

DIRECTOR'S REPORT TO SHAREHOLDERS

To,
The Members
DOLPHIN OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED.

The Directors are delighted to present the Tenth Annual Report together with the Audited Accounts for the year ended March 31, 2010.

1. FINANCIAL RESULTS

The financial results of the Company for the year ended March 31, 2010 are as follows:

[Amount (Rs.)]

PARTICULARS	2009-2010	2008-2009
Income	12,64,05,857	2,04,70,587
Expenditure	9,56,17,192	1,79,66,702
	-----	-----
Profit / (Loss) before tax	3,07,88,665	25,03,885

2. DIVIDEND

Your Directors have not recommended any dividend for the year.

3. DISCLOSURE IN DIRECTORS' REPORT

The provision of the Companies (Particulars of Disclosure in Report of Board of Directors) Rule 1988 does not apply to the Company.

4. AUDITORS

BDO & CO., Chartered Accountants, have been reappointed for the next financial year, by virtue of the Resolution passed to this effect.

5. PARTICULARS OF EMPLOYEES

As the Company has no employees drawing remuneration above the limit prescribed under section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, of Rs.24 lacs or more per annum or Rs.2 lacs or more per month, no disclosures are required to be made.

6. OTHER MATTERS

As the Company is primarily not involved in activities of manufacture, the provisions of Companies (Disclosure of Particular in the Report of Board of Directors) Rules, 1998 relating to conservation of Energy and Technology Absorption are not required to be disclosed in the Directors' Report.

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7. **DIRECTORS' RESPONSIBILITY STATEMENT**

As required under Section 217 (2AA), which was introduced by the Companies (Amendment) Act, 2000, your Directors confirm:

- (i) that in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) that the Directors had selected such accounting policies and applied them consistently over the years and made judgements and estimates that are reasonable and prudent so as to give a true and fair review of the state of affairs of the Company as at March 31, 2010 and of the profit of the Company for the year then ended.
- (iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (iv) that the financial statements have been prepared on a going concern basis.

Your Directors take the opportunity to thank the shareholders for their confidence in them.

FOR & ON BEHALF OF THE BOARD OF DIRECTORS


NAVPREET SINGH
DIRECTOR


SATPAL SINGH
DIRECTOR

Place : Mumbai
Date : May 14, 2010

P. R. DUBASH & CO.

Chartered Accountants

1/1-A, ASHOKA APARTMENTS, OFF ARTHUR BUNDER ROAD, COLABA, MUMBAI-400 005.
TEL. : 2283 0894 FAX : 91-22-2285 6050 E-MAIL : prd_co@yahoo.co.in

BDO & Co.

Chartered Accountants

10, Frère Felix de Valois Street,
Port Louis,
Mauritius.

We have been requested by Dolphin Offshore Enterprises (India) Limited to prepare the audited financial statements of **Dolphin Offshore Enterprises (Mauritius) Private Limited** as set out in pages 5 to 22 of the Financial Statements for the year ended 31st March, 2010, in accordance with the provisions of the Companies Act, 1956. We have been informed that preparation of the accounts in accordance with the provisions of the Companies Act, 1956 is required for the purpose of disclosure of the said financial statements in the audited financial statements of Dolphin Offshore Enterprises (India) Limited for the year ended 31st March, 2010 as required under section 212(2) of the Companies Act, 1956.

We accordingly certify that the audited financial statements of Dolphin Offshore Enterprises (Mauritius) Private Limited for the year ended 31st March, 2010 have been translated to the reporting currency (Indian Rupees) of the reporting enterprise (Dolphin Offshore Enterprises (India) Limited) in accordance with the provisions of the Companies Act, 1956 and are stated in pages 1 to 5 annexed to this certificate (duly stamped and initialed for identification).

We have neither audited the financial statements of Dolphin Offshore Enterprises (Mauritius) Private Limited nor are responsible for their preparation.



For P.R.DUBASH & CO.

Chartered Accountants

P.R. Dubash

P.R.DUBASH

(Proprietor)

Membership No.31945

Place : Mumbai

Dated: 14th May, 2010.

DOLPHIN OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31, 2010.

