	For the year ended 31.03.2011 (Rs).	For the year ended 31.03.2010 (Rs).
<b>(I) Income</b>			
Sales		-	1,690,140
Direct Income	11	23,658,875	22,938,290
Other Income	12	1,407,821	942,030
<b>Sub Total</b>		<u><b>25,066,696</b></u>	<u><b>25,570,460</b></u>
<b>(ii) EXPENDITURE</b>			
Purchase for Exports		-	2,072,527
Direct Expenses	13	1,748,881	-
Employees Remuneration & Benefits	14	6,254,302	6,659,912
Office and Administrative Expenses	15	4,602,430	12,204,677
Depreciation	3	4,089,375	293,452
<b>Sub Total</b>		<u><b>16,694,988</b></u>	<u><b>21,230,568</b></u>
<b>PROFIT BEFORE TAXATION</b>		<u><b>8,371,708</b></u>	<u><b>4,339,892</b></u>
<b>(iii) Less : Tax Expense</b>			
Income Tax		1,945,000	603,000
Differed Tax		655,297	62,268
<b>PROFIT AFTER TAXATION</b>		<u><b>5,771,411</b></u>	<u><b>3,674,624</b></u>
Excess / Short Provision For Tax		-	195
Balance of loss brought forward from Last Year		<u><b>(24,921,509)</b></u>	<u><b>(28,595,938)</b></u>
Balance carried to Balance Sheet		<u><b>(19,150,099)</b></u>	<u><b>(24,921,509)</b></u>

**Notes on Accounts and Significant Accounting Policies**

16

As per our report of even date attached

For B. B. Shah & Company  
Chartered Accountants  
Firm Reg. No. 129121W  
Sd/-  
C. A. Bipin B. Shah  
(Partner)  
(Membership No. 16862)

For DUKE OFFSHORE LIMITED

Sd/-  
MR. AVIK G. DUKE  
(Managing Director)

Sd/-  
MR. SURESH S. PAWAR  
(Director)

Place : Mumbai  
Dated : 6th June,2011

Place : Mumbai  
Dated : 6th June,2011



# DUKE OFFSHORE LIMITED

F.Y 2010 - 2011

## DUKE OFFSHORE LIMITED SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31 ST MARCH, 2011

Particulars	Amount (Rs.) 31.03.2011	Amount (Rs.) 31.03.2010
<b>SCHEDULE : 1</b>		
<b>Share Capital</b>		
<b>Authorised</b>		
52,50,000 (P.Y. 52,50,000) Equity Shares of Rs. 10/- each	52,500,000	52,500,000
	<b>52,500,000</b>	<b>52,500,000</b>
<b>Issued, Subscribed and Paid-up:</b>		
50,28,000 (P.Y.50,28,000) Equity Share of Rs.10/- each fully paid up	50,280,000	50,280,000
Less : Calls In Arrears - Others	(457,606)	(462,740)
<b>Total Rs.</b>	<b>49,822,394</b>	<b>49,817,260</b>
<b>SCHEDULE : 2</b>		
<b>Unsecured Loan</b>		
From a Share Holder	2,671,356	4,230,356
Inter Corporate Deposits	19,045,828	
<b>Total Rs. (B)</b>	<b>21,717,184</b>	<b>4,230,356</b>
<b>SCHEDULE : 5</b>		
<b>Investments- (At Cost)</b>		
<b>Quoted : Others</b>		
<i>Investments in Mutual Fund</i>		
NIL(P.Y. 205378.97) DSP Blackrock World Energy Fund	-	2,100,000
NIL (P.Y. 448196.01) DWS Twin Advantage Fund	-	4,800,000
NIL (P.Y. 4160.25) H D F C Top 200 Fund Growth	-	645,000
NIL (P.Y. 148432.09) Kotak Equity Arbitrage Fund - Dividend	-	1,588,691
	-	<b>9,133,691</b>
<b>Aggregate Market Value of Quoted Investments</b>		9,105,902
<b>SCHEDULE : 6</b>		
<b>Current Assets , Loans and Advances</b>		
<i>Current Assets</i>		
<b>Sundry Debtors</b>		
<b>Unsecured considered good</b>		
Outstanding for a period exceeding Six Months	648,131	(51,294)
Others	23,062,624	-
<b>Cash and Bank Balance</b>		
Cash on Hand	85,179	229,902
Balance in Current Account with Scheduled Banks	9,086,312	14,410,261
<b>Total Rs.</b>	<b>32,882,246</b>	<b>14,588,869</b>

