DOLPHIN OFFSHORE ENTERPRISES (INDIA) LTD.

LIC BUILDING, PLOT NO. 54, SECTOR-11, CBD BELAPUR (E), NAVI MUMBAI-400 614.
TEL.: (BOARD) +91-22-66026602 • FAX : (BOARD) +91-22-66026603
E-mail : customers@dolphinoffshore.com

REF : CORP/SECT/SE
DATE : July 29, 2016

The General Manager
The Corporate Relation Department
Bombay Stock Exchange Limited
PhirozaJeejeebhoy Towers
14TH Floor, Dalal Street
Mumbai 400 023

The National Stock Exchange India Ltd.
Listing Department
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

SUB: Statement on Impact of Audit Qualifications

SYMBOL: 522261
DOLPHINOFF

Dear Sir,

This is with reference to Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), we would like to inform you that we are hereby submitting the Report duly signed by the concerned persons except the Chairman of the Audit Committee as he is not available for signing .

Please note that we will be again filing the same report duly signed by Chairman of the Audit Committee next week.

Kindly take the above on record as duly filed in time and oblige.

Thanking you.

Yours faithfully,

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

V. SURENDRAN
VP (CORP & LEGAL) AND COMPANY SECRETARY

Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - Consolidated

(Rupees in Lacs)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [*See* **Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016**]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications)**	**Adjusted Figures (audited figures after adjusting for qualifications)**
	1.	Turnover / Total income	1,68,77.53	Not Ascertainable
	2.	Total Expenditure	1,27,61.62	
	3.	Net Profit/(Loss)	41,15.91	
	4.	Earnings Per Share (In Rupees)	24.54	
	5.	Total Assets	6,03,18.86	
	6.	Total Liabilities	1,58,88.13	
	7.	Net Worth	4,44,30.73	
	8.	Any other financial item(s) (as felt appropriate by the management)	-	
II. (a)	**Audit Qualification (each audit qualification separately):**			
	a. **Details of Audit Qualification:** The auditors of a Subsidiary Company have, in their audit report, conveyed their inability to assess the recoverability of certain trade receivables amounting to Rs 1,04,44.69 Lacs.			
	b. **Type of Audit Qualification :** Qualified Opinion			
	c. **Frequency of qualification :** Appeared first time in March 31, 2016			
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Impact is not quantified by the auditor.			
	e. **For Audit Qualification where impact is not quantified by the auditor:** **(i) Management's estimation on the impact of audit qualification:** Trade receivables consist of an amount of Rs 87,10.84 Lacs due by EVYA. The Company has commenced arbitration in the London Court of International Arbitration against EVYA to enforce its right and recover the amount due. The Company has already submitted the statement of claim and also applied for an interim award. For trade receivables amounting to Rs 13,65.29 lacs, legal action has been initiated against the parties to recover the outstanding amount. Trade receivables amounting to Rs 3,68.56 lacs are outstanding for less than 6 months as on balance sheet date and expected to be realized in due course. Management is confident of recovering above amounts and no provision is required in the books of account. Accordingly, there is no impact of audit qualification. **(ii) If management is unable to estimate the impact, reasons for the same:** N.A. **(iii) Auditors' Comments on (i) or (ii) above:** Since the matter is under litigation, we are unable to comment on the possible impact, if any, in financial statements of the Company. The Comment of the auditor of a Subsidiary Company also suggests that the impact of the qualification is not ascertainable.			

II. (b)	**Audit Qualification (each audit qualification separately):**
	a. Details of Audit Qualification: The auditors of a Subsidiary Company have conveyed their inability to determine whether any adjustment on account of impairment would be necessary in property plant and equipment amounting to Rs 19,85.77 lacs.
	b. Type of Audit Qualification : Qualified Opinion
	c. Frequency of qualification : Appeared first time in March 31, 2016
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact is not quantified by the auditor.
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:** **(i) Management's estimation on the impact of audit qualification:** Management has deferred the Construction of the vessels in view of the current uncertain market situation. Should the project not continue, the recoverability of the work-in progress is expected to be around Rs 13,23.55 lacs. In the current year, there would be more visibility on the project and management would then take a call on the course of action. However, notwithstanding recoverability of the work-in-progress, Management expects to take call on this during the current year as there would be more visibility on the future of this industry. Accordingly, no impairment loss needs to be recognized and there is no impact of audit qualification. **(ii) If management is unable to estimate the impact, reasons for the same:** N.A. **(iii) Auditors' Comments on (i) or (ii) above:** In the absence of any documentary evidence to determine recoverable value/market value, we are unable to comment on the possible impact, if any, in financial statements of the Company. The Comment of the auditor of a Subsidiary Company also suggests that the impact of the qualification is not ascertainable.
III.	**Signatories:**
	For Dolphin Offshore Enterprises (India) Limited **Satpal Singh** **Managing Director & CEO**
	For Dolphin Offshore Enterprises (India) Limited **Navpreet Singh** **Joint Managing Director & CFO**
	For Dolphin Offshore Enterprises (India) Limited **Sabyasachi Hajara** **Chairman of Audit Committee**
	For Haribhakti & Co. LLP **Chartered Accountants** **ICAI Firm Registration No. 103523W / W100048** **Chetan Desai** **Partner** **Membership No. 17000** **Statutory Auditor**
	Place: Mumbai
	Date: July 28, 2016