Dolphin Offshore Enterprises (Mauritius) Private Limited

FINANCIAL STATEMENTS - YEAR ENDED

31 MARCH 2016

Dolphin Offshore Enterprises (Mauritius) Private Limited

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

		Date of appointment
DIRECTORS	: Sonia Lutchmiah	31-Oct-08
	Gyaneshwarnath Gowrea	09-Mar-09
	Navpreet Singh	22-Jan-01
	Satpal Singh	22-Jan-01
	Colin Taylor	01-Jun-11
	Kirpal Singh	06-May-14

ADMINISTRATOR AND SECRETARY : CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port-Louis
Mauritius

REGISTERED OFFICE : c/o CIM CORPORATE SERVICES LTD
Les Cascades Building
Edith Cavell Street
Port-Louis
Mauritius

BANK : SBI International (Mauritius) Ltd
7th Floor, SBI Tower Mindspace
Bhumi Park
45 Cybercity
Ebène
Mauritius

AUDITORS : BDO & Co
10, Frère Felix de Valois Street
Port Louis
Mauritius

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2016

The directors present their commentary together with the audited financial statements of Dolphin Offshore Enterprises (Mauritius) Private Limited (the "Company") for the year ended 31 March 2016.

PRINCIPAL ACTIVITY

The Company was incorporated on 3 November 2000 as a Category 1 Global Business Licence Company and its principal activity is shipping activities.

RESULTS AND DIVIDENDS

The results for the year are set out on page 6.

Dividends declared during the year under review amount to USD 2,000,000 (2015: USD 2,000,000).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards (IFRS) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, BDO & Co, have been appointed as auditors of the Company for the year ended 31 March 2016 and have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting of the shareholder.

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Dolphin Offshore Enterprises (Mauritius) Private Limited

CERTIFICATE FROM THE SECRETARY
(SECTION 166 (D) OF THE COMPANIES ACT 2001)

We certify that to the best of our knowledge and belief, Dolphin Offshore Enterprises (Mauritius) Private Limited (the "Company") has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001 for the year ended 31 March 2016.

CIM CORPORATE SERVICES LTD
Secretary

Date: 26 MAY 2016

CIM CORPORATE SERVICES LTD
33, Edith Cavell Street, Port Louis, 11324, Mauritius
Tel: +230 212 9800 Fax: +230 212 9833 Email: info@cimglobalbusiness.com
BRN C09004928
www.cimglobalbusiness.com

BDO

Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

INDEPENDENT AUDITORS' REPORT TO THE MEMBER

This report is made solely to the member of Dolphin Offshore Enterprises (Mauritius) Private Limited (the "Company"), as a body, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited financial statements of Dolphin Offshore Enterprises (Mauritius) Private Limited set out on pages 5 to 21 which comprise the statement of financial position at 31 March 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 auditors consider 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Financial Statements (continued)

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

Trade and other receivables include an amount of USD 15,782,870 for which we have not been able to obtain sufficient appropriate audit evidence as to its recoverability as at reporting date.

Property, plant and equipment includes work in progress of USD 3,000,675 relating to amount spent towards the construction of barges. As at reporting date, the construction has been withheld and impairment thereof (if any) cannot be assessed.

Consequently, we were unable to determine whether any adjustments to the above amounts would be necessary.

Qualified opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements on pages 5 to 21 give a true and fair view of the financial position of the Company at 31 March 2016, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Report on Other Legal and Regulatory Requirements

Companies Act 2001

We have no relationship with, or interests in, the Company other than in our capacity as auditors and dealings in the ordinary course of business.