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**DUKE OFFSHORE LIMITED**  
**ASSESSMENT YEAR 2012 - 2013**

**Schedule - 4**  
**FIXED ASSETS (AT COST)**

Particulars of Assets	@	GROSS BLOCK		DEPRECIATION			W.D.V as on 31.03.2012	W.D.V as on 31.03.2011
		As on 01.04.2011	As on 31.03.2012	As on 01.04.2011	Provided During the Year	As on 31.03.2010		
		ADDITIONS During the Year	Deductions W/off	as on 01.04.2011	Deduction During the Year	As on 31.03.2010		
Office Equipment	13.91%	157,929		11,962	20,304	32,266	125,663	145,967
Computers	40.00%	348,694		228,607	48,035	276,642	72,052	120,087
Printer	40.00%	32,222		17,240	5,993	23,233	8,989	14,982
Mobile Phone	13.91%	92,419		19,462	10,148	29,610	62,809	72,957
Motor Car	25.89%	853,305		459,773	101,885	561,658	291,647	393,532
LCD T V	13.91%	33,000		8,542	3,402	11,944	21,056	24,458
Furniture & Fixture	18.10%	23,400		4,108	3,492	7,600	15,800	19,292
Speed Boats	20.00%	49,373,392		3,838,495	9,106,979	12,945,474	36,427,918	45,534,897
<b>TOTAL</b>		<b>1,517,569</b>	<b>-</b>	<b>4,588,189</b>	<b>9,300,239</b>	<b>13,888,428</b>	<b>37,025,934</b>	<b>46,326,172</b>
Previous Year		<b>1,168,160</b>	<b>167,935</b>	<b>207,595</b>	<b>293,452</b>	<b>501,047</b>	<b>835,049</b>	<b>960,565</b>

For B. B. Shah & Company  
Chartered Accountants  
Firm Reg. No. 129121W  
Sd/-  
C. A. Bipin B. Shah  
(Partner)  
(Membership No. 16862)

For DUKE OFFSHORE LIMITED  
Sd/-  
MR. AVIK G. DUKE  
(Managing Director)  
  
Sd/-  
MR. SURESH S. PAWAR  
(Director)

# DUKE OFFSHORE LIMITED

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Particulars	For the Year 31.03.2011	For the Year 31.03.2010
<b><u>SCHEDULE : 7</u></b>		
<b><u>Loans &amp; Advances</u></b>		
<b><u>Unsecured considered good</u></b>		
<i>Deposits</i>		
Security Deposits for Office Premises	400,000	400,000
MTNL deposit	80,480	80,480
Naval Docyard - Site Deposit	13,000	-
ACDA (N) - Goa	500,000	-
PCDA Navy - Karwar	900,000	-
Advances Recoverable in Cash or in kind or for value to be received	12,584,352	12,289,357
<b>Total Rs.</b>	<b>14,477,831</b>	<b>12,769,837</b>
<b><u>SCHEDULE : 8</u></b>		
<b><u>Current Liabilities</u></b>		
Sundry Creditors for Goods & Expenses	34,628,965	4,080,287
<b>Total Rs.</b>	<b>34,628,965</b>	<b>4,080,287</b>
<b><u>SCHEDULE : 9</u></b>		
<b><u>Provisions</u></b>		
Provision For Income Tax A.Y. 2009 - 2010	3,650,000	3,650,000
Provision For Income Tax A.Y. 2010 - 2011	603,000	603,000
Provision For Income Tax A.Y. 2011 - 2012	1,945,000	-
Provision For FBT A.Y. 2009 - 2010	140,000	140,000
<b>Total Rs.</b>	<b>6,338,000</b>	<b>4,393,000</b>
<b><u>SCHEDULE : 3</u></b>		
<b><u>Deferred Tax Liability / (Assets)</u></b>		
Opening Deferred Tax Assets	(271,950)	-
Add:- Provided During the year	655,297	(271,950)
Closing Deferred Tax Assets	<b>383,347</b>	<b>(271,950)</b>
<b><u>SCHEDULE : 10</u></b>		
<b><u>Miscellaneous Expenditure</u></b>		
(To the extent not written off or adjusted)		
Profit & Loss Account	19,150,099	24,921,509
<b>Total Rs.</b>	<b>19,150,099</b>	<b>24,921,509</b>

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## DUKE OFFSHORE LIMITED SCHEDULES FORMING PART OF THE PROFIT & LOSS A/C. FOR THE YEAR ENDED ON 31st MARCH, 2011

