



THE GREAT EASTERN SHIPPING COMPANY LIMITED

63rd ANNUAL REPORT 2010-II

Caring for the seas.
Caring for the seabed.



Dry Bulk Carrier : Jag Rahul



Crude Oil Carrier : Jag Leela



Jack Up Rig : Greatdrill Chetna



Multipurpose Platform Supply and Support Vessel :
Greatship Mamta

Chairman's Statement

Dear Shareholders,

The term "volatility" has long been associated with the shipping industry and in the recent years, it has clearly defined the course of the bulk shipping business.

The key issue faced by the industry is the relentless fleet addition that is taking place in both the dry bulk as well as the tanker sector. To absorb this kind of fleet addition, we will either need to see more aggressive scrapping of older ships or a meaningful pickup in tonne mile demand.

In addition to the pressure from the supply side, the industry is also constantly facing short term "volatility" in freight rates on account of geopolitical tensions as well as weather disruptions. The ongoing crisis in the MENA (Middle East & North Africa) region and the floods in Australia are typical examples of this. Such incidents cause further downward pressure on freight rates leading, in some instances, to earnings at levels that barely cover operating costs. This kind of an environment has been deeply challenging and has seriously impacted the financial health of many ship-owners globally.

For the last couple of years, I have been emphasizing the need for your company to brace itself for tough times ahead whilst recognizing the need to stride ahead with a view to creating long-term shareholder value. I am happy to report that your company has steered the course admirably with this vision in mind.

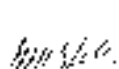
On the shipping portfolio, the company has adopted a 'wait and watch' mode whilst it has expanded more aggressively in its offshore business. Today, the shipping portfolio constitutes approximately 60% of your company's business while the offshore business, in a short span of about 5 years, constitutes the balance 40%. Within the next 18 months or so and basis our committed expansion, the offshore portfolio of your company will nose ahead of the shipping portfolio in terms of capital employed. The strategic investment made by your company in its oil and gas subsidiary (Greatship (India) Limited) has now started delivering fruitful results. This year, this business has added Rs.211.22 crores to our consolidated net profit providing a return in excess 18% on our investment in this business in equity as well as preference shares.

Over the next 2 years, Greatship (India) Limited will be adding an additional 7 new state-of-the-art vessels together with a newly built jack-up rig to add to an already existing fleet of 17 multifaceted support vessels and 2 jack-up rigs. With the oil prices hovering around USD 100 per barrel mark, the global E&P activities worldwide are expected to significantly gain momentum providing exciting opportunities for your company. With a view to capitalize on these opportunities, your company is entering into new territories clinching landmark deals to create its image as a world-class offshore oil field support and logistic company.

For the financial year 2010-11, your company recorded a net profit of Rs.468.70 crores on a consolidated basis. The company's cash and cash equivalent on a consolidated basis amounted to Rs.3,125 crores resulting in a net debt equity ratio of 0.47:1 as on 31st March 2011. Keeping in mind this comfortable debt to equity position, the Board of Directors declared a total dividend of Rs.8/- per share for the year thereby significantly enhancing its pay-out ratio.

I take this opportunity to thank all our customers for their unstinted support extended during these extraordinary times. Needless to say, sailing through these rough seas would not have been possible without the dedication and faith exhibited by all my colleagues both on shore and on board particularly so in meeting their paramount objective of safety of life, cargo and environment. Finally, I am, as ever, grateful to the Government of India as well as the regulatory authorities for their continuous support.

With warm regards,



K. M. Sheth
Executive Chairman



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Notice

NOTICE is hereby given that the Sixty Third Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai 400 020 on Friday, August 05, 2011 at 03.00 p.m. (I.S.T.) to transact the following business :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Ms. Asha V. Sheth, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Mr. Keki Mistry, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution: "RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W) be and are hereby appointed as 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 shall be fixed by the Board of Directors."

By Order of the Board

Jayesh M. Trivedi
Company Secretary

Mumbai, May 06, 2011

Registered Office:

Ocean House, 134/A
Dr. Annie Besant Road
Worli, Mumbai 400 018

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from July 29, 2011 to August 05, 2011 (both days inclusive).
4. The dividend declared at the Meeting will be made payable on or after August 05, 2011, as applicable, in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company on or before the end of business hours on July 28, 2011 and in respect of shares held in the electronic form to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on that date.
5. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the 40th dividend for the year 1993-94 paid by the Company on October 5, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, C/o. Central Government Office Building, A Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur 400 614.
6. Consequent to the amendment to Sub-section (5) of Section 205A vide Companies (Amendment) Act, 1999, the Company has transferred the unclaimed dividend for the year 2002-2003 (49th final dividend) and 2003-2004 (50th interim dividend) to the Investor Education and Protection Fund. All unclaimed dividend for the year 2004-2005 (50th final dividend) will be due for transfer to the Investor Education and Protection Fund on July 25, 2011. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Company's Share Department at the Registered Office of the Company on or before July 20, 2011.

Information as required under Clause 49 (IV)(G) of the Listing Agreement in respect of Directors being re-appointed.

(A) MS. ASHA V. SHETH

Ms. Asha V. Sheth is a B.A. from Isabella Thoburn College, U.P. She was invited to be a Director on the Board of the Company in the year 1992-93. She is the wife of Late Mr. Vasant J. Sheth who was the Founder Director and later on Chairman of the Company who subsequently steered the growth of the Company till 1992 when he expired. The Company decided to have a Foundation namely Vasant J. Sheth Memorial Foundation (VJSM) in his memory and Ms. Asha V. Sheth was invited to be the Chairperson of the Foundation. Significant activities of the Foundation are in the area of Shipping and Maritime affairs.

As on date Ms. Asha V. Sheth holds 21,24,081 Equity Shares of the Company. She is a member of the Shareholders / Investors' Grievance Committee of the Company.

(B) MR. KEKI MISTRY

Mr. Keki Mistry is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. Mr. Keki Mistry is the Vice Chairman and Chief Executive Officer of Housing Development Finance Corporation Limited (HDFC). HDFC is India's premier and largest well managed, world class housing financial institution and has turned the concept of housing finance for the middle class into a profitable, well managed and world class enterprise. Mr. Keki Mistry joined HDFC in October 1981. Prior to HDFC, Mr. Keki Mistry worked in the Indian Hotels Co. Ltd.

Besides his responsibilities within HDFC, Mr. Keki Mistry has been deputed on consultancy assignments to the Commonwealth Development Corporation (CDC) in Thailand, Mauritius, Caribbean Islands and Jamaica to review and evaluate the operations of mortgage financial institutions in these countries. He has also worked as a Consultant for the Mauritius Housing Company in Mauritius and for the Asian Development Bank on the feasibility of establishing a secondary mortgage market in India.

Mr. Keki Mistry has attended overseas training programmes and conferences on housing related subjects.

As on date Mr. Keki Mistry holds 640 Equity Shares of the Company.

Apart from the Company, Mr. Keki Mistry is also on the Board of Directors of the following public limited companies:

1. Housing Development Finance Corpn. Ltd.
2. HDFC Asset Management Co. Ltd.
3. HDFC Standard Life Insurance Co. Ltd.
4. HDFC ERGO General Insurance Co. Ltd.
5. Gruh Finance Ltd.
6. Infrastructure Leasing & Financial Services Ltd.
7. Sun Pharmaceutical Industries Ltd.
8. Greatship (India) Ltd.
9. Next Gen Publishing Ltd.
10. Shrenuj & Company Ltd.
11. Torrent Power Ltd.
12. Bombay Stock Exchange Ltd.

Apart from being a Chairman of the Audit Committee of the Company, Mr. Keki Mistry is also a member of the following committees:

| NAME OF THE COMPANY | NAME OF THE COMMITTEE | MEMBER/CHAIRMAN |
|--|-----------------------|-----------------|
| HDFC Standard Life Insurance Co. Ltd. | Audit | Member |
| | Investment | Member |
| HDFC ERGO General Insurance Co. Ltd. | Audit | Member |
| | Investment | Member |
| HDFC Asset Management Co Ltd. | Audit | Member |
| Gruh Finance Ltd. | Audit | Member |
| | Remuneration | Member |
| Infrastructure Leasing & Financial Services Ltd. | Audit | Member |
| | Share Transfer | Member |
| | Remuneration | Member |
| Sun Pharmaceutical Industries Ltd. | Audit | Chairman |
| Greatship (India) Ltd. | Audit | Chairman |
| Shrenuj & Company Ltd. | Audit | Member |
| Torrent Power Ltd. | Audit | Chairman |

Board of Directors

K. M. Sheth EXECUTIVE CHAIRMAN

Bharat K. Sheth DEPUTY CHAIRMAN & MANAGING DIRECTOR

Asha V. Sheth

Cyrus Guzder

Keki Mistry

Vineet Nayyar

Berjis Desai

K. V. Kamath

Ravi K. Sheth EXECUTIVE DIRECTOR

COMMITTEES

| AUDIT COMMITTEE | SHAREHOLDER/INVESTORS' GRIEVANCE COMMITTEE | REMUNERATION COMMITTEE |
|----------------------|--|------------------------|
| Keki Mistry CHAIRMAN | Cyrus Guzder CHAIRMAN | Cyrus Guzder CHAIRMAN |
| Cyrus Guzder | Bharat K. Sheth | Berjis Desai |
| Berjis Desai | Asha V. Sheth | |

Jayesh M. Trivedi COMPANY SECRETARY

| REGISTERED OFFICE | SHARE TRANSFER AGENT | AUDITORS |
|--|---|---|
| Ocean House 134/A, Dr. Annie Besant Road Worli Mumbai 400 018 | Sharepro Services (India) Pvt. Ltd. 13A/B, Samhita Warehousing Complex, 2 nd floor Sakinaka Telephone Exchange Lane Off Andheri-Kurla Road, Sakinaka, Andheri (E) Mumbai 400 072 | Kalyaniwalla & Mistry Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai 400 001 |

Risk Management

The Company views managing risk as an integral part of its operations. The objective of the risk management is to strike a balance between pursuing growth and business opportunities, and the need to manage the fluctuations in freight rates, currencies and other markets, along with maintaining operational and safety standards.

The Company has identified risks in the following broad categories:

- 1) **Technical or Operational risk:** This is the risk associated with the operation and safe running of the ships. These are managed by having stringent measures for quality and safety of people and cargo on board. Constant training and focused development to upgrade the skills on board is done so that the employees are fully geared to meet all possible challenges.
- 2) **Market risk:** The Company is operating in the tramp shipping business and owns crude and product tankers and dry bulk carriers, a significant portion of which are operated on the spot market. This relates to risk due to change in freight markets, bunker prices and counterparty risk. While management of fluctuation in freight rates is possible through long term charters, Contracts of Affreightment, etc., fluctuation in bunker prices can be offset through hedging transactions or by taking fixed price contracts with suppliers. Counterparty risk can be minimized by dealing with large, well reputed and good credit names.
- 3) **Financial markets and liquidity risk:** This is the risk associated with the financial position and cash flows of the Company. Liquidity risk may arise from inability to meet financial obligations, including loan repayments and payments for vessel acquisitions. This is dealt with by keeping low leverage, as a result of which the Company is able to borrow even in challenging markets. It is also

mitigated by keeping substantial liquidity at all times, which enables the Company to capitalize on any opportunities that may arise. Financial market risk may arise on account of exchange fluctuations, change in interest rates, etc. Since the majority of the revenues of the Company are denominated in US dollars, there is a translation risk as the Company has to report its financial performance in INR. Also, since most of the External Commercial Borrowings (ECBs) raised by the Company are based on floating rate, the Company is exposed to changes in interest rates. These risks are managed by actively hedging the net open Forex exposure and the floating/fixed rate liability.