Except for the above, we have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

BDO

BDO & Co
Chartered Accountants

Kaneya Hawabhay, FCA
Licensed by FRC

Port Louis,
Mauritius.
26 MAY 2016

Dolphin Offshore Enterprises (Mauritius) Private Limited

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

ASSETS	Notes	2016	2015
		USD	USD
Non-current assets			
Property, plant and equipment	5	23,404,273	28,333,334
Non- current receivable	6	3,063,738	-
		26,468,011	28,333,334
Current assets			
Inventories	7	54,801	128,221
Trade and other receivables	8	19,666,325	7,437,411
Cash and cash equivalents		336,520	621,741
Total current assets		20,057,646	8,187,373
Total assets		46,525,657	36,520,707
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	25,000	25,000
Retained earnings		41,614,234	30,338,202
Total equity		41,639,234	30,363,202
LIABILITIES			
Current liabilities			
Trade and other payables	10	3,988,065	4,157,505
Dividends payable	11	898,358	2,000,000
Total current liabilities		4,886,423	6,157,505
Total liabilities		4,886,423	6,157,505
Total equity and liabilities		46,525,657	36,520,707

The financial statements have been approved for issue by the Board of Directors on: 26 MAY 2016 and signed on its behalf by:

Gyaneshwarnath Gowrea

Sonia Lutehmiah

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent Auditors' report on pages 4 and 4(a).

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016	2015
		USD	USD
INCOME			
Revenue		18,440,116	21,639,723
Profit on disposal of property, plant & equipment		465,201	-
Interest income		1,350,899	948,807
		20,256,216	22,588,530
EXPENSES			
Operating expenses	12	4,031,670	4,008,161
Depreciation	5	2,606,752	2,627,569
Directors' commission		-	780,000
General and administrative expenses	13	234,738	168,528
Audit fees		25,875	17,250
Bank charges		5,234	4,771
Secretarial fees		3,200	2,400
Licence fees		1,750	1,750
		6,909,219	7,610,429
Profit before finance costs		13,346,997	14,978,101
Finance costs	14	(494)	(200,808)
PROFIT BEFORE TAXATION		13,346,503	14,777,293
Taxation	15	(70,471)	(89,507)
PROFIT FOR THE YEAR		13,276,032	14,687,786
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		13,276,032	14,687,786

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent Auditors' report on pages 4 and 4(a).

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Note	Stated capital	Retained earnings	Total equity
		USD	USD	USD
Balance at 1 April 2015		25,000	30,338,202	30,363,202
Total comprehensive income for the year:				
- Profit for the year		-	13,276,032	13,276,032
Dividends	11	-	(2,000,000)	(2,000,000)
Balance at 31 March 2016		**25,000**	**41,614,234**	**41,639,234**
Balance at 1 April 2014		25,000	17,650,416	17,675,416
Total comprehensive income for the year:				
- Profit for the year		-	14,687,786	14,687,786
Dividends	11	-	(2,000,000)	(2,000,000)
Balance at 31 March 2015		**25,000**	**30,338,202**	**30,363,202**

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent Auditors' report on pages 4 and 4(a).

Dolphin Offshore Enterprises (Mauritius) Private Limited

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2016

	2016	2015
	USD	USD
Operating activities		
Profit before taxation	13,346,503	14,777,293
Adjustments for:		
Depreciation on property, plant and equipment	2,606,752	2,627,569
Interest income	(1,350,899)	(948,807)
Interest expense	-	282,978
Profit on disposal of property, plant & equipment	(465,201)	-
Foreign exchange gain	-	(82,170)
Changes in working capital:		
Inventories	73,420	(43,606)
Trade and other receivables	(10,193,104)	(1,852,301)
Trade and other payables	(169,440)	372,878
Cash generated from operations	3,848,031	15,133,834
Interest received	1,351	521,875
Interest paid	-	(691,846)
Witholding tax	(70,471)	(89,507)
Net cash generated from operating activities	3,778,911	14,874,356
Investing activity		
Purchase of property, plant and equipment	(962,490)	(2,089,401)
Financing activities		
Repayment of borrowings	-	(12,415,773)
Repayment of finance lease	-	(477,132)
Payment of dividend	(3,101,642)	-
Net cash used in financing activities	(3,101,642)	(12,892,905)
Net decrease in cash and cash equivalents	(285,221)	(107,950)
Movement in cash and cash equivalents		
At 1 April	621,741	729,691
Net decrease in cash and cash equivalents	(285,221)	(107,950)
At 31 March	336,520	621,741

The notes on pages 9 to 21 form an integral part of these financial statements.
Independent Auditors' report on pages 4 and 4(a).