### **SCHEDULE : 11**

#### **Direct Income**

Diving Charges	-	225,000
Crin hire Charges	-	314,600
Inspection & Survey	-	220,48,862
Marine Vessels - Offshore Income	230,60,000	-
Service Charges	373,875	575,828

**236,58,875**

**2,293,58,290**

### **SCHEDULE : 12**

#### **Indirect Income**

Difference in foreign Exchange Rate	61,537	(67,232)
Dividend Income	18,826	433,946
Interest Income	42,118	457,216
Duty drawback	-	-
Profit on Sale of Mutual Fund	-	-
Misc. Income	1,085,340	-
Sundry Credit Balance W/off	-	1,653

**1,407,821**

**942,030**

### **SCHEDULE : 13**

#### **Direct Expenses**

Diving Charges	1,29,020	-
Labour Charges	15,66,757	-
Site Expenses	21,730	-
Uniform Charges	31,374	-

**17,48,881**

-

### **SCHEDULE : 14**

#### **Employees Remuneration Benefits**

Directors Remuneration	2,400,000	1,950,000
Salaries and other Binefits	3,843,636	4,181,600
Bonus	-	511,300
Diwali Gift Articles	2,526	2,508
Staff Welfare Expenses	8,140	14,504

**6,254,302**

**6,659,912**

# DUKE OFFSHORE LIMITED

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<b>SCHEDULE :15</b>		
<b>Office and Administrative Expenses</b>		
Advertisement Expenses	41,811	73,181
Annual Custody Fees	30,000	77,210
Audit Fees	50,000	50,000
Bank Charges	124,183	44,603
BSE Listing Fees	-	540,000
Business Development Expenses	160,795	233,200
Conveyance Allowance	82,412	139,198
Postage & Courier Expenses	28,927	31,588
Machine Hire Charges	-	100,000
Electricity Charges	34,565	38,997
Insurance Charges	-	122,705
Interest Expenses	939,844	-
Motor Car Expenses	134,571	184,965
Printing & Stationery	78,546	86,401
Legal & Professional Fees	367,960	6,641,781
Loss on Sale of Mutual Fund	224,279	-
Rent, rates & Taxes	368,710	366,000
Repairs & Maintenance	45,579	176,739
Shares Transfer & Registrar Charges	62,664	59,152
Spares Marine Vessels	487,108	
Telephone Charges	139,492	209,941
Traveling Expenses	277,303	311,857
Traveling Expenses - Foreign	496,522	2,338,510
Miscellaneous Expenses	427,159	378,650
<b>Total Rs.</b>	<b>4,602,430</b>	<b>12,204,677</b>

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## DUKE OFFSHORE LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

A. CASH FLOW FROM OPERATING ACTIVITY	Amount (Rs.) 31.03.2011	Amount (Rs.) 31.03.2010
Net Profit / (Loss ) before Tax & Extraordinary Item	8,371,708	4,339,892
a) Adjustments for Additions /(Subtractions)		
Services tax		-
Depreciation	4,089,375	293,452
Loss on Sale of Mutual Fund	224,279	
Dividend received	(218,826)	(433,946)
Interest received	(42,118)	(457,216)
Operating profit before Working Capital Changes	12,424,418	3,742,181
b) Adjustment for working Capital		
(Increase )/ Decrease in current Assets	(25,470,044)	(4,261,581)
(Increase)/ Decrease in Current Liabilities	30,548,679	911,351
Cash Generated from Operation Activity	17,503,052	405,951
Net Cash Generated from Operation Activity	17,503,052	405,951
<b>B. CASH FLOW INVESTING ACTIVITY</b>		
Purchase of Fixed Assets	49,642,056	167,935
Sale of Fixed Assets	8,014	-
Fixed Deposits	500,000	14,871,986
Purchases of Mutual Fund		(19,291,217)
Sale of Mutual Fund	8,909,411	17,157,526
Interest Income	42,118	457,216
Dividend Income	218,826	433,946
Net Cash Generated from Investing Activities	(39,963,687)	13,461,523
<b>C. CASH FLOW FROM FINANCING ACTIVITY</b>		
Call Money recd	5,134	14,000
Acceptance \Repayment of Loan	17,486,828	(1,971,000)
Net Cash Generated From Financing Activities	17,491,962	(1,971,000)
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A+B+C)</b>	<b>(4,968,673)</b>	<b>11,896,474</b>