Risk Management Strategy of the Company

- The Company has traditionally used a mix of long term time charters, contracts of affreightments to de-risk the revenues to some extent. For the year ended March 31st 2011, the Company has 53% of its revenues from time charters and 47% from spot charters.
- As on March 31st 2011, 76% of the Company's loan portfolio was on fixed interest rates, and the balance 24% on floating rates.
- As on March 31st 2011, the Company has sold forward a total of USD 226.50 million for FY 2011-12 and USD 74 million for FY 2012-13.
- As on March 31st, 2011, the Company's gross debt equity ratio was 0.66:1 whilst its net debt equity ratio was 0.20:1
- As on March 31st, 2011, the Company had a balance of cash and cash equivalents totaling to Rs. 2504 crores, all in bank deposits and mutual funds.

Directors' Report



Jag Aarati - Kamsarmax Dry Bulk Carrier : Acquired in February 2011

Directors' Report

Your Directors are pleased to present the 63rd Annual Report on the business and operations of your Company and Audited Accounts for the financial year ended March 31, 2011.

FINANCIAL PERFORMANCE

The financial results of the Company for the financial year ended March 31, 2011 are presented below:

| | Rs. in Lakhs | |
|---|---------------|---------------|
| | 2010-11 | 2009-10 |
| Total Income | 165928 | 224539 |
| Total Expenditure | 136407 | 181343 |
| Profit before tax | 29521 | 43196 |
| Less : Provision for Income Tax | 2800 | 3915 |
| Profit for the year after tax | 26721 | 39281 |
| Add/(Less): Prior period adjustments | (75) | 294 |
| Net Profit | 26646 | 39575 |
| Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961 | 4000 | 4000 |
| | 22646 | 35575 |
| Add : Surplus brought forward from previous year | 288673 | 271177 |
| Amount available for appropriation | 311319 | 306752 |
| Appropriations: | | |
| -Transfer to General Reserve | 2700 | 4000 |
| -Interim Dividend on Equity Shares | 5330 | - |
| -Proposed Dividend on Equity Shares | 6853 | 12183 |
| -Tax on Dividends | 1660 | 1896 |
| Balance Carried Forward | 294776 | 288673 |

The total income for the year was recorded at Rs. 165928 lakhs as against Rs. 224539 lakhs in the previous year and a Net Profit after prior period adjustments of Rs. 26646 lakhs as against Rs. 39575 lakhs in the previous year.

DIVIDEND ON EQUITY SHARES

During the year, your Directors declared and paid interim dividend of Rs. 3.50/- per share resulting in an outflow of Rs.6215 lakhs (inclusive of tax on dividend).

Your Directors recommend a dividend of Rs. 4.50/- per share. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be Rs. 13843 lakhs including tax on dividend. This represents a payout ratio of 51.95% (previous year 35.57%).

Management Discussion and Analysis

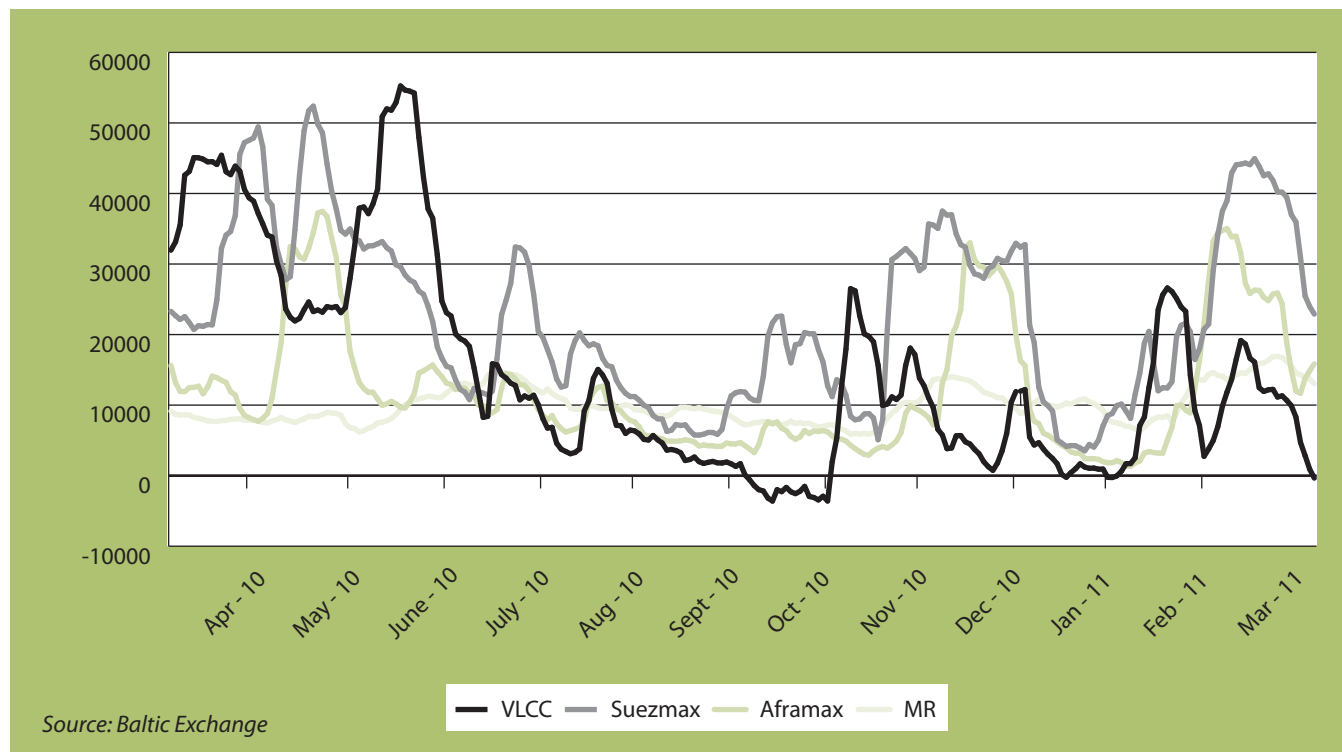
COMPANY PERFORMANCE

In financial year 2011, the Company recorded a total income of Rs. 165928 lakhs (Previous year Rs. 224539 lakhs) and earned a PBIDT of Rs. 82920 lakhs (previous year Rs. 92139 lakhs).

TANKER BUSINESS

MARKET TREND AND ANALYSIS

Tanker average time charter equivalent earnings over the year (\$ per day)



Continuing the trend of the last financial year, earnings during financial year 2011 remained weak. High oil inventories, release of storage vessels in the market, stagnant US imports coupled with inventory draw down and steady new building tonnage addition contributed to the depressed state of the tanker market through the year.

The world tanker fleet increased to 457.60 mn dwt at the end of the financial year, about 4% higher than the 441.40 mn dwt at the beginning of financial year 2011.

On the positive note, phasing out of single hull tankers, increase in scrapping and higher oil demand from non-OECD countries especially China provided some respite to tanker owners. But increasing fuel cost and disruption in crude oil supply resulted in lower fleet utilization and consequent softer charter earnings.

COMPANY PERFORMANCE

The tanker business accounted for around 80% of the Company's net revenues and 78% of the operating profits.

In financial year 2011, around 54% of the tanker earnings were derived from the period market. Crude tankers, inclusive of 'spot' and 'period', earned an average TCY of \$20,400/day (previous year \$22,300/day). Product carriers, inclusive of 'spot' and 'period', earned an average TCY of \$15,800/day, (previous year \$18,200/day).

TANKER FLEET CHANGES

The tanker fleet of your Company stood at 27 tankers aggregating 2.10 mn dwt, with an average age of 9.8 years (as of 31st March 2011) as against 32 tankers aggregating 2.48 mn dwt with an average age of 10.6 years as on 31st March 2010.

During the year, your Company acquired one double hull General Purpose Product tanker 'Jag Prachi' in December 2010.

During the year, your Company sold and delivered the following vessels to the buyers:

- 1996 built Suezmax crude carrier 'Jag Layak' in April 2010
- 1987 built Aframax crude carrier 'Jag Lamha' in October 2010
- 1985 built General Purpose product carrier 'Jag Palak' in May 2010
- 1985 built Medium Range product carrier 'Jag Pavitra' in June 2010
- 1984 built Medium Range product carrier 'Jag Pranam' in August 2010
- 1985 built General Purpose product carrier 'Jag Pragati' in December 2010

Subsequent to 31st March 2011, your Company has entered into a contract to sell en bloc all the three Very Large Crude Carriers on order. These will be delivered to the new buyer immediately upon delivery from the yard.

OUTLOOK FOR THE TANKER MARKET

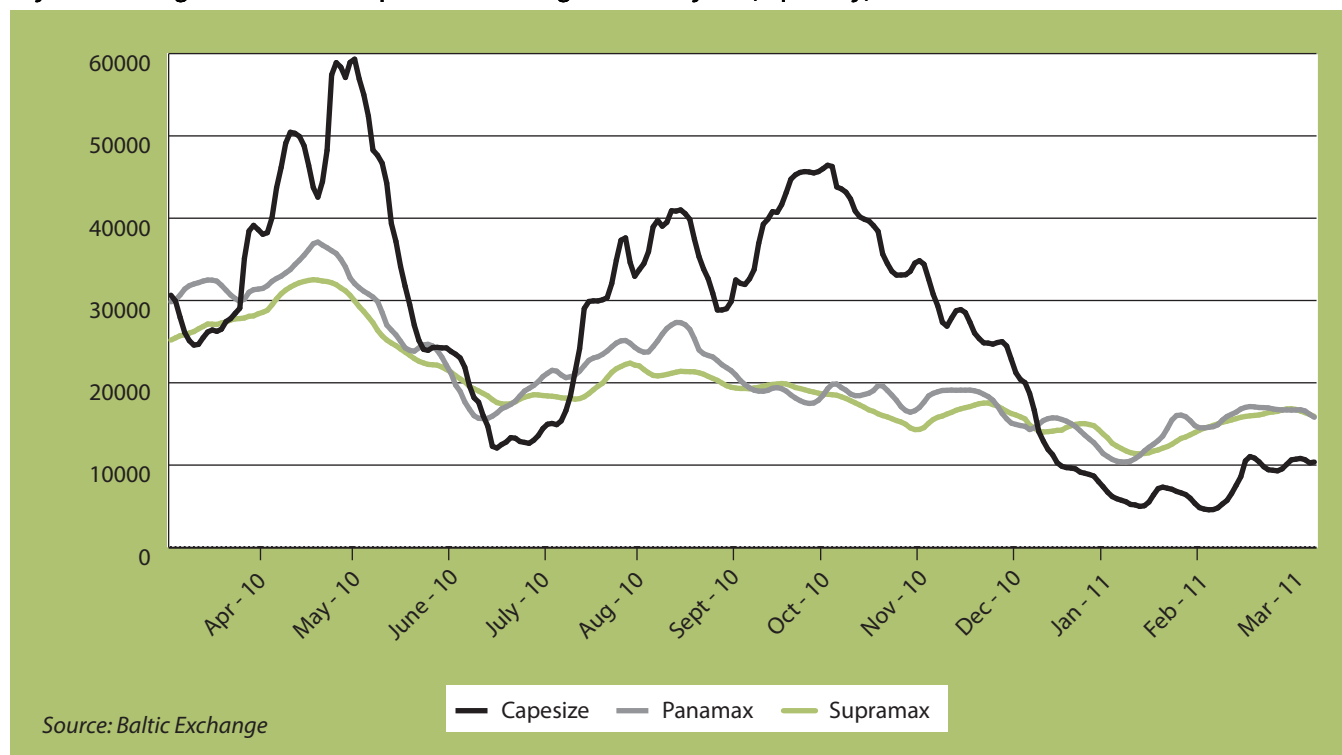
While IEA estimates global oil demand to grow to 89.4 mn barrels per day in calendar year 2011, which is about 1.4 mn barrels higher than that seen in calendar year 2010, persistent high oil prices entail significant demand risk going forward. Key factors to watch out for in the medium term would be non-OECD demand, Japan's increase in the oil consumption post the earthquake and revival in the floating storage activities. Also, with new refining capacity adding up in Middle East & Asia, it is expected to boost the ton mile especially for the product tanker market. If the Middle East and Libya crisis intensify in the future, it can result in oil supply disruption making a positive scenario for crude tanker market. But with muted growth from the western economies and supply side pressures looming large, the tanker market will be under pressure going forward.

