



**GOL OFFSHORE**  
Enterprise • Energy • Endurance



A new identity  
to explore new horizons.



**GOL OFFSHORE**

Enterprise • Energy • Endurance

---

**Board of Directors**

---



*Sitting L-R : Shri Prakash Chandra Kapoor, Chairman & Executive Director; Shri Vijay Kumar, Executive Director*  
*Standing L-R : Shri Prabhakar Dalal, Director (EXIM Bank Nominee); Shri Soli Engineer, Director;*  
*Lt. Gen. Deepak Summanwar, Director; Shri Chandan Bhattacharya, Director;*  
*Dr. Ram Nath Sharma, Director; Shri Kaushal Raj Sachar, Deputy Chairman;*  
*Shri Vinesh Davda, Director.*



Dear Fellow Shareholders,

I am pleased to address you as you hold the eighth annual report of the Company in your hands.

The Exploration & Production (E&P) industry continued to face rough weather in the year 2012-13. The industry continues to be in the grip of recession. The charter hire rates have bottomed and the competition is getting fiercer by the day. The growth rate of the economy in general was barely above 5 % in 2012-13. If we remove the growth recorded by the Agriculture sector then the industrial growth looks still abysmal.

In spite of the economic slowdown most of the Company's assets were deployed fruitfully during the year under consideration. This has been made possible only due to the spirit of our Company's capable work force and versatility of our Company's asset base.

During the financial year 2012-13, the Company earned a total revenue of Rs. 102828 lakhs with Profit After Tax of Rs. 6067 lakhs on a standalone basis. The reserves of the Company stood at Rs. 94653 lakhs as at the end of the financial year 2012-13.

The operations of the Company during the year under consideration have been reviewed in detail in the Management Discussion & Analysis Report as well as the Directors' Report which are a part of this Annual Report. However, I will like to share some recent developments in the sphere of operations. Company's Offshore Support Vessel Malaviya Twenty Three has bagged a three year FFSV contract from Oil & Natural Gas Corporation Ltd. (ONGC) with revenue visibility of around Rs. 34 crores. The Engineering Services division of the Company has received from ONGC, a contract for revamping its largest gas processing complex with a revenue visibility of around Rs. 690 crores over a period of next two years plus. This will have a sizable impact on the top line as well as the bottom line of the Company. The Jack Up Drilling Rig 'Somnath', earlier known by its hull no. as V-351, was recently moved to a rig / ship building facility in Qatar for the commissioning activities and finishing touches, due to easy availability of experienced crew and equipment there. We expect it to be complete by end of this calendar year. Upon its completion, Somnath undoubtedly will contribute in material terms to the fortunes of the Company.

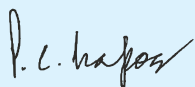
In the current year our focus and endeavor will continue to be directed towards aggressively exploring new business opportunities. We will also continue to scout for opportunities for disposing the old assets, which cannot be gainfully employed, thereby cutting down on the unproductive holding costs of these assets.

For a long time now, the ageing fleet of the Company has been a matter of concern for us. The fleet renovation programme of the Company, being necessarily capital intensive in nature, causes cash flow stress in the system. However, it will start bearing fruits in years to come. We are expecting the delivery of 11 vessels in the next 4 years, within the group. I am sure being discernible stakeholders, you will share the long term perspective of the management while dealing with the strategic issues.

Considering the liquidity situation and cash flow requirements for capital and other expenses, the Directors had to take an unpleasant but unavoidable decision to not recommend dividend on equity shares for the financial year 2012-13. However, I would like to assure you that this is a temporary phenomenon.

I take this opportunity to thank all our stakeholders for their continued support and faith in the Company and the management.

Yours sincerely,



Prakash Chandra Kapoor



**Board of Directors**

Shri Prakash Chandra Kapoor

**Chairman and Executive Director**

Shri Kaushal Raj Sachar

**Deputy Chairman**

Shri Vijay Kumar

**Executive Director**
**Non Executive Directors**

Shri Soli Engineer

Dr. Ram Nath Sharma

Shri Vinesh Davda

Shri Chandan Bhattacharya

Lt. Gen. Deepak Summanwar

Shri Prabhakar Dalal- EXIM Bank Nominee

**Company Secretary &  
Chief Compliance Officer**

Shri Navin Joshi

**Joint Statutory Auditors**

M/s. Varma & Varma, Chartered Accountants and  
M/s. Motilal & Associates, Chartered Accountants

**Internal Auditors**

M/s. Ashok Kapadia & Co., Chartered Accountants

**Registered Office**

Energy House,  
81, Dr. D. N. Road, Mumbai – 400 001  
Tel No: + 91 22 6635 2222  
Fax no. + 91 22 2267 3993  
info@goloffshore.com  
www.goloffshore.com

**Registrar & Share Transfer Agent**

TSR Darashaw Private Limited  
(Unit: GOL Offshore Limited)  
6-10 Haji Moosa Patrawala Industrial Estate,  
20, Dr. E. Moses Road, Mahalaxmi,  
Mumbai – 400 011  
Tel No: (022) 6656 8484  
Fax No: (022) 6656 8494  
csg-unit@tsrdarashaw.com  
www.tsrdarashaw.com

<b>Contents</b>	
Notice	04
Directors' Report	08
Management Discussion & Analysis	15
Corporate Governance Report	19
<b>Standalone Financial Statements</b>	
Independent Auditors' Report	33
Balance Sheet	38
Profit and Loss Statement	39
Cash Flow Statement	40
Notes Forming Part of the Financial Statements	41
<b>Consolidated Financial Statements</b>	
Independent Auditors' Report	64
Balance Sheet	66
Profit and Loss Statement	67
Cash Flow Statement	68
Notes Forming Part of the Financial Statements	69
Details of Subsidiaries	90
Financial Highlights	91
Fleet	92
GOL Offshore's Green Initiatives	
Attendance Slip and Proxy Form	



**NOTICE** is hereby given that the **EIGHTH ANNUAL GENERAL MEETING** of the members of **GOL OFFSHORE LIMITED** will be held at 11.30 a.m. on Wednesday, August 14, 2013 at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Kaala Ghoda, Mumbai-400 001, to transact the following business:

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Accounts together with Directors' Report and the Auditors' Report thereon for the year ended March 31, 2013.
2. To appoint a Director in place of Shri Kaushal Raj Sachar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Chandan Bhattacharya who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**.

**"RESOLVED THAT** pursuant to the provisions of Sections 224 and other applicable provisions, if any, of the Companies Act, 1956 (the Act), Messrs Varma & Varma, Chartered Accountants (Registration No. FRN 004532S) and Messrs Motilal & Associates, Chartered Accountants (Registration No. 106584W), be and are hereby appointed as Joint Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be mutually decided by the Board of Directors / Audit Committee of the Company and the Statutory Auditors."

#### SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**.

**"RESOLVED THAT** in accordance with the provisions of Sections 314(1) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the appointment of Shri Soli Engineer (a non executive director of the Company) as an Advisor in Deep Water Services (India) Limited (DWSIL), a Wholly Owned Subsidiary of the company, w.e.f. 1<sup>st</sup> October, 2012 for such period(s) and on such terms & conditions (including the remuneration) as may be mutually agreed by and between the Board of Directors of the Company / DWSIL and Shri Soli Engineer so however that the amount of remuneration paid / payable to Shri Soli Engineer shall not exceed ₹ 20.00 lakhs per month and that the remuneration received need not be paid over to DWSIL or to the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby severally, authorized for and on behalf of the Company to do and execute all acts, matters, things, agreement(s), documents etc. and generally to take all steps which are necessary, incidental or ancillary in connection with effectuating the authority granted hereunder."

#### Registered Office

Energy House,  
81, Dr. D. N. Road,  
Mumbai – 400 001

By Order of the Board of Directors  
For **GOL OFFSHORE LIMITED**

**Navin Joshi**

Company Secretary &  
Chief Compliance Officer

May 23, 2013

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote instead of him / herself and the proxy need not be a member of the Company. To be effective, the instrument appointing proxy should be deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.**
2. The Explanatory statement pursuant to Section 173(2) of the Companies Act 1956, relating to the Special Business to be transacted at the Meeting, is annexed hereto.
3. Equity shares of the Company are compulsorily tradable in dematerialized form. Considering the advantages of scripless / dematerialized trading, shareholders are advised to get their shares dematerialized so as to avoid inconvenience in future.
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 2, 2013 to August 14, 2013 (both days inclusive) in connection with the ensuing Annual General Meeting.
5. Members holding shares in electronic / dematerialized form are requested to notify any change in their address / bank mandate to their respective Depository Participants (DPs). Members holding shares in physical form should inform any change in the address to the Registrars & Share Transfer Agents of the Company, TSR Darashaw Private Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011.
6. Shareholders are requested to note that, pursuant to the provisions of section 205C of the Companies Act, 1956, dividends, which are not encashed and remain unclaimed for seven years from the date they became first due for payment, will be transferred to the Investors Education & Protection Fund (IEPF) established by the Central Government. No claim in respect of such dividends shall lie against the Company or IEPF after transfer of the said dividend amount to IEPF. Considering this, Members are requested to Contact Company or Share Transfer Agents to encash their unclaimed dividend of the past years.
7. All the documents referred to in the Notice and Explanatory Statement are open for inspection by the members of the Company at the Registered Office of the Company between 11.00 a.m. to 2.00 p.m. on any working day, until the date of the ensuing Annual General Meeting or any adjournment or adjournments thereof.
8. Members / Proxies are requested to bring duly filled attendance slip to the venue of the Annual General Meeting.
9. **Particulars of Directors seeking appointment / re-appointment:** Pursuant to Clause 49 of the Listing Agreement, relevant details of Shri Kaushal Raj Sachar and Shri Chandan Bhattacharya, who retire by rotation at the ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment, are given below.

### 9.1 Shri Kaushal Raj Sachar

Shri Kaushal Raj Sachar (73 Years) holds a Marine Engineering Certificate from the Directorate of Marine Engineering Training (DMET) with president's Gold medal. Shri Sachar also holds first class certificate (Motor and Steam) from the Ministry of Surface Transport, (MOT), Government of India.

Shri Sachar has had an illustrious carrier spanning five decades, replete with rich experience in shipping and offshore field. Shri Sachar had a long stint of 34 years with The Shipping Corporation of India (SCI), wherein he handled various critical responsibilities. Shri Sachar has also held various positions like that of Far East Representative of SCI, Managing Director of Irano-Hind Shipping Company, Tehran,

Director (Coastal Passenger Ships & Offshore Marine Services) of SCI, Director (Technical & Offshore Services) of SCI, Managing Director of New Seltzer Diesel India Limited and Executive Director of Wartsila India Limited heading Wartsila's Marine Business in India.

Shri Sachar, was an Advisor to HAL Offshore Ltd. and IFTEX Oil & Chemicals Ltd., manufacturers and suppliers of the Fuel additives. He is on board of Yeoman Marine Pvt. Ltd. and Advisor and consultant on Shipping to the SUN GROUP, Russia. He is the Proprietor of KUHEN & Co.-Management consultants.

Shri Sachar is a fellow member of Institute of Marine Engineers, India as well as London. During his long association with these Institutes, Shri Sachar has held many prestigious positions including as a Member of Executive Committee, World Maritime Technology Congress, Chairman of International Maritime Conference (INMARCO 2006) and Chairman of World Maritime Technology Conference (WMTC 2009), to name a few.

**Directorships in other public companies (excluding foreign, private and section 25 companies):**

GOL Ship Repairs Limited.

**Memberships / Chairmanship of committees of other public companies: Nil**

**Number of Shares held in the Company: Nil**

**9.2 Shri Chandan Bhattacharya**

Shri Chandan Bhattacharya (68 Years) did his graduation in Bachelor of Arts (Hons.) from Calcutta University. He had an uninterrupted career spanning 37 years with State Bank of India where he worked in various capacities gaining exposure and experience in diverse matters relating to banking operations - commercial and retail, capital markets, merchant banking, mutual funds and factoring apart from the insurance business and gilts and securities market. He was involved on the operations forefront with regard to banking, trade and commerce. He has held several distinguished positions and served as Director on various Boards during his long tenure with State Bank of India. He retired as Managing Director of State Bank of India after which, he was member of Securities Appellate Tribunal till January 2007. He served as Advisor of Societe Generale Bank in India for 2 years.

**Directorships in other public companies (excluding foreign, private and section 25 companies):**

- i) JSW Energy Limited
- ii) JSW Power Trading Company Limited
- iii) Liberty Videocon General Insurance Company Ltd.

**Memberships / Chairmanship of committees of other public companies:**

Sr No	Name of the Committee	Name of the Company	Chairman / Member
1	Audit Committee	JSW Energy Limited	Chairman
2	Shareholders & Investors Grievance Committee	JSW Energy Limited	Chairman

**Number of Shares held in the Company: Nil**

None of the above Directors are inter-se related to each other.



**Explanatory Statement as required under Section 173 (2) of the Companies Act, 1956 ("the Act")****Item No. 5**

Shri Soli Engineer (64 Years) has more than four decades of experience in the shipping and offshore sectors.

Shri Soli Engineer is a graduate from the Marine Engineering College, Kolkata and has been active in the Maritime Industry since 1966.

Shri Soli Engineer joined The Great Eastern Shipping Company Limited in 1970 and served in various capacities in sailing, offshore and onshore and has been associated with offshore oil field services since the conceptualization of the business in 1978.

His ability to take on challenging jobs backed by sound fundamental knowledge of building and operating marine assets, made him the logical choice for the role of President of GOL Offshore Limited (Formerly known as Great Offshore Limited) in 2006. In 2009, he was appointed as Executive Director of GOL Offshore Limited. Shri Soli Engineer has ceased to be the Executive Director of the Company with effect from March 30, 2012 but continues to be a Non-Executive Director.

The benefits of the expertise and experience of Shri Soli Engineer in the field of Offshore Services can not be overstated. Considering this, the Board of Directors of Deep Water Services (India) Limited, a wholly owned subsidiary of the Company, has appointed Shri Soli Engineer as an Advisor w.e.f. October 1, 2012. Currently Shri Soli Engineer is paid a remuneration of ₹ 10.00 lakhs per month for the advisory services rendered by him.

Since Shri Soli Engineer is a Director of the Company, his appointment and payment of remuneration to him, as an Advisor in Deep Water Services (India) Limited, a wholly owned subsidiary of the Company, is required to be approved by a Special Resolution of members of the Company, pursuant to the provisions of section 314(1) of the Companies Act, 1956.

The Board of directors recommend the special resolution for the approval of members.

None of the Directors of the Company, except Shri Soli Engineer, is concerned or interested in passing of the Resolution at item no. 5 of the Notice.

**Registered Office**

Energy House,  
81, Dr. D. N. Road,  
Mumbai – 400 001

By Order of the Board of Directors  
For **GOL OFFSHORE LIMITED**

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

May 23, 2013

To,

The Members,

Your Directors are pleased to present the Eighth Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2013.

## FINANCIAL RESULTS

₹ in Lakhs

Particulars	Year 2012-13	Year 2011-12
Total Revenue	1,02,828	89,445
Total Expenses	92,083	77,819
Profit before tax	10,745	11,626
(Less) / Add: Tax Expenses		
i. Current tax	3,768	2,400
ii. Deferred tax	830	1,860
iii. Prior year tax	80	(68)
Profit after tax	6,067	7,434
Less: Transfer to Tonnage Tax Reserve	500	500
Add: Surplus brought forward from previous year	34,895	29,929
Amount available for appropriation	40,462	36,863
<b>Appropriations:</b>		
i. Transfer to General Reserve	500	1,000
ii. Proposed Dividend on Equity Shares	-	931
iii. Corporate Dividend Tax	-	37
Balance Carried Forward	39,962	34,895
Total	40,462	36,863

## FINANCIAL HIGHLIGHTS

During the financial year 2012-13, the Company, on a standalone basis, recorded a total income of ₹1,02,828 lakhs (Previous Year ₹ 89,445 lakhs), and earned a PBIDT of ₹ 49,563 lakhs as compared to PBIDT of ₹ 46,498 lakhs during the previous year.

## OPERATIONS

The problems plaguing the Offshore industry continued to hold sway during the year under consideration. The uncertainty of oil prices and competition posed by newer vessels entering the market every day were major source of concern. However, the management focus on the renovation and upgradation of its existing fleet ensured that all the vessels of the Company remain in top sea worthy condition and could withstand the competition from the newer vessels.

Malaviya Ten, the Anchor Handling Tug Supply Vessel (AHTSV) of the Company, received a three year contract from ONGC in August 2012 for anchor handling, towing and supply duties on the East Coast of India.

Malaviya Sixteen, the Platform Supply Vessel (PSV) of the Company, received a three year contract from Vision Projects Technologies Pvt. Ltd. in January 2013 for supply duties on the East Coast of India for the end client ONGC.

Malaviya Twenty Four, the Anchor Handling Tug Supply Vessel (AHTSV) of the Company, received a three year contract from ONGC in June 2012 for anchor handling, towing and supply duties on the West Coast of India.

Malaviya Twenty One, the Anchor Handling Tug Supply Vessel (AHTSV) of the Company, was hired in December 2012 by Cakara Martime Malaysia for a three year lucrative contract for the end client Carigali Hess. This entailed anchor handling, towing and supply duties in the waters of Malaysia and Thailand. This is the second major foray of the Company in international waters, after the Petrobras venture reported last year.

Malaviya Nine was hired in July 2012 for a four year contract by Petrobras, Brazil. The Company will continue to explore such overseas opportunities with serious intent in the current year too.

Malaviya Twenty Five and Malaviya Twenty Seven, the Fire Fighting Supply Vessels (FFSVs) of the Company, continue to be employed for DRDO operations by Eastern Naval Command, Visakhapatnam, through SCI for one year contract each, expiring in March / April 2014. These contracts are renewable for further periods with mutual consent.

Malaviya Thirty Six, the Multi Support Vessel (MSV) continues on its six year contract with ONGC on the West Coast of India. The contract expires in October 2013.

Malaviya Nineteen, the Platform Supply Vessel (PSV) of the Company was sold during the year under consideration at a profit, upon receipt of a one off attractive sale offer.

Three residential properties belonging to the Company were sold during the year under consideration to bridge temporary mismatch in the cash flows.

Kedarnath, the Jack Up Drilling Rig of the Company, continues on its five year ONGC contract, expiring in November 2015, for drilling on West Coast of India.

Badrinath, the other floater Drilling Rig of the Company, after the upgradation in the year 2011-12, was hired by Deep Water Services (India) Ltd., the wholly owned subsidiary of the Company, for a three year contract with ONGC for drilling on the West Coast of India. The contract expires in April 2015.

Somnath (also known by its hull no. as V-351), a Jack up Drilling Rig, was ordered by the Company from Bharati Shipyard Limited. During the year under consideration, it was decided to acquire the Rig in GOL Offshore Fujairah LLC – FZE, the wholly owned subsidiary, to facilitate international financing, marketing and crewing.

During the year under consideration, two of the vessels of the Company, Gal Ross Sea and Malaviya 21, were hired by GOL Salvage Services Limited, the wholly owned subsidiary company, in two prestigious rescue operations i.e. high sea rescue operation of 'M. V. Socol 6', a cargo vessel carrying Class 1 IMO (explosives) project cargo and M T Pratibha Cauvery, an oil tanker which had run aground on the Chennai beach, respectively. The operations were completed successfully.

### CHANGE OF NAME

Pursuant to the resolution passed by the Shareholders of the Company at the 7<sup>th</sup> Annual General Meeting held on September 24, 2012 and after obtaining necessary approval from the Central Government, the name of the Company has been changed from GREAT OFFSHORE LIMITED to GOL OFFSHORE LIMITED with effect from November 20, 2012.

### ALLOTMENT OF 8,100 EQUITY SHARES, EARLIER KEPT IN ABEYANCE.

Pursuant to the order of the Special Court (trial of offences relating to transactions in securities) Act, 1992, the Company has allotted 8,100 Equity shares of ₹10/- each to The Peerless General Finance & Investment Company Limited. These shares, which were issued as right shares, were earlier kept in abeyance, since the original shares against which these right shares are issued, were returned under objection as the transferor was a notified person under the Special Court (trial of offences relating to transactions in securities) Act, 1992.

Prior to the allotment of the said 8,100 equity shares the paid up equity share capital of the Company was 3,72,31,961 Equity shares of ₹ 10/- aggregating to ₹ 37,23,11,738/- (Excluding calls in Arrears). Consequent upon the allotment of the said 8,100 Equity shares the paid up equity share capital of the Company now stands at 3,72,40,061 Equity shares of ₹10/- each aggregating to ₹ 37,23,92,738/- (Excluding calls in Arrears).

## APPROPRIATIONS

Your Company has transferred ₹ 500 Lakhs (Previous Year: ₹ 1,000 Lakhs) to the General Reserve during the year under review. An amount of ₹39,962 Lakhs (Previous Year: ₹ 34,895 Lakhs) is proposed to be retained in the Profit and Loss Statement. An amount of ₹ 500 Lakhs (Previous Year ₹ 500 Lakhs) was transferred to the Tonnage Tax Reserve pursuant to the provisions of section 115VT of the Income Tax Act, 1961.

## DIVIDEND

Considering the liquidity position and the necessity to match current cash inflows with foreseeable outflows in the immediate future, your Directors have decided not to recommend any dividend on the equity shares for the year ended March 31, 2013.

## CORPORATE GOVERNANCE REPORT

Your Company believes in following good corporate practices. Transparency, integrity, fairness of dealings and accountability are the four corners of Corporate Governance which we sincerely endeavour to stay within.

A detailed report on Corporate Governance, as stipulated in clause 49 of the Listing Agreement forms part of this Annual Report. The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report.

## MANAGEMENT DISCUSSION AND ANALYSIS

As required under clause 49 of the Listing Agreement, Management Discussion and Analysis Report forms part of this Annual Report.

## PERFORMANCE OF SUBSIDIARY COMPANIES

The Ministry of Corporate Affairs vide its circular no. 2/2011 dated February 8, 2011, has granted general exemption to the companies with regard to attaching the Annual Accounts i.e. Balance Sheet, Profit and Loss Statement and other related documents of subsidiary companies with the balance sheet of holding Companies, as required under section 212 of the Companies Act 1956 (the Act). Accordingly, the said documents of the subsidiaries are not attached to the balance sheet of the Company in this annual report. These documents of the subsidiaries will be made available to any member upon request and will be open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements of the Company include the financial results and necessary details of all its subsidiary companies including a statement containing the list of all subsidiaries with their financials in brief.

The highlights of the performance of major subsidiaries are given below.

### DOMESTIC SUBSIDIARIES

#### Deep Water Services (India) Limited

During the the beginning of the financial Year 2012-13, Rig Badrinath has been deployed on west coast of India and has been operating at its third designated location in accordance with the new three year contract with Oil and Natural Gas Corporation Ltd. (ONGC). During the year under consideration, Badrinath has drilled two challenging deep exploratory wells to the satisfaction of ONGC.

During the year under consideration, Oil Industry Safety Directory (OISD) carried out an audit of the Rig during operations to check on the Health, Safety & Environment standards (HSE), operating parameters, operating procedures and found them to be in line with the standards laid down in this regard.

During the financial year 2012-13, Deep Water Services (India) Ltd. earned a total income of ₹ 13,260.55 lakhs (previous year: ₹ 4,449.04 lakhs) with profit after tax of ₹ 260.09 lakhs (previous year: Profit ₹ 1,040.85 lakhs).

### **KEI-RSOS Maritime Limited**

During the financial year 2012-13, KEI-RSOS Maritime Ltd. (KEI-RSOS) supplied vessels for Towing Jobs, Survey support, Diving support, Offshore platform Blasting & Painting support, Offshore erection and commissioning support etc. In addition to servicing the existing contracts, the Company has also added five new customers to its esteemed clientele.

During the year under consideration, KEI-RSOS commenced overseas operations by entering into a new contract for the supply of an OSV to M/s. HBK Power Cleaning W.L.L., Qatar. This is a three year contract for Qatar Petroleum Oil Field.

During the financial year 2012-13, KEI-RSOS provided the marine spread to M/s. Hal Offshore Limited, Mumbai for a period of four months for their offshore erection and commissioning jobs at Cairn offshore field. The Company was also re-awarded the contract by M/s. Cairn India Limited for Single Point Mooring (SPM) operations at Ravva Oil Field.

KEI-RSOS is planning for the acquisition of assets in the coming year for upcoming contracts on the East and West coast of India and also for entering into Joint Ventures to expand overseas operations.

During the financial year 2012-13, KEI-RSOS earned a total revenue of ₹ 6,513.15 lakhs (previous year: ₹5,441.91 lakhs) and incurred a net loss of ₹ 831.99 lakhs (previous year: net loss ₹ 2,968.73 lakhs). The loss was mainly on account of financial and administrative costs. However, during the year under consideration, for the first time, KEI-RSOS posted operating profit of ₹ 518.69 Lakhs.

### **GOL Salvage Services Limited (formerly known as Great Offshore Salvage Services Limited)**

Pursuant to the resolution passed by the Shareholders of the Company at the Annual General Meeting held on September 22, 2012 and after obtaining necessary approval from the central Government, the name of the Company has been changed from GREAT OFFSHORE SALVAGE SERVICES LIMITED to GOL SALVAGE SERVICES LIMITED with effect from November 05, 2012.

During the financial year 2012-13, GOL Salvage Services Ltd. (GOL Salvage) successfully undertook two Salvage operations. The first was in July, 2012 when the company was contracted to mobilize its Emergency Towing vessel Gal Ross Sea, to carry out high sea Rescue operation of 'M. V. Socol 6', a cargo vessel carrying Class 1 IMO (explosives) project cargo and 21 seafarers on board, while the vessel had lost her propulsion off Marmugao port. GOL Salvage successfully towed the vessel in the face of rough seas and prevented a Maritime Disaster.

The second operation which was in October, 2012 was for Refloating of M T Pratibha Cauvery, an oil tanker which had run aground on the Chennai beach under the impact of strong winds and swell created by cyclone Neelam. With the innovative technical methodology combined with precision, M T Pratibha Cauvery was successfully refloated using Malaviya Twenty One, on 12th November 2012.

During the financial year 2012-13, GOL Salvage earned a total revenue of ₹ 1,060.00 lakhs (previous year: ₹326.21 lakhs) and earned a profit after tax of ₹ 99.79 lakhs (previous year: net loss ₹ 170.92 lakhs).

### **GOL Ship Repairs Limited (formerly known as Great Offshore Ship Repairs Limited)**

Pursuant to the resolution passed by the Shareholders of the Company at the Annual General Meeting held on September 21, 2012 and after obtaining necessary approval from the central Government, the name of the Company has been changed from GREAT OFFSHORE SHIP REPAIRS LIMITED to GOL SHIP REPAIRS LIMITED with effect from October 18, 2012.

During the financial year 2012-13, GOL Ship Repairs Limited (GOL Ship Repairs) carried out 29 repairs jobs and 3 Dry Docking jobs.



The Jobs undertaken include Digitalization of Control panel of Ballast System, Extension of Bilge & Ballast system, Inspection & overhauling of sea chest valves & ballast system valves, steel Renewals (70 Ton) and fabrications, new piping (800 meters), K Tek Pipe line (450 meters), Motor overhauls, engine overhauls, Schottel overhaul, shafting and other mechanical repairs. A total of six emergencies were attended successfully without any of the attended vessels going off-hire.

During the financial year 2012-13, GOL Ship Repairs earned a total revenue of ₹579.06 lakhs (previous year: ₹ 811.81 Lakhs) and earned a profit after tax of ₹ 4.40 lakhs (previous year: Profit ₹ 102.76 Lakhs).

### FOREIGN DIRECT SUBSIDIARIES

#### Great Offshore (International) Limited

During the financial year 2012-13, Great Offshore (International) Limited earned a profit of USD 14,068,149 as against the loss of USD 1,549,485 of the previous year.