	Note	Rupees 2009-10	US Dollars 2009-10	Rupees 2008-09	US Dollars 2008-09
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	3	1,168,000	25,000	1,168,000	25,000
Reserves and Surplus	4	62,850,524	590,519	7,197,671	139,890
		64,018,524	615,519	8,365,671	164,890
Loan ' Funds					
Secured Loans	5	765,845,264	17,058,587	364,585,667	7,186,078
Unsecured Loans	6	728,526,099	16,227,333	560,070,386	11,039,132
		1,494,371,363	33,285,920	924,656,053	18,225,210
TOTAL		1,558,389,887	33,901,439	933,021,724	18,390,100
APPLICATION OF FUNDS					
Fixed Asset					
Vessel - A.M.S.Divine		295,437,184	6,037,339	-	-
Vessel - Beas Dolphin		325,956,573	6,964,140	-	-
Office Equipment		232,915	5,188	-	-
		621,626,672	13,006,667		
Less : Accumulated Depreciation		(19,009,312)	(394,292)	-	-
		602,617,360	12,612,375	-	-
Capital work-in-progress		927,484,817	20,658,978	936,520,815	18,459,068
		1,530,102,177	33,271,353	936,520,815	18,459,068
Current Assets, Loans and Advances					
Sundry Debtors	7	19,062,821	424,609	2,235,283	44,058
Cash and Bank Balances	8	35,203,965	784,140	54,997	1,084
Loans and Advances	9	16,088,123	358,350	203,194	4,005
Other Current Asset	10	1,773,487	39,503		
		72,128,396	1,606,602	2,493,474	49,147
Less: Current Liabilities and Provisions	11	43,840,686	976,516	5,992,565	118,115
Net Current Assets		28,287,710	630,086	(3,499,091)	(68,968)
TOTAL		1,558,389,887	33,901,439	933,021,724	18,390,100

The accompanying notes form an integral part of this Balance Sheet.
As per our report of even date.

For and on behalf of the Board

Nawpreet Singh

Chartered Accountant
Place: Mauritius
Dated :



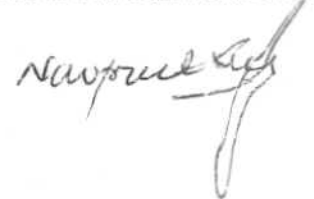
DOLPHIN OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED

**STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2010.**

	Note	<u>Rupees</u>	<u>US Dollars</u>	<u>Rupees</u>	<u>US Dollars</u>
		<u>2009-2010</u>	<u>2009-2010</u>	<u>2008-09</u>	<u>2008-09</u>
<u>INCOME</u>					
Income from Operations		126,398,348	2,659,575	20,467,503	444,600
Other Income		7,509	158	3,084	67
		<u>126,405,857</u>	<u>2,659,733</u>	<u>20,470,587</u>	<u>444,667</u>
<u>EXPENDITURE</u>					
Cost of Operations					
Consumables Stores & Spares		1,327,157	27,925		
Crew & Subcontractor Charges		30,566,721	643,161	17,390,012	377,750
Equipment Related Expenses		924,661	19,456		
Vessel Charter & Related Expenses		9,638,226	202,800		
Reimbursable Cost		8,153,949	171,569		
Other Expenditure		1,055,737	22,214		
Administrative Expenses	12	1,452,578	30,564	576,690	12,527
Interest Expenses		23,488,851	494,234	-	-
Depreciation Expenses		19,009,312	394,292	-	-
		<u>95,617,192</u>	<u>2,006,215</u>	<u>17,966,702</u>	<u>390,277</u>
Profit before Taxation		30,788,665	653,518	2,503,885	54,390
Less: Provision for Taxation		(5,343,655)	(112,437)	(576,598)	(12,525)
Profit after Taxation		<u>25,445,010</u>	<u>541,081</u>	<u>1,927,287</u>	<u>41,865</u>
Add : Effect of transitional provision of amended AS-11				32,994,804	822,403
Accumulated Profit /Loss Brought Forward		4,514,933	101,680	(30,407,158)	(762,588)
Closing Balance		<u>29,959,943</u>	<u>642,761</u>	<u>4,514,933</u>	<u>101,680</u>

The accompanying notes form an integral part of this Statement.
As per our report of even date.

For and on behalf of the Board



Chartered Accountant
Place: Mauritius
Date:



DOLPHIN OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010.