# DUKE OFFSHORE LIMITED

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<b>A. CASH &amp; CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>		
Cash	229,902	517,237
Current Account with Schedule Bank	13,910,261	1,726,452
	<b>14,140,163</b>	<b>2,243,689</b>
<b>B. CASH &amp; CASH EQUIVALENT AT THE END OF THE YEAR</b>		
Cash	85,181	229,902
Current Account with Schedule Bank	9,086,312	13,910,261
	<b>9,171,492</b>	<b>14,140,163</b>
<b>NET INCREASE IN CASH &amp; CASH EQUIVALENT (A-B)</b>	(4,968,672)	11,896,473
	(1.50)	0.00

## Notes

- Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements" as specified in the Companies (Accounting Standards) rules, 2006
- Previous year's figures have been regrouped / reclassified wherever applicable.

**For B. B. Shah & Company**  
**Chartered Accountants**  
**Firm Reg. No. 129121W**  
**Sd/-**  
**C. A. Bipin B. Shah**  
**(Partner)**  
**(Membership No. 16862)**

Place : Mumbai  
Dated : 06.06.2011

**For DUKE OFFSHORE LIMITED**  
**Sd/-**  
**MR. AVIK G. DUKE**  
**(Managing Director)**  
  
**Sd/-**  
**MR. SURESH S. PAWAR**  
**(Director)**

**F.Y 2010 - 2011**

**Schedule : 16**

**SCHEDULE ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS ON 31ST MARCH 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE:**

**1. SIGNIFICANT ACCOUNTING POLICIES**

**A. ACCOUNTING CONVENTIONS AND CONCEPTS**

Financial statements are based on historical cost convention and on the basis of a going concern and comply with Accounting Standards referred to in section 211(3C) of the Companies Act,1956. The Company follows mercantile system of accounting and recognizes income and expenditure on an accrual basis.

**B. BASIS OF PRESENTATION**

The financial statements have been prepared to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI")/Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act,1956 ("the Act"). The Accounting Policies have been applied consistently by the Company.

**C. USE OF ESTIMATES**

The preparation of the financial statements in conformity with the GAAP requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reported period/year. Actual results could differ from those estimates.

**D. FIXED ASSETS**

Fixed assets are stated at cost of acquisition, inclusive of freight duties, taxes and other incidental expenses.

**E. DEPRECIATION**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on written down value method (WDV) at the rates and in the manner prescribed in Schedule XIV to the Companies Act,1956 over their useful life except.

**F. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Profit and Loss Account.

Foreign currency Current assets and Current liabilities are translated at year end exchange rates and the resulting gains/(losses) are recognized in the Profit and Loss Account. Consequent to the introduction of Companies (Accounting Standards) Rules, 2006, the exchange differences in respect of foreign currency loans/liabilities relating to fixed assets are recognized in the Profit and Loss Account.

**G. INVESTMENTS**

(a) Current investments are stated at lower of cost and fair value of the category of such investments.



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## H. EMPLOYEE BENEFITS

Gratuity Liability is accounted as and when due for payment. The Laws relating to Provident Funds and ESIC are not applicable to the company.

## J. TAXES ON INCOME

The income tax provision comprises of current tax, fringe benefit tax and deferred tax. Current tax is the amount of tax payable in respect of income for the year. In accordance with the Accounting Standard - 22 - Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India/ The Companies (Accounting Standards) Rules, 2006 , the deferred tax on timing difference between book profit and tax profit for the year is accounted Based on the rates and laws that have been enacted or substantially enacted as on the Balance Sheet date. However, deferred tax assets arising from timing difference are recognized to the extent of their virtual /reasonable certainty about its reliability in future years.

## L. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which the asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there is a change n the estimate of recoverable amount.

## M. OPERATING LEASES

Lease arrangements where substantially all the risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognized in the Profit and Loss Account on a straight line basis over the period of the lease.

## N. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

All liabilities have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated values in the notes to accounts. Contingent assets are neither recognized nor disclosed in the financial statements.

## NOTES TO ACCOUNTS:

### 1. CONFIRMATION

Some of the Balances in respect of amounts receivable and payable to certain parties are subject to conformation and reconciliation thereof from the respective parties.