#### GOL Offshore Fujairah LLC – FZE (formerly known as Great Offshore Fujairah LLC – FZC)

During the year under consideration, the name of the Company was changed from GREAT OFFSHORE FUJAIRAH L.L.C. - FZC to GOL OFFSHORE FUJAIRAH L.L.C. – FZE.

During the financial year 2012-13 GOL Offshore Fujairah incurred a loss of USD 2,00,791 as against loss of USD 14,305 of previous year. The Company has not commenced operations during the year under consideration. The loss is mainly on account of office rental charges.

#### Deep Water Services (International) Limited

During the financial year 2012-13 your Company has incorporated a wholly owned subsidiary named Deep Water Services (International) Limited (DWSIL), in Cayman Islands.

During the year under consideration, DWISL has not commenced any operations.

### CONSOLIDATED FINANCIAL STATEMENTS

In compliance of the provisions of Accounting Standards 21, 23 and 27 and pursuant to the relevant provisions of the Listing Agreement, your Directors have presented the Consolidated Financial Statements for the financial year 2012-13 which form part of this Annual Report.

Consolidated income from operations during the financial year 2012-13 was ₹ 99,265 lakhs as compared to ₹ 88,281 lakhs in the previous year. Consolidated loss was ₹ 2,607 lakhs (previous year Loss ₹ 3,728 lakhs)

### FIXED DEPOSITS

During the year under review the Company has not accepted any deposits from Public.

### DIRECTORS

Shri Kaushal Raj Sachar and Shri Chandan Bhattacharya retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Shri Prabhakar Dalal, a Nominee of Export-Import Bank of India was appointed as the Director of the Company with effect from August 07, 2012. Mr. Prabhakar Dalal is not liable to retire by rotation.

### DIRECTORS' RESPONSIBILITY STATEMENT

In compliance of section 217(2AA), your Directors confirm that:-

- (a) In preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed and there is no material departure from the same.

- (b) The Directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the company for the said year.
- (c) The Directors have taken proper and sufficient care for 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.
- (d) The Directors have prepared the annual accounts on a going concern basis.

## STATUTORY INFORMATION

### 1. Particulars of Employees

Pursuant to the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, particulars of employees are required to be provided as an annexure to the Directors' Report. However, having regard to the provisions of section 219(1) (b) (iv) of the Companies Act, 1956, the Annual Report, excluding the aforesaid particulars, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining these particulars will be provided with the same upon receipt of a written request delivered at the Registered Office of the Company.

### 2. Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

Information regarding conservation of energy and technology absorption is not required to be furnished as the Offshore Oilfield services industry is not covered by the schedule to the said Rules.

The details of Foreign Exchange Earnings and Outgo are as under:

Particulars	FY 2012-13 (₹ In Lakhs)	FY 2011-12 (₹ In Lakhs)
Foreign Exchange earned (on account of freight, charter hire earnings).	74,061	79,775
Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of vessels, and interest payment.	24,719	46,774

## AUDITOR'S REPORT

The Auditors have qualified their report on the annual accounts of the Company for the year ended March 31, 2013 stating that the depletion in the value of investment and loans & advances made / given by the Company to its wholly owned subsidiary KEI-RSOS Maritime Limited, is not provided for in the financial statements. In this connection the Board of Directors would like to state that the said investment is strategic and long term in nature. The management is confident of turning around KEI-RSOS Maritime Limited and as such, in the opinion of the management, no provision is considered necessary for depletion, if any, in the value of investments and loans & advances made / granted by the Company in / to KEI-RSOS Maritime Limited. KEI-RSOS has, for the first time, posted an operating profit of ₹ 518.69 lakhs during the year under consideration which gives credence to the judgement of the management in this regard.

The Auditors have also made an observation in their auditor's report regarding the going concern concept in the section on emphasis of the matter. Note no.37 to the accounts, in this regard, is self-explanatory and does not require any further clarification.

## AUDITORS

Messrs Varma & Varma, Chartered Accountants (Registration No. FRN 004532S) and Messrs Motilal & Associates, Chartered Accountants (Registration No. 106584W), Joint Statutory Auditors of the Company retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility under section 224(1B) and 226 of the Companies Act, 1956, for re-appointment as Joint Statutory Auditors vide their letters dated 15<sup>th</sup> May 2013 and 10<sup>th</sup> May 2013, respectively.

## AUDIT COMMITTEE

An Audit Committee of the Board has been constituted in terms of the relevant provisions of the Listing Agreement and Section 292A of the Companies Act, 1956. Constitution and other details of the Audit Committee are given in Report on Corporate Governance which is a part of this Annual Report.

## RISK MANAGEMENT

Your Company recognizes the importance of risk analysis as a key managerial tool in risk management. The Company has in place an Enterprise Risk Management framework, commensurate with the size of its operations. This includes a well documented Enterprise Risk Management Policy and procedures for assessing risks. The risk identification and assessment process is comprehensive, dynamic and pro-active. As per the policy, the functional heads prepare a quarterly report giving the risks perceived in their functions and the response plan to deal with and mitigate the risks. The report, post audit and verification, is presented to the Board of Directors.

## ACKNOWLEDGEMENTS

Your Directors acknowledge and place on record their sincere appreciation towards the guidance and continued support received from the Government of India and its various agencies, including Ministry of Petroleum and Natural Gas, Ministry of Shipping, Directorate General of Shipping, Mercantile Marine Department, Directorate General of Hydrocarbons, Directorate General of Civil Aviation, Port Trusts and Port authorities, Indian Navy, International Salvage Union, Ministry of Finance, Reserve Bank of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Registrar of Companies, the Stock Exchanges and the Depositories.

Your Directors also recognize and appreciate the efforts and hard work put in by all the employees and value the continued support received from all stakeholders and counterparties, charterers, shareholders, business associates and partners, consultants and advisors, agents, insurance companies and protection and indemnity clubs, surveyors, lawyers and solicitors, banks and financial institutions.

### Registered Office

Energy House,  
81, Dr. D. N. Road,  
Mumbai – 400 001

For and on behalf of the Board of Directors

**Kaushal Raj Sachar**  
Deputy Chairman

**Vijay Kumar**  
Executive Director

**Chandan Bhattacharya**  
Director

**Vinesh Davda**  
Director

May 23, 2013

## INDUSTRY OVERVIEW:

### Global Scenario

The demand for oil and oil products is projected to increase though the focus will be different regionally.

In the foreseeable future no slackening is expected. It is not long before the exploration and production activities would have to be intensified to meet the increasing demand. Crude Prices have been hovering in the range of US\$ 100-120 a barrel during the last year, and expectations are that these prices would remain stable.

### Indian Scenario

The demand for oil in India is increasing and to meet it Exploration and Production activities need to be sustained and increased so that the reliance on imports is decreased. In fact the domestic Oil companies are increasingly going abroad by bidding for drilling in so far uncharted waters. Further, in order that the oil companies do not heavily depend upon the political expediencies of subsidies, increase in diesel prices in small quanta every month is set to achieve the objective of substantially, if not totally, remove the subsidy on petroleum products.

The Ministry of Petroleum and Natural Gas, Government of India, in a paper titled Vision 2025 has come out with medium and long term objectives for the hydrocarbon sector which are summarized below:

- To assure *energy* security by achieving self-reliance through increased indigenous production and investment in equity oil abroad.
- To enhance *quality* of life by progressively improving product standards to ensure a cleaner and greener India.
- To develop hydrocarbon sector as a globally competitive industry which could be benchmarked against the best in the world through technology upgradation and capacity building in all facets of the industry.

One can safely assume that the vision of the Government bodes well for the industry as the Government is firm on exploring the hitherto unexplored sectors and fully explore and exploit the partially explored sectors. Without going into detailed statistical details, it is not farfetched to say that the next 10 years for the companies in this sector are productive provided full use of the opportunities available is made.

## BUSINESS OVERVIEW:

Your company continues to be regarded and accepted as one of the premier companies in the offshore services sector, both domestically and internationally, with its diversified range of vessels and activities in international and domestic markets. The segments that the company operates in are:

- Offshore Drilling
- Offshore Marine logistics & Port Terminal Services
- Engineering and Marine Constructions
- Inspection, Maintenance and Repairs
- Salvage Operations

### STRENGTHS:

Company's versatile and diversified fleet of vessels is its major strength. The fleet includes 2 Drilling Rigs, 24 Offshore Support Vessels, 12 Harbour Tugs, 2 Construction & Accommodation Barges, 1 Floating Dry Dock and 1 Heavy Load Carrier. The Company is in the process of phasing out the older vessels and replacing them with modern ones. This is a program which is ongoing and it is expected that within a period of 5-7 years the company will have a relatively young and modern fleet.

Our work force is also our great strength. Our well trained and qualified employees are ready to take care of all the jobs and eventualities at all times.

### WEAKNESSES:

Ageing fleet is one of the issues. As the vessels age they require a lot of dry docking and repairs and modifications to suit the charterers' specific requirements. This adds to the cost of operations. The marketability of the older vessels also is limited as compared to newer vessels. The issue is being addressed by the Company. There are several vessels on order which are expected to be delivered from 2014 end onwards. With this the company

hopes to catch the tapering phase of the peak market.

Another area of concern that needs to be addressed is current high Debt/Equity Ratio and also, the challenges which company is facing with current cash flow situation.

#### OPPORTUNITIES:

The Rig market is picking up with Charter rates for newer Jackups expected to be in the region of \$180k per day for the year 2014 up from \$ 160k ( Source: Pareto Rig Quarterly). Also, as stated earlier, the demand for oil is expected only to rise in future. The Government is also committed to fully develop the hydrocarbon sector which is expected to give impetus to the exploration and production activities.

The demand of high end vessels viz higher bollard pull (200T & above) anchor handlers, higher deadweight (5000T & above) Platform Support Vessels is going to increase. Vessels with capability of ROV operations and other Sub-Sea operation vessels are expected to be in demand.

The Jack up drilling rig Somnath (known as V-351 by its hull no.), ordered by the Company is expected to be completed in the current year. In the light of the fact that the demand for new Rigs is on the rise, the Company will be in a happy space once the Rig is completed.

#### THREATS:

Earnings volatility in the spot charter market, where the rates are the function of the demand supply dynamics, is an issue. This, however, is off set in case of the Company by long term contracts in the drilling market as well as in offshore services.

Competition in the segment is on the rise and over a period of time, it would be the skills and efficiency that would count. The company is well geared to take care of this. We are exploring international markets, in addition to the Indian markets, and have been successful.

Foreign Exchange Risk is faced by Indian companies as a result of globalization. As your Company's substantial earnings are in US Dollars, it provides a natural hedge against the foreign exchange risk. The Company also has treasury policies in place to protect against the volatilities of exchange rates.

Your Company operates in a challenging environment and while traversing across high seas, its assets are prone to the risk of inclement weather. Your Company endeavors to keep the incidents and accidents at bay by extensive training of employees and keeping the fleet in top sea worthy condition. The Company also ensures that there is adequate insurance cover for its vessels against the eventualities of accidents. It is heartening to note that the Company did not face any major incident or accident in the financial year 2012-13.

#### OPERATIONS:

##### Drilling

Your Company owns two drilling units. Kedarnath, the jack up drilling rig and Badrinath a floater drilling rig. Kedarnath continued with its 5 year charter with ONGC. Up till now, the Rig has drilled four wells namely C-39-U, MBSO51NBA-A, B-157-NE-A and GK - 42 - F. Badrinath, post its dry dock and refurbishment, commenced its 3 year charter with ONGC in April 2012. The Rig, since then, has drilled two wells namely D-11-2 and B - 43 - 4. The uptime of Kedarnath, during the year under consideration, was nearly 100% while that of Badrinath was 95%. The utilization of the Rigs was 100% and 92%, respectively. The Loss Time Incident (LTI) frequency rate for the Rigs during the calendar year 2012 was down to 1.68 as compared to 4.35 in the calendar year 2011. During the financial year 2012-13 Kedarnath operated without a single LTI, while there was only one LTI in case of Badrinath during that period.

##### Engineering Services

The SBHT Remedial measures project for 42 South Bassein Hazira Trunk line at Umbhrat, Hazira has been completed. Also Replacement of PLEM and associated work for anchor chain replacement project for M/s Coromandel International has also been successfully completed. This project was completed in record 25 days, off Ennore Port (Chennai). We have also received the contract for provision of marine spread required for topside work including installation of E-House in OGIP project of ONGC. Your company is also at advanced stage of receiving contract from M/s Engineers India Ltd (EIL) for Gasket Replacement Project for SPM of M/s Mangalore Refinery and Petrochemical Ltd at Mangalore.

Projects like Replacement of PLEM and Gasket replacement have opened new frontier of business for



underwater (subsea) services. Your company has added new Clients like M/s Coromandel International to its list of satisfied clientele and will possibly be adding in the current year other esteemed clients like Engineers India Ltd and Mangalore Refinery and Petrochemical Ltd.

In India, increased exploration and production is being carried out in shallow waters. In coming 2 -3 years, there are major requirement for refurbishment and upgradation of existing well head platforms, process and production platforms and diverse subsea work including replacement of existing pipeline and its related topside modification. ONGC floats global tenders for lump sum turnkey (LSTK) jobs under Engineering Procurement Installation Commissioning (EPIC) contracts. The assignment involves design and engineering, precision fabrication, installation and commissioning on offshore platforms.

Your company is participating in large value bid in Consortium with internationally renowned organizations to expand business in this niche area. Your Company undertakes lump sum turnkey contracts with the scope of work including pre-engineering survey, detailed design & engineering, procurement, onshore fabrication, transportation and offshore installation. This is expected to be a growth area with high potential.

### **Inspection, Maintenance and Repairs (IMR)**

The Inspection, Maintenance and Repairs department operates marine construction vessels, anchor handlers, towing and supply vessels, Fire fighting and safety vessels and multi support vessels. Multi support vessel Malaviya Thirty six is on a charter with ONGC's Inspection, maintenance and repair department. This vessel, apart from its routine duties such as safety, pollution, firefighting, and rescue, also carries out saturation and air diving duties for under water maintenance of E & P units in Bombay high fields. Other vessels of this fleet are mainly accommodation barges with passenger carrying capacity of up to 275 persons. These are involved in marine construction projects of various companies of repute such as NPCC, British Gas, Leighton Welspun, L & T etc. These vessels are equipped with heavy lift cranes to cater to project requirements to lift heavy items such as E-houses etc. Anchor handling towing and support vessels of this team carries out support duties to marine construction assets of the department and E & P units in Indian oil fields. These vessels were also involved in salvage operations during monsoon. IMR team vessels also have two Fire Fighting and safety vessels Malaviya Twenty Five and Malaviya Twenty Seven which are presently chartered with SCI on long term basis.

### **Fleet Management Department (FMD):-**

The Fleet Management Department operates Anchor Handlers of capacity ranging from 80 T Bollard Pull to 160 T Bollard Pull, Platform Supply Vessels of sizes 3300 DWT & 4500 DWT & Harbor Tugs.

The Deep Sea Anchor Handlers (150-160 T) are currently working for ONGC India and PETROBRAS Brazil on long term contracts. One 120 T Anchor Handler is on a long term contract with PETRONAS Carigali in Malaysia. 80 T Anchor Handlers are hired by ONGC and are mainly being used for Rig Moves and cargo supply duties.

The Platform Supply Vessels are operated in North Sea, Brazil & India. They are the workhorses when it comes to bulk of material supply required for Offshore Fields.

The Harbor Tugs are operated for vessel berthing / un-berthing by major ports in India like Pipavav, Muldwarka, Gangavaram, Kattupalli, Haldia & Karwar.

The main activity of FMD involves operating/managing the assets efficiently to the satisfaction of clients, achieve maximum utilization of the assets by having minimum downtime & compliance / implementation of Flag State / IMO statutory requirements.

### **Business Development & Marketing (BDM)**

The activities of the business development and marketing department include securing the employment of assets of the Company so as to generate optimum revenue and exploring new employment opportunities in the maritime industry. The business development and marketing function has been able to secure long term engagements for the vessels of the Company even during tough times.

During the financial year 2012-13, the commendable average utilization (75%) of the vessels of the Company can be attributed to the combined efforts of IMR, FMD, and BDM & Operations.

### **Training**

During the year under review, the Training Department of your company continued to provide Quality Training - both Simulator Based and Non-Simulator based, to Fleet Personnel. A total of 57 persons were



trained on your Company's Simulators for various facets of ship handling and other advanced activities such as Anchor Handling and Towing. In-House Value Addition Training was also conducted for 104 personnel and 64 personnel were sent to various institutes for specialized training in fields such as Electronics, Pneumatics, Hydraulics and Welding etc.

True recognition of your Company's Training facilities is indicated by the fact that we have been receiving requests from other Offshore Companies for simulator based training of their personnel. The revenue, albeit modest, is a good beginning and a pointer to the earning potential of this department.

### **Salvage**

The Salvage operations, which are now part of the core operations of the Company, are handled by an independent subsidiary of the Company i.e. GOL Salvage Services Limited. In July 2012, GOL Salvage undertook Hi-Sea Rescue operation of M. V. Socol 6 a cargo vessel carrying Class 1 IMO (explosives) project cargo and 21 seafarers on board, while the vessel had lost her propulsion off Marmugao port. In October 2012, GOL Salvage was involved in refloating operation of M T Pratibha Cauvery, an oil tanker which had stranded on a Chennai beach on October 31 2012, under the impact of strong winds and swell created by cyclone Neelam.

### **Information Technology**

Information Technology is an integral part of any business and more so in case of a highly technical business like that of the Company. During the year under consideration, some of the key IT Greenfield Initiatives with regard to Inventory Controls and back up, which were initiated last year, have fructified. Your Company is now working on IT initiatives relating to Enterprise Asset Management and Human Resource Management which will further streamline the processes in these fields and also result in cost savings.

### **Human Resources**

In the year under consideration, your Company has worked towards improving organizational processes which are core to Human Resource framework. Efforts have been made to benchmark industry standards. The 360 degree approach to performance assessment initiated in the previous year has been enhanced further through a organizational goal setting approach. This year your Company has laid the foundation for an effective Organizational Training & Development plan to be rolled out in the year 2013. Your Company has continued its efforts towards Employee Engagement initiatives with regard to food, health, safety and recreation initiatives, amongst others, for the employees. These initiatives are aimed to enhance the general working environment of the Company through a cost effective approach.

The Company has a separate department 'Fleet Personnel Department (FPD)' looking after the recruitment, placement, training and safety of persons employed offshore on the Company's vessels. The fleet personnel undergo medical examinations, mandatory training and in-house training before being placed on Company vessels. The fleet personnel are briefed on various aspects of operations of vessels including technical aspects, safety & security aspect before embarking on the job.

Your Company had a work force of 1701 employees [169 Shore based personnel, 1185 Shipboard personnel and 347 Rig Personnel] as on March 31, 2013. The corresponding figure for year ended March 31, 2012 was 1722.

### **INTERNAL CONTROL SYSTEMS:**

Your Company has a well settled Internal Control Systems and policies and procedures for operations, accounting and financial reporting as well as compliances. An effective Internal Audit function adds the element of completeness to the system of Internal Controls. The Internal Auditors are an independent firm who present their findings and reports to the Audit Committee on a regular basis.

### **CAUTIONARY STATEMENT:**

Statements in this Management Discussion and Analysis about Company's business, outlook, estimations and expectations may be forward looking statements within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, charter rates at which assets are deployed, significant change in the geo political environment, tax laws, litigation, exchange rate fluctuations, interest rates and other costs.

## INTRODUCTION

The framework of Corporate Governance is based on the existing regulatory requirements as well as the practices prevailing in the Corporate Sector. The principles of Corporate Governance are imbibed in the business. It emphasizes on long term prosperity of the corporations while abiding with their National, Human, Societal, Economic and Political obligations. The Corporate Governance principles have become an important constituent for corporate success. The practice of good Corporate Governance has become a necessary pre-requisite for any corporation to effectively function in the globalised market scenario.

A detailed report on Corporate Governance, pursuant to Clause 49 of the Listing Agreement, is set out below.

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes in adopting the best practices of Corporate Governance with an aim to maximize the interest of the stakeholders to achieve long-term sustained value while ensuring accountability in the exercise of Company's financial, legal and contractual obligations.

The management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are the fundamentals of the Corporate Governance framework of the Company.

Your Company is fully committed to and continues to follow the requirements of the Code of Corporate Governance as conceived in the Listing Agreements.

### Corporate Ethics

The Company endeavours to adhere to the highest possible standards of business ethics, compliance and commitment to transparency in business dealings.

### Code of Conduct for Board Members and Senior Management

The Company has in place a detailed Code of Conduct for Board Members and Senior Management (The Code of Conduct). The Code of Conduct is applicable to all Directors and specified senior management executives. The Code of Conduct impresses upon Directors and Senior Management Personnel to uphold the interest of the Company and its stakeholders and to endeavor to fulfill all the fiduciary obligations towards them. The Code of Conduct emphasizes that the Directors and senior management executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code of Conduct is available on the Company's website 'www.goloffshore.com'.

The Company has received declarations of compliance with the Code of Conduct from all the Directors and Senior Management Personnel, for the financial year 2012-13. A declaration by the Executive Director affirming compliance of the Board of Directors and Senior Management Personnel to the Code of Conduct is appended to this Report.

### Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading (the Insider Trading Code) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992(the Insider Trading Regulations). The Insider Trading Code is applicable to all Directors and the designated persons as defined in the Insider Trading Code.

The Company Secretary & Chief Compliance Officer monitors adherence to these Regulations.

## BOARD PROCEDURES

The Board meets at least once in each quarter, with not more than four months gap between two meetings. The Board meets to review the performance and the financial results of the Company. The Board Meetings are generally scheduled well in advance and the Notice of every Board Meeting is given in writing to every Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related agenda item and in case of certain matters such as financial / business plans, financial results etc. detailed presentations are made by the concerned Management representatives at the meetings. The Agenda and the relevant notes are sent well in advance to each Director. The Board members are also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

Information as mentioned in Annexure IA to Clause 49 of the Listing Agreement is regularly placed before the Board for its consideration.

To enable the Board to discharge its responsibilities properly, the members of the Board are effectively briefed at every Board Meeting. Senior Management members are also invited to attend the Board Meetings to provide additional inputs on the items being discussed by the Board.

All major matters involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, details of joint ventures, compliance with statutory / regulatory requirements, major accounting provisions and write-offs are considered and decided by the Board.

The Minutes of the Board Meetings are circulated in advance to all Directors and confirmed at the subsequent meetings. The Minutes of Audit Committee and other Committees of the Board are noted on regular basis by the Board at its meetings.

Relevant information as required under Clause 49 of the Listing Agreement regarding the Directors seeking re-appointment is given in the Notice of the Annual General Meeting.

## BOARD OF DIRECTORS

As on March 31, 2013, the Company had Nine Directors. Out of the nine Directors, seven were Non-Executive Directors and among them, six were Independent Directors. The Chairman of the Board is an Executive Director. The composition of the Board is in conformity with the requirements of Clause 49 of the Listing Agreement. None of the Directors are related to each other.

None of the Directors on the Board are members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013, have been made by the Directors.

During the year under review, five Board Meetings were held on the following dates.

May 25, 2012, August 07, 2012, September 24, 2012, November 10, 2012 and February 12, 2013.

The composition of the Board; number of directorships held by the Directors in other Companies; Memberships/ Chairmanships of the Committees in other public limited companies held by the Directors (excluding private limited companies, section 25 companies and foreign companies), attendance of the Directors at the Board Meetings held during the financial year under review and at the last Annual General Meeting (AGM) are as follows.

Name of the Director	Category	Attendance at meetings during the financial year 2012-13		No of Directorships in other Companies	No of Membership(s) / Chairmanship(s) of Board Committee(s) in other Companies*	Shareholding in the Company as on March 31, 2013
		Board Meetings	Last AGM			
Shri Prakash Chandra Kapoor DIN : 00786682	Chairman and Executive Director	4	Yes	12	2 (As member)	Nil
Shri Kaushal Raj Sachar DIN : 01421823	Deputy Chairman Independent Non-Executive Director	5	Yes	1	Nil	Nil
Shri Vijay Kumar DIN : 00726561	Executive Director	5	Yes	10	Nil	Nil
Shri Soli Engineer DIN: 00149510	Non-Independent Non-Executive Director	5	Yes	3	Nil	418
Shri Chandan Bhattacharya DIN : 01341570	Independent Non-Executive Director	4	Yes	3	2 (As Chairman)	Nil
Lt. Gen. Deepak Summanwar DIN : 02017830	Independent Non-Executive Director	4	Yes	2	1 (As member)	Nil
Dr. Ram Nath Sharma DIN : 00054480	Independent Non-Executive Director	5	Yes	1	Nil	1000
Shri Vinesh Davda DIN : 00050175	Independent Non-Executive Director	4	Yes	4	2 (As member)	Nil
<sup>1</sup> Shri Prabhakar Dadal DIN : 00544948	Independent Non-Executive Director- (EXIM Bank Nominee)	4	No	2	1 (As member)	Nil



\* In accordance with Clause 49 of the listing agreement, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all other public limited companies have been considered.

<sup>1</sup> Shri Prabhakar Dalal, the Nominee of Export-Import Bank of India ("EXIM Bank"), was appointed as the Director of the Company with effect from August 07, 2012.

## COMMITTEES

### AUDIT COMMITTEE

The Audit Committee of the Company is constituted in accordance with the provisions of Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

During the year under review, five Audit Committee meetings were held on the following dates.

May 25, 2012, August 07, 2012, September 24, 2012, November 10, 2012 and February 12, 2013.

The Audit Committee comprises of three Independent Directors. All the members of the Audit Committee have adequate knowledge of Accounts, Audit and Finance.

The composition of the Audit Committee and the details of meetings attended by its members during the year under review are given below.

Name	Category	Number of Meetings attended
Dr. Ram Nath Sharma (Chairman)	Independent, Non-Executive Director	5
Shri Chandan Bhattacharya	Independent, Non-Executive Director	4
Shri Vinesh Davda	Independent, Non-Executive Director	4

Audit Committee meetings are also attended by Executive Directors, Company Secretary & Chief Compliance Officer, President and Chief Operating Officer, Sr. Vice President, Vice President-Finance and Corporate Affairs, representatives of the Statutory and Internal Auditors and other executives, as may be required. The Company Secretary acts as the Secretary to the Audit Committee.

Chairman of the Audit Committee was present at the previous Annual General Meeting.

#### Terms of Reference

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
2. Review the financial statements before submission to the Board.
3. Review reports of the Statutory Auditors and Internal Auditors including the weaknesses in internal controls reported by Internal and Statutory Auditors.
4. Recommending the appointment, re-appointment and fixing the remuneration of Internal Auditors and Statutory Auditors.

In addition, the powers and role of the Audit Committee are as laid down under Clause 49 of the Listing Agreement of the Stock Exchanges and Section 292A of the Companies Act, 1956.

The Company has appointed M/s. Ashok Kapadia & Co., Chartered Accountants, as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

## REMUNERATION COMMITTEE

The Remuneration Committee meets as and when necessary and deals with issues within its terms of reference and other issues as assigned to it.

During the year under review, a Remuneration Committee meeting was held on August 07, 2012.

The composition of the Remuneration Committee and details of the meetings attended by its members during the year under review are given below.

Name of Director	Category	Number of Meetings attended
Shri Kaushal Raj Sachar (Chairman)	Independent, Non-Executive Director	1
Shri Prakash Chandra Kapoor	Non Independent Executive Director	1
Shri Vijay Kumar	Non Independent Executive Director	1
Shri Soli Engineer	Non-Independent, Non-Executive Director	1

## Remuneration Policy

The remuneration policy of the Company is market led and takes into account the competitive circumstances in the employment market so as to attract and retain quality talent and significantly leverage performance.

The remuneration of the Executive Directors is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and/or commission, performance incentive (variable component) to its Executive Directors.

The remuneration by way of commission to the Non-Executive Directors is also decided by the Board of Directors.

