

Shri P. C. Kapoor
Chairman



Dear Stakeholders,

The year under review has been full of challenges. Oil prices tumbled, not without precedent but certainly beyond anticipation, which resulted into low operating margins for offshore sector and added further pressure to our cash flows. With the slow recovery in oil prices, the charter market is depressed in 2016, as was the case in 2015, coupled with fiercer competition from domestic as well as foreign players, all vying for a share in the Indian offshore business.

The Company continued to reel under financial stress during the year under consideration. Members will recall my last year's address when I had struck a note of caution due to the extreme squeeze on cash flows being faced by the Company and the various austerity measures taken to address this. While continuing to focus even more rigorously on these measures during the year, to reduce debt burden of the Company and consequent interest liability for the future, Strategic Debt Restructuring was invoked in the Company, by the lenders with effective date of January 27, 2016. Seven lenders have converted part of their outstanding debts aggregating Rs. 17,957 lacs, as on August 23, 2016.

In spite of all these adverse factors, the Company has been able to secure charter on long term contract for Rig Badrinath with Oil and Natural Gas Corporation Limited (ONGC).

While the conditions are no doubt onerous and challenging, we are confident of tiding over these, given our inherent strengths fostered over the years.

I take this opportunity to thank all our employees for their hard-work and dedication during such challenging times. I also take this opportunity to thank my fellow Board members for their guidance and support. Finally a sincere word of gratitude and acknowledgment towards all our stakeholders including our bankers, shareholders, customers and suppliers who have reposed trust in us and remained supportive in all our endeavours and continue to do so as we move ahead to face another challenging year.

Thank you,

Prakash Chandra Kapoor