The global tanker orderbook currently stands at about 113.9 mn dwt, or 24.9% of the fleet at the end of March 2011. Of this, approximately 50.0 mn dwt, or 11% of current fleet, is due for delivery in the balance of calendar year 2011.

DRY BULK BUSINESS

MARKET TREND AND ANALYSIS

Dry bulk average time charter equivalent earnings over the year (\$ per day)



As anticipated, the dry bulk markets remained weak, although volatile throughout financial year 2011. With new building deliveries entering the market, the dry bulk freight rates across all the segments remained under pressure. Severe floods in Australia disrupted the transportation facilities especially in Queensland, which had a negative impact on the coal exports from this region. Heavy rainfall in Brazil resulted in logistics related issues impacting the iron ore trade. Adding to this was an iron ore export ban imposed by Karnataka state that resulted in lower cargo movement reflecting lower utilizations. Towards the year end, tsunami in Japan brought an abrupt suspension in coal and iron ore shipments further deteriorating dry bulk demand.

For the calendar year 2010, world seaborne trade increased by 9% as compared to calendar year 2009. Surprisingly, China's imports grew less than expected, whereas rest of the world showed stronger growth than anticipated (i.e. about 12%). Some more positive factors like port congestions, slippages in deliveries and higher scrapping did help freight markets to some extent, but enormous fleet getting added to the supply, the freight scenario worsened as the year progressed.

The world dry bulk fleet increased to 551.9 mn dwt at the end of financial year 11, about 16% higher than the 475.6 mn dwt at the beginning of the financial year.

Fleet growth would have been even worse had it not been for significant slippage (about 38% in calendar year 2010) in the new building deliveries.

COMPANY PERFORMANCE

The dry bulk fleet contributed around 20% of the Company's net revenues and 22% of the operating profits. The average TCY for dry bulk vessels, inclusive of 'spot' and 'period', was approximately \$20,754/day as compared to \$20,300/day in the previous year.

DRY BULK FLEET CHANGES

The dry bulk fleet stood at 7 vessels aggregating 0.52 mn dwt, with an average age of 9.9 years (as of 31st March 2011) as against 6 vessels aggregating 0.41 mn dwt with an average age of 13.6 years on 31st March 2010.

During the year, your Company took delivery of the following new built vessels –

Kamsarmax bulk carrier 'Jag Aarati' in February 2011 and Supramax bulk carrier 'Jag Rishi' in March 2011.

During the year, your Company delivered a 1980 built handysize dry bulk carrier 'Jag Vikram' to the buyers in November 2010. Subsequent to 31st March, 2011 your Company took delivery of a kamsarmax dry bulk carrier 'Jag Aditi' in April 2011.

Total bulker new building orders for your Company now rest at two vessels.

OUTLOOK FOR THE DRY BULK MARKET

China is likely to continue its ongoing infrastructure investment although they will apply some anti inflationary measures. Japan may soon resume its infrastructure rebuilding activities which can prove positive for the dry bulk segment. The lifting up of Karnataka iron ore ban and normalcy returning in the activities of Australian ports can support the dry bulk freight rates to some extent. Steady improvement in the grain trade from EU will keep the charter rates steady for the smaller asset classes.

Slippages in the new deliveries, scrapping of older vessels, port congestions etc. can prove a saving grace but with more than 12-14% new building deliveries expected to hit the market in remaining calendar year 2011, the dry bulk freight market will continue to face mounting pressure.

ASSET VALUES

Second-hand values for the modern crude tankers and dry bulk carriers declined by around 10% and 8% respectively, whereas that of product tankers increased by 6% during the financial year. New building contracting declined in the second half of the financial year with new building prices softening by about 3%, although Chinese yards could be more competitive in their pricing.

RISKS AND CONCERNS

Economic risk: Shipping is a global business whose performance is closely linked to the state of the global economy. Therefore, the earnings of your Company could be impacted negatively if the global economic situation does not improve over the longer term.

Volatility: Over and above the economic risks the shipping industry is impacted by numerous short term and regional factors, like political turmoil, weather changes etc. This results in great amount of volatility in the freight market, which in turn impacts your Company's earnings.

Your Company has attempted to hedge some of this risk by entering into time charters for part of its fleet.

Shipboard personnel: Indian officers continue to be in great demand all over the world. Given the unfavorable tax status conferred on a seafarer sailing on Indian-flagged vessels, it is becoming increasingly difficult for your Company to source officers capable of meeting the modern day challenges of worldwide trading. This is more relevant for tanker personnel and may become a hindrance to growth.

OPEC action: If the OPEC decides to cut output, this combined with large inventories and increased new building deliveries, could negatively impact the demand for tankers.

European financial crisis: The growing European debt crisis can further depress the already subdued demand in the Euro zone.

Chinese economy: As we have seen in the recent past that China has been the main driving factor of the shipping demand, in case there is a major downward shift in the Chinese economy, this along with increased new building deliveries could have negative impact on shipping.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by your Company in accordance with the requirements of the accounting standards issued by The Institute of Chartered Accountants of India. The audited Consolidated Financial Statements together with Auditor's Report thereon form part of the Annual Report.

The group recorded a consolidated net profit after prior period adjustment of Rs. 46870 lakhs for the year under review as compared to Rs. 51276 lakhs for the previous year. The net worth of the group as on March 31, 2011 was Rs. 603066 lakhs as compared to Rs. 570977 lakhs for the previous year.

SUBSIDIARIES

Greatship (India) Limited

Greatship (India) Limited (GIL), having commenced operations in the offshore oilfield services sector in April 2006, is one of the India's largest offshore oilfield services providers. Your Company has till date invested total of Rs. 161615 lakhs by subscribing to 1037.82 lakhs equity shares totaling in value to Rs. 117028 lakhs and 1486.24 lakhs non-convertible preference shares totaling in value to Rs. 44587 lakhs. Your Company's holding is 98.01% of the total equity share capital of GIL.

GIL and its subsidiaries operate in three main areas, viz. offshore logistics, drilling and subsea services. The offshore logistics business, which was the entry point for Greatship in 2006, includes Platform Supply Vessels (PSVs) and Anchor Handling Tug cum Supply Vessels (AHTSVs). The entry into the drilling business was in 2009 - this involves owning and operating jack-up drilling rigs, providing services to E & P operators. The subsea business which uses assets such as Remotely Operated Vehicle Support Vessels (ROSVs), Multipurpose Platform Supply and Support Vessels (MPSSVs) and Multi-Support Vessels (MSVs), is the newest area of the business, in which operations commenced during 2010. This part of the Group provides services towards installing, maintaining, and repairing the seabed infrastructure necessary for production of oil in deep waters.

GIL has recorded a profit after tax of Rs. 11838 lakhs on a standalone basis and Rs. 21571 lakhs on a consolidated basis for the year ended March 31, 2011 as compared to Rs. 8218 lakhs and Rs. 10563 lakhs respectively for the year ended March 31, 2010. The consolidated net worth of GIL for financial year 2011 was Rs. 203156 lakhs as compared to Rs. 132342 lakhs for financial year 2010 on a consolidated basis.

GIL, alongwith its subsidiaries, is currently owning/operating 4 Platform Supply Vessels (PSVs), 7 Anchor Handling Tug cum Supply Vessels (AHTSVs), 3 Multipurpose Platform Supply & Support Vessels (MPSSVs), 3 Remotely Operated Vehicle Support Vessels (ROSVs) and 2 Jack up Rigs.

During financial year 2011, GIL granted 391100 stock options under various Employee Stock Options Schemes. In April 2011, 162800 additional stock options were granted by GIL making the total options outstanding as on date to 1796400 (net of options cancelled / forfeited).

GIL had filed a draft red herring prospectus (DRHP) with the Securities and Exchange Board of India on May 12, 2010 with a view to raise funds through an initial public offering. However in light of the market conditions, GIL, in consultation with the Book Running Lead Managers, decided not to proceed with the issue, and hence had withdrawn the DRHP in February 2011.

GIL has the following wholly owned subsidiaries:

- a) Greatship Global Holdings Ltd., Mauritius
- b) Greatship Global Offshore Services Pte. Ltd., Singapore
- c) Greatship Global Energy Services Pte. Ltd., Singapore
- d) Greatship DOF Subsea Projects Private Limited, India
- e) Greatship Subsea Solutions Singapore Pte. Ltd., Singapore (incorporated on 12.08.2010)
- f) Greatship Subsea Solutions Australia Pty. Limited, Australia (incorporated on 17.08.2010)
- g) Greatship (UK) Limited, United Kingdom (incorporated on 29.10.2010)
- h) Greatship Global Offshore Management Services Pte. Ltd., Singapore (incorporated on 09.12.2010)

Other subsidiaries

Apart from GIL and its subsidiaries, your Company has the following wholly-owned subsidiaries:

- a) The Great Eastern Shipping Co. London Ltd.
- b) The Greatship (Singapore) Pte. Ltd.
- c) The Great Eastern Chartering LLC (FZC).

Subsidiaries' accounts

Ministry of Corporate Affairs, vide General Circular No: 2 /2011 dated February 08, 2011, has granted a general exemption to companies under Section 212(8) of the Companies Act, 1956. Pursuant to the said Circular, the Board of Directors of your Company has, by passing a resolution, given consent for not attaching the balance sheets, profit and loss accounts, reports of the Board of Directors, reports of the Auditors, etc. of the subsidiaries with the Balance Sheet of your Company as required under Section 212 of the Companies Act, 1956.

Accordingly, copies of the balance sheets, profit and loss accounts, reports of the Board of Directors, reports of the Auditors, etc. of the subsidiary companies have not been attached to the Balance Sheet of your Company as at March 31, 2011. As per the terms of the said Circular, a statement containing brief financial details of the subsidiaries of the Company for the year ended March 31, 2011 is included in the Annual Report.

The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies have been kept for inspection by any shareholder at the registered office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

DEBT FUND RAISING

During the year, the Company raised funds of Rs.41062 lakhs towards capital expenditure for building tangible assets and general corporate purpose as against Rs.156079 lakhs in the previous year. As on March 31, 2011, the Company's gross debt : equity ratio was 0.66: 1 and net (of cash) debt: equity ratio was 0.20 : 1.

QUALITY, SAFETY, HEALTH & ENVIRONMENT

During the year, your Company's Occupational Health and Safety Management System was certified to OHSAS 18001:2007 Standard and Environmental Management System was certified to ISO 14001:2004 Standard. Your Company's Quality Management System is certified to ISO 9001 Standard since many years.

Training of Floating Staff

Your Company has put in place several forms of training programmes for the floating staff and these range from class room training ashore to video / computer based training on board ships to shipboard training by visiting trainers. From this financial year your Company has initiated a compulsory shore-based training programme for all Second Engineers and Chief Officers prior to placing them on board as Chief Engineers and Masters.