The appointment and remuneration of Directors' Relative(s) is approved by a selection committee as envisaged under the provisions of Director's Relatives (Office or Place of Profit) Rules, 2003, in addition to the Board of Directors and shareholders, wherever necessary.

Accordingly, during the year under consideration, a Selection Committee comprising of two independent directors and an independent industry expert was formed to consider the revision in the remuneration of Ms. Sukriti Kumar, relative of a Director. The meeting of the Selection Committee was held for the purpose on October 31, 2012. The revision in the remuneration of Ms. Sukriti Kumar was approved by the Selection Committee as well as the Board of Directors, within the scale approved by the shareholders at their Annual General Meeting held on September 24, 2012.

The Non-Executive Directors are paid sitting fees of ₹ 20,000/- for attending each meeting of the Board or its Committees. In addition, the Company also reimburses travelling and accommodation expenses to out-station Directors for attending Board / Committee meetings in Mumbai.

**Details of Remuneration to the Directors :****Non-Executive Directors****(Rupees in Lakhs)**

Name	Commission	Sitting Fees
Shri Chandan Bhattacharya	Nil	3.20
Dr. Ram Nath Sharma	Nil	2.00
Lt. Gen. Deepak Sumanwar	Nil	2.40
Shri Vinesh N. Davda	Nil	2.40
Shri Kaushal Raj Sachar	Nil	1.60
Shri Soli Engineer	Nil	2.40
Shri Prabhakar Dalal	Nil	0.80

**Executive Directors****(Rupees in Lakhs)**

Name of Director (Period of Appointment)	Salary & Performance Incentive (as Applicable)	Perquisites & Allowances	Commission	Contribution to Provident Fund and Superannuation Fund
Shri Vijay Kumar (5 years from 01.05.2010)	128.37	2.04	-	8.78
Shri Prakash Chandra Kapoor (5 years from 01.05.2010)	128.37	2.04	-	8.78

**Notes :**

- The remuneration payable to the Executive Directors was revised with effect from April 1, 2012, within the scale approved by the shareholders at the previous Annual General Meeting. Accordingly the dues of salary for the period from April 1, 2012 to March 31, 2013 have been provided in the accounts.
- Perquisites include provision of cars, telecommunication facilities, leave encashment, reimbursement of medical expenses for self and family, insurance cover, pension scheme subject to Company rules.
- None of the Directors hold any instrument convertible into shares of the Company.

**SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE**

The Shareholders' / Investors' Grievance Committee of the Company comprises of three Independent Directors.

During the year under review, four meetings of Shareholders' / Investors' Grievance Committee were held on May 17, 2012, August 07, 2012, November 10, 2012 and February 12, 2013.

The composition of the Shareholders' / Investors' Grievance Committee and details of the meetings attended by its members during the year under review are given below.

Name of Director	Category	Number of Meetings attended
Lt. General Deepak Summanwar (Chairman)	Independent, Non-Executive Director	4
Shri Chandan Bhattacharya	Independent, Non-Executive Director	3
Shri Vinesh Davda	Independent, Non-Executive Director	3

## Terms of Reference

1. Review the reports prepared & submitted by the Registrar & Share Transfer Agent of the Company.
2. To look into and ensure the quality of the Company's Shareholders' / Investors' grievance redressal system and to review the functioning of the investors' grievances redressal system.
3. Follow-up on the implementation of suggestions for improvement.
4. Periodically report to the Board about serious concerns, if any.

During the year under review, 20 complaints were received from the shareholders and all of them were replied/ resolved to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2013.

Mr. Navin Joshi is the Company Secretary & Chief Compliance Officer. His address and contact details are as given below:

Address : GOL Offshore Limited  
Energy House, 81, Dr. D. N. Road,  
Mumbai - 400 001

Phone : 022- 6635 2222

Fax : 022- 2267 3993

Email : navin\_joshi@goloffshore.com

In compliance with Listing Agreement, the Company has designated the email address investor\_services@goloffshore.com for registering the complaints and communication by the investors / shareholders

## GENERAL MEETINGS

Details of the date, time and venue of the three immediately preceding Annual General Meetings are given below:

Annual General Meeting	Date	Time	Venue
7 <sup>th</sup> Annual General Meeting	September 24, 2012	11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400001.
6 <sup>th</sup> Annual General Meeting	September 02, 2011	10.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400001.
5 <sup>th</sup> Annual General Meeting	August 10, 2010	11.30 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai 400001.

Details of the special resolutions passed at the three immediately preceding Annual General Meetings are given below:

Date of the Annual General Meeting	Summary
September 24, 2012	Change in the name of the Company from Great Offshore Limited to GOL Offshore Limited.
	Approval for revision in the remuneration scale to be paid to Miss Sukriti Kumar.
	Revision in the terms of remuneration paid to Shri Prakash Chandra Kapoor, Executive Director of the Company.
	Revision in the terms of remuneration paid to Shri Vijay Kumar, Executive Director of the Company.
September 02, 2011	Payment of remuneration to Non-Executive Directors by way of commission.
	Appointment of Miss Sukriti Kumar to hold office or place of profit in the Company as General Manager – Materials
	Appointment of Shri Chetan D. Mehra as the Executive Director of the Company.
August 10, 2010	Approval for re-setting of conversion price of USD 42,000,000, 7.25% Unsecured Foreign Currency Convertible Bonds (FCCBs).

#### Resolution passed through postal ballot

No resolution was passed through postal ballot during the financial year 2012-13.

#### DISCLOSURES

- There are no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, subsidiaries or relatives etc. that would have potential conflict with the interest of the Company at large.
- There has neither been any non-compliance by the Company nor any penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to capital markets.
- The senior management has made disclosures to the Board of Directors relating to all material financial and commercial transactions stating that they had no personal interest that could result in a conflict with the interest of the Company at large.
- The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreement pertaining to the Corporate Governance.
- The Company has also fulfilled the following non-mandatory requirements as prescribed in Annexure ID to the Clause 49 of the Listing Agreement:
  - The Company has adopted a Whistle Blower Policy with a view to provide a mechanism for employees of the Company in order to approach the Management to safeguard themselves against victimization. It is affirmed that no personnel has been denied access to the Audit Committee.
  - The Company has in place the Remuneration Committee, details about the Remuneration Committee have been provided in this Report hereinbefore.

#### MEANS OF COMMUNICATION

- The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the format prescribed under Clause 41 of the Listing Agreement.



- b) The approved financial results are forthwith sent to the Stock Exchanges. The financial results are published in Free Press Journal (in English). In addition, the results are also published in Navashakti (in Marathi).
- c) The financial results, press releases and other updated news are also displayed on the Company's website, 'www.goloffshore.com'.
- d) The Company website has a separate section for 'Investors' where the shareholders' information is available. The Annual Reports of the Company are also available on the website in a user-friendly and downloadable form.
- e) Management Discussion and Analysis Report forms part of this Annual Report.

#### GENERAL SHAREHOLDER INFORMATION

- a) **Annual General Meeting:** for the year 2013 is scheduled to be held on August 14, 2013, at 11.30 a.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Orion House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Kaala Ghoda, Mumbai-400 001.
- b) **Financial Year:** The Company follows April to March as its financial year. The financial results for every quarter are declared within the time prescribed in the Listing Agreement.
- c) **Dates of Book Closure:** August 02, 2013 to August 14, 2013 (both days inclusive)
- d) **Dividend Payment Date:** Not Applicable
- e) **Listing on Stock Exchanges:** The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid listing fees to the Stock Exchanges for the financial year 2013-14.

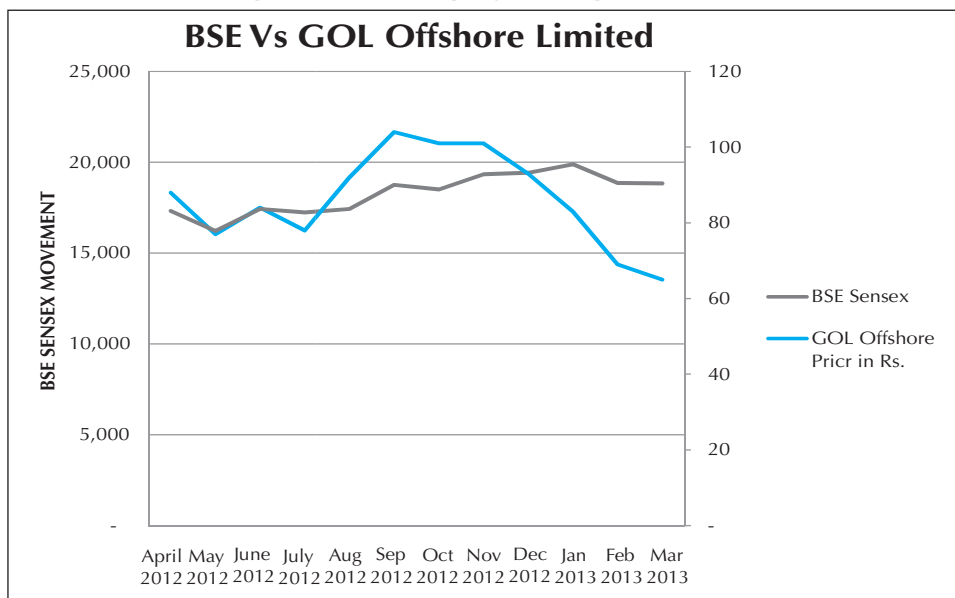
**Stock Code/Symbol:** Bombay Stock Exchange Limited – 532786. National Stock Exchange of India Limited – GTOFFSHORE. Demat ISIN No. - INE892H01017

- f) **Listing on overseas Stock Exchange:** The Company's Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Exchange Securities Trading Limited (SGX-ST) with ISIN XS0320616997.
- g) **Market Price Data:** The monthly high and low price of equity shares of the Company during the financial year ended March 31, 2013 on NSE and BSE are given below:

(In Rupees)

Month & Year	NSE		BSE	
	High	Low	High	Low
April, 2012	104.00	85.05	108.00	86.10
May, 2012	89.35	73.50	89.90	73.70
June, 2012	87.80	73.55	86.85	73.00
July, 2012	94.00	74.90	93.90	74.55
August, 2012	107.50	77.20	107.40	77.25
September, 2012	106.90	89.50	106.90	89.35
October, 2012	117.50	99.00	124.70	98.60
November, 2012	106.40	92.15	106.50	92.50
December, 2012	106.00	93.10	106.20	92.80
January, 2013	103.25	82.70	103.70	83.00
February, 2013	85.25	68.10	95.05	68.00
March, 2013	80.00	59.60	80.10	61.00

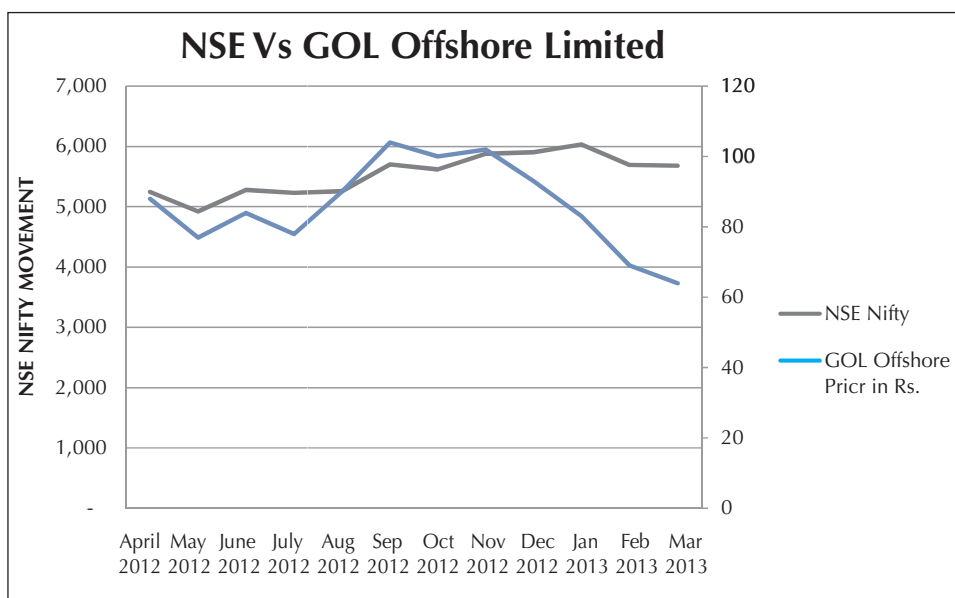
#### h) Performance of share price of the Company in comparison to BSE Sensex:



GOL: GOL Offshore Limited

BSE: Bombay Stock Exchange Limited

#### i) Performance of share price of the Company in comparison to NSE Nifty:



GOL: GOL Offshore Limited

NSE: National Stock Exchange of India Limited

#### j) Registrar & Share Transfer Agent

The Registrar & Share Transfer Agent of the Company is TSR Darashaw Private Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai- 400 011.

### k) Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Share Transfer Agent within a period of 10 days from the date of receipt of complete and valid documents. Shares under objection are returned to sender within two weeks. In case of shares in electronic form, the transfers are processed by National Securities Depository Limited and Central Depository Services (India) Limited through respective Depository Participants. In compliance with the provisions of Listing Agreement, a Practicing Company Secretary carries out the audit of transfers, transmissions etc. of shares and the certificate to that effect issued by the Practicing Company Secretary is submitted to the Stock Exchanges where the Company's shares are listed.

### l) Distribution of Shareholding as on March 31, 2013

No. of shares (range)	No. of Shareholders	% of total Shareholders	No. of Shares (holding)	% to Total Shares
1 to 500	87,689	95.47	55,72,629	14.96
501 to 1000	2,242	2.44	16,61,472	4.46
1001 to 2000	1,013	1.10	14,60,106	3.92
2001 to 3000	356	0.39	8,82,395	2.37
3001 to 4000	138	0.15	4,88,299	1.31
4001 to 5000	110	0.12	4,98,894	1.34
5001 to 10000	161	0.18	11,49,012	3.09
10001 and above	139	0.15	2,55,27,254	68.55
<b>Grand Total</b>	<b>91,848</b>	<b>100.00</b>	<b>37,240,061</b>	<b>100.00</b>

### m) Categories of Shareholders as on March 31, 2013

Category	No. of shares held	Percentage (%) of Shareholding
Promoters	1,85,14,352	49.72
Mutual Funds / UTI	4,099	0.01
Financial Institutions / Banks	4,31,096	1.16
Insurance Companies	5,31,296	1.43
Foreign Institutional Investors	22,85,093	6.14
Bodies Corporate (other than promoter group)	23,47,583	6.30
Indian Public	1,30,91,056	35.14
Trusts	25,190	0.07
Overseas Corporate Bodies	306	0.00
Shares held by Custodians and against which Depository Receipts have been issued	9,990	0.03
<b>Grand Total</b>	<b>3,72,40,061</b>	<b>100.00</b>

### n) Dematerialisation of Shares

The Company's shares are compulsorily traded in dematerialised form on both Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

3,60,22,873 equity shares of the company representing 96.73 % of the total paid-up equity share capital of the Company are in dematerialized form as on March 31, 2013. The Company has entered into agreement with both National Securities Depository Limited and Central Depository Services (India) Limited, whereby shareholders have an option to dematerialise their shares with either of the depositories.

**Status of Dematerialisation of equity shares as on March 31, 2013**

Particulars	No. of equity shares	% to Paid-up Capital	No. of Accounts
National Securities Depository Limited	2,48,79,325	66.81	52,740
Central Depository Services (India) Limited	1,11,43,548	29.92	15,951
<b>Total Dematerialised</b>	<b>3,60,22,873</b>	<b>96.73</b>	<b>68,691</b>
Shares held in Physical form	12,17,188	3.27	23,157
<b>Grand Total</b>	<b>372,40,061</b>	<b>100.00</b>	<b>91,848</b>

**o) Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity shares**

1,890 GDRs of the Company are outstanding as on March 31, 2013 and 9,990 equity shares are underlying the said GDRs

USD 40,000,000 (outstanding balance), 7.25% Unsecured Foreign Currency Convertible Bonds (FCCBs) were due for repayment in October 2012 and are outstanding as on March 31, 2013. FCCBs represent 31,85,840 equity shares of ₹ 10/- each, constituting 8.55 % of the paid-up share capital of the Company as on March 31, 2013.

**p) Plant Location:** The Company has no plants.**q) Address for Correspondence by Shareholders / Investors**

Company	Registrar & Share Transfer Agent
GOL Offshore Limited Secretarial Department Energy House, 81, Dr. D. N. Road, Mumbai – 400 001 Ph. No. : (022) 6635 2222 Fax No.: (022) 2267 3993 E-mail: investor_services@goloffshore.com Website : www.goloffshore.com	TSR Darashaw Private Limited (Unit : GOL Offshore Limited) 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai– 400 011 Ph. No.: (022) 6656 8484 Fax No.: (022) 6656 8494 E-mail : csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

**AUDIT FOR RECONCILIATION OF SHARE CAPITAL**

As stipulated by SEBI, a Practising Company Secretary carries out the audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital of the Company. The audit is carried out in every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed capital is in agreement with the aggregate of the total number of shares in dematerialised form and total number of shares in physical form.

**COMPLIANCE CERTIFICATE BY THE AUDITORS**

Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement, is appended to this Report.

This Certificate is also being forwarded to the Stock Exchanges along with the Annual Report of the Company.

**DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF COMPLIANCE WITH CODE OF CONDUCT**

I, Prakash Chandra Kapoor, Executive Director of the Company, do hereby declare that, to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company, for the year ended March 31, 2013.

Mumbai  
May 23, 2013

**Prakash Chandra Kapoor**  
Executive Director

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,  
GOL Offshore Limited,  
Mumbai

We have examined the compliance of conditions of Corporate Governance by GOL Offshore Limited (the 'Company') for the year ended on 31st March, 2013, as stipulated in Clause 49 of the Listing Agreement entered into by the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India and limited to a review of the procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance (as stipulated in clause 49 of the Listing Agreement). 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 clause 49 of the Listing Agreement.

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 the management has conducted the affairs of the Company.

For and on behalf of  
**VARMA & VARMA**  
Chartered Accountants  
Firm Registration No: 004532S

**CHERIAN K. BABY**  
Partner  
Membership No: 16043

Mumbai, May 23, 2013

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To,  
The Board of Directors  
GOL Offshore Limited  
Energy House, 81, Dr. D. N. Road  
Mumbai – 400 001

We, **Prakash Chandra Kapoor**, Executive Director and **Shrirang Khadilkar**, Vice President –Finance & Corporate Affairs of GOL Offshore Limited, do hereby certify that:

- a. We have reviewed financial statements and the cash flow statement of the Company for the year 2012 - 2013 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee aspects which could have impact on internal control and we have taken necessary steps to strengthen the financial reporting and internal control system.
- d. We have indicated to the Auditors and the Audit Committee, wherever applicable:
  - i. Significant changes in internal control over financial reporting, if any, during the financial year 2012-13;
  - ii. Significant changes in accounting policies during the financial year 2012-13 and that the same have been disclosed in the notes to the financial statements; and
  - iii. That there is no instance of Significant fraud during the financial year 2012-13 of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Prakash Chandra Kapoor**  
Executive Director

**Shrirang Khadilkar**  
Vice President – Finance & Corporate Affairs

Mumbai  
May 23, 2013



To,  
 The Members of GOL Offshore Limited,  
 (Formerly known as Great offshore Limited)  
 Mumbai

## Report on the Financial Statements

We have audited the accompanying financial statements of GOL Offshore Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with provisions of the Companies Act, 1956 ("the Act") including the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## Basis for Qualified Opinion

*The Company has investment in equity/redeemable preference shares of wholly owned subsidiary KEI-RSOS Maritime Limited and the carrying amount as at 31<sup>st</sup> March, 2013 is ₹18,863 Lakhs and the balance of loan outstanding is ₹ 3,331 Lakhs. The Company has also issued a corporate guarantee to Indian Bank amounting to ₹14,168 Lakhs against which borrowing from bank outstanding on 31<sup>st</sup> March, 2013 is ₹6,327 Lakhs. As per the latest available audited financial statements of KEI-RSOS Maritime Limited the net worth of the company has substantially eroded and the cash flows are under stress. There are disputed debtors and claims against that company which are subject matter of arbitration proceedings for which no provision is made in the accounts of that company. As stated in Note no 29 to the accounts, no provision has been made for the diminution in the value of investments and the amount of loans aggregating to ₹ 22,194 Lakhs. Had the provision for the same been made, net profit would become a loss of ₹16,127 Lakhs and shareholders' funds would have been reduced by ₹22,194 Lakhs with consequent effect on cash flow statements for a like amount.*

### Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements read with notes thereon give the information required by the Act in the manner so required and 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, 2013;*
- (b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and*
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date*

### Emphasis of Matter

We draw attention to Note 37 to the financial statements regarding the continuing default in repayment to the Bondholders as well as other lenders and the proposed action of the Management. The current liabilities are in excess of current assets by ₹93,509 Lakhs. The Company continues to carry on its operations in the normal course and accordingly these financial statements have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

### Report on Other Legal & Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by section 227 (3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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;
  - c. the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. *except for the effects of the matter described in the basis for qualified opinion paragraph, in our opinion, the Balance Sheet, Profit and Loss Statement, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;*
  - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

**For VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**CHERIAN K BABY**  
Partner  
M. No.16043

**MOTILAL JAIN**  
Proprietor  
M. No. 036811

**Place: Mumbai**  
**Date: 23<sup>rd</sup> May, 2013**

**ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GOL OFFSHORE LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013.**

- 1 (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) We are informed that the fixed assets of the company consisting of Fleet Rigs and I.T. equipments have been physically verified by the management during the year. The Company has a programme of verification in a phased manner in respect of other fixed assets. In our opinion, the phased programme of verification is reasonable having regard to the size of the company and the nature of its operations. We are informed that no material discrepancies have been noticed on verification carried out during the year.
- (c) The Company has not disposed off a substantial part of the fixed assets during the year.
- 2 (a) We have been informed by the Management that the physical verification of Inventory is conducted as per the preset cyclical programme on monthly basis during the year. In our opinion the frequency of such physical verification of Inventory is reasonable.
- (b) In our opinion and according to the Information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as informed to us, discrepancies noticed on the physical verification have been properly dealt with in the books of account.
- 3 (a) As informed, 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) The Company has taken unsecured loans aggregating to ₹ 900 Lakhs, from one company, covered in the register maintained under section 301 of the Companies Act, 1956 during the year. In respect of the said loans as well as other loans taken in earlier years, the maximum amount outstanding from all parties (six) at any time during the year is ₹ 2,851 Lakhs and the year-end balance is ₹ 2,605 Lakhs.
- (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loans taken by the Company, are not prejudicial to the interests of the Company.
- (d) The loan and interest is payable on demand and there are no specific terms of repayment of principal and interest. Hence whether the principal and interest has been paid regularly or not cannot be commented upon.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal controls.
- 5 (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act 1956 and the rules framed there under are not applicable to the Company.

- 7 In our opinion, the Company has an internal audit system commensurate with the size of the company and nature of its business.
- 8 According to the information and explanations given to us, we are of the opinion that, prima-facie, the company has made and maintained Cost records pursuant to the Order issued by the Central Government under Section 209(1)(d) of the Companies Act, 1956. We have, however, not made a detailed examination of these records.
- 9 (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues on account of Provident Fund, Employee State Insurance and other statutory dues as applicable to the company with the appropriate authorities during the year, *except for TDS and Service Tax, wherein there have been serious delays in a large number of cases*. There are no arrears of undisputed statutory dues outstanding as at the last day of the financial year, for a period of more than six months from the date on which they became payable.
- (b) According to the information and explanations given to us and as per the records of the company examined by us, there are no disputed statutory dues which were outstanding, at the year end, other than those stated below:

Name of the statute	Nature of Dues	Amount (₹ in Lakhs) 2012-13	Period to which the amount relates	Forum where dispute is pending
The Tamil Nadu General Sales Tax Act 1959	Tax u/s 3A of The Tamil Nadu General Sales Tax Act, 1959	100.78	1995-96 and 1996-97	The Sales Tax Appellate Tribunal, Chennai
The Karnataka Sales Tax Act, 1957	Tax u/s 5-C of the Act	117.96	1995-96 to 2001-02	Stay granted by Supreme Court
The Karnataka Sales Tax Act, 1957	Sales Tax	6.03	2007-08	Assistant Commissioner (CT) III, Enforcement Tribunal
The Customs Act, 1962	Customs Duty	70.37	2001-02	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Customs Duty	235.93	December 99	Commissioner of Customs (Import)
The APVAT Act, 2005	VAT	96.53	2004-05 2005-06	Appellate Tribunal APGST / APVAT Malviya Nine - deemed Transfer of right to use
West Bengal Sales Tax Act	Sales Tax	41.59	2001-02	Taxation Tribunal, Kolkata

- 10 There are no accumulated losses at the end of the financial year. The Company has also not incurred cash losses during the year and in the immediately preceding financial year.
- 11 *On verification of the repayment schedules to banks and financial institutions and the books of account of the Company it is observed that the Company has defaulted in repayment of dues to banks and Foreign Currency Bonds. The following are the details of the default days for the financial year 2012-13.*

(₹ in Lakhs)

Particulars	Delay Upto 30 Days	Delay 31-60 Days	Delay 61-90 Days	Delay 91-120 Days	Delay 121-180 days	Amount Unpaid as at Year end
Loan	6,934	3,471	7,206	3,586		5,431
Interest	3,136	5,207	7,168	3,322	555	5,472
FCCB Bonds	-	-	-	-	21,716	21,716
FCCB-Interest	-	-	-	504	826	826
FCCB-Penal Interest	-	-	-	-	369	369

- 12 According to the information and explanations given to us and 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 and hence the reporting requirements under clause 4(xii) of the Order are not applicable.
- 13 In our opinion, the Company is not a chit fund or a Nidhi / mutual benefit fund / society and hence the reporting requirements under clause 4(xiii) of the Order are not applicable.
- 14 In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments and hence the reporting requirements under clause 4(xiv) of the Order are not applicable.
- 15 According to the information and explanations given to us and the records of the Company examined by us, the Company has given guarantee for the loans taken by its subsidiaries from banks or financial institutions, the terms and conditions thereof are not prima facie prejudicial to the interests of the Company.
- 16 According to the information and explanations given to us and as per the records of the Company examined by us, the term loans availed by the Company during the year are seen used for the purpose which they were obtained *except for ₹ 400 Lakhs being the fund raised as working capital loan, which have been utilized, explained to be temporarily, for the purpose of acquiring/ construction of capital assets.* The Company has not utilized any other funds raised on short-term basis for long- term investments.
- 17 The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 18 The Company has not issued any debentures during the year, and hence the reporting requirements under clause 4(xix) of the Order are not applicable.
- 19 The Company has not raised any money by public issue during the year, and hence the reporting requirements under clause 4(xx) of the Order are not applicable.
- 20 According to the information and explanations given to us and as per the records of the Company examined by us, we report that no fraud on or by the Company has been noticed or reported during the year.