1. REPORTING ENTITY

Dolphin Offshore Enterprises (Mauritius) Private Limited Limited (the "Company") was incorporated on 3 November 2000 as a private company with limited liability by shares and is domiciled in the Republic of Mauritius. The address of the Company's registered office is c/o CIM Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port-Louis, Mauritius. The Company is engaged in shipping activities.

2. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRS) and comply with the Companies Act 2001. Where necessary, comparative figures have been amended to conform with change in presentation in the current year.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

Amendments to published Standards and Interpretations effective in the reporting period

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) applies to contributions from employees or third parties to defined benefit plans and clarifies the treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example employee contributions that are calculated according to a fixed percentage of salary. Entities with plans that require contributions that vary with service will be required to recognise the benefit of those contributions over employee's working lives. The amendment has no impact on the Company's financial statements.

Annual Improvements 2010-2012 Cycle

IFRS 2, 'Share based payments' amendment is amended to clarify the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'. The amendment has no impact on the Company's financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Amendments to published Standards and Interpretations effective in the reporting period

Annual Improvements 2010-2012 Cycle (continued)

IFRS 3, 'Business combinations' is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or equity, on the basis of the definitions in IAS 32, 'Financial instruments: Presentation'. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss. The amendment has no impact on the Company's financial statements.

IFRS 8, 'Operating segments' is amended to require disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported. The amendment has no impact on the Company's financial statements.

IFRS 13 (Amendment), 'Fair Value Measurement' clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. The amendment has no impact on the Company's financial statements.

IAS 16, 'Property, plant and equipment' and IAS 38,'Intangible assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The amendment has no impact on the Company's financial statements.

IAS 24,'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required. The amendment has no impact on the Company's financial statements.

IAS 38, 'Intangible Assets' is amended to require an entity to take into account accumulated impairment losses when adjusting the amortisation on revaluation. The amendment has no impact on the Company's financial statements.

Annual Improvements 2011-2013 Cycle

IFRS 1, 'First-time Adoption of International Financial Reporting Standards' is amended to clarify in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. The amendment has no impact on the Company's financial statements, since the Company is an existing IFRS preparer.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Amendments to published Standards and Interpretations effective in the reporting period

Annual Improvements 2011-2013 Cycle (continued)

IFRS 3,'Business combinations' is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint venture under IFRS 11. The amendment has no impact on the Company's financial statements.

IFRS 13, 'Fair value measurement' is amended to clarify that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9. The amendment has no impact on the Company's financial statements.

IAS 40, 'Investment property' is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. IAS 40 assists users to distinguish between investment property and owner-occupied property. Preparers also need to consider the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination. The amendment has no impact on the Company's financial statements.

Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January, 2016 or later periods, but which the Company has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

IFRS 9 Financial Instruments
Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)
IFRS 14 Regulatory Deferral Accounts
Accounting for Acquisitions of Interests in Joint Operations (Amendments to
Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
IFRS 15 Revenue from Contract with Customers
Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
Equity Method in Separate Financial Statements (Amendments to IAS 27)
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)
Annual Improvements to IFRSs 2012-2014 Cycle
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
Disclosure Initiative (Amendments to IAS 1)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

IFRS 16 Leases
Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
Amendments to IAS 7 Statement of Cash Flows

Where relevant, the Company is still evaluating the effect of these Standards, amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(b) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over their estimated useful lives. The respective depreciation rates applied are as follows:

	%	
Vessels	7	
Office & computer equipment	50	(on the Reducing balance method)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are determined by comparing proceeds with carrying amount and included in the statement of profit or loss and other comprehensive income.