Environment Protection

Your Company is taking several pro-active steps in protecting the environment. Port of Long Beach, USA has awarded Green Flag Environmental Achievement Awards for the year 2010 to your Company for 90% compliance with its Voluntary Vessel Speed Reduction Programme near Southern California coastline and reducing emission. Your Company is in the process of introducing Energy Efficiency Management Plan as per MEPC.1/Circ.683 – Guidance for the Development of a Ship Energy Efficiency Management Plan (SEEMP). A system for measurement of CO₂ emission per tonne-mile of cargo moved by your Company's ships as per MEPC.1/Circ.684 – Guidelines for Voluntary Use of the Ship Energy Efficiency Operational Indicator (EEOI) is already in place. The information is available on line for analysis and to facilitate initiating strategy for reduction of emission and consequently fuel oil consumption.

Safety Initiatives

Bearing in mind the risk factors for fatigue in safe operation of ships your Company has taken the initiative in developing and introducing a software for recording work and rest hours of shipboard staff. The software helps in identifying non-compliance with ILO Convention requirements and trends in work / rest hours of staff across the fleet enabling your Company to take early corrective actions.

During the year the Safety Management System documentation was substantially amended to enhance its user friendliness.

Your Company shared its experience and contributed in the development of "Guidelines on the Application of the IMO International Safety Management Code" published by the International Chamber of Shipping in 2010.

Piracy Risk

With escalation of piracy incidents in Gulf of Aden & waters around Somalia and Indian Ocean, your Company is strictly enforcing Best Management Practices to mitigate the security risks of its vessels transiting through these waters. Vessel hardening measures are being provided to vessels transiting through piracy prone waters. Your Company is continuing its dialogue and communication with Indian Government and international industry associations through Indian National Shipowners Association in finding solution to and mitigate risk of piracy.

Master of 'Jag Layak' along with its crew, which managed to evade a hostile pirate attack in Gulf of Aden in January 2010 has been awarded Gallantry at Sea Award for 2010 by the National Maritime Day Celebration Committee.

AMVER Award from US Coast Guard

During the year, 25 vessels of your Company were conferred with an award by United States Coast Guards in recognition of these vessels participation and contribution under their The Automated Mutual-Assistance Vessel Rescue System (AMVER). Mr. Benjamin M. Strong, Director, Amver Maritime Relations, United States Coast Guard has commended your Company for its invaluable support of the Amver System during 2009. He states in his letter,

Quote:

"The International Maritime Organisation declared 2010 the Year of the Seafarer and your participation in Amver certainly demonstrates the commitment of your seafarers to maritime safety."

Unquote.

AMVER is a unique, computer-based and voluntary global ship reporting system used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. With AMVER, rescue coordinators can identify participating ships in the area of distress and divert the best-suited ship or ships to respond. AMVER's mission is to quickly provide search and rescue authorities, on demand, accurate information on the positions and characteristics of vessels near a reported distress.

GREAT EASTERN INSTITUTE OF MARITIME STUDIES (GEIMS)

Your Company's Training Institute at Lonavala has been serving a strategic and useful purpose of providing a stable source of junior officers for your Company's ships and thus helps meet the shortages the industry has been experiencing. The Institute also helps your Company in ensuring uniformity in the standards of junior officers across your Company's fleet. Moreover, the Institute enables your Company to control manning costs because of the continuity and adequacy in the supply of junior level officers. Over the years, the Institute has enhanced its own training capability and facilities to widen the knowledge and skills of the trainees. Currently, the Institute is in the process of commissioning a Full Mission Engine Room Simulator (FMERS) which will help enhance officers' knowledge of handling machinery on board ship. Also, a B&W Hitachi 1985 built main engine which was sourced from a scrapyard in Alang is being installed in one of the bays of the Institute's workshop. This will help in introducing the trainees to the techniques of efficient maintenance and fault-diagnosis of main engine, which are normally required at sea.

Until now, the Institute has provided pre-sea training to 626 Trainee Navigating Officer Cadets (TNOC) and 642 Graduate Marine Engineers (GME). In addition, the Institute has conducted pre-sea training of 79 Trainee Electrical Officers (TEO). Additionally, the Institute has now obtained Government approval to conduct other structured training courses according to the new requirements of IMO. With the training facilities now equipped at the Institute, the Institute not only meets your Company's needs of junior officers but is also helping meet the training needs of a few other companies in the shipping industry. The attrition rate of the trainees trained in the Institute is about 25%. With your Company's current fleet size it can live with this attrition rate.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has instituted internal control systems which are adequate for the nature of its business and the size of its operations. In the beginning of the year, the scope of the audit exercise and the key business processes and selected risk areas to be audited are decided in consultation with the Audit Committee. The Internal Audit is carried out by a firm of external Chartered Accountants and covers all departments. All significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee comprises of 3 Independent Directors with the Chairman being a person well qualified and conversant with matters pertaining to Accounts and Finance. The Audit Committee met 4 times during the year.

IT INITIATIVES

In line with the strategy of aligning IT with Business, your Company has completed the following initiatives this year -

- ❑ Virtualization of server at Corporate office
 - Your Company has implemented the virtualization of servers from 36 servers to 4 servers which has led to significant amount of savings in terms of requirement of new servers or replacement of old servers, Annual Maintenance cost, saving of power, saving of space, etc.
- ❑ Upgrading of communication equipments at ship
 - Having installed new communication equipments on ships last year, they are now being upgraded with Internet capability. The introduction of Internet with reasonable cost at ship will revolutionize the working style both at ship and shore which will lead to increased efficiency and productivity.
- ❑ New Software applications
 - Your Company has also been developing and implementing a number of new softwares using latest technological platform which will sustain for next 10 years. This includes redevelopment of the ERP in the new technology.
- ❑ Class Approval for Planned Maintenance System (PMS)
 - Your Company has acquired the approval from different Groups for its successful operations in PMS at ships which are as follows -
 - ABS Class – for 5 ships
 - LRS Class – for 4 ships
 - DNV class – for 1 ship under process

HUMAN RESOURCES

Your Company recognizes that the ability to attract and retain the best talent is vital for the long term competitive advantage of the business. A set of initiatives are planned to widen the base of potential young recruits at your Company's Institute. Focused programs were launched to groom executive talent for leadership positions. During the year, your Company carried out workshops to provide inputs for senior leaders on how to appraise, coach and mentor their subordinates. Your Company has partnered with People Tree SA, for identifying and developing future leaders through their unique *Talent Genome* methodology. The social café continued to bring employees together through diverse cultural and sporting events and had a positive impact on the overall morale of the workforce.

Your Company took part in the *Best Employer study 2011* carried out by Hewitt. While the overall engagement score was 67%, it was heartening to see the *Stretch* factor score moving up significantly from the 2009 level. Areas of improvement have been identified and action plans are being evolved in consultation with employees and senior leadership.

With an objective of harnessing employee engagement, your Company held interactive workshops with employees during the last quarter to review current HR practices. The process was designed on the principle of *Appreciative Inquiry*. The outcomes from the workshops were shared with the top management. Your Company is planning to incorporate the changes in policies with effect from next fiscal.

The well being of people who work in ships and shore office and their ability to perform at the best level is critical to your Company's operational strategy.

Your Company had employee strength of 197 on shore and 380 floating as on March 31, 2011.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Ms. Asha V. Sheth and Mr. Keki Mistry are liable to retire by rotation and being eligible, offer themselves for re-appointment. Necessary resolutions for their re-appointment have been included in the Notice convening the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

Your Company was Corporate Governance compliant much before SEBI stipulated deadline in the year 2005. Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement, relating to Corporate Governance. A separate section on Corporate Governance forms part of the Directors' Report and the certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance is included in the Annual Report.

Your Company has also complied with the '*Corporate Governance -Voluntary Guidelines 2009*' issued by the Ministry of Corporate Affairs, to the extent disclosed in the Annual Report.

RISK MANAGEMENT PROCESS

In accordance with requirements of Clause 49 of the Listing Agreement, your Company has established a Risk Management mechanism for its business risks. The programme is built upon the foundation of the existing risk management process and

practices of the Company and has evolved a structured approach for risk management to manage significant risks faced by your Company.

The Risk Management framework and reporting regime enables the Company to assess and demonstrate whether its significant risks are properly identified and controlled, and to potentially eliminate unnecessary control related overheads.

The Risk Management framework involves risk identification, assessment, treatment/action plan, review and reporting as a continuous process.

Your Directors believe that your Company has a sound risk assessment and minimisation mechanism in place.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217 (2AA) of the Companies Act, 1956 the Board of Directors hereby state that:

- i. in preparation of the annual accounts, the applicable accounting standards had been followed (alongwith proper explanation relating to material departures) and that there are no material departures;
- ii. they have, selected the 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 at the end of the financial year and of the profit of the Company for that period;
- iii. 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. they have prepared the annual accounts on a going concern basis.

COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988

Pursuant to Notification No. GSR 1029 dated 31.12.1988 your Company is not required to furnish prescribed information regarding conservation of energy and technology absorption, as Shipping Industry is not covered by the schedule to the said rules. The details of Foreign Exchange Earnings and Outgo are:

| | Rs. in lakhs |
|---|---------------------|
| (a) Foreign Exchange earned on account of freight, charter hire earnings, etc. | 114186 |
| (b) Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc. | 149786 |

PARTICULARS OF EMPLOYEES

Statement pursuant to Section 217(2A) of the Companies Act, 1956 (Act), read with the Companies (Particulars of Employees) Rules, 1975, is annexed to this Report. As contemplated by Section 219 of the Act, members are provided with abridged accounts. Members desirous of receiving the Statement pursuant of Section 217(2A) will be provided the same on receipt of written request from them.

AUDITORS

Messrs Kalyaniwalla & Mistry, the Auditors of your Company, who hold office until the conclusion of the forthcoming Annual General Meeting being eligible, offer themselves for re-appointment.

APPRECIATION

Your Directors express their sincere thanks to all customers, charterers, vendors, investors, shareholders, shipping agents, bankers, insurance companies, protection and indemnity clubs, consultants and advisors for their continued support throughout the year. Your Directors also sincerely acknowledge the significant contributions made by all the employees for their dedicated services to the Company.

Your Directors are grateful to the Government of India, Ministry of Shipping, Transchart, Ministry of Petroleum & Natural Gas, Ministry of Finance, Directorate General of Shipping, Port Authorities, Mercantile Marine Department and various other authorities for their co-operation. Your Directors look forward to their continued support.

For and on behalf of the
Board of Directors

K.M. Sheth
Executive Chairman

Mumbai, May 06, 2011

Corporate Governance Report

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that sound corporate practices based on openness, credibility and accountability is essential to its long-term success. These practices will ensure the Company, having regard to competitive exigencies, conduct its affairs in such a way that would build the confidence of its various stakeholders in it, and it's Board's integrity.