**For VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**CHERIAN K BABY**  
Partner  
M. No.16043

**MOTILAL JAIN**  
Proprietor  
M. No. 036811

**Place: Mumbai**  
**Date: 23<sup>rd</sup> May, 2013**

# BALANCE SHEET



## BALANCE SHEET AS AT MARCH 31, 2013

₹ in Lakhs

	Note	As at March 31, 2013	As at March 31, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share Capital	3	3,724	3,723
(b) Reserves and Surplus	4	94,653	90,573
		<u>98,377</u>	<u>94,296</u>
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	192,581	196,454
(b) Deferred Tax Liabilities (Net)	6	3,595	2,765
(c) Other Long-Term Liabilities	7	39,316	681
(d) Long Term Provisions	8	613	427
		<u>236,105</u>	<u>200,327</u>
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	9	32,425	19,870
(b) Trade Payables	10	22,376	12,533
(c) Other Current Liabilities	11	64,672	88,809
(d) Short-Term Provisions	12	14,036	12,450
		<u>133,509</u>	<u>133,662</u>
<b>TOTAL</b>		<u><u>467,991</u></u>	<u><u>428,285</u></u>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible Assets	13	124,561	138,998
(ii) Intangible Assets	13	116	174
(iii) Capital Work-in-Progress	13	110,280	147,437
(b) Non Current Investments	14	19,653	19,652
(c) Long-Term Loans and Advances	15	164,797	85,382
(d) Other Non-Current Assets	16	8,584	5,494
		<u>427,991</u>	<u>397,137</u>
<b>(2) Current Assets:</b>			
(a) Inventories	17	5,569	5,321
(b) Trade Receivables	18	16,485	14,043
(c) Cash and Cash Equivalents	19	594	2,022
(d) Short-Term Loans and Advances	20	4,277	5,821
(e) Other Current Assets	21	13,075	3,941
		<u>40,000</u>	<u>31,148</u>
<b>TOTAL</b>		<u><u>467,991</u></u>	<u><u>428,285</u></u>
<b>SIGNIFICANT ACCOUNTING POLICIES</b>	2		
<b>OTHER NOTES TO FINANCIAL STATEMENTS</b>			

The accompanying notes are an integral part of these financial statements.  
As per our Report of even date

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**Shrirang V. Khadilkar**  
VP - Finance & Corporate Affairs

For and on behalf of the Board  
**Kaushal Raj Sachar**  
Deputy Chairman  
**Vijay Kumar**  
Executive Director  
**Chandan Bhattacharya**  
Director  
**Vinesh Davda**  
Director

**Cherian K. Baby**  
Partner  
M.No.16043

**Motilal Jain**  
Proprietor  
M.No. 036811

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

Mumbai, May 23, 2013

Mumbai, May 23, 2013



**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**
**₹ in Lakhs**

	Note	Year Ended March 31, 2013	Year Ended March 31, 2012
I Revenue from operations	22	84,336	80,023
II Profit on Sale of Vessels		8,227	6,701
III Other Income	23	10,265	2,721
<b>IV Total Revenue (I+II+III)</b>		<b>102,828</b>	<b>89,445</b>
<b>V Expenses:</b>			
Changes in Inventories of Spares & Stores		252	980
Employee Benefits Expense	24	19,913	19,858
Repairs & Maintenance - Fleet and Rigs		3,669	6,258
Project Expenses		4,244	784
Finance Costs	25	20,877	17,657
Depreciation and Amortisation Expense	26	17,941	17,215
Other Expenses	27	25,187	15,067
<b>Total Expenses</b>		<b>92,083</b>	<b>77,819</b>
<b>VI Profit before tax</b>		<b>10,745</b>	<b>11,626</b>
<b>VII Tax Expenses:</b>			
Current tax		3,768	2,400
Deferred tax		830	1,860
Prior year tax		80	(68)
		<b>4,678</b>	<b>4,192</b>
<b>VIII Profit After Tax</b>		<b>6,067</b>	<b>7,434</b>
IX Earnings per equity share of ₹10/- each - Basic & Diluted		<b>16.30</b>	19.97

**SIGNIFICANT ACCOUNTING POLICIES**
**2**
**OTHER NOTES TO FINANCIAL STATEMENTS**

The accompanying notes are an integral part of these financial statements.  
As per our Report of even date

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**Shrirang V. Khadilkar**  
VP - Finance & Corporate Affairs

**Cherian K. Baby**  
Partner  
M.No.16043

**Motilal Jain**  
Proprietor  
M.No. 036811

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

For and on behalf of the Board  
**Kaushal Raj Sachar**  
Deputy Chairman  
**Vijay Kumar**  
Executive Director  
**Chandan Bhattacharya**  
Director  
**Vinesh Davda**  
Director

Mumbai, May 23, 2013

Mumbai, May 23, 2013

# CASH FLOW STATEMENT



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

₹ in Lakhs

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	10,745	11,626
<b>Adjustments For:</b>		
Depreciation and Amortisation Expense	17,941	17,215
(Profit)/ Loss on sale of vessels	(8,227)	(6,701)
(Profit)/ Loss on sale of assets (net)	(4,397)	(3)
Interest Income	(7,656)	(5,281)
Dividend Income	(786)	(947)
Interest and finance charges	24,809	22,821
Debts & Advances written off	127	86
Assets written off	602	-
Provision for doubtful Debts & Advances ( Net)	100	-
Unrealised exchange loss/ (gain)	6,073	(1,486)
<b>Operating Profit before Working Capital Changes</b>	<b>39,331</b>	<b>37,330</b>
Trade and Other Receivables	(11,507)	6,725
Inventories	(248)	1,100
Trade Payables, Other Liabilities and Provisions	11,956	1,184
<b>Cash generated from operations</b>	<b>39,532</b>	<b>46,339</b>
Taxes Paid	(1,176)	(2,547)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>38,356</b>	<b>43,792</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including capital work in progress	(10,292)	(23,551)
Capital Advance for purchase of fixed assets	-	(6,396)
Sale of Fixed Assets including cancellation of capital work in progress	107,320	5,098
Purchase of Non-Current Investments	(1)	-
Purchase of Current Investments	(47,109)	(5,791)
Sale of Current Investments	47,109	5,791
Interest Received	3,059	6,017
Dividend Received	786	947
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>100,872</b>	<b>(17,885)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Borrowings	34,645	116,919
Repayments of Borrowings	(64,786)	(136,578)
Allotment of Equity Shares	1	-
Interest Paid	(22,722)	(18,696)
Dividend Paid	(968)	(931)
Advance to Subsidiary	(85,782)	(798)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(139,612)</b>	<b>(40,084)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<b>(384)</b>	<b>(14,177)</b>
Cash and Cash Equivalents at the beginning of the year	1,053	15,230
<b>Cash and Cash Equivalents at the end of the year</b>	<b>669</b>	<b>1,053</b>
<b>D Components of Cash and Cash Equivalents</b>		
Cash and Bank Balances	594	2,022
Effect of exchange rate changes [Loss/ (Gain)]	75	(969)
Cash and Cash Equivalents as restated	669	1,053

The accompanying notes are an integral part of these financial statements.  
As per our Report of even date

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**Shrirang V. Khadilkar**  
VP - Finance & Corporate Affairs

For and on behalf of the Board  
**Kaushal Raj Sachar**  
Deputy Chairman  
**Vijay Kumar**  
Executive Director  
**Chandan Bhattacharya**  
Director  
**Vinesh Davda**  
Director

**Cherian K. Baby**  
Partner  
M.No.16043

**Motilal Jain**  
Proprietor  
M.No. 036811

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

Mumbai, May 23, 2013

Mumbai, May 23, 2013

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013

### 1 Corporate Information

GOL Offshore Limited is Public Limited Company whose equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Foreign Currency Convertible Bonds (FCCBs) issued by the Company are listed on Singapore Exchange Securities Trading Limited (SGX - ST). The Company is India's prominent integrated offshore oilfield services provider offering a broad spectrum of services to upstream oil and gas producers to carry out offshore exploration and production (E&P) activities. The Company operates Drilling Rigs, Offshore Support Vessels and undertakes Marine Construction Projects and Services.

### 2 Significant Accounting Policies

#### (a) Accounting Convention

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

#### (b) Use of estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

#### (c) Fixed Assets and Special Survey Expenses

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and financing costs on borrowings during construction period. Exchange differences on repayment are recognised in the Profit and Loss Statement and year end translation of foreign currency liabilities covered under Hedge Accounting relating to acquisition of assets are recognised in the Hedge Reserve.

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed. These expenses are depreciated over a period of 5 years. Similarly specific expenses incurred for charters for which future benefits are expected over the period of the charter are capitalised and depreciated over the charter period or five years whichever is lower.

#### (d) Investments

- (i) Investments are classified into long-term and current investments.
- (ii) Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.
- (iii) Current investments are stated at lower of cost or fair value and the resultant decline, if any, is charged to revenue.

#### (e) Inventories

Inventories of fuel oil, spares, stores & consumables on board of the vessels are valued at lower of cost or net realisable value.

#### (f) Borrowing cost

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying fixed assets are capitalised as a part of the respective asset, upto the date of acquisition / completion of construction.

#### (g) Revenue recognition

- (i) Charter hire earnings are recognised on accrual basis.
- (ii) Revenue from long term turnkey offshore projects is recognised on the percentage of completion basis, based on costs incurred and the expected costs to completion.

(h) **Operating Expenses**

Operating expenses and standing charges are charged to revenue on accrual basis.

(i) **Employee Benefits:**

(i) **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc. are recognised as an expense at the undiscounted amount in the Profit and Loss Statement of the year in which the employee renders the related service.

(ii) **Post Employee Benefits**

**Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Family Pension Fund, Superannuation Scheme and other Seamen's Welfare Contributions, are considered as defined contribution plans and the contributions are charged to the Profit and Loss Statement of the year when the contributions to the respective funds are due.

**Defined Benefit Plan**

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the Balance Sheet date.

**Other Long Term Benefits**

Long term compensated absences & Pension benefits are provided on the basis of an actuarial valuation 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 Statement for the year as income or expense.

(j) **Depreciation and Amortisation**

Depreciation on new built vessels is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of second hand acquisitions, depreciation is provided on the straight line method, so as to write off the cost over the estimated useful life, as technically evaluated by the management / consultants at the time of acquisition (20 to 27 years), or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

**Tangible Assets**

<b>Fleet :</b>	
New built vessels	On straight line method @ prescribed in Companies Act, 1956
Second hand vessels	On straight line method @ prescribed in Companies Act, 1956 or as technically evaluated by management / consultant whichever is higher
<b>Rigs :</b>	On straight line method to write off original cost over estimated useful life of 7/10 years
<b>Barges :</b>	On straight line method to write off original cost over estimated useful life of 7/10 years
<b>Lease Hold Land</b>	On straight line method over the Lease Period
<b>Properties :</b>	On written down value method @ prescribed in Companies Act, 1956
<b>Other Assets :</b>	
Computers	3 years
Vehicles	4 years
Furniture, Fixtures and Office equipments	5 years

**Intangible Assets**

<b>Computer Software :</b>	@ 20% on straight line method
----------------------------	-------------------------------

### (k) Asset Impairment

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amounts of an asset exceed its recoverable amount. The impairment loss, if any, is recognised in the Profit and Loss Statement in the period in which impairment take place.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting period.

### (l) Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities other than foreign currency borrowings denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of these monetary assets and liabilities and realised gains and losses on foreign currency transactions is recognised in the Profit and Loss Statement.

Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognised in the Hedge Reserve Account with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

- (ii) The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable or forecasted revenue transactions to be accounted as cash flow hedge. The unrealised exchange gains or losses on transactions of foreign currency borrowing which qualify as effective hedge are recognised in the Hedge Reserve Account.
- (iii) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Statement of the period in which they are cancelled.

### (m) Provision for Taxation

Tax expense comprises of current and deferred tax.

- (i) Provision for current income-tax is made on the basis of the assessable income under the Income-tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.
- (ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods, only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date.
- (iii) Taxes on income related to foreign operations is determined on the basis of provisions of the relevant law applicable to the respective foreign country and the same is accounted for in the year in which it accrue.

**(n) Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised in the accounts in respect of present probable obligations and are based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised in financial statements but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

**(o) Earning per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**(p) Segment Reporting**

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

**(q) Cash Flow Statement**

Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard (AS) - 3 'Cash Flow Statement' as notified under the Companies (Accounting Standard) Rules, 2006.

**(r) Leases**

Operating lease

Lease in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating lease.

Payments under operating lease are charged to profit and loss statement on a systematic basis representative of time.

	₹ in Lakhs	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 3 : SHARE CAPITAL</b>		
<b>Authorised:</b>		
100,000,000 (Previous Year 100,000,000) Equity Shares of 10 each	10,000	10,000
1,000,000 (Previous Year 1,000,000) 10% Cumulative Redeemable Preference Shares of ₹1000/- each	10,000	10,000
	<u>20,000</u>	<u>20,000</u>
<b>Issued:</b>		
37,313,594 (Previous Year 37,313,594) Equity Shares of ₹10/- each	3,731	3,731
<b>Subscribed and paid-up:</b>		
37,240,061 (Previous Year 37,231,961) Equity Shares of ₹10/- each	3,724	3,723
3.1) 38,068,481 Equity Shares are allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash.		
3.2) Paid -up Equity Share Capital is net of Calls in Arrears of ₹ 0.08 Lakh. (Previous Year ₹0.08 lakh)		
	<u>3,724</u>	<u>3,723</u>



(a) **Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year**  
**As at March 31, 2013**

Particulars	Authorised		Issued		Subscribed and Paid-up	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>At 1st April, 2012</b>	100,000,000	10,000	37,313,594	3,731	37,231,961	3,723
Changes during the year	-	-	-	-	8,100	0.81
<b>At 31st March, 2013</b>	<b>100,000,000</b>	<b>10,000</b>	<b>37,313,594</b>	<b>3,731</b>	<b>37,240,061</b>	<b>3,724</b>

**As at March 31, 2012**

Particulars	Authorised		Issued		Subscribed and Paid-up	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
<b>At 1st April, 2011</b>	100,000,000	10,000	37,313,594	3,731	37,231,961	3,723
Changes during the year	-	-	-	-	-	-
<b>At 31st March, 2012</b>	<b>100,000,000</b>	<b>10,000</b>	<b>37,313,594</b>	<b>3,731</b>	<b>37,231,961</b>	<b>3,723</b>

(b) **Rights, Preferences and Restrictions attached to the shares**

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The company declares and pays dividends in Indian Rupees. The dividend, if recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) **List of shareholders holding more than 5% of the Share Capital along with number of shares held.**

Name of the shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Share Capital</b>				
Natural Power Ventures Private Limited	<b>13,686,185</b>	<b>36.75</b>	13,686,185	36.76
Dhanshree Properties Private Limited	<b>4,828,167</b>	<b>12.97</b>	4,828,167	12.97
First Carlyle Ventures Mauritius	<b>1,902,000</b>	<b>5.11</b>	1,902,000	5.11

(d) **Aggregate number and class of shares bought back during the period of five years immediately preceding the date of Balance sheet**

	No of shares as at March 31, 2009
Shares bought back	978,977 Equity Shares bought back at an amount aggregating to ₹55.24 Crores

- 1) The company had issued and allotted 15,00,000, 10% Optionally Convertible Redeemable Cumulative Preference shares(OCRCPS) of ₹ 1000 each during the year 2007-08 which were redeemed during the year 2008-09.
- 2) The company had allotted 91,017 Equity Shares for part conversion of 7.25% Foreign Currency Convertible Bonds @ 875/- per share aggregating to USD 2 Million in the year 2009-10

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
<b>NOTE 4 : RESERVES AND SURPLUS</b>		
<b>Capital redemption reserve</b>		
As per last balance sheet	15,098	15,098
<b>Foreign Currency Fluctuation Reserve</b>		
As per last balance sheet	-	1,000
Less: Transferred to General Reserve	-	(1,000)
	-	-
<b>Securities Premium Account</b>		
As per last balance sheet	787	787
<b>Tonnage Tax Reserve Account under Section 115 VT of The Income Tax Act, 1961</b>		
As per last balance sheet	18,850	18,350
Add: Transferred from Profit and Loss Statement	500	500
	19,350	18,850
<b>Hedge Reserve ( Refer Note : 31)</b>		
As per last balance sheet	(25,498)	381
Addition / (deduction) during the year	(1,987)	(25,879)
	(27,485)	(25,498)
<b>General Reserve</b>		
As per last balance sheet	46,441	44,441
Add: Transferred from Foreign Currency Fluctuation Reserve Account	-	1,000
Add: Transferred from Profit and Loss Statement	500	1,000
	46,941	46,441
<b>Balance in Profit and Loss Statement:</b>		
As per last balance sheet	34,895	29,929
Add : Profit for the year	6,067	7,434
Less : Transfer to Tonnage Tax Reserve	500	500
Less : Transfer to General Reserve	500	1,000
Less : Proposed Final Dividend on Equity Shares	-	931
Less : Corporate dividend tax	-	37
	39,962	34,895
	94,653	90,573

**NOTE 5 : LONG TERM BORROWINGS**

**Secured Loans**

**Term Loans**

From banks

From financial institutions

166,850	173,227
25,731	23,227
192,581	196,454

**Notes :**

- The company has availed foreign currency loans from banks, which carry interest rate of LIBOR plus 60 to 900 bps for USD loans and interest on INR loans from banks are at 14.25% to 16.75% . These loans are secured by mortgage of specified ships. The principal payments are due monthly/quarterly / half yearly.
- Rupee loan availed from Financial Institutions during the year carry interest rate of 13% to 14%. The loan is secured by mortgage of a ship and second charge on a rig. The principal payment is due monthly.
- The company has also availed general purpose loans in Foreign currency from banks, which carry interest rate of LIBOR plus 190 to 900 bps and INR loans from banks at the rate of 11.08% to 15%. The loans are secured by mortgage of ships, first / second charge / subservient charge on ships / rigs / fixed assets of the company. The principal payments / interest thereon are due monthly /quarterly/half yearly.
- The loans availed from banks on mortgage of vessel 'Malaviya 19' was repaid during the year on sale of the vessel.

(v) Repayments are as under:

₹ in Lakhs

Year Ended March 31, 2013      Year Ended March 31, 2012

Period of Repayment		
- between one to three years	100,614	96,160
- between three to five years	79,480	67,808
- over five years	12,487	32,486
	<u>192,581</u>	<u>196,454</u>

The Company has made certain defaults in repayment of loans and interest thereon

The details of continuing defaults as at 31st March, 2013 are as follows :

₹ in Lakhs

Particulars	Delay in days			
	upto 60 days	61- 90 days	91 - 130 days	Total
Loans & Interest	9,265	1,392	246	10,903

#### NOTE 6 : DEFERRED TAX

Pursuant to the introduction of Section 115 V under the Income Tax Act, 1961, the Company has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships will be assessed on the basis of deemed Tonnage Income of the Company and no deferred tax will be applicable to this income as there will be no timing differences.

Deferred Tax is accounted for in respect of the timing differences under the non-tonnage activity of the Company. The break-up of net deferred tax assets/ (liability) is as under:

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

#### Deferred Tax Assets:

Provision for Doubtful Debts and Advances	33	32
Expenses	<u>367</u>	<u>-</u>
	<u>400</u>	<u>32</u>

#### Deferred Tax Liabilities:

Difference between book and tax depreciation	<u>3,995</u>	<u>2,797</u>
	<u>3,595</u>	<u>2,765</u>

#### NOTE 7 : OTHER LONG TERM LIABILITIES

Trade payables	357	485
Other Liabilities	2	196
Payable for procuring vessels	<u>38,957</u>	<u>-</u>
	<u>39,316</u>	<u>681</u>

#### NOTE 8 : LONG TERM PROVISIONS

Gratuity	237	182
Leave Encashment	17	15
VAT / Sales Tax	219	219
Custom Duty	11	11
Others	<u>129</u>	<u>-</u>
	<u>613</u>	<u>427</u>

#### NOTE 9 : SHORT TERM BORROWINGS

##### Secured Loans

From Banks	6,669	16,550
------------	-------	--------

##### Unsecured Loans

Foreign Currency Bonds (Refer Note : 32)	21,716	-
Inter Corporate Deposit -others	741	522

##### From Related Parties :

Inter Corporate Deposits	2,605	2,798
Loans from Promotors/Directors	<u>694</u>	<u>-</u>
	<u>32,425</u>	<u>19,870</u>

**Short Term Loans availed from Banks:** The Company has availed loans from banks/financial institutions which carry interest at the rate of 14% - 14.35%. The loans are secured against stock, debtors & receivable and a vessel.

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
<b>NOTE 10 : TRADE PAYABLES</b>		
Due to Micro and Small enterprises (Refer Note 38)	28	-
Due to other creditors (Note : 39)	22,348	12,533
	<u>22,376</u>	<u>12,533</u>

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available Information with Company is as under :

Principal amount due and remaining Unpaid	22	-
Interest due on above and the Unpaid Interest	6	-
Interest Paid	-	-
Payment made beyond the Appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of Further Interest remaining due and payable in succeeding years	<u>6</u>	<u>-</u>

**NOTE 11 : OTHER CURRENT LIABILITIES**

Current maturities of Long Term Borrowings	36,914	70,385
Interest accrued and due on borrowings	6,519	4,407
Advance for sale of flat	-	200
Unclaimed dividend	135	111
Due to Directors	140	250
<b>Other Payables</b>		
Other Operating Payables	694	870
Salary/ Employee Benefits payables	3,422	2,289
VAT / Sales tax Payables	14	12
Payable for procuring vessels	14,868	8,751
Service Tax payables	273	1,220
Withholding Tax / TDS payables	796	293
Provident Fund payables	35	18
Others	862	3
	<u>64,672</u>	<u>88,809</u>

**NOTE 12 : SHORT TERM PROVISIONS**

Proposed Final Dividend	-	931
Corporate dividend tax	-	37
Provision for Employee Benefits ( Note : 40)		
Gratuity	65	83
Leave Encashment	181	240
Other Provisions		
Provision for Mark to Market losses on Derivatives Instruments	11,422	9,685
Tax on overseas operations	1,314	513
Service tax	1,054	-
Loss on foreign currency loans	-	961
	<u>14,036</u>	<u>12,450</u>

## NOTE 13 : FIXED ASSETS SCHEDULE

₹ in Lakhs

PARTICULARS	GROSS BLOCK				DEPRECIATION				Net Block - WDV	
Block	As at April 1, 2012	Additions	Deletions	As at March 31, 2013	Upto March 31, 2012	For the year	Disposals/ Adjustments	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>Tangible Assets</b>										
Leasehold Land	254	-	-	254	6	3	-	9	245	248
Fleet	206,054	6,999	7,539	205,514	83,946	14,866	3,105	95,707	109,807	122,108
Plant & Machinery-Rigs	29,218	828	-	30,046	13,618	2,825	-	16,443	13,604	15,600
Plant & Machinery- Others	234	-	-	234	59	47	-	106	128	175
Office Premises	1,669	-	15	1,654	1,042	31	9	1,064	591	627
Furniture & Fixtures	171	-	-	171	167	2	-	169	2	4
Office Equipment	362	1	-	363	309	23	-	332	31	53
Computers	523	-	-	523	492	16	-	508	15	31
Vehicles	615	64	96	582	463	71	89	445	137	152
<b>Total Tangible Assets</b>	<b>239,100</b>	<b>7,892</b>	<b>7,650</b>	<b>239,342</b>	<b>100,102</b>	<b>17,883</b>	<b>3,204</b>	<b>114,781</b>	<b>124,561</b>	<b>138,998</b>
<b>Intangible Assets</b>										
Computer Software	290	-	-	290	116	58	-	174	116	174
<b>Total Intangible Assets</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>116</b>	<b>58</b>	<b>-</b>	<b>174</b>	<b>116</b>	<b>174</b>
<b>Grand Total</b>	<b>239,390</b>	<b>7,892</b>	<b>7,650</b>	<b>239,632</b>	<b>100,218</b>	<b>17,941</b>	<b>3,204</b>	<b>114,955</b>	<b>124,677</b>	<b>139,172</b>
Previous Year	266,886	5,219	32,715	239,390	90,452	17,215	7,449	100,218	139,172	176,434
<b>Capital Work in Progress</b>									<b>110,280</b>	<b>147,437</b>
<b>TOTAL</b>									<b>234,957</b>	<b>286,609</b>

₹ in Lakhs

Year ended  
**Year ended**  
**March 31, 2013**      March 31, 2012

## NOTE 13.1 : INTEREST COST CAPITALISED - OTHER ADJUSTMENTS

Capital Work in progress includes interest capitalised under AS-16 'Borrowing Cost' which is given as under:

Interest Cost Capitalised	4,332	4,307
---------------------------	-------	-------

₹ in Lakhs

As at  
March 31, 2013

As at  
March 31, 2012

**NOTE 14 : NON-CURRENT INVESTMENTS**

**Long Term Investments - Trade at cost**  
**Unquoted Investments, Fully paid up**  
**Investment in Wholly Owned Subsidiary Companies**

**a) Equity shares**

1,50,000 (PY : 1,50,000) GOL Offshore Fujairah L.L.C. - FZE (formerly Great Offshore Fujairah LLC - FZC), incorporated in Fujairah, U.A.E of US \$ 1 each	66	66
50,000 (PY : 50,000) Deep Water Services (India) Ltd. of ₹ 10 each	5	5
3,00,000 (PY: 3,00,000) Great Offshore (International) Ltd, Incorporated in Cayman Islands of US \$ 1 each	155	155
8,10,000 (PY : 8,10,000) KEI RSOS Maritime Ltd of ₹10 each	13,863	13,863
28,104 (PY: 28,104) GOL Salvage Services Ltd. (formerly Great Offshore Salvage Services Ltd.) of ₹100 each	501	501
50,000 (PY: 50,000) GOL Ship Repairs Ltd. (formerly Great Offshore Ship Repairs Ltd.) of ₹ 10 each	5	5
1,000 (PY: Nil) Deep Water Services (International ) Limited of US \$ 1 each.	1	-

**b) Preference Shares**

40,00,000 (P.Y. 40,00,000) 1% Cumulative Redeemable Preference Shares of ₹10 each at a premium of ₹ 115 per share.	5,000	5,000
--	-------	-------

**Investment in Joint Venture ( Note : 45)**

**Equity shares**

13,00,000 (PY: 13,00,000) United Helicharters Pvt. Ltd. of ₹10 each	57	57
	19,653	19,652

**NOTE 15 : LONG TERM LOANS AND ADVANCES**

**Unsecured, considered good**

Capital Advances	-	6,396
Security Deposits	94	67
Loans and advances to subsidiaries ( Refer Note : 34 & 35)	162,100	76,318
Other Loans & Advances	483	505
Service Tax Credit Claimable	823	823
Custom Duty	98	98
Sales Tax	95	95
Prepaid Expenses	1,104	1,080
	164,797	85,382

**NOTE 16 : OTHER NON CURRENT ASSETS**

Interest accrued on Loan to Subsidiary	72	72
Deposit with bank with maturity more than 12 months	8,202	5,422
Interest accrued on Fixed Deposit	179	-
Other Receivables	131	-
	8,584	5,494

**NOTE 17 : INVENTORIES-(at lower of cost or net realisable value)**

Fuel Oil	1,180	705
Stores and Spares ( Refer Note : 36)	4,389	4,616
	5,569	5,321



	₹ in Lakhs	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 18 : TRADE RECEIVABLES (Unsecured)</b>		
Outstanding for a period exceeding six months (Note :39)		
Considered good	3,821	4,027
Considered doubtful	872	772
	4,693	4,799
Less: Provision for doubtful receivables	872	772
	3,821	4,027
Other debts (considered good) ( Note : 39)	12,664	10,016
	16,485	14,043
<b>NOTE 19 : CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks</b>		
On Current Accounts	453	1,902
Cash on hand	6	9
Other Bank balances - Unpaid dividend Accounts	135	111
	594	2,022
<b>NOTE 20 : SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Other Loans & Advances	2,137	1,217
Security Deposits	1,100	1,100
Advance payment of Income-tax & Tax deducted at source ( Net of Provision for taxation )	620	3,292
Prepaid Expenses	420	212
	4,277	5,821
<b>NOTE 21 : OTHER CURRENT ASSETS</b>		
Unbilled Revenue	6,899	2382
Interest accrued on deposits	56	9
Other Current Assets	95	75
Interest accrued on Loan to Subsidiary	6,025	1,475
	13,075	3,941
	<b>Year ended March 31, 2013</b>	<b>Year ended March 31, 2012</b>
<b>NOTE 22 : REVENUE FROM OPERATIONS</b>		
Charter Hire	79,420	77,444
Contract Revenue	4,916	2,579
	84,336	80,023
<b>NOTE 23 : OTHER INCOME</b>		
<b>Interest income</b>		
From Banks	15	83
Tax Refund	166	17
Others*	3,543	17
	3,724	117
<b>Dividend income</b>		
From Subsidiary Companies	700	931
From Mutual Funds	86	16
<b>Gain on foreign currency transactions (Net)</b>	-	1,300
<b>Other non-operating income (net of expenses)</b>		
Profit on sale of sundry assets (net)	4,397	3
Rent Received - Flats	5	81
Insurance claims	341	216
Miscellaneous income	1,012	57
	10,265	2,721

\* " Others" mainly Includes Interest Income on Loans given to Subsidiaries.