Interest costs on borrowings to finance the construction of qualifying assets during the construction period are capitalised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency

(i) *Functional and presentation currency*
Items included in the financial statements are measured using United States Dollar ("USD"), the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in USD which is the Company's functional and presentation currency.

(ii) *Transactions and balances*
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(d) Revenue recognition

Charter Hire Income
Income arising out of the charter of vessels is recognised over the terms of the agreement at the applicable charter rate.

Other revenues earned by the company are recognised on the following bases:
- Interest income is recognised as it accrues unless collectibility is in doubt.

(e) Expenses

Expenses are accounted on an accrual basis.

(f) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates that have been enacted or substantively enacted at the end of the reporting date and are expected to apply in the period when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which deductible temporary differences can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Financial instruments

The Company's accounting policies in respect of the main financial instruments are set out below:

(i) Trade and other receivables
Trade and other receivables are stated at fair value as reduced by appropriate allowances for estimated irrecoverable amounts.

(ii) Trade and other payables
Trade payables are stated at fair value and subsequently measured as amortised cost using the effective interest method.

(iii) Cash and cash equivalents
Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(h) Stated capital

Ordinary shares are classified as equity.

(i) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources that can be reliably estimated will be required to settle the obligation.

(j) Impairment of financial assets assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

(k) Inventories

Inventories comprising of fuel and spares on board the vessels are are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Long term receivable

Long term receivables with fixed maturity terms are measured at amortised cost using the effective interest rate method, less provision for impairment.

3. FINANCIAL RISK MANAGEMENT

3.1 *Financial risk factors*

The Company's activities expose it to a variety of financial risks: interest rate risk, liquidity risk and currency risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

A description of the significant risk factors is given below together with the risk management policies applicable.

<u>Interest rate risk</u>
Interest rate risk is the risk that the fair value or future cash flows of the financial instrument will fluctuate because of changes in market interest rates.

<u>Liquidity risk</u>
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Company aims at maintaining flexibility in funding by keeping committed credit lines available.

<u>Currency risk</u>
The Company has trade and other payables denominated in Indian Rupee ("INR"). Consequently, the Company is exposed to the risk that the exchange rate of the USD relative to INR may change in a manner which have an effect on the reported value of the Company's trade payables denominated in Indian Rupee.

3.2 *Capital risk management*

The Company's objectives when managing capital are:

- to safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders, and
- to provide an adequate return to its shareholder.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and makes adjustments to its in the light of changes in economic conditions and the risk characteristics of the underlying assets.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, bydefinition, seldom equal the related actual results. The estimates and assumptions that have a significant risk ofcausing a material adjustment to the carrying amounts of assets and liabilities within the next financial year as discussed below.

Asset lives and residual values
Property, plant and equipment are depreciated over its useful life taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Consideration is also given to the extentof current profits and losses on the disposal of similar assets.

Depreciation policies
Property, plant and equipment are depreciated to their residual values over their estimated useful lives. The residual value of an asset is the estimated net amount that the Company would currently obtain from disposal of the asset, if the asset were already of the age and in condition expected at the end of its useful life.

The directors therefore make estimates based on historical experience and use best judgement to assess the useful lives of assets and to forecast the expected residual values of the assets at the end of their expected useful lives.