1 BACKGROUND

Marwa Offshore Enterprises (Mauritius) Private Limited ("the Company") was incorporated in Mauritius on November 03, 2000 as a wholly owned subsidiary of Dolphin Offshore Enterprises (India) Limited. The Company has been established to provide services to offshore units engaged primarily in the oil and exploration and production.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting:

The financial statements have been prepared under the historical cost convention. It is the policy of the Company to prepare its financial statements on the mercantile system of accounting.

Fixed Assets and Depreciation:

(a) Fixed assets are valued at cost which includes the purchase price of the asset and other direct costs incurred in getting the assets at the appropriate location and into a condition where they can be put to use. Financing costs incurred upto the date the asset is ready to be used are included in the cost of the asset.

(b) Depreciation on office equipment is calculated @ 50% on the declining balance method. Depreciation on vessels is provided @ 7% on straight line basis.

(c) Fixed assets being non-monetary items are carried at fair value using the exchange rates that existed when the values were determined. Accordingly depreciation on fixed assets has been provided on the carrying amount of the fixed asset using the exchange rates that existed when the assets were acquired.

Revenue Recognition:

Revenue from rendering of services is recognised upon performance of services. Interest income is accounted as it accrues, unless its collectibility is in doubt.

Reporting Currency and Translation Policies:

The Company holds a Category 1 Global Business Licence under the Financial Services Development Act, 2001, which requires that the Company's business or other activity to be carried on in a currency other than the Mauritian Rupee. Accordingly, the Company's books of account are maintained in United States Dollars and all transactions are effected in United States Dollars.

Accounting Standard:

(a) While translating the financial statements into Indian Rupees, the provisions as laid out in Amended Accounting Standard 11 which has come into effect in respect of accounting periods commencing on or after April 01, 2007, have been followed.

(b) Revenue items have been translated into the reporting currency of the Company at the average rate. For this purpose, "average rate" is the mean of the exchange rates in force during the accounting period.

(c) Monetary items have been translated into the reporting currency of the Company using the closing rate of exchange.

(d) Share capital has been translated at the historic exchange rate prevailing at the date of subscription to equity shares. The resulting difference has been recognised as Foreign Currency Translation Reserve.

Deferred Taxation :

Deferred Tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. 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.

The Company is liable to income-tax on its net income @ 15%. The Company is entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritian tax payable in respect of its foreign source income thus reducing its effective tax rate to 3%. As the withholding tax is in excess of the liability to Mauritian tax, the deferred tax asset arising on the difference between the book and tax depreciation has not been considered.

	As at		As at	
	31.03.2010	31.03.2010	31.03.2009	31.03.2009
	Rs.	US\$	Rs.	US\$
3 SHARE CAPITAL				
Authorised				
25,000 Equity Shares of US\$1 each	1,168,000	25,000	1,168,000	25,000
Issued and Subscribed				
25,000 Equity Shares of US\$1 each	1,168,000	25,000	1,168,000	25,000
4 RESERVES AND SURPLUS				
Foreign Exchange Translation Reserve	32,890,581	(52,242)	2,682,738	38,210
Profit and loss account	29,959,943	642,761	4,514,933	101,630
	<u>62,850,524</u>	<u>590,519</u>	<u>7,197,671</u>	<u>139,890</u>
5 SECURED LOAN				
Loans from Companies	238,939,855	5,322,193	-	-
Loan from Banks	526,905,409	11,736,394	364,585,667	7,186,078
	<u>765,845,264</u>	<u>17,058,587</u>	<u>364,585,667</u>	<u>7,186,078</u>

Loan from banks are secured by the exclusive mortgage on the assets being financed, personal guarantees of the whole-time Directors of Dolphin Offshore Enterprises [India] Limited, Corporate guarantee from Dolphin Offshore Enterprises [India] Limited and Pledge of 30 % of shares of the Company in favour of the Bank.