	Year ended March 31, 2013	Year ended March 31, 2012
<b>NOTE 24 : EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages and Bonus	16,431	16,350
Contribution to Provident and other funds	329	359
Gratuity Expense	58	192
Staff welfare Expenses	194	75
Repatriation & Travel	1,065	1,231
Victualling Expenses	1,836	1,651
	<u>19,913</u>	<u>19,858</u>
<b>NOTE 25 : FINANCE COSTS</b>		
Interest expenses		
Fixed Loans	17,831	15,141
On Others	2,016	1,359
Other borrowing costs	1,030	1,157
	<u>20,877</u>	<u>17,657</u>
<b>NOTE 26 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and Amortisation	17,941	17,215
	<u>17,941</u>	<u>17,215</u>
<b>NOTE 27 : OTHER EXPENSES</b>		
Fuel, Oil and Water	2,497	2,223
Port, Light and Canal Dues	249	325
Hire of chartered ships	482	296
Diving Services	2,503	4,369
Brokerage and Commission	614	357
Stores	677	2,096
Insurance & Protection Club Indemnity Fees	1,285	1,159
Vessel Manning Expenses	2,147	1,003
Communication Expenses	239	239
Rent, Rates & Taxes	1,206	96
Repairs and Maintenance - Buildings	49	27
Repairs and Maintenance - others	186	209
Insurance	86	92
Printing & Subscription Charges	35	37
Legal and Professional Charges	798	790
Bad debts and advances written off	127	86
Provision for doubtful debts and advances	100	-
Exchange loss (net)	6,618	-
Directors' sitting fees	15	43
Auditors' Remuneration	28	58
Software Expenses	59	103
Travelling & Conveyance	321	272
Donation	-	6
Sundry Operating Expenses	1,344	530
Miscellaneous Expenses	1,281	651
Assets written off	602	-
Claims settled	1,639	-
	<u>25,187</u>	<u>15,067</u>

## NOTE 28 : Contingent Liabilities and Commitments

₹ in Lakhs

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2012
<b>I</b>	<b>Contingent Liabilities</b>		
(A)	<b>Claims against the Company/disputed dues not acknowledged as debts</b>		
	Customs Duty on Tug	306	306
	Sales Tax and Service tax demand on Charter hire payment	218	271
	Possible obligation in respect of matters under arbitration	1,518	2,700
(B)	<b>Guarantees</b>		
i	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Company	5,429	6,889
ii	Corporate Guarantees given to Customs Department	583	583
iii	Corporate Guarantees given to bank on behalf of subsidiary	76,886	68,073
(C)	<b>Other Money for which the Company is Contingently Liable</b>		
i	Letters of Credit Outstanding	9	195
<b>II</b>	<b>Commitments</b>		
	Estimated amount of Contracts remaining to be executed on Capital account and not provided for	85,950	74,198

## NOTE 29

As on March 31, 2013, the Company has investment in the equity / redeemable preference shares of its wholly owned subsidiary company KEI - RSOS Maritime Limited amounting to ₹ 18,863 lakhs (previous year ₹ 18,863 lakhs) and also a loan outstanding amounting to ₹ 3,331 lakhs (previous year ₹ 3,100 lakhs). The Company has also issued bank guarantees to Indian Bank amounting to ₹ 14,168 lakhs (previous year ₹ 14,585 lakhs) against which outstanding facilities as on March 31, 2013 amount to ₹ 6,327 lakhs (previous year ₹ 8,775 lakhs). The said investment is strategic and long term in nature. The management is confident of turning around the company and as such, in the opinion of the management, no provision is considered necessary for depletion, if any, in value of investment and loans and advances given by the Company due to losses suffered by that Company.

## NOTE 30 : Share Capital

During the year ended March 31, 2013, the Company allotted 8,100 equity shares in pursuance of the order of the Special Court established under the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992. These shares were a part of 71,480 equity shares which were kept in abeyance upon being notified by the Custodian under the said Act. The allotment of 63,380 equity shares (Previous year 71,480 equity shares) is now under abeyance, after the allotment of the said 8,100 equity shares. These will be allotted upon the receipt of the order of the Special Court or such other authority as may be directed, from time to time. Transfers of an additional 10,153 equity shares (previous year 10,153 equity shares) have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 as their title is under legal dispute. These shares will be allotted as and when the dispute regarding their title is resolved.

## NOTE 31 : Hedge Reserve

- The Company has borrowings and the revenue streams in foreign currency, which provide an inherent hedge against foreign currency exchange rate fluctuations. Accordingly, the Company changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign currency borrowings by following an appropriate hedge accounting policy and applying the principle set out in AS-30 Financial Instruments: Recognition and Measurement. The objective of adopting Hedge Accounting is to ensure that gain or loss on the hedging instrument is recognised in the Profit and Loss Statement in the same period when Hedge items affects profit or loss. The Company has w.e.f. 1st April 2008 designated borrowings in foreign currency as Hedge instrument to hedge its foreign currency risk

of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the current year, the net unrealised exchange difference on foreign currency borrowings aggregating to ₹ 2,335 Lakhs has been debited to Hedge Reserve, and net realised exchange loss debited to the Profit and Loss Statement is ₹ 348 lakhs. As a result, balance in the Hedge Reserve is debit of ₹ 27,485 Lakhs. (Previous Year Debit of ₹25,498 lakhs)

- b) With effect from 1st April 2011, the company has changed its accounting policy for recognition and measurement of Mark to Market losses in respect of derivatives instruments like interest rate swaps as per the principles enunciated in Accounting Standard (AS)30 "Financial Instruments: Recognition and Measurement" and in accordance with the recommendation of the Institute of Chartered Accountants of India. Accordingly Mark to market (MTM) losses in respect of derivatives instruments like Interest Rate Swaps have been accounted in accordance with principle of hedge accounting and the MTM losses on such derivatives instruments is recorded in the Hedge Reserve Account instead of recognising the same in the Profit and Loss Statement. Accordingly as at March 31, 2013, MTM loss on outstanding Interest Rate Swaps amounting to ₹ 11,422 lakhs (PY ₹ 9,685 lakhs) has been recognised in hedge reserves instead of debiting the same to the Profit and Loss Statement.

#### NOTE 32 : Unsecured Loans

The Company has 7.25% Unsecured Foreign Currency Convertible Bonds (FCCB) (due Oct. 2012) of US\$ 100,000 each aggregating to US \$ 40,000,000, listed on the Singapore Exchange Securities Trading Limited (SGX-ST). As these bonds were neither converted nor redeemed by the original due date, the Board of Directors have authorised the management to approach the Trustees for the Bond Holders to extend the redemption date to Dec'2013 subject to regulatory approvals. The matter is presently pending final resolution and accordingly these outstandings have been shown under "Short Term Borrowings" after restating the same at closing exchange rates. The exchange loss in this regard has been recognised in the Profit and Loss Statement.

#### NOTE 33 : Particulars in respect of Loans and Advances in the nature of loans as required by the Clause 32 of the Listing Agreement.

₹ in Lakhs

Particulars	As at March 31, 2013	As at March 31, 2012	Maximum Balance	
			Current Year	Previous Year
GOL Offshore Fujairah L.L.C. FZC	101,687	-	101,693	-
KEI-RSOS Maritime Ltd.	3,331	3,100	3,346	11,215
Great Offshore (International) Ltd.	52,885	72,658	73,589	91,848
GOL Ship Repairs Ltd.	-	-	-	329
GOL Salvage Services Ltd.	9	3	9	3
Deep Water Services (India) Ltd.	4,189	513	4,342	513

#### NOTE 34 : Interest on loan given to subsidiary Great Offshore (International) Limited

Interest recovered on loan given to subsidiary Great Offshore (International) Limited ₹ 3,932 lakhs (Previous Year ₹5,164 lakhs) has been netted out against the interest expense on other loans and net interest is disclosed in the Profit and Loss Statement. Interest Receivable upto March 31, 2013 is ₹ 2,748 lakhs (Previous Year ₹ 1,465 lakhs)

#### NOTE 35 : Unsecured Loan to Great Offshore (International) Limited

The company has granted unsecured loan amounting to ₹ 52,885 lakhs ( Previous Year ₹72,658 lakhs) to its wholly owned overseas subsidiary company Great Offshore (International) Limited which in turn has invested/advanced the said amount to its step down overseas subsidiaries/partnership firms for purchase of vessels with higher capacities and latest technologies from Bharati Shipyard Limited, the promoters of the Company. All such vessels procured from Bharati Shipyard Limited are to be delivered over the next 12 to 24 months.

Recoverability of aforesaid loan and interest thereon is dependent upon timely delivery of vessels by Bharati Shipyard Limited. In the opinion of the management, the said advances are fully recoverable.

#### **NOTE 36 : Inventories**

Closing stock of stores and spares on board the vessels amounting to ₹ 4,389 lakhs (Previous Year ₹4616 lakhs) was determined by the management on the basis of inventory system implemented by the Company w.e.f. January 1, 2012. The Company has in place preset cyclical programme for physical verification of inventory on board the vessels. Auditors have relied upon the management certification for the valuation of stock of stores and spares on board the vessels.

#### **NOTE 37 : Going Concern**

As stated in note nos. 5, 11 and 32 the company has not been able to service some of its foreign currency bonds and loans on the original due dates. In respect of FCCB, the Board of Directors have approved extension of its due date upto December'13 subject to concurrence of the Bond Holders and regulatory approvals as may be applicable. In respect of other loans the company is in discussions for settlement of the dues over the next one year. Management has taken effective steps for collection of certain loans and advances, disposal of some assets including some of which are still operating assets, as in the opinion of the management, their value on sale will be higher than their value in use as also to meet the significant current liabilities. The management is very hopeful of achieving this before the end of the current financial year. The company is also able to earn margin by carrying on its business in the normal course. Hence these accounts have been prepared on going concern assumption which is considered appropriate.

#### **NOTE 38 : Current Liabilities**

According to information available with the Company regarding the status of the suppliers, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, amount overdue as on 31st March, 2013 to the Micro, Small and Medium enterprises on account of principal amount, together with interest for delayed payment under the Act, is ₹ 28 lakhs (Previous Year ₹ Nil) .

#### **NOTE 39 : The balances of Trade Receivables, Trade Payables and Loans & Advances are subject to confirmation.**

#### **NOTE 40 : Disclosures pursuant to Accounting Standard (AS) 15 (revised) "Employee Benefits"**

- Effective April 1, 2007 the Company adopted Accounting Standards 15 (Revised 2005) on "Employee Benefits" issued by ICAI.
- The Company has recognised the following amounts in the Profit and Loss Statement for the year:

#### **(A) Defined Contribution Plans:**

₹ in Lakhs

	<b>For the year ended March 31, 2013</b>	<b>For the year ended March 31, 2012</b>
Contribution to Employees Provident Fund	<b>154.23</b>	163.82
Contribution to Employees Superannuation Fund	<b>51.55</b>	59.46
Contribution to Employees Pension Scheme 1995	<b>3.83</b>	3.96
Contribution to Seamen's Provident Fund	<b>34.10</b>	38.64
Contribution to Seamen's Annuity Fund	<b>86.16</b>	95.28
Contribution to Seamen's Gratuity Fund	<b>57.68</b>	191.55

**(B) Defined Benefit Plans:**

Valuations in respect of Gratuity, Pension Plan for employees, Leave Encashment have been carried out by an independent actuary, as at the Balance Sheet date on Projected Unit Credit method, based on the following assumptions: ₹ in Lakhs

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	8%	8%	8%	8%
(b) Rate of Return on Plan Assets	8%	8%	-	-
(c) Salary Escalation rate	5%	5%	5%	5%
(d) Mortality	LIC (1994-96) ULT			
(f) Expected average remaining service	4.14	5.56	4.11	6.88

**(i) Change in Benefit Obligation:**

₹ in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	851.69	839.16	26.81	26.41
Interest Cost	61.85	61.91	2.14	2.11
Current Service Cost	103.73	112.36	71.01	70.67
Benefits Paid	(157.05)	(130.65)	-	-
Short Term Compensated Absence Liability	-	-	170.75	228.19
Actuarial (gain)/loss on obligations	(31.97)	(31.08)	(72.59)	(72.38)
Liability at the end of the year	828.26	851.69	198.12	255.00

**(ii) Fair value of Plan Assets:**

₹ in Lakhs

	Gratuity	
	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year	768.29	583.74
Expected Return on Plan Assets	58.52	51.69
Contributions	83.40	255.42
Benefits Paid	(157.05)	(130.65)
Actuarial gain/(loss) on Plan Assets	10.26	8.09
Fair Value of Plan Assets at the end of the year	763.42	768.29

**(iii) Actual Return on Plan Assets:**

₹ in Lakhs

	Gratuity	
	Current Year	Previous Year
Expected Return on Plan Assets	58.52	51.69
Actuarial gain/(loss) on Plan Assets	10.26	8.09
Actual Return on Plan Assets	68.78	59.78



**(iv) Amount Recognised in the Balance Sheet:**
**₹ in Lakhs**

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the year	<b>828.26</b>	851.69	<b>198.12</b>	255.00
Fair Value of Plan Assets at the end of the year	<b>763.42</b>	768.29	-	-
Difference	<b>(64.84)</b>	(83.40)	<b>(198.12)</b>	(255.00)
Amount recognised in the Balance Sheet	<b>(64.84)</b>	(83.40)	<b>(198.12)</b>	(255.00)

**(v) Expenses recognised in the Profit and Loss Statement:**
**₹ in Lakhs**

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	<b>103.73</b>	112.36	<b>71.01</b>	70.67
Interest Cost	<b>61.85</b>	61.91	<b>2.14</b>	2.11
Expected Return on Plan Assets	<b>(58.52)</b>	(51.69)		
Net Actuarial (Gain)/loss to be recognised	<b>(42.22)</b>	(39.17)	<b>(72.59)</b>	(72.38)
Expenses recognised in Profit and Loss Statement	<b>64.84</b>	83.40	<b>0.56</b>	0.40

**(vi) Disclosure of Gratuity for the previous five years - pursuant to requirement of Accounting Standard**
**₹ in Lakhs**

	Gratuity				
	2012-13	2011-12	2010-11	2009-10	2008-09
Present Value of Obligations at the end of the year	828.26	851.69	839.16	573.25	600.19
Fair Value of Plan Assets at the end of the year	763.42	768.29	583.74	623.59	518.48
Net Present Value of the Obligation recognised as Assets/ (Liability) in the Balance Sheet	(64.84)	(83.40)	(255.42)	50.34	(81.71)

**(vii) Basis used to determine expected rate of return on assets:**

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

**(viii) General description of significant defined plans:**
**Gratuity Plan:**

Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement or resignation in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

**Leave Encashment:**

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disability or resignation subject to maximum accumulation allowed @ 75 days (Previous Year : 60 Days) for employees. The Leave over and above 75 days is encashed and paid to employees in April every year. Benefit would be at the time of separation based on the last drawn basic salary.

**NOTE 41 : Auditors' Remuneration**

₹ in Lakhs

	Year ended March 31, 2013	Year ended March 31, 2012
Audit Fees	21	22
Tax Audit Fees	3	3
Taxation	-	6
Certification and Other Services	4	27
	28	58

**NOTE 42 : Hedging Contracts**

**(a) Interest Rate Swap Contracts**

	Current Year	Previous Year
Total No. of Contracts	6	6
Principal Notional Amount (US Dollar Million)	95.62	102.19
Maturity Period	Upto 7 years	Upto 7 years

**(b) Unhedged Foreign Currency Exposure (Refer also Note : 31)**

Amount in Foreign Currency in  
Lakhs

	As at March 31, 2013	As at March 31, 2012
(i) Loans Liabilities and Payables		
(a) US Dollars	2,018	2,524
(b) Euros	2	3
(c) Arab Emirates Dinars	4	4
(d) Japanese Yen	135	220
(e) Great Britain Pounds	2	3
(f) Norwegian Kroners	7	5
(g) Singapore Dollars	13	5
(h) Malaysian Ringgit	1	2
(i) Swedish Kroners	4	4
(j) Brazilian Real	4	-
(ii) Cash/ bank and receivables		
(a) US Dollars	346	358
(b) Brazilian Real	7	-
(c) Arab Emirates Dinars	-	1
(d) Japanese Yens	-	5
(e) Great Britain Pounds	2	18
(f) Norwegian Kroners	-	2
(g) Singapore Dollars	-	1
(h) Malaysian Ringgit	-	1
(i) Swedish Kroners	-	4

**NOTE 43 : Segment reporting**

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

## NOTE 44 : Related Party Disclosures

### (i) List of Related Parties

#### (a) Parties where control exists :

##### Subsidiary Companies :

Deep Water Services (India) Ltd  
 GOL Ship Repairs Ltd (formerly Great Offshore Ship Repairs Limited)  
 KEI - RSOS Maritime Ltd  
 GOL Salvage Services Limited  
 (formerly known as Great Offshore Salvage Service Limited)  
 Great Offshore (International) Ltd. (Cayman Islands)  
 GOL Offshore Fujairah L.L.C. - FZE (formerly Great Offshore Fujairah L.L.C - FZC)  
 Deep Water Services (International) Ltd. (Cayman Islands)  
 Norwegian Shipping I Ltd (Cyprus)  
 Norwegian Shipping II Ltd (Cyprus)  
 Great Offshore International (Malaysia) Ltd.  
 Great Offshore International Manning & Ship Management (Labuan) Ltd. (Malaysia)  
 Glory Shipping Pvt Ltd (Dubai)  
 Great Offshore Germany GmbH  
 SGB Emssun GmbH & Co. KG (Germany)  
 SGB Emssky GmbH & Co. KG (Germany)  
 SGB Emsstar GmbH & Co. KG (Germany)

#### (b) Other related parties with whom transactions have taken place during the year :

##### 1 Joint Venture :

United Helicharters Pvt Ltd.

##### 2 Key Management Personnel :

Mr. P.C.Kapoor - Executive Director

Mr. Vijay Kumar - Executive Director

##### 3 Enterprises over which Key Management Personnel Exercise Significant Influence :

Bharati Shipyard Limited  
 Pinky Shipyard Pvt Ltd  
 Bharati Maritime Services Pvt Ltd  
 Harsha Infrastructure Pvt Ltd  
 Sea Splice Shipping Pvt Ltd  
 Port Side Shipping Pvt Ltd  
 Dhanshree Properties Pvt Ltd  
 Natural Power Ventures Pvt Ltd  
 Weizmann Forex Ltd

##### 4 Relatives of Key Managerial Personnel

Sukriti Kumar

NOTE 44 (ii): RELATED PARTY TRANSACTIONS

₹ in Lakhs

Nature of Transaction	Subsidiaries		Joint Venture		Enterprise Over which Key Management Personnel exercise significant influence		Key Management Personnel		Relatives of Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Charter Hire Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	-	-	-	553	189	-	-	-	-	553	189
Deep Water Services (India) Limited	7,163	3,148	-	-	-	-	-	-	-	-	7,163	3,148
GOL Salvage Services Ltd.	102	-	-	-	-	-	-	-	-	-	102	-
KEI-RSOS Maritime Limited	1,094	1,222	-	-	-	-	-	-	-	-	1,094	1,222
GOL Ship Repairs Limited	59	-	-	-	-	-	-	-	-	-	59	-
<b>Interest Income</b>	-	-	-	-	-	-	-	-	-	-	-	-
Great Offshore (International) Limited	3,932	5,164	-	-	-	-	-	-	-	-	3,932	5,164
GOL Ship Repairs Limited	-	10	-	-	-	-	-	-	-	-	-	10
GOL Fujairah LLC-FZE	3,266	-	-	-	-	-	-	-	-	-	3,266	-
<b>Dividend Received</b>	-	-	-	-	-	-	-	-	-	-	-	-
Deep Water Services (India) Limited	700	931	-	-	-	-	-	-	-	-	700	931
<b>Charter Hire Expense</b>	-	-	-	-	-	-	-	-	-	-	-	-
KEI-RSOS Maritime Limited	-	63	-	-	-	-	-	-	-	-	-	63
<b>Interest Expense</b>	-	-	-	-	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	-	-	-	-	177	-	-	-	-	-	177
Pinky Shipyard Pvt Ltd	-	-	-	-	128	32	-	-	-	-	128	32
Bharati Maritime Services Pvt Ltd	-	-	-	-	1	16	-	-	-	-	1	16
Harsha Infrastructure Pvt Ltd	-	-	-	-	29	29	-	-	-	-	29	29
Sea Splice Shipping Pvt Ltd	-	-	-	-	13	4	-	-	-	-	13	4
Port Side Shipping Pvt Ltd	-	-	-	-	30	9	-	-	-	-	30	9
Deep Water Services (India) Limited	-	780	-	-	-	-	-	-	-	-	-	780
<b>Vessel Repair Expense</b>	-	-	-	-	-	-	-	-	-	-	-	-
GOL Ship Repairs Limited	25	711	-	-	-	-	-	-	-	-	25	711
<b>Fuel, Lubes, Stores and Consumables Expenses</b>	-	-	-	-	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	-	-	-	53	-	-	-	-	-	53	-
<b>Remuneration</b>	-	-	-	-	-	-	-	-	-	-	-	-
P.C. Kapoor	-	-	-	-	-	-	139	126	-	-	139	126
Vijay Kumar	-	-	-	-	-	-	139	126	-	-	139	126
Soli Engineer	-	-	-	-	-	-	-	195	-	-	-	195
Chetan Mehra	-	-	-	-	-	-	-	4	-	-	-	4
Sukriti Kumar	-	-	-	-	-	-	-	-	30	29	30	29
<b>Foreign Currency Purchased</b>	-	-	-	-	-	-	-	-	-	-	-	-
Weizman Forex Limited	-	-	-	-	-	238	-	-	-	-	-	238
<b>Proposed Dividend</b>	-	-	-	-	-	-	-	-	-	-	-	-
Dhanshree Properties Pvt Ltd	-	-	-	-	-	121	-	-	-	-	-	121
Natural Power Ventures Pvt Ltd	-	-	-	-	-	342	-	-	-	-	-	342
<b>Dividend Paid</b>	-	-	-	-	-	-	-	-	-	-	-	-
Dhanshree Properties Pvt Ltd	-	-	-	-	121	121	-	-	-	-	121	121
Natural Power Ventures Pvt Ltd	-	-	-	-	342	342	-	-	-	-	342	342
<b>Conversion of Loan into Preference Shares</b>	-	-	-	-	-	-	-	-	-	-	-	-
KEI-RSOS Maritime Limited	-	5,000	-	-	-	-	-	-	-	-	-	5,000
<b>Loan Given</b>	-	-	-	-	-	-	-	-	-	-	-	-
Deep Water Services (India) Limited	7,677	513	-	-	-	-	-	-	-	-	7,677	513
KEI-RSOS Maritime Limited	247	4,494	-	-	-	-	-	-	-	-	247	4,494
Great Offshore (International) Limited	4,695	21,289	-	-	-	-	-	-	-	-	4,695	21,289

Nature of Transaction	Subsidiaries		Joint Venture		Enterprise Over which Key Management Personnel exercise significant influence		Key Management Personnel		Relatives of Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
GOL Ship Repairs Limited	-	204	-	-	-	-	-	-	-	-	-	204
GOL Offshore (Fujairah) LLC-FZE	101,668	7	-	-	-	-	-	-	-	-	101,668	7
GOL Salvage Services Ltd.	6	-	-	-	-	-	-	-	-	-	6	-
<b><u>Loan Received</u></b>												
Dhanshree Properties Pvt Ltd	-	-	-	-	120	-	-	-	-	-	120	-
Natural Power Ventures Pvt Ltd	-	-	-	-	342	-	-	-	-	-	342	-
Mr. P.C.Kapoor	-	-	-	-	-	-	29	-	-	-	29	-
Mr. Vijay Kumar	-	-	-	-	-	-	204	-	-	-	204	-
Deep Water Services (India) Limited	-	4,265	-	-	-	-	-	-	-	-	-	4,265
<b><u>Repayment of Loan Given</u></b>												
Deep Water Services (India) Limited	4,000	-	-	-	-	-	-	-	-	-	4,000	-
KEI-RSOS Maritime Limited	16	6,017	-	-	-	-	-	-	-	-	16	6,017
Great Offshore International Limited	24,468	19,368	-	-	-	-	-	-	-	-	24,468	19,368
GOL Offshore (Fujairah) LLC-FZE	26	-	-	-	-	-	-	-	-	-	26	-
GOL Ship Repairs Ltd.	-	329	-	-	-	-	-	-	-	-	-	329
<b><u>Repayment of Loan Received</u></b>												
Deep Water Services (India) Limited	-	12,559	-	-	-	-	-	-	-	-	-	12,559
<b><u>Inter Corporate Deposit Received</u></b>												
Bharati Shipyard Limited	-	-	-	-	-	12,558	-	-	-	-	-	12,558
Pinky Shipyard Pvt Ltd	-	-	-	-	900	1,215	-	-	-	-	900	1,215
Bharati Maritime Services Pvt Ltd	-	-	-	-	-	2,780	-	-	-	-	-	2,780
Harsha Infrastructure Pvt Ltd	-	-	-	-	-	1,281	-	-	-	-	-	1,281
Sea Splice Shipping Pvt Ltd	-	-	-	-	-	143	-	-	-	-	-	143
Port Side Shipping Pvt Ltd	-	-	-	-	-	332	-	-	-	-	-	332
<b><u>Advance for modification of Vessels Given</u></b>												
Bharati Shipyard Limited	-	-	-	-	-	1,250	-	-	-	-	-	1,250
<b><u>Repayment of Inter Corporate Deposit Received</u></b>												
Bharati Shipyard Limited	-	-	-	-	-	12,558	-	-	-	-	-	12,558
Bharati Maritime Services Pvt Ltd	-	-	-	-	-	2,767	-	-	-	-	-	2,767
Harsha Infrastructure Pvt Ltd	-	-	-	-	1,093	185	-	-	-	-	1,093	185
<b><u>Advance for modification of Vessels Given (Repaid)</u></b>												
Bharati Shipyard Limited	-	-	-	-	-	1,250	-	-	-	-	-	1,250
<b><u>Contract for Vessel</u></b>												
Bharati Shipyard Limited	-	-	-	-	42,240	-	-	-	-	-	42,240	-
Pinky Shipyard Pvt Ltd	-	-	-	-	23,435	26,093	-	-	-	-	23,435	26,093
<b><u>Refund of Advance upon cancellation of contract</u></b>												
Bharati Shipyard Limited	-	-	-	-	92,435	7,555	-	-	-	-	92,435	7,555
<b><u>Expenses incurred on behalf of</u></b>												
Deep Water Services (India) Limited	-	2,674	-	-	-	-	-	-	-	-	-	2,674
KEI-RSOS Maritime Limited	30	6	-	-	-	-	-	-	-	-	30	6
GOL Salvage Services Limited	24	3	-	-	-	-	-	-	-	-	24	3
Great Offshore (International) Limited	-	97	-	-	-	-	-	-	-	-	-	97
<b><u>Corporate Guarantees Issued on behalf</u></b>												
Great Offshore (International) Limited	60,218	56,798	-	-	-	-	-	-	-	-	60,218	56,798
Deep Water Services (India) Limited	2,500	2,500	-	-	-	-	-	-	-	-	2,500	2,500
KEI-RSOS Maritime Limited	14,168	8,775	-	-	-	-	-	-	-	-	14,168	8,775