Impairment of assets
Property, plant and equipment are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

5. PROPERTY, PLANT AND EQUIPMENT

2016

	Vessels	Office & Computer equipment	Work in progress	Total
COST	USD	USD	USD	USD
At 1 April 2015	36,987,072	77,034	2,041,026	39,105,132
Additions	-	2,841	959,649	962,490
Disposal	(6,113,950)	-	-	(6,113,950)
At 31 March 2016	30,873,122	79,875	3,000,675	33,953,672
DEPRECIATION				
At 1 April 2015	10,715,537	56,261	-	10,771,798
Charge for the year	2,597,578	9,175	-	2,606,753
Disposal adjustment	(2,829,152)	-	-	(2,829,152)
At 31 March 2016	10,483,963	65,436	-	10,549,399
NET BOOK VALUE				
At 31 March 2016	20,389,159	14,439	3,000,675	23,404,273

2015

COST	Vessels	Office & Computer equipment	Work in progress	Total
	USD	USD	USD	USD
At 1 April 2014	36,940,671	75,060	-	37,015,731
Additions	46,401	1,974	2,041,026	2,089,401
At 31 March 2015	36,987,072	77,034	2,041,026	39,105,132
DEPRECIATION				
At 1 April 2014	8,102,480	41,749	-	8,144,229
Charge for the year	2,613,057	14,512	-	2,627,569
At 31 March 2015	10,715,537	56,261	-	10,771,798
NET BOOK VALUE				
At 31 March 2015	26,271,535	20,773	2,041,026	28,333,334

(a) Work in progress represents the costs incurred and capitalised as at 31 March 2016, being mainly processing and arrangement fees for obtention of loan, consultancy and syndication charges, towards the construction of barge.

Management has deferred the construction of the Vessels in view of the current market situation. Should the project not continue, the recoverability of the work in progress is expected to be around USD 2 million. In the current year there would be more visibility on the project and management would then take a call on the course of action.

6. NON-CURRENT RECEIVABLE

	2016	2015
	USD	USD
Sales proceeds receivable from related party	3,750,000	-
Analysed as follows:		
Non- current	3,063,738	-
Current	686,262	-
	3,750,000	-

During the year ended 31 March 2016, the Company has disposed of its vessel Divine Dolphin for USD 3,750,000 and the proceeds will be settled quarterly over a period of 5 years and carries interest of 4.37% per annum.

7. INVENTORIES

	2016	2015
	USD	USD
Fuel and oil at cost	24,192	97,612
Critical spares	30,609	30,609
	54,801	128,221

8. TRADE AND OTHER RECEIVABLES

	2016	2015
	USD	USD
Trade receivables	16,950,246	6,633,320
Interest receivable	1,705,293	290,621
Other receivables	264,388	270,099
Sales proceeds receivable from related party (note 6)	686,262	-
Prepayments	60,136	243,371
	19,666,325	7,437,411

(a) The carrying amounts of trade and other receivables approximate their fair values and are wholly denominated in USD.

(b) As of 31 March 2016, trade receivables of USD 13,029,183 (2015: USD 2,173,963) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2016	2015
	USD	USD
3 to 6 months	4,246,659	365,443
Over 6 months to 1 year	6,956,776	1,544,981
Over 1 year	1,825,748	263,339
	13,029,183	2,173,763

The other classes within trade and other receivables include past due of USD 263,339 but not impaired.

Trade receivables consist of an amount of USD 13,162,860 due by Evya. The Company has commenced an arbitration in the London Court of International Arbitration against Evya to enforce its rights and recover the amount due. The Company has already made the claim submissions and applied for an interim award. The Company is also in the process of obtaining an order from the Court to freeze the assets of Evya, to the extent of the debt due.

9. STATED CAPITAL

	2016 & 2015
	USD
25,000 ordinary shares of USD 1 each	25,000

10. TRADE AND OTHER PAYABLES

	2016	2015
	USD	USD
Creditors	409,053	212,327
Amount payable to related parties	105,000	1,095,829
Accruals	954,012	329,349
Advance from customer	2,520,000	2,520,000
	3,988,065	4,157,505

The carrying amounts of trade and other payables approximate their fair values.