### 2. MANAGERIAL REMUNERATION-DIRECTORS

Particulars	31-03-2010	31-03-2010
Salary & Allowances	24,00,000.00	21,50,000.00
Total	24,00,000.00	21,50,000.00

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**3. OUTSTANDING PAYMENT TO MICRO & SMALL ENTERPRISES:**

The Company initiated the process of identifying Micro Small and Medium Enterprises (MSME) by requesting vendors for confirmation to the letters circularized by it. As no response have been received up to now, from the vendors to whom request were made, it is considered that there are no dues/ payments to SME's for the current year. Accordingly, disclosure as envisaged in part I of Schedule VI of the Companies Act, 1956 is not applicable which has been relied upon by the auditors.

**4. CONTINGENT LIABILITY AND OTHER COMMITMENT:**

- a) Claim against the company not acknowledged as debts Rs. 14,52,975/- (P.Y. Rs. 27,49,462/-) consist of Income Tax Dues for the financial year 2002-03, for which the Company has sought waiver of the penal interest from the office of Income Tax Appellate Tribunal Range 10 (1), Mumbai.
- b) The Company has not made Compliance of AS-15 issued by the ICAI with regard to provision for Gratuity amounting to Rs. 19,25,000/- dues payable to employees as the same is accounted as and when due for payment. Accordingly the profit of the company to that extent has been overstated and liability was understated.

**5. RELATED PARTY DISCLOSURE**

**Key Management Personnel**

- (i) Mr. George Duke - CEO
- (ii) Mr. Avik Duke - Managing Director
- (iii) Mr. Suresh Pawar - Director
- (iv) Mr. Prood Patehekar - Independent Director
- (iii) CMDE. Alan Quadros - Independent Director

**Transactions with related parties during the year. Disclosure in respect of transactions that are more than 10% of the same type with related parties during the year:**

**Remuneration to the Key Management Personnel**

Name of the Key Personnel	Nature	31-03-2011	31-03-2010
Mr. George Duke	CEO	36,00,000.00	39,00,000.00
Mr. Suresh Pawar	Director	6,00,000.00	6,50,000.00
Mr. Avik Duke	Director	18,00,000.00	15,00,000.00
<b>Total</b>		<b>60,00,000.00</b>	<b>60,50,000.00</b>

**6.AUDITOR'S REMUNERATION INCLUDES:**

Particular	2010-2011 Rs.	2009-2010 Rs.
Statutory Audit Fees	50,000.00	50,000.00
For Other Services	122,089.00	122,089.00
Add : Service Tax	18,289.00	18,289.00
<b>Total</b>	<b>190,378.00</b>	<b>190,378.00</b>

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## 7. DEFERRED TAX ASSET / (LIABILITY)

In compliance with Accounting Standard-22 issued by the Institute of Chartered Accountants of India, the company has recognized in these Financial Statements Deferred tax Assets/Liabilities for future tax implications attributable to the timing differences that result between the profits offered for the Income Tax and the profit as per the financial statements.

The Deferred Tax Assets/Liabilities are measured as per the tax rates / laws that

Sr. No.	Particulars of Items resulting in Timing Differences	Deferred Tax Liability / (Assets)					
		Opening Balance		Reversed / Charged during the year		Closing Balance	
		as on 01.04.2010	as on 01.04.2009	2010-11	2009-10	as on 31.03.2011	as on 31.03.2010
1	On Depreciation	(271,950)	(334,218)	655,297	62,268	383,347	(271,950)
	<b>Net Effect</b>	<b>(271,950)</b>	<b>(334,218)</b>	<b>655,297</b>	<b>62,268</b>	<b>383,347</b>	<b>(271,950)</b>

## 8. EARNING PER SHARE (EPS)

Particulars	2010 - 11 Rs.	2009 - 10 Rs,
Nominal Value per Equity Share (Rs.)	10	10
Profit (Loss) After Tax	5,771,411	3,674,624
Total Number of Equity Share	5,028,000	5,028,000
Earnings Per Share	1.15	0.73

## 9. Additional Information pursuant to the provisions of paragraph 3, 4C, & 4D part II of Schedule VI of the Companies Act, 1956, (to the extent Applicable)

### Foreign Exchange Outgo

Type of Expenses	Amount (in Rs.)
Foreign Traveling	419,591
Import of Vessels	33,796,260
Reimbursement of Under Water Course Fees	3,952,083
<b>TOTAL</b>	<b>38,167,934</b>

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- a. Licensed Capacity - Not Applicable
- b. Installed Capacity - Not Applicable
- c. Quantitative Details

Signatures to Schedule 1 to 16 forming an integral part of Balance Sheet and Profit & Loss Account for the Year ended March 31, 2011.