# NOTES FORMING PART OF THE FINANCIAL STATEMENTS



Nature of Transaction	Subsidiaries		Joint Venture		Enterprise Over which Key Management Personnel exercise significant influence		Key Management Personnel		Relatives of Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Outstanding Balance as on 31.03.13</b>												
<b>Trade Receivable</b>												
Deep Water Services (India) Limited	3,208	930	-	-	-	-	-	-	-	-	3,208	930
KEI-RSOS Maritime Limited	1,232	8	-	-	-	-	-	-	-	-	1,232	8
GOL Ship Repairs Limited	126	-	-	-	-	-	-	-	-	-	126	-
GOL Salvage Services Limited	-	3	-	-	-	-	-	-	-	-	-	3
Great Offshore (International) Limited	616	448	-	-	-	-	-	-	-	-	616	448
Bharati Shipyard Limited	-	-	-	-	43	152	-	-	-	-	43	152
United Helicharter	-	-	94	94	-	-	-	-	-	-	94	94
<b>Trade Payable</b>												
GOL Ship Repairs Limited	426	389	-	-	-	-	-	-	-	-	426	389
Bharati Shipyard Limited	-	-	-	-	40	57	-	-	-	-	40	57
Weizman Forex Limited	-	-	-	-	-	18	-	-	-	-	-	18
<b>Payment for vessel outstanding</b>												
Bharati Shipyard Limited	-	-	-	-	46,936	-	-	-	-	-	46,936	-
Pinky Shipyard Pvt Ltd	-	-	-	-	7,754	7,757	-	-	-	-	7,754	7,757
<b>Outstanding Loan Balance</b>												
Deep Water Services (India) Limited	4,189	513	-	-	-	-	-	-	-	-	4,189	513
KEI-RSOS Maritime Limited	3,331	3,100	-	-	-	-	-	-	-	-	3,331	3,100
Great Offshore (International) Limited	52,885	72,658	-	-	-	-	-	-	-	-	52,885	72,658
GOL Offshore (Fujairah) LLC-FZE	101,687	44	-	-	-	-	-	-	-	-	101,687	44
GOL Salvage Services Limited	9	-	-	-	-	-	-	-	-	-	9	-
<b>Inter Corporate Deposit Payable</b>												
Pinky Shipyard Pvt Ltd	-	-	-	-	2,115	1,215	-	-	-	-	2,115	1,215
Bharati Maritime Services Pvt Ltd	-	-	-	-	13	13	-	-	-	-	13	13
Harsha Infrastructure Pvt Ltd	-	-	-	-	2	1,096	-	-	-	-	2	1,096
Sea Splice Shipping Pvt Ltd	-	-	-	-	143	143	-	-	-	-	143	143
Port Side Shipping Pvt Ltd	-	-	-	-	332	332	-	-	-	-	332	332
<b>Interest Payable</b>												
Deep Water Services (India) Limited	-	224	-	-	-	-	-	-	-	-	-	224
Bharati Shipyard Limited	-	-	-	-	-	133	-	-	-	-	-	133
Pinky Shipyard Pvt Ltd	-	-	-	-	160	32	-	-	-	-	160	32
Bharati Maritime Services Pvt Ltd	-	-	-	-	17	16	-	-	-	-	17	16
Harsha Infrastructure Pvt Ltd	-	-	-	-	58	29	-	-	-	-	58	29
Sea Splice Shipping Pvt Ltd	-	-	-	-	16	4	-	-	-	-	16	4
Port Side Shipping Pvt Ltd	-	-	-	-	38	9	-	-	-	-	38	9
<b>Interest Receivable</b>												
KEI-RSOS Maritime Limited	72	72	-	-	-	-	-	-	-	-	72	72
Great Offshore (International) Limited	2,748	1,465	-	-	-	-	-	-	-	-	2,748	1,465
GOL Ship Repairs Limited	-	10	-	-	-	-	-	-	-	-	-	10
GOL Offshore (Fujairah) L.L.C. - FZE	3,266	-	-	-	-	-	-	-	-	-	3,266	-
<b>Remuneration Payable</b>												
P.C. Kapoor	-	-	-	-	-	-	124	110	-	-	124	110
Vijay Kumar	-	-	-	-	-	-	124	110	-	-	124	110
Soli Engineer	-	-	-	-	-	-	-	6	-	-	-	6



**NOTE 45 : Interest in Joint Venture**

The Company has a joint venture interest in United Helicharters Pvt. Ltd. (a company incorporated in India) and its proportionate share in the assets, liabilities, income and expenses of the jointly controlled entity, based on the unaudited management accounts drawn up to March 31, 2013, is as under :

Percentage of ownership interest as at March 31, 2013 – 26%

₹ in Lakhs

As at March 31, 2013		Year Ended March 31, 2013	
Assets	829	Income	1,395
Liability	630	Expenditure	1,211

As at March 31, 2012		Year Ended March 31, 2012	
Assets	774	Income	861
Liability	729	Expenditure	905

**NOTE 46 : Basic and Diluted earnings per share**

₹ in Lakhs

	Particulars	Current Year	Previous Year
(a)	Net Profit after tax available for Equity Shareholders	6,067	7,434
(b)	Weighted average number of Equity shares outstanding at the end of the year	37,232,649	37,231,961
(c)	Face value of Equity Share	10	10
(d)	Earnings per share -Basic and Diluted	16.30	19.97

**NOTE 47 : Disclosures on foreign currency expenses and earnings**

₹ in Lakhs

	Current Year	Previous Year
(i) Value of imports (on CIF basis)		
(a) Capital goods - Special Survey	1,591	3,968
(ii) Expenditure in foreign currency		
(a) Professional Charges	210	102
(b) Interest	3,348	3,735
(c) Fuel	1,609	940
(d) Insurance	494	365
(e) Repairs & Maintenance	1,986	5,452
(f) Project Expenses	190	240
(g) Repatriation	148	141
(h) Vessel Manning Exp	755	83
(i) Victualling	191	297
(j) Stores	133	308
(j) Others	3,570	1,775
(iii) Remittance in foreign currency on account of dividend	Nil	Nil
(iv) Earnings in foreign exchange		
(a) Charter Hire	63,966	74,611
(b) Contract Revenue	222	Nil
(c) Interest Income	9,873	5,164

**NOTE 48 :** Previous year's figures have been regrouped/recasted/restated wherever necessary.

To,  
The Board of Directors of GOL Offshore Limited,  
Mumbai

### Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of GOL Offshore Limited ("the Company") and its subsidiaries including step down subsidiaries and limited liability partnership firms described in detail in Note no 28 to the Consolidated accounts (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Companies Act, 1956 (the Act) including Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Accordingly, these consolidated financial statements have been prepared based on the accounting standards 21 and 27 of the Companies (Accounting Standards) Rules, 2006.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

### Basis for Qualified Opinion

5. *The investment made in the subsidiary KEI-RSOS MARITIME LTD, is at substantial premium. Consequently on consolidation of accounts of the holding company with that of its subsidiaries there arises a goodwill amounting to ₹9,568 Lakhs. As the net worth of this subsidiary has substantially eroded and as it has not assessed impairment losses of certain of its fixed assets presently not in use and as no provision is made for disputed debtors and claims made by the customs on it which is under arbitration, in our opinion, this goodwill ought to have been duly charged off to profit and loss statement. If it was so charged off, the consolidated loss of the group would be higher by ₹9,568*

*Lakhs and shareholders funds will be lower by a like amount with consequent effect on cash flows for the year.*

### Qualified Opinion

6. *Subject to the above, in our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements read with notes thereon give the information required by the Act in the manner so required and 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, 2013;*
- (b) *in the case of the Profit and Loss Statement, of the profit/ loss for the year ended on that date; and*
- (c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date*

### Emphasis of Matter

7. We draw attention to Note 36 to the consolidated financial statements of GOL group regarding the continuing default in repayment to the Bondholders as well as other lenders and the proposed action of the Management. The current liabilities are in excess of current assets by ₹93,884 Lakhs. The group continues to carry on its operations in the normal course and accordingly these financial statements have been prepared on a going concern basis. Our opinion is not qualified in respect of this matter.

### Other Matters

8. We did not audit the financial statements / consolidated financial statement of certain subsidiaries, whose financial statements/ consolidated financial statements reflect total assets of ₹137,998 Lakhs as at March 31, 2013, total revenues of ₹11,057 Lakhs and net negative cash flows amounting to ₹ 1,276 Lakhs for the year ended on that date audited by other auditors whose reports have been furnished to us and our opinion is based solely on the reports of the other auditors. The Consolidated financial statements also include assets of ₹1 Lakh of a subsidiary whose accounts are unaudited.
9. We have relied on the unaudited financial statements of the Company's joint Venture, whose financial statements reflect the Group's share of total assets of ₹829 Lakhs as at March 31, 2013, the Group's share of total revenue of ₹1,395 Lakhs for the year ended on that date. These unaudited financial statements as approved by the Management and our report in so far as it relates to the amounts included in respect of the joint venture is based solely on such approved unaudited financial statements.

**For VARMA & VARMA**  
Chartered Accountants  
FRN 004532S

**CHERIAN K BABY**  
Partner  
M. No.16043

**Place: Mumbai**  
**Date: 23<sup>rd</sup> May, 2013**

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**MOTILAL JAIN**  
Proprietor  
M. No. 036811



## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2013

₹ in Lakhs

	Note	As at March 31, 2013	As at March 31, 2012
<b>I EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds:</b>			
(a) Share Capital	3	3,724	3,723
(b) Reserve and Surplus	4	87,272	90,091
		<u>90,996</u>	<u>93,814</u>
<b>(2) Minority Interest</b>		(1,840)	993
<b>(3) Non-Current Liabilities:</b>			
(a) Long-Term Borrowings	5	241,718	249,546
(b) Deferred Tax Liabilities (Net)	6	4,391	3,369
(c) Other Long-Term Liabilities	7	39,386	750
(d) Long Term Provisions	8	683	471
		<u>286,178</u>	<u>254,136</u>
<b>(4) Current Liabilities:</b>			
(a) Short-Term Borrowings	9	34,434	23,006
(b) Trade Payables	10	30,884	23,206
(c) Other Current Liabilities	11	73,467	93,518
(d) Short-Term Provisions	12	14,043	12,583
		<u>152,828</u>	<u>152,313</u>
<b>TOTAL</b>		<u><u>528,162</u></u>	<u><u>501,256</u></u>
<b>II ASSETS</b>			
<b>(1) Non-Current Assets:</b>			
(a) Fixed Assets			
(i) Tangible Assets	13	158,598	189,185
(ii) Intangible Assets	13	116	174
(iii) Capital Work-in-Progress	13	284,421	241,689
(iv) Assets Held for Sale	13	788	3,142
(b) Goodwill on Consolidation		11,150	11,039
(c) Long-Term Loans and Advances	14	4,210	9,131
(d) Other Non-Current Assets	15	9,935	1,959
		<u>469,218</u>	<u>456,319</u>
<b>(2) Current Assets:</b>			
(a) Inventories	16	6,732	6,372
(b) Trade Receivables	17	13,132	15,834
(c) Cash and Cash Equivalents	18	6,060	12,931
(d) Short-Term Loans and Advances	19	5,876	7,164
(e) Other Current Assets	20	27,144	2,636
		<u>58,944</u>	<u>44,937</u>
<b>TOTAL</b>		<u><u>528,162</u></u>	<u><u>501,256</u></u>
<b>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	2		

The accompanying notes are an integral part of these financial statements.  
As per our Report of even date

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**Shrirang V. Khadilkar**  
VP - Finance & Corporate Affairs

For and on behalf of the Board  
**Kaushal Raj Sachar**  
Deputy Chairman  
**Vijay Kumar**  
Executive Director  
**Chandan Bhattacharya**  
Director  
**Vinesh Davda**  
Director

**Cherian K. Baby**  
Partner  
M.No.16043

**Motilal Jain**  
Proprietor  
M.No. 036811

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

Mumbai, May 23, 2013

Mumbai, May 23, 2013

**CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013**
**₹ in Lakhs**

	Note	Year Ended March 31, 2013	Year Ended March 31, 2012
I Revenue from operations	21	99,265	88,281
II Profit on Sale of Vessel		8,334	7,552
III Other Income	22	6,781	2,611
<b>IV Total Revenue (I+II+III)</b>		<b>114,380</b>	<b>98,444</b>
<b>V Expenses:</b>			
Changes in Inventories of Spares & Stores		214	802
Employee Benefits Expense	23	22,834	22,730
Repairs & Maintenance - Fleet and Rigs		4,577	6,279
Project Expenses		4,526	855
Finance Costs	24	26,520	24,736
Depreciation and Amortisation Expense	25	29,146	20,192
Other Expenses	26	26,173	21,559
<b>Total Expenses</b>		<b>113,990</b>	<b>97,153</b>
<b>VI Profit before Exceptional item and tax (IV-V)</b>		<b>390</b>	<b>1,291</b>
VII Exceptional item		-	213
<b>VIII Profit Before Tax (VI + VII)</b>		<b>390</b>	<b>1,504</b>
<b>IX Tax Expenses:</b>			
Current tax		3,958	2,805
Deferred tax		1,024	2,467
Prior year tax		88	(40)
		<b>5,070</b>	<b>5,232</b>
<b>X Profit After Tax, before Minority Interest (VIII - IX)</b>		<b>(4,680)</b>	<b>(3,728)</b>
XI Minority interest		2,073	-
XII Profit After Tax		<b>(2,607)</b>	<b>(3,728)</b>
XIII Earnings per equity share			
before Exceptional items		<b>(7.00)</b>	<b>(10.58)</b>
after Exceptional items		<b>(7.00)</b>	<b>(10.01)</b>

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**
**2**

The accompanying notes are an integral part of these financial statements.  
As per our Report of even date

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**Shrirang V. Khadilkar**  
VP - Finance & Corporate Affairs

**Cherian K. Baby**  
Partner  
M.No.16043

**Motilal Jain**  
Proprietor  
M.No. 036811

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

For and on behalf of the Board  
**Kaushal Raj Sachar**  
Deputy Chairman  
**Vijay Kumar**  
Executive Director  
**Chandan Bhattacharya**  
Director  
**Vinesh Davda**  
Director

Mumbai, May 23, 2013

Mumbai, May 23, 2013

# CASH FLOW STATEMENT



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

₹ in Lakhs

	For the year ended March 31, 2013	For the year ended March 31, 2012
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit Before Tax	390	1,504
<b>Adjustments For:</b>		
Depreciation and Amortisation Expense	29,146	20,192
(Profit)/ Loss on sale of vessel	(8,334)	(7,552)
(Profit)/ Loss on sale of sundry assets (net)	(4,397)	(3)
Interest Income	(617)	(203)
Dividend Income	(91)	(35)
Interest and finance charges	26,520	24,736
Debts & Advances written off	127	621
Assets written off	602	-
Provision for Bad Debts	100	214
Effect of exchange difference on translation of subsidiaries	1,774	10,388
Unrealised exchange loss/ (gain)	6,148	(1,486)
<b>Operating Profit before Working Capital Changes</b>	<b>51,368</b>	<b>48,376</b>
Trade and Other Receivables	(14,134)	12,640
Inventories	(360)	570
Trade Payables, Other Liabilities and Provisions	10,392	9,125
<b>Cash generated from operations</b>	<b>47,266</b>	<b>70,711</b>
Taxes Paid	(1,641)	(2,651)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>45,625</b>	<b>68,060</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including capital work in progress	(140,241)	(72,950)
Capital Advance for purchase of fixed assets	-	(5,320)
Advance received for sale of fixed assets	195	3,345
Sale of Fixed Assets including cancellation capital work in progress	145,097	20,211
Purchase of Non-Current Investments	(111)	(6,960)
Sale of Non-Current Investments	-	10
Purchase of Current Investments	(47,914)	(10,485)
Sale of Current Investments	47,914	10,485
Interest Received	577	203
Dividend Received	91	35
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>5,608</b>	<b>(61,426)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Minority Interest	(760)	269
Proceeds from Borrowings	35,645	140,147
Repayments of Borrowings	(66,400)	(133,410)
Allotment of Equity Shares	1	-
Interest Paid	(24,372)	(20,931)
Dividend Paid	(931)	(931)
Tax on Dividend	(151)	(151)
<b>NET CASH FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(56,968)</b>	<b>(15,007)</b>
<b>Net Increase/ (decrease) in cash and cash equivalents</b>	<b>(5,735)</b>	<b>(8,373)</b>
Cash and Cash Equivalents at the beginning of the year	11,962	20,335
<b>Cash and Cash Equivalents at the end of the year</b>	<b>6,227</b>	<b>11,962</b>
<b>D Components of Cash and Cash Equivalents</b>		
Cash and Bank Balances	6,060	12,931
Effect of exchange rate changes [Loss/ (Gain)]	167	(969)
Cash and Cash Equivalents as restated	6,227	11,962

The accompanying notes are an integral part of these financial statements.  
As per our Report of even date

**For Varma & Varma**  
Chartered Accountants  
FRN 004532S

**For Motilal & Associates**  
Chartered Accountants  
FRN 106584W

**Shrirang V. Khadilkar**  
VP - Finance & Corporate Affairs

For and on behalf of the Board  
**Kaushal Raj Sachar**  
Deputy Chairman  
**Vijay Kumar**  
Executive Director  
**Chandan Bhattacharya**  
Director  
**Vinesh Davda**  
Director

**Cherian K. Baby**  
Partner  
M.No.16043

**Motilal Jain**  
Proprietor  
M.No. 036811

**Navin Joshi**  
Company Secretary &  
Chief Compliance Officer

Mumbai, May 23, 2013

Mumbai, May 23, 2013



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2013.

### 1 Corporate Information

GOL Offshore Limited is public Limited Company whose equity shares are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The Foreign Currency Convertible Bonds (FCCBs) issued by the company are listed on Singapore Exchange Securities Trading Limited (SGX - ST). The Company is India's prominent integrated offshore oilfield services provider offering a broad spectrum of services to upstream oil and gas producers to carry out offshore exploration and production (E&P) activities. The Company operates Drilling Rigs, Offshore Support Vessels and undertakes Marine Construction Projects and Services.

### 2 Significant Accounting Policies

#### (a) Accounting Convention

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956.

#### (b) Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between actual results and estimates are recognised in the period in which the results are known/ materialised.

#### (c) Fixed Assets and Special Survey Expenses

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and financing costs on borrowings during construction period. Exchange differences on repayment are recognised in the Profit and Loss Statement and year end translation of foreign currency liabilities covered under Hedge Accounting relating to acquisition of assets are recognised in the Hedge Reserve.

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed. These expenses are depreciated over a period of 5 years. Similarly specific expenses incurred for charters for which future benefits are expected over the period of the charter are capitalised and depreciated over the charter period or five years whichever is lower.

#### (d) Investments

- (i) Investments are classified into long-term and current investments.
- (ii) Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.
- (iii) Current investments are stated at lower of cost or fair value and the resultant decline, if any, is charged to revenue.

#### (e) Inventories

Inventories of fuel oil, spares, stores & consumables on board of the vessels are valued at lower of cost or net realisable value.

#### (f) Borrowing cost

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying fixed assets are capitalised as a part of the respective asset, upto the date of acquisition / completion of construction.

#### (g) Revenue recognition

- (i) Charter hire earnings are recognised on accrual basis.
- (ii) Revenue from long term turnkey offshore projects is recognised on the percentage of completion basis, based on costs incurred and the expected costs to completion.

(h) **Operating Expenses**

Operating expenses and standing charges are charged to revenue on accrual basis.

(i) **Employee Benefits:**

(i) **Short Term Employee Benefits**

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc. are recognised as an expense at the undiscounted amount in the Profit and Loss Statement of the year in which the employee renders the related service.

(ii) **Post Employee Benefits**

**Defined Contribution Plan**

Employee benefits in the form of Provident Fund, Family Pension Fund, Superannuation Scheme and others Seamen's Welfare Contributions, are considered as defined contribution plans and the Contributions are charged to the Profit and Loss Statement of the year when the contributions to the respective funds are due.

**Defined Benefit Plan**

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the Balance Sheet date.

**Other Long Term Benefits**

Long term compensated absences & Pension benefits are provided on the basis of an actuarial valuation 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 Statement for the year as income or expense.

(j) **Depreciation and Amortisation**

Depreciation on new built vessels is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of second hand acquisitions, depreciation is provided on the straight line method, so as to write off the cost over the estimated useful life, as technically evaluated by the management / consultants at the time of acquisition (20 to 27 years), or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

**Tangible Asset**

<b>Fleet :</b>	
New built vessels	On straight line method @ prescribed in Companies Act, 1956
Second hand vessels	On straight line method @ prescribed in Companies Act, 1956 or as technically evaluated by management / consultant whichever is higher
<b>Rigs :</b>	On straight line method to write off original cost over estimated useful life of 7/10 years
<b>Barges :</b>	On straight line method to write off original cost over estimated useful life of 7/10 years
<b>Lease Hold Land</b>	On straight Line Method over the Lease Period
<b>Properties :</b>	On written down value method @ prescribed in Companies Act, 1956 except in the case of subsidiary, KEI-RSOS Maritime Ltd., where it is depreciation on straight line method.
<b>Other Assets :</b>	
Computers	3 years
Vehicles	4 years
Furniture, Fixtures and Office equipments	5 years

**Intangible Asset**

<b>Computer Software</b>	@ 20% on straight line method
--------------------------	-------------------------------

### (k) Asset Impairment

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amounts of an asset exceed its recovered amount. The impairment loss, if any, is recognised in the Profit and Loss Statement in the period in which impairment take place.

Where an impairment loss subsequently reverses, the carrying amount of the assets is increased to the revised estimate of its recoverable amount, however subject to the increased carrying amount not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting period.

### (l) Foreign Exchange Transactions

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities other than foreign currency borrowings denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of these monetary assets and liabilities and realised gains and losses on foreign currency transactions is recognised in the Profit and Loss Statement.

Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognised in the Hedge Reserve Account with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

- (ii) The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealised exchange gains or losses on transactions of foreign currency borrowing which qualify as effective hedge are recognised in the Hedge Reserve Account.
- (iii) Realised gains or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Statement of the period in which they are cancelled.

### (m) Provision for Taxation

Tax expense comprises of current and deferred tax.

- (i) Provision for current income-tax is made on the basis of the assessable income under the Income-tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.
- (ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date.
- (iii) Taxes on income related to foreign operation is determined on the basis of provisions of the relevant act applicable to the respective foreign country and the same is accounted for in the year in which it accrue.

### (n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the accounts in respect of present probable obligations and are based on best estimate required to settle the obligation at balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised in financial statements but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed in the financial statements.

(o) **Earning per share**

Basic earnings per share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

(p) **Segment Reporting**

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

(q) **Cash Flow Statement**

Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard(AS) - 3 'Cash Flow Statement' as notified under the Companies (Accounting Standard) Rules, 2006.

(r) **Leases**

Operating lease

Lease in which a significant portion of the risks and rewards of the ownership are retained by the lessor are classified as operating lease.

Payments under operating lease are charged to profit and loss statement on a systematic basis representative of time.

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

**NOTE 3 : SHARE CAPITAL**

**Authorised:**

100,000,000 (Previous Year 100,000,000) Equity Shares of ₹10 each	10,000	10,000
1,000,000 (Previous Year 1,000,000) 10% Cumulative Redeemable Preference Shares of ₹1000 each	10,000	10,000
	<u>20,000</u>	<u>20,000</u>

**Issued:**

37,313,594 (Previous Year 37,313,594) Equity Shares of ₹10 each	3,731	3,731
---	-------	-------

**Subscribed and paid-up: ( Refer Note : 32)**

37,240,061 (Previous Year 37,231,961) Equity Shares of ₹10 each	3,724	3,723
---	-------	-------

3.1) 38,068,481 Equity Shares are allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash

3.2) Paid -up Equity Share Capital is net of Calls in Arrears of ₹ 0.08 Lakh (Previous Year ₹0.08 lakh)

	<u>3,724</u>	<u>3,723</u>
--	--------------	--------------

(a) **Reconciliation of the number of Equity Shares outstanding at the beginning and at the end of the year**  
As at March 31, 2013

Particulars	Authorised		Issued		Subscribed and Paid- up	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At 1st April, 2012	100,000,000	10,000	37,313,594	3,731	37,231,961	3,723
Changes during the year	-	-	-	-	8,100	0.81
At 31st March, 2013	100,000,000	10,000	37,313,594	3,731	37,240,061	3,724

As at March 31, 2012

Particulars	Authorised		Issued		Subscribed and Paid- up	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
At 1st April, 2011	100,000,000	10,000	37,313,594	3,731	37,231,961	3,723
Changes during the year	-	-	-	-	-	-
At 31st March, 2012	100,000,000	10,000	37,313,594	3,731	37,231,961	3,723

**(b) Rights, Preferences and Restrictions attached to the shares**

The company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The company declares and pays dividends in Indian Rupees. The dividend, if recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**(c) List of shareholders having holding more than 5% along with number of shares held.**

Name of shareholder	As at March 31, 2013		As at March 31, 2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Share Capital</b>				
Natural Power Ventures Private Limited	13,686,185	36.75	13,686,185	36.76
Dhanshree Properties Private Limited	4,828,167	12.97	4,828,167	12.97
First Carlyle Ventures Mauritius	1,902,000	5.11	1,902,000	5.11

**(d) Aggregate number and class of shares bought back.**

	No of shares as at March 31, 2009
Shares bought back	978,977 Equity Shares Aggregating to 55.24 Crores

- The company has issued and allotted 15,00,000, 10% Optionally Convertible Redeemable Cumulative Preference shares(OCRCPS) of ₹ 1000 each during the year 2007-08 which were redeemed during the year 2008-09.
- The company had allotted 91,017 Equity Shares for part conversion of 7.25% Foreign Currency Convertible Bonds @ 875/- per share aggregating to USD 2 Million in the year 2009-10

₹ in Lakhs

As at  
March 31, 2013

As at  
March 31, 2012

**NOTE 4 : RESERVES AND SURPLUS**
**Capital redemption reserve**

As per last balance sheet

15,098

15,098

**Foreign Currency Fluctuation Reserve**

As per last balance sheet

-

1,000

Less: Transferred to General Reserve

-

(1,000)

-

-

**Securities premium account**

As per last balance sheet

787

787

787

787

**Tonnage Tax Reserve Account under Section**
**115 VT of The Income Tax Act, 1961**

As per last balance sheet

19,059

18,557

Add: Transferred from Profit and Loss Statement

511

501

19,570

19,058

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
<b>Foreign currency translation reserve</b>	<b>12,015</b>	10,241
<b>Hedge Reserve ( Refer Note : 33)</b>		
As per last balance sheet	(25,498)	381
Addition / (deduction) during the year	(1,987)	(25,879)
	<b>(27,485)</b>	(27,498)
<b>General Reserve</b>		
As per last balance sheet	48,441	46,441
Add: Transferred from Foreign Currency Fluctuation Reserve Account	-	1,000
Add: Transferred from Profit and Loss Statement	605	1,000
	<b>49,046</b>	48,441
<b>Balance in Profit and Loss Statement</b>		
As per last balance sheet	21,964	28,275
Add: Profit for the year	(2,607)	(3,728)
Less: Transfer to Tonnage Tax Reserve	511	501
Less: Transfer to General Reserve	605	1,000
Less: Proposed Final Dividend on Equity Shares	-	931
Less: Corporate dividend tax	-	151
	<b>18,241</b>	21,964
	<b>87,272</b>	90,091

#### NOTE 5 : LONG TERM BORROWINGS

##### Secured Loans

##### Term Loans

From banks	215,987	226,319
From financial institutions	25,731	23,227
	<b>241,718</b>	249,546

##### Notes :

- The company has availed foreign currency loans from banks, which carry interest rate of LIBOR plus 60 to 900 bps for USD loans and interest on INR loans from banks are at 14.25% to 16.75% . These loans are secured by mortgage of specified ships. The principal payments are due monthly/quarterly / half yearly.
- Rupee loan availed from Financial Institutions during the year carry interest rate of 13% to 14%. The loan is secured by mortgage of a ship and second charge on a rig. The principal payment is due monthly.
- The company has also availed general purpose loans in Foreign currency from banks, which carry interest rate of LIBOR plus 190 to 900 bps and INR loans from banks at the rate of 11.08% to 15%. The loans are secured by mortgage of ships, first / second charge / subservient charge on ships / rigs / fixed assets of the company. The principal payments / interest thereon are due monthly /quarterly/half yearly.
- The loans availed from banks on mortgage of vessel 'Malaviya 19' was repaid during the year on sale of the vessel.
- Repayments are as under

₹ in Lakhs

	Year Ended March 31, 2013	Year Ended March 31, 2012
<b>Period of Repayment</b>		
- between one to three years	116,275	107,346
- between three to five years	96,009	78,033
- over five years	29,434	64,167
	<b>241,718</b>	249,546

The Company has made certain defaults in repayment of loans and interest thereon.