2. BOARD OF DIRECTORS

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of Directors (hereinafter referred to as 'Board') and to separate the Board functions of governance and management. The Board has an optimum combination of Executive and Non-Executive Directors and comprises of 9 Directors as on March 31, 2011 of which 6 are Non-Executive Directors. As the Company has an Executive Chairman, as per the requirements of Clause 49 of the Listing Agreement, 50% of the Board should comprise of Independent Directors. Accordingly the Company has 5 Independent Directors. The composition of the Board, Number of Directorships, Memberships/Chairmanships in public companies and details of shares of the Company held by the Non-Executive Directors as on March 31, 2011 are as follows:

| NAME OF THE DIRECTOR | NO. OF OTHER DIRECTORSHIPS* | COMMITTEE MEMBERSHIP® | CHAIRPERSON OF COMMITTEES® | SHARES OF THE COMPANY HELD BY THE NON-EXECUTIVE DIRECTORS |
|---|-----------------------------|-----------------------|----------------------------|---|
| Executive Directors (Promoters) | | | | |
| Mr. K. M. Sheth | - | - | - | - |
| Mr. Bharat K. Sheth | 1 | 1 | - | - |
| Mr. Ravi K. Sheth | 2 | 1 | - | - |
| Non-Executive Director (Promoter Group) | | | | |
| Ms. Asha V. Sheth | - | 1 | - | 2124081 |
| Independent Directors | | | | |
| Mr. Cyrus Guzder | 3 | 3 | 2 | 986 |
| Mr. Keki Mistry | 12 | 10 | 4 | 640 |
| Mr. Vineet Nayyar | 7 | 2 | 1 | 23005 |
| Mr. Berjis Desai | 8 | 9 | 2 | 100800 |
| Mr. K. V. Kamath* | 3 | 1 | - | 500 |
| Mr. Rusi N. Sethna** | N.A. | N.A. | N.A. | N.A. |

*Mr. K. V. Kamath was appointed as a Director of the Company on May 22, 2010.

**Mr. Rusi N. Sethna ceased to be a Director of the Company w.e.f. July 29, 2010.

*Excludes Directorships in private limited companies, foreign companies and Section 25 companies.

®Includes memberships of Audit and Shareholders' Grievance Committees. Membership includes Chairmanship of Committees.

Mr. K. M. Sheth is the father of Mr. Bharat K. Sheth and Mr. Ravi K. Sheth.

As per the provisions of the Companies Act, 1956, 1/3rd of the Directors liable to retire by rotation are required to retire every year. Accordingly, Ms. Asha V. Sheth and Mr. Keki Mistry are liable to retire by rotation at the 63rd Annual General Meeting and are eligible for re-appointment.

Attention of the members is invited to the relevant item of the Notice of the Annual General Meeting seeking their approval for the aforesaid re-appointments. The information as required under Clause 49 (IV)(G) of the Listing Agreement is annexed to the Notice of the Annual General Meeting.

Code of Conduct

All personnel to whom the Code of Conduct is applicable have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2011. A declaration to this effect, duly signed by the Deputy Chairman & Managing Director, is annexed hereto.

Board Meetings

The Board Meetings of the Company are governed by a structured agenda. The Board members, in consultation with the Chairman, may bring up any matter for the consideration of the Board. All items on the Agenda are backed by comprehensive background information to enable the Board to take informed decisions. Agenda papers are generally circulated well in advance of the meeting of the Board.

During the year ended March 31, 2011, six Board Meetings were held on May 22, 2010, July 29, 2010, September 25-26, 2010, October 29, 2010, February 11, 2011 and March 18, 2011. The attendance of Directors at the Board Meetings held during the year 2010-11 is as follows:

| NAME OF THE DIRECTOR | NO. OF MEETINGS ATTENDED |
|----------------------|--------------------------|
| Mr. K. M. Sheth | 6 |
| Mr. Bharat K. Sheth | 6 |
| Mr. Ravi. K. Sheth | 6 |
| Ms. Asha V. Sheth | 6 |
| Mr. Cyrus Guzder | 6 |
| Mr. Keki Mistry | 5 |
| Mr. Vineet Nayyar | 4 |
| Mr. Berjis Desai | 6 |
| Mr. K. V. Kamath* | 5 |
| Mr. Rusi N. Sethna** | 2 |

* Mr. K. V. Kamath was appointed as a Director of the Company on May 22, 2010.

** Mr. Rusi N. Sethna ceased to be a Director of the Company w.e.f. July 29, 2010.

3. COMMITTEES

To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their charter/terms of reference. The inputs and details required for their decisions are provided by the executives/management. Targets set by them, as agreed with the management, are reviewed periodically and mid-course corrections are also carried out. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

A) Audit Committee

The management is primarily responsible for internal controls and financial reporting process. The Board of Directors have entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain transparency, integrity and quality of financial controls and reporting.

Terms of Reference

- ◆ Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- ◆ Recommending the appointment and removal of internal and external auditor, fixation of audit fee and also approval for payment for any other services.
- ◆ Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.

- Any related party transactions i.e., transactions by the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Composition of Audit Committee

As on date the Committee comprises of 3 Independent Directors, namely, Mr. Keki Mistry (Chairman), Mr. Cyrus Guzder and Mr. Berjis Desai. The Committee met four times on May 22, 2010, July 29, 2010, October 29, 2010 and February 11, 2011. Details of attendance of the members at the Committee meetings held during the year 2010-11 is as follows:

| | Mr. Keki Mistry (Chairman) | Mr. Cyrus Guzder | Mr. Berjis Desai | Mr. Rusi N. Sethna* |
|-----------------------------|-------------------------------|------------------|------------------|---------------------|
| Number of meetings attended | 4 | 4 | 4 | 2 |

* Mr. Rusi N. Sethna ceased to be a Director of the Company w.e.f. July 29, 2010.

The Audit Committee Meetings are attended by the President - Corporate, President (Shipping), Chief Financial Officer, representatives of Internal Auditors and Statutory Auditors. Whenever required, the Deputy Chairman & Managing Director and other senior officials of the Company are requested to attend the meetings. Mr. Jayesh M. Trivedi, Company Secretary, is the Secretary of the Committee.

B) Remuneration Committee

Terms of Reference

The Remuneration Committee is empowered to recommend the Company's policy on specific remuneration packages for Wholetime Directors including pension rights and any other compensation related matters and issues within the framework of the provisions and enactments governing the same.

Composition of Remuneration Committee

As on date the Committee comprises of 2 Independent Directors, namely, Mr. Cyrus Guzder (Chairman) and Mr. Berjis Desai. The Committee met once on May 22, 2010. Details of attendance of members at the Committee meeting held during the year 2010-11 is as follows :

| | Mr. Cyrus Guzder (Chairman) | Mr. Berjis Desai | Mr. Rusi N. Sethna* |
|-----------------------------|--------------------------------|------------------|---------------------|
| Number of meetings attended | 1 | 1 | 1 |

* Mr. Rusi N. Sethna ceased to be a Director of the Company w.e.f. July 29, 2010.

Mr. Jayesh M. Trivedi, Company Secretary, is the Secretary of the Committee.

The Remuneration Policy

The Remuneration Committee of the Board is constituted in compliance with SEBI guidelines. The Committee is fully empowered to frame the compensation structure for the Wholetime Directors and review the same from time to time based on certain performance parameters, growth in business as well as profitability and also align the remuneration with the best practices prevailing in the industry.

Details of Remuneration paid/to be paid to all Directors for financial year 2010 –11

(Amount in Rs.)

| NAME OF DIRECTOR | SALARY* | BENEFITS | COMMISSION |
|----------------------|--------------------|------------------|--------------------|
| Mr. K. M. Sheth | 2,19,99,996 | 1,41,402 | 1,40,00,000 |
| Mr. Bharat K. Sheth | 2,25,00,000 | 3,26,897 | 3,50,00,000 |
| Mr. Ravi K. Sheth | 1,54,00,008 | 8,29,112 | - |
| Mr. Cyrus Guzder | - | - | 9,25,000 |
| Mr. Keki Mistry | - | - | 9,75,000 |
| Mr. Vineet Nayyar | - | - | 6,75,000 |
| Ms. Asha V. Sheth | - | - | 7,00,000 |
| Mr. Berjis Desai | - | - | 8,25,000 |
| Mr. K. V. Kamath | - | - | 6,75,000 |
| Mr. Rusi N. Sethna** | - | - | 2,25,000 |
| Total | 5,99,00,004 | 12,97,411 | 5,40,00,000 |

* Salary includes contribution to provident fund and superannuation fund and does not include contribution to Retirement Benefit Scheme for Wholetime Directors.

** Mr. Rusi N. Sethna ceased to be a Director of the Company w.e.f. July 29, 2010.

- Commission to the Executive Directors is paid as determined by the Remuneration Committee based on certain performance parameters and profitability of the Company and is within the overall limit fixed by the members.
- Commission to the Non-Executive Directors is determined after taking into account profitability of the Company, the valuable guidance of the Directors for the various business initiatives and decisions at the Board level, membership/ chairmanship of various committees.
- Presently, the Company does not have a scheme for grant of stock options.
- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of commission and dividend on equity shares held by them.
- The Remuneration Committee has formulated a Retirement Benefit Scheme for the Wholetime Directors. The Board approved Scheme has been made effective from January 01, 2005. The Scheme provides for provision of pension, medical reimbursements and other benefits to the retiring Wholetime Directors. On the basis of an actuarial valuation, an amount of Rs.34.68 lakhs was provided during the previous year for pension payable to the Wholetime Directors on their retirement. An amount of Rs.171.49 lakhs has been reversed during the year.

C) Shareholder/Investors' Grievance Committee

The Shareholder/Investors' Grievance Committee oversees redressal of shareholders' and investors' grievances.

Terms of Reference

- Ensure redressal of shareholders' and investors' complaints relating to transfer of shares, non-receipt of balance sheet, etc.
- Redressal of investors' complaints in respect of non-receipt of dividends/ interests/ payments on redemption of preference shares, debentures, bonds or such other instruments, which are redeemable.

Composition of the Committee

As on date the Committee comprises of 2 Non-Executive Directors and 1 Executive Director namely Mr. Cyrus Guzder (Chairman), Ms. Asha V. Sheth and Mr. Bharat K. Sheth. The Committee met twice on May 22, 2010 and October 29, 2010. The details of attendance of the members at the Committee meetings held during the year 2010-11 is as follows:

| | Mr. Cyrus Guzder (Chairman) | Ms. Asha V. Sheth | Mr. Bharat K. Sheth* | Mr. Berjis Desai** |
|-----------------------------|--------------------------------|-------------------|----------------------|--------------------|
| Number of meetings attended | 2 | 2 | 1 | 1 |

* Mr. Bharat K. Sheth was appointed as a member of the Committee w.e.f. October 29, 2010.

** Mr. Berjis Desai ceased to be a member of the Committee w.e.f. October 29, 2010.

Mr. Jayesh M. Trivedi, Company Secretary, is the Compliance Officer of the Company.

During the year under review, 18 complaints were received from investors which were replied / resolved to the satisfaction of the investors. 07 requests for transfer involving 1178 shares and 08 requests for dematerialisation involving 464 shares were pending for approval as on March 31, 2011. These pending requests were duly approved and dealt with by the Company.

4. RISK MANAGEMENT

The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

Detailed notes on Risk Management are given in the Annual Report.

5. GENERAL MEETINGS

| | |
|--|--|
| Next Annual General Meeting and date of Book Closure | |
| Date | August 5, 2011 |
| Time | 3.00 p.m. |
| Venue | Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020 |
| Dividend Payment Date | on or after August 5, 2011 |
| Date of Book closure | July 29, 2011 to August 5, 2011 (both days inclusive) |

None of the items to be transacted at the ensuing Annual General Meeting are required to be passed by Postal Ballot.