11. DIVIDENDS

	2016	2015
	USD	USD
Balance at 1 April	2,000,000	-
Ordinary dividend - USD 80 per share (2014: USD 80 per share)	2,000,000	2,000,000
Paid during the year	(3,101,642)	-
Balance at 31 March	898,358	2,000,000

12. OPERATING EXPENSES

	2016	2015
	USD	USD
Vessel charter and related expenses	1,023,515	1,759,778
Vessel crew and subcontractor charges	1,566,584	1,049,872
Consumables and equipment related expenses	1,014,393	891,462
Other operating expenses	427,178	307,049
	4,031,670	4,008,161

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
	USD	USD
Wages and salaries	62,734	-
Professional fees	58,352	91,694
Travel expenses	51,376	49,800
Other expenses	39,685	17,639
Registration & filing fees	15,540	2,310
Rent	3,870	4,285
Telephone expenses	2,281	1,800
Accounting fees	900	1,000
	234,738	168,528

14. FINANCE COST

	2016	2015
Interest expense:-	USD	USD
- Bank loan	-	194,360
- Finance lease	-	6,868
- Shareholder's loan	-	75,537
- Others	-	6,213
	-	282,978
Foreign exchange loss/(gain)	494	(82,170)
	494	200,808

15. TAXATION

The Company is liable to pay income tax on its net income at a rate of 15%. The Company is however entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%.

There is no capital gain tax in Mauritius.

Current tax expense	2016	2015
	USD	USD
(a) Current tax charge on the adjusted profit for the year	-	-
Withholding tax	70,471	89,507
Tax charge for the year	70,471	89,507

(b) Reconciliation of effective current tax charge	2016	2015
	USD	USD
Profit before taxation	13,346,503	14,777,293
Tax calculated at 15% (2015: 15%)	2,001,975	2,216,594
Income not subject to tax	(2,836,000)	(3,258,526)
Non allowable expenses	1,033,429	1,177,880
Tax losses utilised	(199,404)	(135,948)
Withholding tax	70,471	89,507
Current tax charge for the year	70,471	89,507

16. RELATED PARTY TRANSACTIONS

	2016	2015
	USD	USD
Holding company		
Amount payable	1,003,358	598
Fellow subsidiary		
Amount receivable	3,875,689	-
Interest receivable	1,366	-
Interest income	1,366	-
Amount payable	-	315,231
Directors		
Amount payable	637,500	780,000
Commission-expense	-	780,000

Terms and conditions with related parties:

(i) Outstanding balances at year-end are unsecured, interest free, except as described in note 6, and settlement occurs in cash.

(ii) There has been no guarantees received for any outstanding balances.

(iii) For the year ended 31 March 2016 and 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial period through examining the financial position of the related party and the market in which the related party operates.

17. CURRENCY PROFILE

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2016		2015	
	Financial assets	Financial liabilities	Financial assets	Financial liabilities
	USD	USD	USD	USD
Indian Rupee	-	-	-	315,231
United States Dollar	23,006,447	3,988,065	7,815,780	3,842,274
	23,006,447	3,988,065	7,815,780	4,157,505

Prepayments of USD 60,136 (2015: USD 243,371) have been excluded from financial assets.

18. HOLDING COMPANY

The Company is a wholly owned subsidiary of Dolphin Offshore Enterprises (India) Limited, a company incorporated in India.

19. DEFERRED INCOME TAXES

Deferred income taxes are calculated on all temporary differences under the liability method at 15% (2015: 15%).

Deferred tax assets and liabilities and deferred tax movement in the statement of profit or loss and other comprehensive income are attributable to the following items:

	At 1 April 2015	Movement	At 31 March 2016
	USD	USD	USD
Deferred tax assets			
Tax losses	1,096,938	(199,404)	897,534
Deferred tax credit	(877,551)	159,523	(718,028)
Deferred tax asset not recognised	(219,387)	39,881	(179,506)
	-	-	-

20. CAPITAL COMMITMENTS

On 5 February 2015 , the Board approved the construction of the DP3 400 person Accomodation Barge and a DP2 150 person Work Boat. The construction is expected to cost the Company around USD70million.