The details of continuing defaults as at 31st March, 2013 are as follows :

₹ in Lakhs

Particulars	Delay in days			
	upto 60 days	61 - 90 days	91 - 130 days	Total
Loans & Interest	10,553	1833	2,057	14,443

#### NOTE 6 : DEFERRED TAX

Pursuant to the introduction of Section 115 V under the Income Tax Act, 1961, the Company has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships will be assessed on the basis of deemed Tonnage Income of the Company and no deferred tax will be applicable to this income as there will be no timing differences.

Deferred Tax is accounted for in respect of the timing differences under the non-tonnage activity of the Company. The break-up of net deferred tax assets/ (liability) is as under:

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

#### Deferred Tax Assets:

Provision for Doubtful Debts and Advances	-	32
Difference between book and tax depreciation	-	1
Carry forward of losses	3,906	3,268
	<u>3,906</u>	<u>3,301</u>

#### Deferred Tax Liabilities

Difference between book and tax depreciation	8,297	6,670
	<u>4,391</u>	<u>3,369</u>

#### NOTE 7 : OTHER LONG TERM LIABILITIES

Trade payables	427	554
Other Liabilities	2	196
Payable for procuring vessels	38,957	-
	<u>39,386</u>	<u>750</u>

#### NOTE 8 : LONG TERM PROVISIONS

Gratuity	266	213
Leave Encashment	32	28
VAT / Sales Tax	219	219
Custom Duty	11	11
Others	129	-
Share of Joint Venture	26	-
	<u>683</u>	<u>471</u>

#### NOTE 9 : SHORT TERM BORROWINGS

##### Secured Loans

From Banks	7,669	16,550
------------	-------	--------

##### Unsecured Loans

Foreign Currency Bonds (Refer Note : 34)	21,716	-
Inter Corporate Deposit -others	741	522

##### From Related Parties :

Inter Corporate Deposit	2,605	4,924
Loans from Promoters/Directors	694	-

Working Capital Demand Loan	1,009	1,010
	<u>34,434</u>	<u>23,006</u>

**Short Term Loans availed from Banks:** The Company has availed loans from banks/financial institutions which carry interest at the rate of 14% - 14.35%. The loans are secured against stock , debtors & receivable and a vessel.

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
--	-------------------------	-------------------------

**NOTE 10 : TRADE PAYABLES**

Due to Micro and Small enterprises (Note : 37)	28	-
Due to other creditors ( Note : 38)	30,337	22,493
Share of Joint Venture	519	713
	<u>30,884</u>	<u>23,206</u>

The details of amounts outstanding to Micro, Small and Medium Enterprises based on available Information with Company is as under :

Principal amount due and remaining Unpaid	22	-
Interest due on above and the Unpaid Interest	6	-
Interest Paid	-	-
Payment made beyond the Appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of Further Interest remaining due and payable in succeeding years	6	-

**NOTE 11 : OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Borrowings	43,079	72,082
Interest accrued and due on borrowings	7,374	2,933
Interest accrued but not due on borrowings	-	138
Advance for sale of vessel	195	3,345
Advance for sale of flat	-	200
Unclaimed dividend	135	111
Due to Directors	140	250
<b>Other Payables</b>		
Other Operating Payable	1,018	870
Salary/ Employee Benefits payables	3,639	2,600
VAT / Sales tax Payables	164	21
Payable for procuring vessels	14,868	8,751
Service Tax payables	497	1,377
Withholding Tax / TDS payables	1,053	482
Providend fund payables	43	33
Others	1,177	325
Share of Joint Venture	85	-
	<u>73,467</u>	<u>93,518</u>

**NOTE 12 : SHORT TERM PROVISIONS**

Proposed Final Dividend	-	931
Corporate dividend tax	-	151
Provision for Employee Benefits ( Note : 39)		
Gratuity	67	86
Leave Encashment	183	241
Other Provisions		
Provision for Mark to Market losses on		
Derivatives Instruments	11,422	9,685
Tax on overseas operation	1,314	513
Service tax	1,054	-
Loss on foreign currency loans	-	961
Others	3	-
Share of Joint Venture	-	15
	<u>14,043</u>	<u>12,583</u>

**NOTE 13 : FIXED ASSETS SCHEDULE**
**₹ in Lakhs**

Block	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at April 1, 2012	Additions	Deletions	Translation Exchange Difference	As at March 31, 2013	Upto March 31, 2012	For the year	Disposals/ Adjustments	Translation Exchange Difference	Upto March 31, 2013	As at March 31, 2013	As at March 31, 2012
<b>Tangible Assets</b>												
Leasehold Land	254	-	-	-	254	6	3	-	-	9	245	248
Office Premises & Ownership Flats	1,681	-	15	-	1,666	1,046	32	9	-	1,069	597	635
Fleet	249,494	29,784	44,839	(55)	234,384	88,669	22,065	4,578	46	106,202	128,182	160,825
Plant & Machinery - Rigs	40,481	8,727	-	-	49,208	13,672	6,494	-	-	20,166	29,042	26,809
Plant & Machinery - Others	1,280	-	-	-	1,280	1,021	71	2	-	1,090	190	259
Furniture & Fixtures	198	2	-	-	200	183	6	-	-	189	11	15
Office Equipment	383	5	-	-	388	323	26	-	-	349	39	60
Computers	551	2	-	-	553	518	18	-	-	536	17	33
Vehicles	617	70	96	-	591	465	72	89	-	448	143	152
<b>Total</b>	<b>294,939</b>	<b>38,590</b>	<b>44,950</b>	<b>(55)</b>	<b>288,524</b>	<b>105,903</b>	<b>28,787</b>	<b>4,678</b>	<b>46</b>	<b>130,058</b>	<b>158,466</b>	<b>189,036</b>
<b>Assets Held for Sale</b>	4,056	-	3,146		910	914	289	1,081	-	122	788	3,142
<b>Total Tangible Assets</b>	<b>298,995</b>	<b>38,590</b>	<b>48,096</b>	<b>(55)</b>	<b>289,434</b>	<b>106,817</b>	<b>29,076</b>	<b>5,759</b>	<b>46</b>	<b>130,180</b>	<b>159,254</b>	<b>192,178</b>
<b>Intangible Assets</b>												
Computer Software	290	-	-	-	290	116	58	-	-	174	116	174
<b>Total Intangible Assets</b>	<b>290</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>290</b>	<b>116</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>174</b>	<b>116</b>	<b>174</b>
<b>Total</b>	<b>299,285</b>	<b>38,590</b>	<b>48,096</b>	<b>(55)</b>	<b>289,724</b>	<b>106,933</b>	<b>29,134</b>	<b>5,759</b>	<b>46</b>	<b>130,354</b>	<b>159,370</b>	<b>192,352</b>
Previous Year Total	324,226	17,367	47,656	5,349	299,285	94,820	20,181	8,129	61	106,933	192,352	-
Share of Joint Venture	185	-	5	-	180	36	12	-	-	48	132	149
Previous Year Total	179	8	2	-	185	25	11	-	-	36	149	
<b>Total</b>	<b>299,470</b>	<b>38,590</b>	<b>48,101</b>	<b>(55)</b>	<b>289,904</b>	<b>106,969</b>	<b>29,146</b>	<b>5,759</b>	<b>46</b>	<b>130,402</b>	<b>159,502</b>	<b>192,501</b>
Previous Year Total	324,405	17,375	47,658	5,349	299,470	94,845	20,192	8,129	61	106,969	192,501	
<b>Capital Work in Progress</b>											<b>284,421</b>	241,689
<b>TOTAL</b>											<b>443,923</b>	434,190

**₹ in Lakhs**
**Year ended  
March 31, 2013**
**Year ended  
March 31, 2012**
**NOTE 13.1 : INTEREST COST CAPITALISED - OTHER ADJUSTMENTS**

Capital Work in progress includes interest capitalised under AS-16 'Borrowing Cost' which is given as under:

Interest Cost Capitalised

6,462
4,307

₹ in Lakhs

	As at March 31, 2013	As at March 31, 2012
<b>NOTE 14 : LONG TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Capital Advances	-	6,396
Security Deposits	139	113
Other Loans & Advances	1,920	513
Service Tax credit Claimable	823	823
Custom Duty	98	98
Sales Tax	106	108
Prepaid Expenses	1,104	1,080
Share of Joint Venture	20	-
	<u>4,210</u>	<u>9,131</u>
<b>NOTE 15 : OTHER NON-CURRENT ASSETS</b>		
Unamortised expenses	21	666
Deposit with bank with maturity more than 12 months	8,202	-
Interest accrued on Fixed Deposit	179	12
Trade receivables	1,533	1,281
	<u>9,935</u>	<u>1,959</u>
<b>NOTE 16 : INVENTORIES - At lower of cost or net realisable value</b>		
Fuel Oil	1,180	1,666
Stores and Spares ( Refer Note : 35)	5,496	4,648
Share of Joint Venture	56	58
	<u>6,732</u>	<u>6,372</u>
<b>NOTE 17 : TRADE RECEIVABLES (Unsecured)</b>		
Outstanding for a period exceeding six months (Note : 38)		
Considered good	4,318	5,469
Considered doubtful	872	772
	<u>5,190</u>	<u>6,241</u>
Less: Provision for doubtful receivables	872	772
	<u>4,318</u>	<u>5,469</u>
Other debts (considered good) ( Note : 38)	8,557	10,138
Share of Joint Venture	257	227
	<u>13,132</u>	<u>15,834</u>
<b>NOTE 18 : CASH AND CASH EQUIVALENTS</b>		
<b>Balances with banks</b>		
In current accounts	766	6,499
In deposit accounts	228	1,349
Other bank balances	4,835	4,892
	<u>5,829</u>	<u>12,740</u>
Cash on hand	6	10
Other Bank balances - Unpaid dividend accounts	135	111
Share of Joint Venture	90	70
	<u>6,060</u>	<u>12,931</u>

Note : Balances with banks to the extent held as security against the borrowings is ₹ 4,176 lakh (Previous Year 4,892 lakh)

	₹ in Lakhs	
	As at March 31, 2013	As at March 31, 2012
<b>NOTE 19 : SHORT TERM LOANS AND ADVANCES</b>		
<b>Unsecured, considered good</b>		
Other Loans & Advances	2,155	1,519
Security Deposits	1,101	1,101
Service Tax Credit Claimable	394	155
Advance payment of Income-tax & Taxes deducted at source (Net of Provision for taxation )	1,434	3,839
Prepaid Expenses	529	281
Share of Joint Venture	263	269
	<u>5,876</u>	<u>7,164</u>
<b>NOTE 20 : OTHER CURRENT ASSETS</b>		
Unbilled Revenue	8,412	2,382
Interest accrued on deposits	62	22
Other Current Assets	189	232
Receivable against sale of vessel	18,473	-
Share of Joint Venture	8	-
	<u>27,144</u>	<u>2,636</u>
	₹ in Lakhs	
	Year ended March 31, 2013	Year ended March 31, 2012
<b>NOTE 21 : REVENUE FROM OPERATIONS</b>		
Charter Hire	91,330	84,526
Contract Revenue	5,719	2,802
Other Operating Revenue	862	106
Share of Joint Venture	1,354	847
	<u>99,265</u>	<u>88,281</u>
<b>NOTE 22 : OTHER INCOME</b>		
<b>Interest income</b>		
From Banks	40	116
Tax Refund	207	74
Others	370	13
	<u>617</u>	<u>203</u>
<b>Dividend income</b>		
Mutual Funds	91	35
<b>Net Exchange gain on foreign currency transaction and translation</b>	-	1,994
<b>Other non-operating income (net of expenses)</b>		
Profit on sale of sundry assets (net)	4,397	3
Rent Received - Flats	5	81
Insurance claims	341	216
Miscellaneous income	1,288	65
<b>Share of Joint Venture</b>	<u>42</u>	<u>14</u>
	<u>6,781</u>	<u>2,611</u>

	₹ in Lakhs	
	Year ended March 31, 2013	Year ended March 31, 2012
<b>NOTE 23 : EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	18,909	18,782
Contribution to Provident fund and other funds	357	377
Gratuity Expense	63	209
Workmen and staff welfare	230	95
Repatriation & Travel	1,065	1,231
Victualling Expenses	1,930	1,785
Share of Joint Venture	280	251
	<b>22,834</b>	<b>22,730</b>
<b>NOTE 24 : FINANCE COSTS</b>		
Interest expenses		
Fixed Loans	19,795	22,039
On Others	5,636	1,468
Other borrowing costs	1,088	1,229
Share of Joint Venture	1	-
	<b>26,520</b>	<b>24,736</b>
<b>NOTE 25 : DEPRECIATION AND AMORTISATION EXPENSE</b>		
Depreciation and amortisation	29,134	20,180
Share of Joint Venture	12	12
	<b>29,146</b>	<b>20,192</b>
<b>NOTE 26 : OTHER EXPENSES</b>		
Fuel, Oil and Water	4,418	4,594
Port, Light and Canal Dues	719	1,018
Hire of chartered ships	871	293
Diving Services	2,503	4,369
Brokerage and Commission	614	357
Stores	1,175	2,357
Insurance & Protection Club Indemnity Fees	1,572	1,438
Vessel Manning Expenses	2,347	1,003
Communication Expenses	239	239
Rent, Rates & Taxes	1,275	166
Repairs and Maintenance - Buildings	49	27
Repairs and Maintenance - others	193	219
Insurance	101	92
Printing & Subscription Charges	48	43
Legal and professional charges	961	863
Bad debts and advances written off	127	621
Provision for doubtful debts and advances	100	214
Exchange Loss (net)	807	-
Directors' sitting fees	27	43
Auditors' Remuneration	39	68
Software Expenses	59	103
Travelling & Conveyance	392	311
Donation	-	6
Sundry Operating Expenses	1,748	1,316
Miscellaneous Expenses	1,808	1,157
Assets written off	602	-
Claim Settled	2,459	-
Share of Joint Venture	920	642
	<b>26,173</b>	<b>21,559</b>

**NOTE 27 : Basis of Consolidation**

- (i) The consolidated financial statements relate to GOL Offshore Limited, the holding Company, and its wholly owned subsidiaries and its jointly controlled entity (collectively referred to as the Group). The consolidation of the financial statements of the Company with its subsidiaries has been prepared in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' and 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'. 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 jointly controlled entity.
- (ii) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the reporting date. Exchange gains/(losses) arising on conversion are recognised under Foreign Currency Translation Reserve.
- (iii) The excess of cost to the Group of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates on which the investments in the subsidiary companies are made, is recognised as 'Goodwill (on Consolidation)' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Group, it is recognised as 'Capital Reserve (on Consolidation)' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- (iv) Minority interest's share of net profit / (loss), as mutually agreed with them of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
- (v) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments. Losses to the extent agreed are also considered for this purpose.
- (vi) On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.
- (vii) The financial statements of the subsidiaries and jointly controlled entity used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended March 31, 2013

**NOTE 28 : The subsidiary companies considered in the consolidated financial statements are:**

Sr. No.	Name of the Company	Country of Incorporation	% of holding	
			Current Year	Previous Year
1	GOL Offshore Fujairah L.L.C.-FZC	U.A.E	100%	100%
2	Deep Water Services (India) Ltd.	India	100%	100%
3	Great Offshore (International) Ltd.	Cayman Islands	100%	100%
4	Kei-Rsos Maritime Ltd.	India	100%	100%
5	GOL Salvage Services Ltd. (formerly Rajamahendri Shipping and Oil Field Services Ltd.)	India	100%	100%
6	GOL Ship Repairs Ltd. (formerly Great Offshore Ship Repairs Ltd.)	India	100%	100%
7	Deep Water Services (International ) Ltd.	Cayman Islands	100%	-
8	Glory Shipping Private Ltd.	Dubai	100%	100%
9	Great Offshore Germany GmbH & Co.	Germany	100%	100%
10	SGB EMSSUN GmbH & Co.	Germany	66.66%	66.66%
11	SGB EMSSKY GmbH & Co.	Germany	66.66%	66.66%
12	SGB EMSSTAR GmbH & Co.	Germany	66.66%	66.66%
13	Norwegian Shipping I Ltd.	Norway	100%	100%
14	Norwegian Shipping II Ltd.	Norway	100%	100%
15	Great Offshore International (Malaysia) Ltd.	Labuan Malaysia	100%	-
16	Great Offshore International Manning & Ship Management (Labuan) Ltd.	Labuan Malaysia	100%	-



**NOTE 29 : The Group's interest in jointly controlled entity (incorporated Joint Venture) is:**

Sr. No.	Name of the Company	Country of Incorporation	% of holding	
			Current Year	Previous Year
1	United Helicharters Private Limited	India	26%	26%

**NOTE 30 : Contingent Liabilities**

₹ in Lakhs

Sr. No.	Particulars	As at March 31, 2013	As at March 31, 2012
<b>I</b>	<b>Contingent Liabilities</b>		
(A)	<b>Claims against the Company/disputed dues not acknowledged as debts</b>		
	Customs Duty on Tug	306	306
	Sales Tax and Service tax demand on Charter hire payment	1,022	851
	Income Tax Demand	66	266
	Possible obligation in respect of matters under arbitration	4,594	2,700
	Others	88	-
(B)	<b>Guarantees</b>		
i	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Company	7,531	9,279
ii	Show cause notice issued by Customs Authority for levy of custom duty	3,165	3,165
iii	Corporate Guarantees given to Customs Department	583	583
iv	Corporate Guarantees given to bank on behalf of subsidiary	76,886	68,073
(C)	<b>Other Money for which the Company is Contingently Liable</b>		
v	Letters of Credit Outstanding	18	1624
<b>II</b>	<b>Commitments</b>		
	Estimated amount of Contracts remaining to be executed on Capital account and not provided for	261,264	165,287

**NOTE 31**

As on March 31, 2013, the company has investment in the equity / redeemable preference shares of its wholly owned subsidiary company KEI - RSOS Maritime Limited amounting to ₹ 18,863 lakhs (previous year ₹ 18,863 lakhs) and also a loan outstanding amounting to ₹ 3,331 lakhs (previous year ₹ 3,100 lakhs). The company has also issued bank guarantees to Indian Bank amounting to ₹ 14,168 lakhs (previous year ₹ 14,585 lakhs) against which outstanding facilities as on March 31, 2013 amount to ₹ 6,327 lakhs (previous year ₹ 8,775 lakhs). The said investment is strategic and long term in nature. The management is confident of turning around the company and as such, in the opinion of the management, no provision is considered necessary for depletion, if any, in value of investment and loans and advances given by the company due to losses suffered by that company.

**NOTE 32 : Share Capital**

During the year ended March 31, 2013, the Company allotted 8,100 equity shares in pursuance of the order of the Special Court established under the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992. These shares were a part of 71,480 equity shares which were kept in abeyance upon being notified by the Custodian under the said Act. The allotment of 63,380 equity shares (Previous year 71,480 equity shares) is now under abeyance, after the allotment of the said 8,100 equity shares. These will be allotted upon the receipt of the order of the Special Court or such other authority as may be directed, from time to time. Transfers of an additional 10,153 equity shares (previous year 10,153 equity shares) have been kept in abeyance pursuant to Section 206A of the Companies Act, 1956 as their title is under legal dispute. These shares will be allotted as and when the dispute regarding their title is resolved.

**NOTE 33 : Hedge Reserve**

- (a) The Company has borrowings and the revenue streams in foreign currency, which provide an inherent hedge against foreign currency exchange rate fluctuations. Accordingly, the Company changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign

currency borrowings by following an appropriate hedge accounting policy and applying the principle set out in AS-30 Financial Instruments: Recognition and Measurement. The objective of adopting Hedge Accounting is to ensure that gain or loss on the hedging instrument is recognised in the Profit and Loss Statement in the same period when Hedge items affects profit or loss. The Company has w.e.f. 1st April 2008 designated borrowings in foreign currency as Hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions ( of revenue streams) to be accounted as cash flow hedge. During the current year, the net unrealised exchange difference on foreign currency borrowings aggregating to ₹ 2,335 lakhs has been debited to Hedge Reserve, and net realised exchange loss debited to the Profit and Loss Statement is ₹ 348 lakhs. As a result, balance in the Hedge Reserve is debit of ₹ 27,485 lakhs. (Previous Year Debit of ₹25,498 lakhs)

- (b) With effect from 1st April 2011, the company has changed its accounting policy for recognition and measurement of Mark to Market losses in respect of derivatives instruments like interest rate swaps as per the principles enunciated in Accounting Standard (AS)30 “Financial Instruments: Recognition and Measurement” and in accordance with the recommendation of the Institute of Chartered Accountants of India. Accordingly Mark to market (MTM) losses in respect of derivatives instruments like Interest Rate Swaps have been accounted in accordance with principle of hedge accounting and the MTM losses on such derivative instruments is recorded in the Hedge reserve account instead of recognising the same in the Profit and Loss Statement. Accordingly as at March 31, 2013, MTM loss on outstanding Interest Rate Swaps amounting to ₹ 11,422 lakhs (Previous Year ₹ 9,685 lakhs) has been recognised in hedge reserves instead of debiting the same to the Profit and Loss Statement.

#### **NOTE 34 : Unsecured Loans**

The Company has 7.25% Unsecured Foreign Currency Convertible Bonds (FCCB) (due Oct. 2012) of US\$ 100,000 each aggregating to US \$ 40,000,000, listed on the Singapore Exchange Securities Trading Limited (SGX-ST). As these bonds were neither converted nor redeemed by the original due date, the Board of Directors have authorised the management to approach the Trustees for the Bond Holders to extend the redemption date to Dec’2013 subject to regulatory approvals. The matter is presently pending final resolution and accordingly these outstandings have been shown under “Short Term Borrowings” after restating the same at closing exchange rates. The exchange loss in this regard has been recognised in the profit and loss statement.

#### **NOTE 35 : Inventories**

Closing stock of stores and spares on board the vessels amounting to ₹ 5,496 lakhs (Previous Year 4,648 lakhs) was determined by the management on the basis of inventory system implemented by the company w.e.f. January 1, 2012. The company has in place preset cyclical programme for physical verification of inventory on board the vessels.

#### **NOTE 36 : Going Concern**

As stated in note nos. 5, 11 and 32 of the Standalone financials of GOL Offshore Limited, the company has not been able to service some of its foreign currency bonds and loans on the original due dates. In respect of FCCB, the Board of Directors have approved extension of its due date upto December’13 subject to concurrence of the Bond Holders and regulatory approvals as may be applicable. In respect of other loans the company is in discussions for settlement of the dues over the next one year. Management has taken effective steps for collection of certain loans and advances, disposal of some assets including some of which are still operating assets, as in the opinion of the management, their value on sale will be higher than their value in use as also to meet the significant current liabilities. The management is very hopeful of achieving this before the end of the current financial year. The company is also able to earn margin by carrying on its business in the normal course. Hence these accounts have been prepared on going concern assumption which is considered appropriate.

#### **NOTE 37 : Current Liabilities**

According to information available with the Company regarding the status of the suppliers, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, amount overdue as on 31st March, 2013 to the

Micro, Small and Medium enterprises on account of principal amount, together with interest for delayed payment under the Act, is ₹ 28 lakhs (Previous Year ₹ Nil) .

**NOTE 38 : The balances of Trade Receivables, Trade Payables and Loans & Advances are subject to confirmation.**

**NOTE 39 : Disclosures pursuant to Accounting Standard (AS) 15 (revised) "Employee Benefits"**

(a) Effective April 1, 2007 the Company adopted Accounting Standards 15 (Revised 2005) on "Employee Benefits" issued by ICAI.

(b) The Company has recognised the following amounts in the Profit and Loss Statement for the year:

**(A) Defined Contribution Plans:**

₹ in Lakhs

	For the year ended March 31, 2013	For the year ended March 31, 2012
Contribution to Employees Provident Fund	154.23	163.82
Contribution to Employees Superannuation Fund	51.55	59.46
Contribution to Employees Pension Scheme 1995	3.83	3.96
Contribution to Seamen's Provident Fund	34.10	38.64
Contribution to Seamen's Annuity Fund	86.16	95.28
Contribution to Seamen's Gratuity Fund	57.68	191.55

**(B) Defined Benefit Plans:**

Valuations in respect of Gratuity, Pension Plan for whole-time Directors, Leave Encashment have been carried out by an independent actuary, as at the Balance Sheet date on Projected Unit Credit method, based on the following assumptions:

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	8%	8%	8%	8%
(b) Rate of Return on Plan Assets	8%	8%	-	-
(c) Salary Escalation rate	5%	5%	5%	5%
(d) Mortality	LIC (1994-96) ULT			
(f) Expected average remaining service	4.14	5.56	4.11	6.88

**(i) Change in Benefit Obligation**

₹ in Lakhs

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	851.69	839.16	26.81	26.41
Interest Cost	61.85	61.91	2.14	2.11
Current Service Cost	103.73	112.36	71.01	70.67
Benefits Paid	(157.05)	(130.65)	-	-
Short Term Compensated Absence Liability	-	-	170.75	228.19
Actuarial (gain)/loss on obligations	(31.97)	(31.08)	(72.59)	(72.38)
Liability at the end of the year	828.26	851.69	198.12	255.00

**(ii) Fair value of Plan Assets ₹ in Lakhs**

Actuarial Assumptions for the year	Gratuity	
	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year	768.29	583.74
Expected Return on Plan Assets	58.52	51.69
Contributions	83.40	255.42
Benefits Paid	(157.05)	(130.65)
Actuarial gain/(loss) on Plan Assets	10.26	8.09
Fair Value of Plan Assets at the end of the year	763.42	768.29

**(iii) Actual Return on Plan Assets**
**₹ in Lakhs**

Actuarial Assumptions for the year	Gratuity	
	Current Year	Previous Year
Expected Return on Plan Assets	<b>58.52</b>	51.69
Actuarial gain/(loss) on Plan Assets	<b>10.26</b>	8.09
Actual Return on Plan Assets	<b>68.78</b>	59.78

**(iv) Amount Recognised in the Balance Sheet**
**₹ in Lakhs**

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the year	<b>828.26</b>	851.69	<b>198.12</b>	255.00
Fair Value of Plan Assets at the end of the year	<b>763.42</b>	768.29	-	-
Difference	<b>(64.84)</b>	(83.40)	<b>(198.12)</b>	(255.00)
Amount recognised in the Balance Sheet	<b>(64.84)</b>	(83.40)	<b>(198.12)</b>	(255.00)

**(v) Expenses recognised in the Statement of Profit & Loss Account**
**₹ in Lakhs**

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	<b>103.73</b>	112.36	<b>71.01</b>	70.67
Interest Cost	<b>61.85</b>	61.91	<b>2.14</b>	2.11
Expected Return on Plan Assets	<b>(58.52)</b>	(51.69)		
Net Actuarial (Gain)/loss to be recognised	<b>(42.22)</b>	(39.17)	<b>(72.59)</b>	(72.38)
Expenses recognised in Profit and Loss Statement	<b>64.84</b>	83.40	<b>0.56</b>	0.40

**(vi) Disclosure of Gratuity for the previous five years - pursuant to requirement of Accounting Standard**
**₹ in Lakhs**

	Gratuity				
	2012-13	2011-12	2010-11	2009-10	2008-09
Present Value of Obligations at the end of the year	828.26	851.69	839.16	573.25	600.19
Fair Value of Plan Assets at the end of the year	763.42	768.29	583.74	623.59	518.48
Net Present Value of the Obligation recognised as Assets/ (Liability) in the Balance Sheet	(64.84)	(83.40)	(255.42)	50.34	(81.71)

**(vii) Basis used to determine expected rate of return on assets**

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

**(viii) General description of significant defined plans**
**Gratuity Plan**

Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement or resignation in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn base salary.