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DOLPHIN OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010.**

6 UNSECURED LOAN

Other Loans and advances				
Loan from Holding Company	728,526,099	16,175,091	560,070,386	11,039,132
	<u>728,526,099</u>	<u>16,175,091</u>	<u>560,070,386</u>	<u>11,039,132</u>

7 SUNDRY DEBTORS

(Unsecured, considered good)

Outstanding for less than six months	19,062,821	424,609	2,235,283	44,058
Outstanding for more than six months	-	-	-	-
	<u>19,062,821</u>	<u>424,609</u>	<u>2,235,283</u>	<u>44,058</u>

8 CASH AND BANK BALANCES

Cash in hand

Balances with scheduled bank

- In current account

- In fixed deposit account

	35,203,965	784,140	54,997	1,084
	<u>35,203,965</u>	<u>784,140</u>	<u>54,997</u>	<u>1,084</u>

9 LOANS AND ADVANCES

(Unsecured, considered good)

Income-tax Paid (Net of Provisions)

Advance recoverable

Prepaid Expenses

	14,916,184	332,246		
	1,171,939	26,104	203,194	4,005
	<u>16,088,123</u>	<u>358,350</u>	<u>203,194</u>	<u>4,005</u>

10 OTHER CURRENT ASSET

Billable Cost

Accrued Income

	-	-	-	-
	1,773,487	39,503	-	-
	<u>1,773,487</u>	<u>39,503</u>	<u>-</u>	<u>-</u>

11 CURRENT LIABILITIES AND PROVISIONS

Sundry Creditors

Advance from Customer

Other Current Liabilities

	16,907,951	376,611	5,718,596	112,715
	20,404,778	454,500	-	-
	6,527,957	145,405	273,969	5,400
	<u>43,840,686</u>	<u>976,516</u>	<u>5,992,565</u>	<u>118,115</u>

12 ADMINISTRATIVE EXPENSES

Licence Fees

ROC Fees

Secretarial Fees

Professional Fees

Accountancy Fees

Auditor's Remuneration

Sundry Expenses

Bank Charges

	104,652	2,202	73,565	1,598
	18,107	381	10,726	233
	117,579	2,474	61,596	1,338
	165,105	3,474	120,844	2,625
	57,031	1,200	55,243	1,790
	655,856	13,800	158,823	3,450
	40,302	848	-	-
	293,946	6,185	95,893	2,083
	<u>1,452,578</u>	<u>30,564</u>	<u>576,690</u>	<u>12,527</u>

13 CAPITAL COMMITMENTS

On 17th March, 2006, the Board approved the acquisition of three vessels (two workboats and a construction barge). It is expected that the cost of these vessels will approximate US\$40 million. US\$20 million of the funding will be done by way of loan from the Singapore subsidiary of ICICI Bank Limited (the "Bank"). Dolphin Offshore Enterprises (India) Limited and its promoters will provide guarantee to the loan sanctioned by the Bank to the Company. Dolphin Offshore Enterprises (India) Limited will also fund the balance by way of an interest free Rupee loan. As of date the company has already utilised an amount of US\$27,660,457 towards construction of the vessels (US\$18,459,068 as at 31st March, 2009)



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DOLPHIN OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED
(FORMERLY KNOWN AS MARWA OFFSHORE ENTERPRISES (MAURITIUS) PRIVATE LIMITED)

1 In the preparation of the financial statement of Dolphin Offshore Enterprises (Mauritius) Private Limited (Formerly known as Marwa Offshore Enterprises (Mauritius) Private Limited) for the period ended 31st March 2010, in accordance with the provisions of the Companies Act, 1956, the provisions as laid out in Accounting Standard 11 (Revised) which has come into effect in respect of accounting periods commencing on or after 1st April, 2004, have been followed.

2 Revenue items have been translated into the reporting currency of the reporting enterprise at the average rate.

	2009-2010			2008-2009		
	US\$	Average Rate	Amount Rs.	US\$	Average Rate	Amount Rs.
Average rate						
Income from Operations	2,659,575	47.53	126,398,348	444,600	46.04	20,467,503
Other Operating Income	158	47.53	7,509	67	46.04	3,084
Cost of Operations		47.53	-	-	46.04	-
Consumables Stores & Spares	27,925	47.53	1,327,157	-	-	-
Crew & Subcontractor Charges	643,161	47.53	30,566,721	-	-	-
Equipment Related Expenses	19,456	47.53	924,661	-	-	-
Vessel Charter & Related Expenses	202,800	47.53	9,638,226	-	-	-
Reimbursable Cost	171,569	47.53	8,153,949	-	-	-
Conveyance and other Operation Expenditure	22,214	47.53	1,055,737	-	-	-
Administrative Expenses	30,564	47.53	1,452,578	12,527	46.04	576,690
Interest Expenses	494,234	47.53	23,488,851	-	-	-
Depreciation Expenses	394,292		19,009,312	-	-	-
Vessel - A.M.S.Divine (19.08.2009)	260,514	48.9350	12,748,253	-	-	-
Vessel - Beas Dolphin (22.12.2009)	133,558	46.8050	6,251,182	-	-	-
Office Equipment (01.03.2010)	220	44.8950	9,877	-	-	-
Forex loss in exchange		47.53	-	-	46.04	-
Taxation	(112,437)	47.53	(5,343,655)	(12,525)	46.04	(576,598)