General Body Meetings held during previous three financial years

The following are the details of General Body Meetings held during previous three financial years.

| MEETING | TIME | LOCATION | SPECIAL RESOLUTIONS PASSED |
|---|----------------------------|--|---|
| 60 th Annual General Meeting | July 18, 2008 at 3.00 p.m. | Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020 | <ul style="list-style-type: none"> Revision in remuneration of Mr. K. M. Sheth. Payment of one time additional commission to the Wholetime Directors for the financial year 2007-08. |
| 61 st Annual General Meeting | June 26, 2009 at 3.00 p.m. | Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020 | <ul style="list-style-type: none"> Consent to Ms. Nirja Sheth, relative of a Director of the Company, to hold and continue to hold an office or place of profit in Greatship (India) Limited, a wholly owned subsidiary of the Company. |
| 62 nd Annual General Meeting | July 29, 2010 at 3.00 p.m. | Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020 | <ul style="list-style-type: none"> Re-appointment of Mr. K. M. Sheth as Wholetime Director designated as 'Executive Chairman'. Re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman and Managing Director.' Re-appointment of Mr. Ravi. K. Sheth as Wholetime Director designated as 'Executive Director'. Payment of commission to Non Wholetime Directors. |

All resolutions moved at the last Annual General Meeting held on July 29, 2010 were passed by a show of hands by a requisite majority of members attending the meeting.

All the Directors of the Company other than Mr. Vineet Nayyar attended the last Annual General Meeting held on July 29, 2010.

6. DISCLOSURES

- There were no transactions of material nature with the Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

- b) There were no instances of non-compliances nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any statutory authority during the last 3 years on any matter related to capital markets.
- c) The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- d) The Deputy Chairman & Managing Director and the Chief Financial Officer have issued a certificate to the Board in compliance with Clause 49 (V) of the Listing Agreement for the Financial Year ended March 31, 2011.

7. MEANS OF COMMUNICATION TO SHAREHOLDERS

| | |
|---|--|
| Half-yearly report sent to each household of shareholders | No, as the Results of the Company are published in the newspapers, uploaded on the Company's website and press releases are also issued. |
| Quarterly, half yearly and annual results | Published in Hindu Business Line, Free Press Journal and Navshakti. |
| Whether Company displays official news releases and presentations made to institutional investors or to the analysts on its website | Yes |
| Whether MD & A is a part of annual report | Yes |

Website of the Company: www.greatship.com

Your Company's official press releases are available and archived on the corporate website www.greatship.com. Presentations made to analysts, institutional investors and the media are posted on the website. The Company holds conference calls on declaration of its quarterly results, the transcripts of which are also posted on the website. The shareholders and general public visiting the website have greatly appreciated the contents and user friendliness of the corporate website.

8. SHAREHOLDERS INFORMATION

| Financial Calendar | |
|----------------------|-----------------------------|
| 1st Quarterly Result | First week of August 2011 |
| 2nd Quarterly Result | First week of November 2011 |
| 3rd Quarterly Result | First week of February 2012 |
| 4th Quarterly Result | April / May 2012 |

Listing on Stock Exchanges

| STOCK EXCHANGE | STOCK CODE | ISIN NO. |
|---|------------|---------------|
| Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001 | 500620 | INE 017A01032 |
| National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051 | GESHIP | INE 017A01032 |

| GLOBAL DEPOSITORY RECEIPTS | NON CONVERTIBLE DEBENTURES |
|--|--|
| Euro MTF Market - Luxembourg Stock Exchange Kredietbank S.A. Luxembourgeoise Societe Anonyme 43, Boulevard Royal L-2955 Luxembourg, R. C. Luxembourg B 6395 | Wholesale Debt Market - National Stock Exchange of India Ltd. Exchange Plaza, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051 |

Share Transfer System

Share Transfer requests received in physical form are registered within an average period of 15 days. A Share Transfer Committee comprising of members of the Board meets once in a week to consider the transfer of shares. Requests for dematerialisation (demat) received from the shareholders are effected within an average period of 15 days.

Outstanding GDRs

70,824.6 GDRs (equivalent to 354123 equity shares) were outstanding as on March 31, 2011.

Outstanding Warrants

No Warrants were outstanding as on March 31, 2011.

Plant Location

The Company has no plants.

Address for correspondence

| COMPANY | SHARE TRANSFER AGENT | |
|-------------------------------|---|-----------------------------|
| Share Department | Sharepro Services (India) Pvt. Ltd. | 912, Raheja Centre |
| Ocean House, 134-A | 13A/B, Samhita Warehousing Complex | Free Press Journal Road |
| Dr. Annie Besant Road | 2nd Floor, Sakinaka Telephone Exchange Lane | Nariman Point |
| Worli, Mumbai - 400 018 | Off Andheri-Kurla Road, Sakinaka, Andheri (E) | Mumbai - 400 021 |
| Tel : 022-66613000/24922200 | Mumbai - 400 072 | Tel : 022-22881569/66134700 |
| Fax : 022-24925900 | Tel : 022-67720300/67720400 | Fax : 022-22825484 |
| E-mail : shares@greatship.com | Fax : 022-28591568 | |
| | E-mail: sharepro@shareproservices.com | |

9. ADDITIONAL SHAREHOLDERS INFORMATION

Unclaimed Dividends

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government. An amount of Rs. 43,51,864 & Rs. 29,17,435 being unclaimed 49th (Final) dividend and 50th (Interim) dividend was transferred on September 2, 2010 and March 10, 2011 to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.

The following table gives the dates of dividend declaration or payment since 2004 and the corresponding dates when unclaimed dividend are due to be transferred to the Investor Education and Protection Fund.

Due Dates of Transferring Unclaimed Dividend to The Investor Education and Protection Fund (IEPF)

| YEAR | DIVIDEND NO. | TYPE | DATE OF DECLARATION | DUE DATE OF TRANSFER TO IEPF |
|------|--------------|-------------------------|---------------------|------------------------------|
| 2004 | 50 | Final | 25.06.2004 | 25.07.2011 |
| 2005 | 51 (I) | 1 st Interim | 29.10.2004 | 28.11.2011 |
| 2005 | 51 (I) | 2 nd Interim | 27.01.2005 | 26.02.2012 |
| 2005 | 51 | Final | 24.06.2005 | 24.07.2012 |
| 2006 | 52 (I) | 1 st Interim | 27.10.2005 | 26.11.2012 |
| 2006 | 52 (I) | 2 nd Interim | 30.01.2006 | 01.03.2013 |
| 2006 | 52 (I) | 3 rd Interim | 28.04.2006 | 28.05.2013 |
| 2007 | 53 (I) | 1 st Interim | 27.10.2006 | 26.11.2013 |
| 2007 | 53 (I) | 2 nd Interim | 25.01.2007 | 24.02.2014 |
| 2007 | 53 | Final | 26.07.2007 | 25.08.2014 |
| 2008 | 54 (I) | 1 st Interim | 19.10.2007 | 18.11.2014 |
| 2008 | 54 (I) | 2 nd Interim | 29.01.2008 | 28.02.2015 |
| 2008 | 54 (I) | 3 rd Interim | 02.05.2008 | 01.06.2015 |
| 2009 | 55 (I) | 1 st Interim | 24.10.2008 | 23.11.2015 |
| 2009 | 55 (I) | 2 nd Interim | 30.01.2009 | 01.03.2016 |
| 2009 | 55 (I) | 3 rd Interim | 08.05.2009 | 07.06.2016 |
| 2009 | 56 | Final | 29.07.2010 | 28.08.2017 |
| 2010 | 57 (I) | 1 st Interim | 29.10.2010 | 28.11.2017 |

The following table gives the details of unclaimed dividend amount since 2004.

Unclaimed Dividend as on March 31, 2011

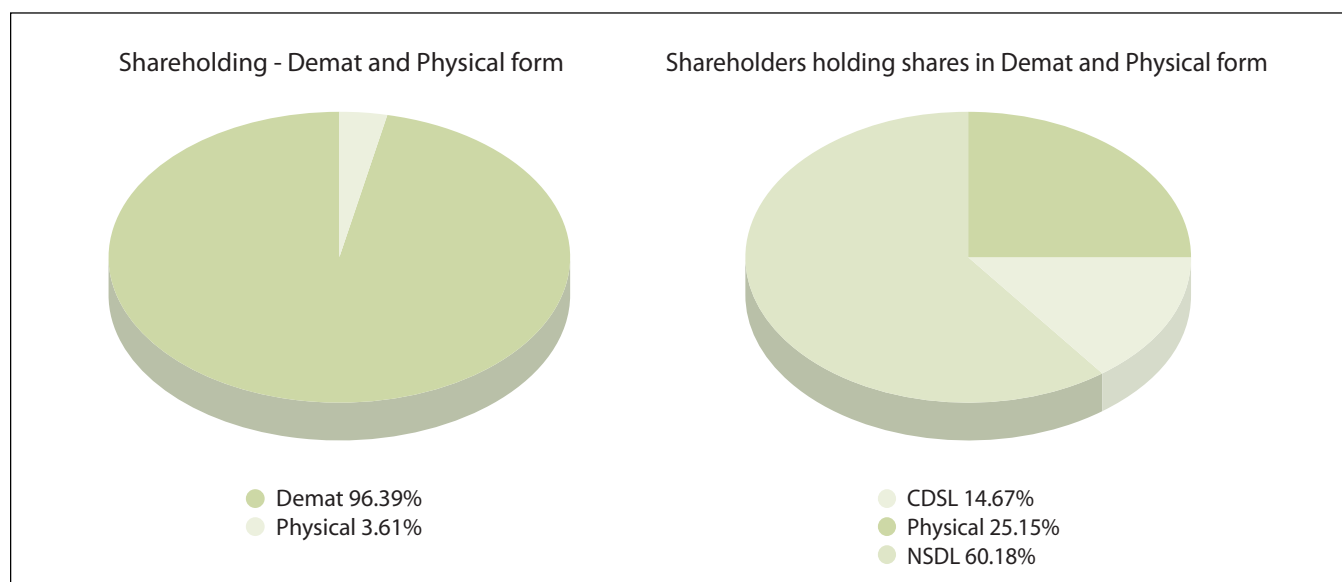
| YEAR | DIV.NO. | TYPE | NO. OF WARRANTS ISSUED | NO. OF WARRANTS UNCLAIMED | % WARRANTS UNCLAIMED | AMOUNT OF DIVIDEND DECLARED (RS. LAKHS) | AMOUNT OF DIVIDEND UNCLAIMED (RS. LAKHS) | % OF DIVIDEND UNCLAIMED |
|------|---------|-------------|------------------------|---------------------------|----------------------|---|--|-------------------------|
| 2004 | 50 | Final | 134202 | 8557 | 6.38 | 7613 | 41.45 | 0.54 |
| 2005 | 51(I) | 1st Interim | 121451 | 9948 | 8.19 | 6662 | 43.63 | 0.65 |
| 2005 | 51(I) | 2nd Interim | 121169 | 10088 | 8.33 | 4758 | 33.15 | 0.70 |
| 2005 | 51 | Final | 121845 | 9671 | 7.94 | 5710 | 37.35 | 0.65 |
| 2006 | 52(I) | 1st Interim | 123110 | 9932 | 8.07 | 7613 | 49.75 | 0.65 |
| 2006 | 52(I) | 2nd Interim | 118343 | 10713 | 9.05 | 4758 | 35.30 | 0.74 |
| 2006 | 52(I) | 3rd Interim | 114247 | 10228 | 8.95 | 6662 | 46.15 | 0.69 |
| 2007 | 53(I) | 1st Interim | 115379 | 9431 | 8.17 | 6090 | 44.46 | 0.73 |
| 2007 | 53(I) | 2nd Interim | 117090 | 9316 | 7.96 | 4568 | 33.24 | 0.73 |
| 2007 | 53 | Final | 100167 | 8743 | 8.73 | 6852 | 44.17 | 0.64 |
| 2008 | 54(I) | 1st Interim | 95754 | 9161 | 9.57 | 6090 | 42.72 | 0.70 |
| 2008 | 54(I) | 2nd Interim | 99140 | 9435 | 9.52 | 5329 | 37.12 | 0.70 |
| 2008 | 54(I) | 3rd Interim | 98740 | 8989 | 9.10 | 11420 | 71.70 | 0.63 |
| 2009 | 55(I) | 1st Interim | 102383 | 10545 | 10.30 | 3807 | 30.42 | 0.80 |
| 2009 | 55(I) | 2nd Interim | 102554 | 10739 | 10.47 | 3807 | 30.55 | 0.80 |
| 2009 | 55(I) | 3rd Interim | 102736 | 10234 | 9.96 | 4568 | 34.21 | 0.75 |
| 2010 | 56 | Final | 103472 | 9556 | 9.24 | 12183 | 83.44 | 0.68 |
| 2011 | 57(I) | 1st Interim | 100936 | 10874 | 10.77 | 5330 | 44.82 | 0.84 |

Electronic Clearing Services for payment of dividend in case of shares held in physical form

To avoid the risk of loss/interception of dividend warrants in postal transit and/or fraudulent encashment, shareholders are requested to avail of NECS/ECS facility – where dividends are directly credited in electronic form to their respective bank accounts. This also ensures faster credit of dividend. The NECS/ECS application form can be obtained either from the Company's Share Transfer Agent's Office or the Registered Office of the Company.