As per our Report of even date attached

**For B. B. Shah & Company**  
**Chartered Accountants**  
**Firm Reg. No. 129121W**  
**Sd/-**  
**C. A. Bipin B. Shah**  
**(Partner)**  
**(Membership No. 16862)**

**For Duke Offshore Limited**  
**Sd/-**  
**Mr. Avik G. Duke**  
**(Managing Director)**

**Sd/-**  
**Mr. Suresh S. Pawar**  
**(Director)**

Place : Mumbai  
Dated : 06.06.2011

Place : Mumbai  
Dated : 06.06.2011

# DUKE OFFSHORE LIMITED

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## DUKE OFFSHORE LIMITED INFORMATION PURSUANT TO PART IV OF SCHEDULE IV OF COMPANIES ACT,1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENRAL BUSINESS PROFILE

### Company's Registration details :

Registration No.	:	38300
State Code	:	11
Balance Sheet Date	:	31st March, 2011

### Capital Raised during the year :

Public Issue	:	NIL
Rights Issue	:	NIL
Bonus Issue	:	NIL
Private Placement	:	NIL

### Details of Mobilisation and Deployment of funds :

Total Liabilities	:	71,922,926
Total Assets	:	71,922,926

### Sources of funds :

Paid - up Capital	:	49,822,394
Share Application Money	:	-
Reserves & Surplus	:	-
Secured Loans	:	-
Unsecured Loans	:	21,717,184
Deffered Tax (Asset)/Liability	:	271,950

### Application of funds :

Net Fixed Assets	:	46,379,716
Investments	:	-
Net Current Assets	:	6,393,110
Misc. Expenditure	:	-
Profit & Loss A/c	:	19,150,099
Pre Operative Expenses	:	-
Deferred Tax Asset	:	-

### Performance of Company : (Amt. In Rs.)

Total Income	:	25,066,696
Total Expenditure	:	16,694,988
Profit / (Loss) before Tax	:	8,371,708
Profit / (Loss) after Tax	:	5,771,411
Earning per share in Rs.	:	1.148
Diluted Earnings per share in Rs	:	1.148
Dividend rate %	:	N. A.

For M/S. DUKE OFFSHORE LIMITED

Sd/-  
**MR. AVIK DUKE**  
(Manging Director)

Sd/-  
**MR. SURESH S. PAWAR**  
(Director)

Place : Mumbai

Dated : 06.06.2011

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**ATTENDANCE SLIP**  
**DUKE OFFSHORE LIMITED**

403, Urvashi Housing Society Ltd. Off. Sayani Road, Prabhadevi, Mumbai - 400 025.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER THE ENTRANCE OF THE MEETING HALL. Joint Share-holders may obtain additional Attendance Slip at the Venue of the Meeting.

DP.Id*	
Client Id*	

NAME AND ADDRESS OF THE MEMBER No. : \_\_\_\_\_

of Share(s) Held: \_\_\_\_\_

I hereby record my presence at the 25th Annual General Meeting of the Company held on Tuesday 16th August, 2011 at 11 AM at 403, Urvashi Housing Society Ltd. Off. Sayani Road, Prabhadevi, Mumbai - 400 025.

Signature of **Member / Proxy**

(Name).....

**NOTE:**

Please sign this attendance slip and hand it over at the verification counter of Meeting Hall.  
\*Applicable for investors holding shares in electronic form.

----- TEAR HEAR -----

**PROXY FORM**  
**DUKE OFFSHORE LIMITED**

403, Urvashi Housing Society Ltd. Off. Sayani Road, Prabhadevi, Mumbai - 400 025.

DP.Id*	
Client Id*	

I/We, \_\_\_\_\_

Of \_\_\_\_\_ being Member / Members of Duke Offshore Ltd., \_\_\_\_\_ of failing him \_\_\_\_\_ of

\_\_\_\_\_ as my / our proxy to vote for me / us and on my /our behalf at the Annual General Meeting of the company to be held on Tuesday 16th August, 2011 at 11 AM. at 403, Urvashi Housing Society Ltd. Off. Sayani Road, Prabhadevi, Mumbai - 400 025.

\*Applicable for investors holding shares in electronic form.

**NOTE:**

1. The proxy form signed across the Rs. 1/- stamp should reach Company's Registered Office at least 48 hours before the schedule time of Meeting.
2. The Form should be signed across the stamp as per specimen signature registered with the Company.
3. A proxy need not be a member.
4. The above Attendance slip should be sent to the Proxy appointed by you and not to the Company.