Average Rate is the mean of the exchange rates in force during a period

Computation of the Average Rate:-

Rate as on:	T.T. Buying	T.T. Selling	Average	Rate as on:	T.T. Buying	T.T. Selling	Average
02.04.2009	50.70	50.72	50.71	02.04.2008	39.97	39.98	39.98
30.04.2009	50.03	50.04	50.04	30.04.2008	40.51	40.52	40.52
30.05.2009	47.11	47.12	47.12	30.05.2008	42.45	42.46	42.46
30.06.2009	47.90	47.91	47.91	30.06.2008	43.02	43.03	43.03
31.07.2009	47.94	47.96	47.95	31.07.2008	42.57	42.58	42.58
31.08.2009	48.82	48.83	48.83	29.08.2008	43.94	43.95	43.95
29.09.2009	48.10	48.11	48.11	29.09.2008	46.96	46.97	46.97
31.10.2009	46.96	46.97	46.97	31.10.2008	49.44	49.46	49.45
30.11.2009	46.51	46.52	46.52	28.11.2008	50.07	50.10	50.09
31.12.2009	46.54	46.55	46.55	31.12.2008	48.71	48.73	48.72
31.01.2010	46.17	46.18	46.18	30.01.2009	48.87	48.89	48.88
28.02.2010	46.09	46.10	46.10	28.02.2009	51.13	51.15	51.14
31.03.2010	44.89	44.90	44.8950	31.03.2009	50.72	50.75	50.72
			617.84				598.47
	Average Rate		47.53	Average Rate			46.04

3 Monetary items have been translated into Rupees using the closing rate.

Secured Loans - Companies	5,322,193	44.8950	238,939,855	7,186,078	50.74	364,585,667	
Secured Loans - Banks	11,736,394	44.8950	526,905,409				
Unsecured Loans	16,175,091	45.0400	728,526,099	(52,242)	11,077,342	50.74	562,008,944
Unsecured Loans (Rupee loan)	16,227,333	44.8950	728,526,097	(2,345,405)	11,039,132	50.74	560,070,388
Capital work-in-progress	20,658,978	44.8950	927,484,817		18,459,068	50.74	936,520,815
Vessel - A.M.S.Divine (19.08.2009)	6,037,339	48.9350	295,437,184				
Vessel - Beas Dolphin (22.12.2009)	6,964,140	46.8050	325,956,573				
Office Equipment (01.03.2010)	5,188	44.8950	232,915				
Accumulated Depreciation	394,292		19,009,312				
Vessel - A.M.S.Divine (19.08.2009)	260,514	48.9350	12,748,253				
Vessel - Beas Dolphin (22.12.2009)	133,558	46.8050	6,251,182				
Office Equipment (01.03.2010)	220	44.8950	9,877				
Sundry Debtors	424,609	44.8950	19,062,821	44,058	50.74	2,235,283	
Cash and Bank Balances	784,140	44.8950	35,203,965	1,084	50.74	54,997	
Loans and Advances (Advances Recoverable)	332,246	44.8950	14,916,184		50.74	-	
Loans and Advances (Prepaid Expenses)	26,104	44.8950	1,171,939	4,005	50.74	203,194	
Other Current Asset - Contract Advance							
Other Current Asset - Accrued Income	39,503	44.8950	1,773,487				
Sundry Creditors	376,611	44.8950	16,907,951	112,715	50.74	5,718,591	
Advance from Customer	454,500	44.8950	20,404,778				
Other Current Liabilities	145,405	44.8950	6,527,957	5,400	50.74	273,965	

4 The previous year's figures are the same as considered by Dolphin Offshore Enterprises (India) Ltd. for the purpose of consolidation of the accounts of Dolphin Offshore Enterprises (Mauritius) Private Limited.



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