Shareholders located in places where NECS/ECS facility is not available, may submit their bank details. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

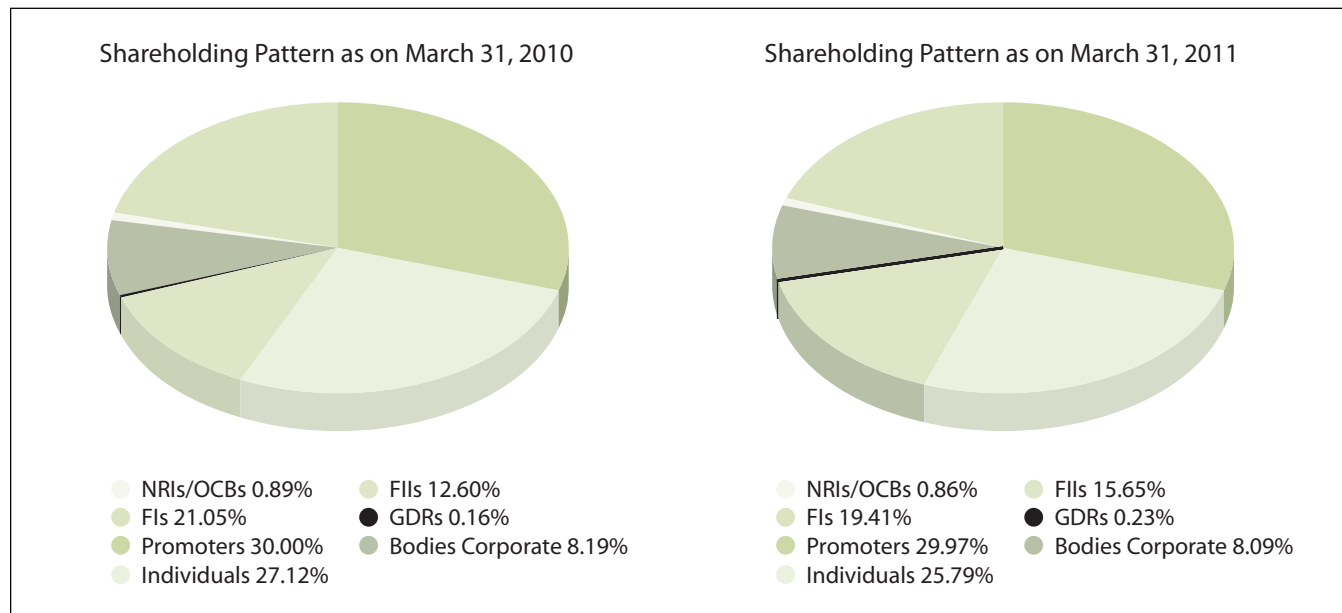
Shares held in Dematerialised Form as on March 31, 2011



Shareholders holding shares in dematerialised form may note that:

- Instructions regarding bank details which they wish to have incorporated on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.
- Instructions already given by them for shares held in physical form will not automatically be applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the depository participants. The Company cannot entertain any such requests directly from the shareholders.
- The Company provides NECS/ECS facility for shares held in electronic form and for reasons mentioned earlier, shareholders may wish to avail of this facility.

Shareholding Pattern



Distribution of Holdings as on March 31, 2011

| NO. OF SHARES HELD | | SHARE HOLDERS | | SHARES | |
|--------------------|-------|---------------|----------------|------------------|----------------|
| FROM | TO | NUMBER | % TO TOTAL | NUMBER | % TO TOTAL |
| 0 | 500 | 84962 | 86.983 | 9632888 | 6.325 |
| 501 | 1000 | 5994 | 6.137 | 4349289 | 2.856 |
| 1001 | 2000 | 3304 | 3.383 | 4677123 | 3.071 |
| 2001 | 3000 | 1102 | 1.128 | 2729140 | 1.792 |
| 3001 | 4000 | 611 | 0.626 | 2149892 | 1.412 |
| 4001 | 5000 | 338 | 0.346 | 1543294 | 1.013 |
| 5001 | 10000 | 682 | 0.698 | 4822769 | 3.167 |
| 10001 AND ABOVE | | 684 | 0.700 | 122385289 | 80.363 |
| TOTAL | | 97677 | 100.000 | 152289684 | 100.000 |

Company's Share price compared to BSE Sensex



Market Price Data - High / Low during each month in the year 2010- 11

| MONTH | MARKET PRICE (RS.) | | VOLUME SHARES |
|----------------|--------------------|--------|------------------|
| | HIGHEST | LOWEST | |
| APRIL 2010 | 345.25 | 254.95 | 2121411 |
| MAY 2010 | 331.00 | 271.15 | 1952564 |
| JUNE 2010 | 310.00 | 287.60 | 1828255 |
| JULY 2010 | 304.85 | 279.00 | 2002177 |
| AUGUST 2010 | 320.70 | 289.05 | 1915664 |
| SEPTEMBER 2010 | 324.85 | 298.00 | 2181638 |
| OCTOBER 2010 | 344.70 | 311.00 | 1890627 |
| NOVEMBER 2010 | 393.00 | 317.50 | 5443855 |
| DECEMBER 2010 | 378.35 | 315.00 | 900451 |
| JANUARY 2011 | 352.00 | 304.00 | 544425 |
| FEBRUARY 2011 | 309.40 | 242.50 | 790326 |
| MARCH 2011 | 272.50 | 250.00 | 1012694 |

Source: BSE

10. STATUS OF COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

Your Company continuously strives towards improving its Corporate Governance practices. Whilst your Company is fully compliant with the mandatory requirements of the Clause 49 of the Listing Agreement, the status of compliance of non-mandatory requirements under Clause 49 of the Listing Agreement and Corporate Governance Voluntary Guidelines 2009 is as follows :

The Company has an Executive Chairman and therefore the issue of providing office to Non-Executive Chairman does not arise.

The Company has no specific tenure specified for Independent Directors. The tenure of none of the Independent Director exceeds period of 9 years.

All Independent Directors of the Company have the requisite qualifications and experience which is beneficial to the Company and which, in the opinion of the Company, would enable them to contribute effectively in their capacity as Independent Directors.

Shareholders' rights to receive financial results

The financial results of the Company for every quarter are extensively published in the newspapers and are also uploaded on the Company's website.

Audit qualifications

During the year under review there was no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure the regime of unqualified financial statements.

Training of Board members

During the Audit Committee and Board Meetings, the management and the working Directors give extensive briefings to the Board members on the business of the Company.

Mechanism for evaluating performance of Non-Executive Board members

The performance evaluation of the Non-Executive Board members is done by the Board annually based on the criteria of attendance at the Board/Committee meetings as also the contributions made at the said meetings.

Whistle Blower Policy

Over the past few years, the Company has instilled transparency and follows an open work culture. It also provides a two way open communication system, which aims to provide ample scope for employees to exchange their views and raise concerns protecting their integrity. This has reflected in maintaining a safe and congenial working environment. The Company is confident and takes pride in its proactiveness, which has resulted in building an enterprise comparable to global companies.

Nonetheless, the Company has established a Whistle Blower Policy with a view to provide a mechanism for employees to report to the management concerns about unethical behaviour, fraud, etc. The Policy also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the chairman of the Audit Committee.

Separation of Offices of Executive Chairman and Deputy Chairman & Managing Director

Mr. K. M. Sheth holds the office of Executive Chairman and Mr. Bharat K. Sheth holds the office of Deputy Chairman & Managing Director of the Company with separate roles and responsibilities attached to it.

Independent Directors to have the option and freedom to meet Company management periodically

Independent Directors have the option and freedom to interact with the Company management periodically. They are provided with all the support including the power to have access to additional information to enable them to study and analyze various information and data provided by the Company management.

Green Initiative

The Ministry of Corporate Affairs has initiated 'Green Initiative in Corporate Governance' by allowing paperless compliances by companies. In accordance with circulars issued by the Ministry, companies can send notices, annual reports and other documents to their shareholders by e-mail. The Company requests its Members, as responsible citizens, to support the 'Green Initiative' whole-heartedly.

The Company proposes to send future communication (such as circulars, notices of general meetings, annual reports, etc.) to the Members to their e-mail addresses registered with the Depository Participants / the Company.

Members, holding shares in dematerialized form, are requested to register / update their e-mail addresses with their Depository Participants.

Members, holding shares in physical form, are requested to register their e-mail addresses with the Company by sending an e-mail addressed to 'greatship@shareproservices.com' giving their details of shareholding including name, address, folio number, etc.

Declaration by the Deputy Chairman & Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Company's Code of Conduct

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2011.

For The Great Eastern Shipping Co. Ltd.

Bharat K. Sheth

Deputy Chairman & Managing Director

Date: May 06, 2011

Auditors' Certificate on Corporate Governance

The Members,
The Great Eastern Shipping Co. Ltd.,
Ocean House, 134/A, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

We have examined the compliance of conditions of Corporate Governance by The Great Eastern Shipping Company Ltd. (the Company) for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. 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 and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned 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

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Firm Regn. No.: 104607W

Daraius Z. Fraser
PARTNER
M. No. 42454

Mumbai: May 06, 2011.