### Leave Encashment

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement or resignation subject to maximum accumulation allowed @ 75 days (Previous Year 60 days) for employees. The Leave over and above 75 days is encashed and paid to employees in April every year. Benefit would be at the time of separation based on the last drawn basic salary.

### NOTE 40 : Leases

The Company has taken office and residential facilities under cancellable operating lease agreements.

The Group has taken helicopters under non cancellable operating lease, the future minimum lease payments in respect of which as at 31st March, 2013. The Lease rental in respect of operating leases charged to Profit and Loss statement. The lease rentals in respect of operating lease charged to the Profit and Loss account is ₹ 512 lakh (Previous year ₹ 527 lakh).

₹ in Lakhs

	Particulars	As on March 31, 2013	As on March 31, 2012
(i)	Not later than one year	345	334
(ii)	Later than one year and not later than five years.	1,537	1,143
(iii)	Later than five years.	509	380

The lease rentals provide an option to the Company to renew the lease at the end of the lease period. There are no exceptional / restrictive covenants in the lease agreements.

### NOTE 41 : Hedging Contracts

#### (a) Interest Rate Swap Contracts

₹ in Lakhs

	Current Year	Previous Year
Total No. of Contracts	6	6
Principal Notional Amount (US Dollar Million)	95.62	102.19
Maturity Period	Upto 7 years	Upto 7 years

#### (b) Unhedged Foreign Currency Exposure

Amount in Foreign Currency in Lakhs

	As at March 31, 2013	As at March 31, 2012
(i) Loans Liabilities and Payables		
(a) US Dollars	2,038	2,524
(b) Euros	2	3
(c) Arab Emirates Dinars	4	4
(d) Japanese Yen	135	220
(e) Great Britain Pounds	2	3
(f) Norwegian Kroners	8	5
(g) Singapore Dollars	38	5
(h) Malaysian Ringgit	1	2
(i) Swedish Kroners	4	4
(j) Brazilian Real	4	-
(ii) Cash/ bank and receivables		
(a) US Dollars	352	358
(b) Euros	7	-
(c) Arab Emirates Dinars	-	1
(d) Japanese Yens	-	5
(e) Great Britain Pounds	2	18
(f) Norwegian Kroners	-	2
(g) Singapore Dollars	-	1
(h) Malaysian Ringgit	-	1
(i) Swedish Kroners	-	4

**NOTE 42 : Segment reporting**

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

**NOTE 43 Related Party Disclosures**
**(i) List of Related Parties**
**1 Key Management Personnel :**

Mr. P.C.Kapoor - Executive Director

Mr. Vijay Kumar - Executive Director

**2 Enterprises over which Key Management Personnel Exercise Significant Influence :**

Bharati Shipyard Limited

Pinky Shipyard Pvt Ltd

Bharati Maritime Services Pvt Ltd

Harsha Infrastructure Pvt Ltd

Sea Splice Shipping Pvt Ltd

Port Side Shipping Pvt Ltd

Dhanshree Properties Pvt Ltd

Natural Power Ventures Pvt Ltd

**3 Relatives of Key Managerial Personnel**

Sukriti Kumar

**(ii) CONSOLIDATED RELATED PARTY TRANSACTIONS FOR THE YEAR ENDED MARCH,2013 ₹ in Lakhs**

Nature of Transaction	Enterprise Over which Key Management Personnel exercise significant influence		Key Management Personnel		Relatives of Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Charter Hire Income</b>								
Bharati Shipyard Limited	553	189	-	-	-	-	553	189
<b>Interest Expense</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	177	-	-	-	-	-	177
Pinky Shipyard Pvt Ltd	128	32	-	-	-	-	128	32
Bharati Maritime Services Pvt Ltd	1	16	-	-	-	-	1	16
Harsha Infrastructure Pvt Ltd	29	29	-	-	-	-	29	29
Sea Splice Shipping Pvt Ltd	13	4	-	-	-	-	13	4
Port Side Shipping Pvt Ltd	30	9	-	-	-	-	30	9
<b>Fuel, Lubes, Stores and Consumables Expenses</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	53	-	-	-	-	-	53	-
<b>Remuneration</b>	-	-	-	-	-	-	-	-
P.C. Kapoor	-	-	139	126	-	-	139	126
Vijay Kumar	-	-	139	126	-	-	139	126
Sukriti Kumar	-	-	-	-	30	29	30	29
<b>Proposed Dividend</b>	-	-	-	-	-	-	-	-
Dhanshree Properties Pvt Ltd	-	121	-	-	-	-	-	121
Natural Power Ventures Pvt Ltd	-	342	-	-	-	-	-	342
<b>Dividend Paid</b>	-	-	-	-	-	-	-	-
Dhanshree Properties Pvt Ltd	121	121	-	-	-	-	121	121
Natural Power Ventures Pvt Ltd	342	342	-	-	-	-	342	342
<b>Loan Received</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	4,799	-	-	-	-	-	4,799
Dhanshree Properties Pvt Ltd	120	-	-	-	-	-	120	-
Natural Power Ventures Pvt Ltd	342	-	-	-	-	-	342	-
Mr. P.C.Kapoor	-	-	29	-	-	-	29	-
Mr. Vijay Kumar	-	-	204	-	-	-	204	-
<b>Repayment of Loan Received</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	2,674	-	-	-	-	-	2,674



Nature of Transaction	Enterprise Over which Key Management Personnel exercise significant influence		Key Management Personnel		Relatives of Key Managerial Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Inter Corporate Deposit Received</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	12,558	-	-	-	-	-	12,558
Pinky Shipyard Pvt Ltd	900	1,215	-	-	-	-	900	1,215
Bharati Maritime Services Pvt Ltd	-	2,780	-	-	-	-	-	2,780
Harsha Infrastructure Pvt Ltd	-	1,281	-	-	-	-	-	1,281
Sea Splice Shipping Pvt Ltd	-	143	-	-	-	-	-	143
Port Side Shipping Pvt Ltd	-	332	-	-	-	-	-	332
<b>Advance for modification of Vessels Given</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	1,250	-	-	-	-	-	1,250
<b>Repayment of Inter Corporate Deposit Received</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	12,558	-	-	-	-	-	12,558
Bharati Maritime Services Pvt Ltd	-	2,767	-	-	-	-	-	2,767
Harsha Infrastructure Pvt Ltd	1,093	185	-	-	-	-	1,093	185
<b>Advance for modification of Vessels Given</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	1,250	-	-	-	-	-	1,250
<b>Contract for Vessel</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	225,497	2,951	-	-	-	-	225,497	2,951
Pinky Shipyard Pvt Ltd	23,435	26,093	-	-	-	-	23,435	26,093
<b>Refund of Advance upon cancellation of contract</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	92,435	7,555	-	-	-	-	92,435	7,555
<b>Advance Received for sale of Asset</b>	-	-	-	-	-	-	-	-
Bharati Maritime Services Pvt. Ltd.	-	1,545	-	-	-	-	-	1,545
Harsha Infrastructure Pvt. Ltd.	-	1,800	-	-	-	-	-	1,800
<b>Outstanding Balance as on 31.03.13</b>	-	-	-	-	-	-	-	-
<b>Trade Receivable</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	43	152	-	-	-	-	43	152
<b>Trade Payable</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	40	57	-	-	-	-	40	57
Pinky Shipyard Limited	-	7,757	-	-	-	-	-	7,757
<b>Loan Taken</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	2,125	-	-	-	-	-	2,125
<b>Payment for vessel outstanding</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	46,936	130,050	-	-	-	-	46,936	130,050
Pinky Shipyard Pvt Ltd	7,754	7,757	-	-	-	-	7,754	7,757
<b>Inter Corporate Deposit Payable</b>	-	-	-	-	-	-	-	-
Pinky Shipyard Pvt Ltd	2,115	1,215	-	-	-	-	2,115	1,215
Bharati Maritime Services Pvt Ltd	13	13	-	-	-	-	13	13
Harsha Infrastructure Pvt Ltd	2	1,096	-	-	-	-	2	1,096
Sea Splice Shipping Pvt Ltd	143	143	-	-	-	-	143	143
Port Side Shipping Pvt Ltd	332	332	-	-	-	-	332	332
<b>Interest Payable</b>	-	-	-	-	-	-	-	-
Bharati Shipyard Limited	-	133	-	-	-	-	-	133
Pinky Shipyard Pvt Ltd	160	32	-	-	-	-	160	32
Bharati Maritime Services Pvt Ltd	17	16	-	-	-	-	17	16
Harsha Infrastructure Pvt Ltd	58	29	-	-	-	-	58	29
Sea Splice Shipping Pvt Ltd	16	4	-	-	-	-	16	4
Port Side Shipping Pvt Ltd	38	9	-	-	-	-	38	9
<b>Advance for Sale of Vessel</b>	-	-	-	-	-	-	-	-
Bharati Maritime Services Pvt. Ltd.	-	1,545	-	-	-	-	-	1,545
Harsha Infrastructure Pvt. Ltd.	-	1,800	-	-	-	-	-	1,800
<b>Remuneration Payable</b>	-	-	-	-	-	-	-	-
P.C. Kapoor	-	-	124	110	-	-	124	110
Vijay Kumar	-	-	124	110	-	-	124	110

**NOTE 44 : Interest in Joint Venture**

The Company has a joint venture interest in United Helicharters Pvt. Ltd. (a company incorporated in India) and its proportionate share in the assets, liabilities, income and expenses of the jointly controlled entity, based on the unaudited management accounts drawn up to March 31, 2013, is as under :

Percentage of ownership interest as at March 31, 2013 – 26%

₹ in Lakhs

As at March 31, 2013		Year Ended March 31, 2013	
Assets	829	Income	1,395
Liability	630	Expenditure	1,211

As at March 31, 2012		Year Ended March 31, 2012	
Assets	774	Income	861
Liability	729	Expenditure	905

**NOTE 45 : Basic and Diluted earnings per share**

₹ in Lakhs

	Particulars	Current Year	Previous Year
(a)	Net Profit after tax available for Equity Shareholders	(2,607)	(3,941)
(b)	Net Profit after tax for Equity Shareholders after exceptional items	(2,607)	(3,728)
(c)	Weighted average number of Equity shares outstanding at the end of the year	37,232,649	37,231,961
(d)	Face value of Equity Share	10	10
(e)	Basic earnings per share before exceptional items	(7.00)	(10.58)
(f)	Basic earnings per share after exceptional items	(7.00)	(10.01)

**NOTE 46 : Disclosures on foreign currency expenses and earnings**

₹ in Lakhs

	Current Year	Previous Year
(i) Value of imports (on CIF basis)		
(a) Capital goods - Special Survey	8,183	5,959
(ii) Expenditure in foreign currency		
(b) Professional charges	210	102
(c) Interest	3,348	3,735
(d) Fuel	1,622	952
(e) Insurance	494	365
(f) Repairs & Maintenance	2,416	5,836
(g) Project Expenses	190	240
(h) Repatriation	148	151
(i) Vessel Manning Expenses	755	83
(j) Victualling	223	306
(k) Stores	229	337
(l) Others	4,867	1,797
(iii) Remittance in foreign currency on account of dividend:	Nil	Nil
(iv) Earnings in foreign exchange		
(a) Charter Hire	69,878	76,598
(b) Contract Revenue	222	Nil

**NOTE 47**

The Financial statements have been prepared in the format prescribed by the Revised Schedule VI to the Companies Act, 1956. Previous year's figures have been regrouped/recasted/restated wherever necessary.

Statement / Details relating to Subsidiary Companies pursuant to exemption under Section 212 of the Companies Act, 1956 ₹ in Lakhs

Name Of Subsidiary	GOL Off-shore Fujairah LLC - FZC	Deep-water Services (India) Ltd	Great Off-shore (International) Ltd	KEI-RSOS Maritime Ltd	GOL Salvage Ltd	GOL Off-shore Ship Repairs Ltd	Glory Shipping Pvt. Ltd (Dubai)	Great Off-shore Germany GmbH & Co.	SGB Emmsun GmbH & Co. (Germany)	SGB Emmsky GmbH & Co. (Germany)	SGB Emmsun GmbH & Co. (Germany)	Norwegian Shipping I Ltd	Norwegian Shipping II Ltd	Great Offshore (Intl.) Malaysia Ltd	Great Offshore International Manning & Ship Management (Labuan) Ltd	Deep Water Services (Intl.) Ltd
a Capital	81	5	163	481	28	5	1	17	1,467	1,467	1	1	1	1	1	1
b Reserves	(231)	10,560	18,002	131	561	34	(35)	(4,872)	(4,246)	(4,246)	(45)	(5,390)	(925)	-	-	-
c Total Assets	104,970	22,750	121,870	17,947	684	583	8,838	6	3,620	3,641	78	33,572	14,989	18	4	1
d Total Liabilities	104,970	22,750	121,870	17,947	684	583	8,838	6	3,620	3,641	78	33,572	14,989	18	4	1
e Investments (Excluding Investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
f Turnover	-	12,411	-	5,330	1,026	579	-	-	1,472	1,509	-	-	-	-	-	-
g Profit / (Loss) before taxation	(109)	560	7,638	(813)	126	16	(1)	(4,862)	(3,097)	(3,072)	(9)	(4,531)	-	-	-	-
h Provision for taxation	-	300	-	19	27	12	-	-	-	-	-	-	-	-	-	-
i Profit / (Loss) after taxation	(109)	260	7,638	(832)	99	4	(1)	(4,862)	(3,097)	(3,072)	(9)	(4,531)	-	-	-	-
j Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Converted into Indian Rupees at the Exchange Rate 1 USD = ₹54.29, 1 Euro = ₹69.51.

**FINANCIAL HIGHLIGHTS (STAND ALONE)**
**₹ in Lakhs**

Financial Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
<b>Profit &amp; Loss A/c</b>								
Revenues	34,974	54,465	75,031	95,282	101,349	86,267	<b>89,445</b>	<b>102,828</b>
Earning Before Interest, Depreciation & Tax (EBIDT)	15,604	26,841	38,439	42,472	43,328	42,350	<b>46,298</b>	<b>49,563</b>
Interest	1,643	3,596	6,551	8,856	10,879	13,081	<b>17,657</b>	<b>20,877</b>
Depreciation	4,218	6,967	9,853	10,026	13,227	18,348	<b>17,215</b>	<b>17,941</b>
Profit Before Tax (PBT)	9,743	16,278	22,035	23,590	19,222	10,921	<b>11,426</b>	<b>10,745</b>
Provision for Taxation	563	2,136	1,714	2,480	1,760	751	<b>3,992</b>	<b>4,678</b>
Profit After Tax (PAT)	9,180	14,142	20,321	21,110	17,462	10,170	<b>7,434</b>	<b>6,067</b>

**Balance Sheet**
**What the Company owned**

Fixed Assets	78,026	128,866	139,007	219,397	294,645	298,307	<b>286,609</b>	<b>234,957</b>
Investments	128	128	1,331	14,647	14,647	14,652	<b>19,652</b>	<b>19,653</b>
Net Current Assets	10,881	7,733	40,911	28,863	25,044	93,040	<b>79,206</b>	<b>109,282</b>
Deferred Taxation (Net)	-	216	562	691	-	-	-	-

<b>Capital Employed</b>	<b>89,035</b>	<b>136,943</b>	<b>181,811</b>	<b>263,598</b>	<b>334,336</b>	<b>405,999</b>	<b>385,467</b>	<b>363,892</b>
-------------------------	---------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**[A] What the Company owed**

Loans	37,316	74,656	93,014	194,335	231,136	291,384	<b>288,406</b>	<b>261,920</b>
Deferred Taxation (Net)	118	-	-	-	249	905	<b>2,765</b>	<b>3,595</b>

<b>Sub Total (A)</b>	<b>37,434</b>	<b>74,656</b>	<b>93,014</b>	<b>194,335</b>	<b>231,385</b>	<b>292,289</b>	<b>291,171</b>	<b>265,515</b>
----------------------	---------------	---------------	---------------	----------------	----------------	----------------	----------------	----------------

**[B] Shareholders' Funds**

Equity Share Capital	5	3,812	3,812	3,714	3,723	3,723	<b>3,723</b>	<b>3,724</b>
Preference Share Capital	-	-	15,000	-	-	-	-	-
Share Capital Suspense Account	3,807	-	-	-	-	-	-	-
Reserves & Surplus	47,814	58,479	69,985	65,549	99,228	109,987	<b>90,573</b>	<b>94,653</b>
Misc. Expd. (to the extent not w/off)	(25)	(4)	-	-	-	-	-	-

<b>Sub Total (B)</b>	<b>51,601</b>	<b>62,287</b>	<b>88,797</b>	<b>69,263</b>	<b>102,951</b>	<b>113,710</b>	<b>94,296</b>	<b>98,377</b>
----------------------	---------------	---------------	---------------	---------------	----------------	----------------	---------------	---------------

<b>Capital Employed (A)+(B)</b>	<b>89,035</b>	<b>136,943</b>	<b>181,811</b>	<b>263,598</b>	<b>334,336</b>	<b>405,999</b>	<b>385,467</b>	<b>363,892</b>
---------------------------------	---------------	----------------	----------------	----------------	----------------	----------------	----------------	----------------

**Return Ratios**

Earning Per Share (in ₹)	24.09	37.1	53.31	52.2	46.97	27.32	<b>19.97</b>	<b>16.3</b>
Cash Earning Per Share (in ₹)	35.16	55.38	79.16	83.20	82.54	76.60	<b>66.20</b>	<b>64.48</b>
Dividend Per Share (in ₹)	5.10*	8.00	16.00	2.50	2.50	2.50	<b>2.50</b>	-
Dividend Payout Ratio (%)	24.17	24.59	35.11	5.14	5.32	9.15	<b>12.52</b>	-
Return on Average Networth (%)	10.31	18.69	29.86	29.51	20.28	9.39	<b>7.15</b>	<b>6.30</b>
Return on Average Capital Employed (%)	12.15	15.0	16.86	13.46	9.47	6.28	<b>6.34</b>	<b>7.19</b>

\* Proportionate payment paid on reduced capital post demerger from The Great Eastern Shipping Company Limited.

**REVENUE STATEMENT (CONSOLIDATED)**
**(\$ million)**

	2005-06 ^	2006-07 ^^	2007-08 ^^^	2008-09 ^^^^	2009-10 ^^^^^	2010-11 ^^^^^^	2011-12 ^^^^^^^	2011-12 ^^^^^^^
Operating Income	87.81	128.43	184.63	236.81	244.68	208.23	185.82	183.21
Operating EBIDTA	37.27	59.83	95.52	118.55	106.08	89.14	75.92	75.56
Operating Margin %	42.10	45.90	47.00	47.00	43.00	43.00	40.86	41.24
Other Income	0.7	1.97	13.73	12.75	1.47	2.01	5.50	12.52
Depreciation	10.15	15.67	24.39	25.14	29.57	43.72	42.50	53.79
Interest	3.92	7.97	16.93	23.33	24.42	35.28	52.06	48.95
PBT	23.2	36.18	54.2	70.07	52.09	10.14	2.74	0.72
<b>PAT</b>	<b>21.94</b>	<b>32.08</b>	<b>49.91</b>	<b>59.78</b>	<b>42.20</b>	<b>5.77</b>	<b>(7.85)</b>	<b>(4.81)</b>
<b>Margin %</b>	<b>24.79%</b>	<b>24.60%</b>	<b>24.61%</b>	<b>23.95%</b>	<b>17.14%</b>	<b>2.75%</b>	<b>-3.79%</b>	<b>-2.28%</b>
Average Exchange rate (for the year)	^ \$ : ₹44.24	^^ \$ : ₹45.25	^^^ \$ : ₹40.40	^^^^ \$ : ₹45.65	^^^^^ \$ : ₹47.64	^^^^^^ \$ : ₹45.47	^^^^^^^ \$ : ₹47.51	^^^^^^^^ \$ : ₹54.18

## Offshore Fleet

Category	Total	Type	Vessel Name	Year Built
DRILLING VESSELS	2		Badrinath	1973
			Kedarnath	1975
OFFSHORE SUPPORT VESSELS	24	<b>Platform Supply Vessels</b>	Malaviya Sixteen	2002
			Malaviya Eighteen	2002
			Malaviya Twenty	2004
			Malaviya Twenty Four	2005
			Malaviya Twenty Nine	2006
			Malaviya Thirty	2006
			Malaviya Seven	1994
		<b>Anchor Handling Tug Supply Vessels</b>	Malaviya One	1983
			Malaviya Two	1983
			Malaviya Three	1984
			Malaviya Four	1984
			Malaviya Five	1982
			Malaviya Ten	1999
			Malaviya Twenty One	2005
			Malaviya Twenty Three	2007
			Malaviya Twenty Eight	2006
			Malaviya Nine	2008
		<b>Fire Fighting Supply Vessels</b>	Malaviya Twenty Five	2006
			Malaviya Twenty Seven	2006
		<b>Multi Support Vessel</b>	Malaviya Thirty Six	1987
		<b>Anchor Handling Tugs</b>	Gal Beaufort Sea	1982
			Gal Ross Sea	1982
			Sangita	1994
			Bharati-S	1982
HARBOUR TUGS	12		Anasuya	1997
			Rishabh	1985
			Malini	1987
			Jyotsna S.	1989
			Kanti	1998
			Kumari Tarini	1998
			Sudhir Mulji	1998
			Vahbiz	1999
			Ananya	2000
			Purnima	2000
			Birsingha	2001
			Polaris	2009
CONSTRUCTION AND ACCOMODATION BARGES	2		Gal Constructor	1978
			Gal Installer	1994 (Major refit in 2010)
FLOATING DRY DOCK	1		Great Offshore FD-1	1984
HEAVY LOAD CARRIER	1		Malaviya Thirty Three	1978
<b>TOTAL</b>	<b>42</b>			



At GOL Offshore, 'going green' is more than just a corporate social responsibility and we have committed ourselves to develop business strategies with sustainable environment management as a core. It is the continuing commitment to contribute to economic development, while improving the quality of life of our offshore and onshore workforce and their families, as well as the maritime community and the society at large. A purposeful activity with the goal to maintain and improve the state of an environmental resource affected by human intervention.

From compliance with Marpol 73/78 to implementation of Ship Energy Efficiency Management Plan (SEEMP), Shipboard Oil Pollution Emergency Plan (SOPEP) / Shipboard Marine Pollution Emergency Plan (SMPEP), Ballast Water Management, Energy efficiency, Paper reduction, OSHAS, Legislations, Recycling, Employee health & hygiene etc.



The company is committed to conducting its business in a manner that delivers leading "Environmental, Health and Safety" performance. Strict compliance with Quality, Health, Safety and Environmental (QHSE) management system promotes a positive culture to achieve continual improvement in all our operations to the entire satisfaction of our customers.



 <p><b>EEMS</b></p> <ul style="list-style-type: none"> <li>GOL Offshore Ltd has in place an "Effective Environmental Management System" committed to prevent pollution including contingency measures to demonstrate their steadfastness to the Marine Environment.</li> </ul>	 <p><b>SAFE WORKING PRACTICES</b></p> <ul style="list-style-type: none"> <li>Compliance with "Occupational Health &amp; Safety Management System" (OHSMS) to eliminate hazards, practices and behaviors that could cause accidents, injuries and ill health.</li> </ul>	 <p><b>PAPER RECYCLING</b></p> <ul style="list-style-type: none"> <li>Document production consumes a lot of energy. We believe that saving paper is critical to conserving both energy and costs. Hence, usage of eco-friendly paper is strongly recommended.</li> </ul>
---	--	---



The company enforces a number of broader ways for conservation of energy by regulating & monitoring the power consumption on need basis, usage of power saving lights, enabling "sleep mode" on computers and peripherals, usage of laptops in lieu of desktop amongst many other initiatives.



The fleet vessels ensure compliance with Marpol 73/78 – prevention of pollution from Oil, HNS, Sewage, Garbage, Air (SOx & Nox), SOPEP, SMPEP, Emergency response, Up gradation of skill vide theoretical & hands on Training.



The Company provides a "green workspace" to the employees which ensures fresh supply of oxygen vide office plants in cubicles, cabins, walkways in addition to a terrace garden for meetings, relaxation & de-stressing.



GOL OFFSHORE

**GOL OFFSHORE LIMITED**

**Registered Office:** Energy House, 81, Dr. D. N. Road, Mumbai - 400 001

**ATTENDANCE SLIP**

DP ID	
-------	--

Folio	
-------	--

Client ID	
-----------	--

No. of Shares	
---------------	--

NAME OF THE MEMBER: \_\_\_\_\_

NAME OF THE PROXY : \_\_\_\_\_

I hereby record my presence at the Eighth Annual General Meeting of the Company held on **Wednesday, August 14, 2013, at 11.30 a.m. at Babasaheb Dahanukar Hall, Maharashtra Chamber of Commerce, Industry & Agriculture (MACCIA), Oricon House, 6<sup>th</sup> Floor, 12, K. Dubhash Marg, Kaala Ghoda, Mumbai-400 001.**

\_\_\_\_\_  
**Signature of Proxy**

\_\_\_\_\_  
**Signature of Member**

**Notes:** A Member / Proxy attending the meeting must complete this Attendance slip in legible writing and hand it over at the entrance. **Sign at appropriate place as applicable to you.**

..... Tear here .....



GOL OFFSHORE

**GOL OFFSHORE LIMITED**

**Registered Office:** Energy House, 81, Dr. D. N. Road, Mumbai - 400 001

**PROXY FORM**

DP ID	
-------	--

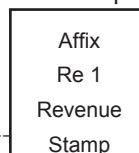
Folio	
-------	--

Client ID	
-----------	--

No. of Shares	
---------------	--

I/We \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ being a member/members of GOL Offshore  
Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ in the  
district of \_\_\_\_\_ or failing him/her \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_ as  
my/our proxy to vote for me/us on my/our behalf at the Eighth Annual General Meeting of the Company held  
on Wednesday, August 14, 2013 at 11.30 a.m. or at any adjournments thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013



\_\_\_\_\_  
**Signature of Member**  
(Sign across the stamp)

**Notes:** The Instrument of proxy duly stamped, signed, and completed, must be deposited at the Registered Office of The Company not later than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

Tear here

### **Important Communication to Shareholders**

The Ministry of Corporate Affairs, Government of India (MCA) has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. The MCA through its circular dated April 21, 2011 and April 29, 2011 has allowed the companies to send documents to their shareholders electronically.

GOL Offshore is concerned about the environment and utilizes natural resources in a sustainable way. Recognizing the spirit of the circulars issued by the MCA and to support this Green Initiative, we propose to send documents like the Notice convening the general meetings, financial statements, Directors' Report, Auditors' Report, etc to the email address provided by you / registered with your depository or with the Company / Share Transfer Agent (RTA).

We request you to kindly register / update email address with your Depository Participant (DP) / Depository and in case of shares in physical form, with the Company / RTA by sending a request at [investor\\_services@goloffshore.com](mailto:investor_services@goloffshore.com), mentioning folio number, name (same as appears on share certificate) and contact details.

Physical copy of aforesaid documents will be provided upon receipt of request from shareholders free of cost. Further, the documents being sent to members of the Company from time to time shall be posted on the Company's website [www.goloffshore.com](http://www.goloffshore.com).





**GOL OFFSHORE**

Enterprise • Energy • Endurance

*If undelivered, please return to:*

**TSR Darashaw Private Limited**

(Unit: GOL Offshore Limited)

6-10 Haji Moosa Patrawala Industrial Estate,

20, Dr. E Moses Road,

Mahalaxmi, Mumbai – 400 011