Asset Profile



Jag Rishi - Supramax Dry Bulk Carrier : Acquired in March 2011

Fleet as on March 31, 2011

| CATEGORY | TYPE | VESSEL NAME | DWT (MT) | YR. BUILT | AV. AGE (YRS) |
|---------------------------|------------------------|----------------|----------------|-----------|---------------|
| Crude Oil Carriers | | | | | |
| | SUEZMAX | 1 JAG LALIT | 158,344 | 2005 | |
| Total Tonnage (dwt) | 1,294,738 | 2 JAG LOK | 158,280 | 2005 | |
| No. of Ships | 10 | 3 JAG LAKSHYA | 152,485 | 1989 | |
| Average Age (yrs) | 10.2 | 4 JAG LATEEF | 147,080 | 2000 | |
| % of Total Tonnage | 49.3 | 5 JAG LAKSHITA | 147,093 | 2000 | |
| | | 5 | 763,282 | | 11.12 |
| | | | | | |
| | AFRAMAX | 1 JAG LYALL | 110,531 | 2006 | |
| | | 2 JAG LATA | 105,716 | 2003 | |
| | | 3 JAG LEELA | 105,148 | 1999 | |
| | | 4 JAG LAXMI | 105,051 | 1999 | |
| | | 5 JAG LAVANYA | 105,010 | 2004 | |
| | | 5 | 531,456 | | 8.76 |
| | | | | | |
| Product Carriers | | | | | |
| | LONG RANGE ONE | 1 JAG AABHA | 74,841 | 2008 | |
| Total Tonnage (dwt) | 790,558 | 2 JAG AANCHAL | 74,811 | 2008 | |
| No. of Ships | 16 | 3 JAG AMISHA | 74,500 | 2009 | |
| Average Age (yrs) | 9.0 | 4 JAG APARNA | 74,859 | 2009 | |
| % of Total Tonnage | 30.1 | 4 | 299,011 | | 2.50 |
| | | | | | |
| | MEDIUM RANGE | 1 JAG PAHEL | 46,319 | 2004 | |
| | | 2 JAG PANKHI | 46,273 | 2003 | |
| | | 3 JAG PRATAP | 45,693 | 1995 | |
| | | 4 JAG PRADIP | 45,684 | 1996 | |
| | | 5 JAG PADMA | 47,172 | 1996 | |
| | | 6 JAG PRAKASH | 47,848 | 2007 | |
| | | 7 JAG PUSHPA | 47,848 | 2007 | |
| | | 8 JAG PRERANA | 47,824 | 2007 | |
| | | 8 | 374,661 | | 9.05 |
| | | | | | |
| | GENERAL PURPOSE | 1 JAG PARI | 29,139 | 1982 | |
| | | 2 JAG PREETI | 29,139 | 1981 | |
| | | 3 JAG PRACHI | 28,610 | 1991 | |
| | | 4 JAG PARWAR | 29,998 | 1988 | |
| | | 4 | 116,886 | | 25.51 |

Fleet as on March 31, 2011

| CATEGORY | TYPE | VESSEL NAME | DWT (MT) | YR. BUILT | AV. AGE (YRS) |
|--------------------------|------------------|---------------------|----------------|---------------|---------------|
| Gas Carriers | | | | | |
| Total Tonnage (dwt) | 17,577 | LPG CARRIERS | 1 JAG VIRAJ | 17,577 | 1991 |
| No. of Ships | 1 | | 1 | 17,577 | 20.00 |
| Average Age (yrs) | 20.0 | | | | |
| % of Total Tonnage | 0.7 | | | | |
| Dry Bulk Carriers | | | | | |
| | CAPE SIZE | 1 JAG ARJUN | 164,796 | 1996 | |
| Total Tonnage (dwt) | 522,847 | 1 | 164,796 | | 15.00 |
| No. of Ships | 7 | | | | |
| Average Age (yrs) | 9.9 | | | | |
| % of Total Tonnage | 19.9 | | | | |
| | KAMSARMAX | 1 JAG AARATI | 80,325 | 2011 | |
| | | 1 | 80,325 | | 0.00 |
| | PANAMAX | 1 JAG ARNAV | 71,122 | 1995 | |
| | | 1 | 71,122 | | 16.00 |
| | SUPRAMAX | 1 JAG RATAN | 52,179 | 2001 | |
| | | 2 JAG RAHUL | 52,364 | 2003 | |
| | | 3 JAG RISHI | 56,719 | 2011 | |
| | | 3 | 161,262 | | 5.80 |
| | HANDYMAX | 1 JAG RAVI | 45,342 | 1997 | |
| | | 1 | 45,342 | | 14.00 |
| Fleet Total | | | | | |
| Total Tonnage (dwt) | 2,625,720 | | | | |
| No. of Ships | 34 | | | | |
| Average Age (yrs) | 9.8 | | | | |

Acquisitions and Sales during FY 2010-11

Acquisitions

| CATEGORY | TYPE | VESSEL NAME | DWT (MT) | YEAR BUILT | MONTH OF ACQUISITION |
|--------------------------|-----------------|-------------|----------|------------|----------------------|
| Product Carriers | | | | | |
| | General Purpose | Jag Prachi | 28,610 | 1991 | Dec-10 |
| Dry Bulk Carriers | | | | | |
| | Kamsarmax | Jag Aarati | 80,325 | 2011 | Feb-11 |
| | Supramax | Jag Rishi | 56,719 | 2011 | Mar-11 |

Sales

| CATEGORY | TYPE | VESSEL NAME | DWT (MT) | YEAR BUILT | MONTH OF SALE |
|--------------------------|-----------------|-------------|----------|------------|---------------|
| Crude Carriers | | | | | |
| | Suezmax | Jag Layak | 147,834 | 1996 | Apr-10 |
| | Aframax | Jag Lamha | 98,214 | 1987 | Oct-10 |
| Product Carriers | | | | | |
| | General Purpose | Jag Palak | 27,400 | 1985 | May-10 |
| | Medium Range | Jag Pavitra | 50,596 | 1985 | Jun-10 |
| | Medium Range | Jag Pranam | 50,600 | 1984 | Aug-10 |
| | General Purpose | Jag Pragati | 27,402 | 1985 | Dec-10 |
| Dry Bulk Carriers | | | | | |
| | Handysize | Jag Vikram | 27,463 | 1980 | Nov-10 |

Transactions between April 01, 2011 to May 6, 2011

Contracted to Sell

| CATEGORY | TYPE | DWT (MT) | SHIPYARD | MONTH OF CONTRACTING | EXPECTED DELIVERY |
|-----------------------|------|----------|-------------------------------|----------------------|-------------------|
| Crude Carriers | | | | | |
| | VLCC | 318,000 | Hyundai Heavy Industries Ltd. | Apr-10 | Early 2012 |
| | VLCC | 318,000 | Hyundai Heavy Industries Ltd. | Apr-10 | Early 2012 |
| | VLCC | 318,000 | Hyundai Heavy Industries Ltd. | Apr-10 | Early 2012 |

Acquisition

| CATEGORY | TYPE | VESSEL NAME | DWT (MT) | YEAR BUILT | MONTH OF ACQUISITION |
|-------------------------|-----------|-------------|----------|------------|----------------------|
| Dry Bulk Carrier | | | | | |
| | Kamsarmax | Jag Aditi | 80,325 | 2011 | Apr-11 |

Vessels on Order as on May 6, 2011

New Building Order Book position

| CATEGORY | TYPE | SHIPYARD | DWT (MT) | MONTH OF CONTRACTING | EXPECTED DELIVERY |
|--------------------------|-----------|--|----------|----------------------|-------------------|
| Dry Bulk Carriers | | | | | |
| | Supramax | Cosco (Zhoushan) Shipyard Co.Ltd., China | 57,000 | Dec-07 | Mid 2011 |
| | Kamsarmax | SPP Shipbuilding Co. Ltd., Korea | 81,000 | Dec-07 | Mid 2011 |

Subsidiary Fleet as on March 31, 2011

Greatship (India) Limited

| CATEGORY | VESSEL NAME | DWT (MT) | YEAR BUILT | AVG AGE (YRS) |
|---------------------------------|---|---------------|------------|---------------|
| OFFSHORE SUPPORT VESSELS | | | | |
| | Platform Supply Vessels | | | |
| | 1 m.v. Greatship Disha | 3,096 | 1999 | |
| | 2 m.v. Greatship Dipti | 3,229 | 2005 | |
| | 3 m.v. Greatship Dhriti | 3,318 | 2008 | |
| | 4 m.v. Greatship Dhwani | 3,315 | 2008 | |
| | 4 | 12,958 | | 6 |
| | Anchor Handling Tug cum Supply Vessels | | | |
| | 1 m.v. Greatship Anjali | 2,188 | 2008 | |
| | 2 m.v. Greatship Amrita | 2,045 | 2008 | |
| | 3 m.v. Greatship Akhila | 1,639 | 2009 | |
| | 4 m.v. Greatship Asmi | 1,634 | 2009 | |
| | 5 m.v. Greatship Ahalya | 1,643 | 2009 | |
| | 6 m.v. Greatship Aarti | 1,650 | 2009 | |
| | 6 | 10,799 | | 2.3 |
| | ROV Support Vessels | | | |
| | 1 m.v. Greatship Rohini | 3,700 | 2010 | |
| | 2 m.v. Greatship Rashi | 3,700 | 2011 | |
| | 2 | 7,400 | | 0.5 |
| FLEET TOTAL | | | | |
| Number | 12 | | | |
| Total Tonnage (dwt) | 31,157 | | | |
| Average Age (yrs) | 3.25 | | | |

Greatship Global Offshore Services Pte. Ltd., Singapore

| CATEGORY | VESSEL NAME | DWT (MT) | YEAR BUILT | AVG AGE (YRS) |
|---------------------------------|--|---------------|------------|---------------|
| OFFSHORE SUPPORT VESSELS | | | | |
| | Anchor Handling Tug cum Supply Vessels | | | |
| | 1 *m.v. Greatship Aditi | 2,057 | 2009 | |
| | 1 | 2,057 | | 2 |
| | Multi-purpose Platform Supply and Support Vessels | | | |
| | 1 m.v. Greatship Maya | 4,252 | 2009 | |
| | 2 m.v. Greatship Mamta | 4,068 | 2010 | |
| | 3 m.v. Greatship Manisha | 4,400 | 2010 | |
| | 3 | 12,720 | | 1.3 |
| | ROV Support Vessel | | | |
| | 1 m.v. Greatship Ramya | 3,700 | 2010 | |
| | 1 | 3,700 | | 1 |
| FLEET TOTAL | | | | |
| Number | 5 | | | |
| Total Tonnage(dwt) | 18,477 | | | |
| Average Age (yrs) | 1.4 | | | |

*acquired on a sale and leaseback basis

Greatship Global Energy Services Pte. Ltd., Singapore

| CATEGORY | RIG NAME | YEAR BUILT | AVG AGE (YRS) |
|--------------------------|--------------------|-------------------|---------------|
| Drilling Units | | | |
| | Jack Up Rig | | |
| | 1 | Greatdrill Chitra | 2009 |
| | 2 | Greatdrill Chetna | 2009 |
| | 2 | | 2 |
| FLEET TOTAL | | | |
| Number | 2 | | |
| Average Age (yrs) | 2 | | |

Transactions during FY 2010-11

Greatship (India) Limited

| CATEGORY | TYPE | VESSEL NAME | DWT(MT) | YEAR BUILT | MONTH OF AQUISION |
|-----------------------------|------------------------|------------------|---------|------------|-------------------|
| Acquisitions | | | | | |
| New Built Deliveries | | | | | |
| Offshore Support Vessels | | | | | |
| | ROV Support Vessel | Greatship Rohini | 3,700 | 2010 | Dec-10 |
| | ROV Support Vessel | Greatship Rashi | 3,700 | 2011 | Mar-11 |
| Sales | | | | | |
| Offshore Support Vessels | | | | | |
| | Platform Supply Vessel | Greatship Diya | 3,350 | 2003 | May-10 |

Greatship Global Offshore Services Pte. Ltd., Singapore

| CATEGORY | TYPE | VESSEL NAME | DWT(MT) | YEAR BUILT | MONTH OF ADDITION |
|-----------------------------|--|-------------------|---------|------------|-------------------|
| Acquisitions | | | | | |
| New Built Deliveries | | | | | |
| Offshore Support Vessels | | | | | |
| | Multi-purpose Platform Supply and Support Vessel | Greatship Mamta | 4,068 | 2010 | Jul-10 |
| | ROV Support Vessel | Greatship Ramya | 3,700 | 2010 | Aug-10 |
| | Multi-purpose Platform Supply and Support Vessel | Greatship Manisha | 4,400 | 2010 | Sep-10 |
| Sales | | | | | |
| Offshore Support Vessels | | | | | |
| | ROV Support Vessel | **Greatship Rekha | 3,732 | 2010 | Apr-10 |
| | Anchor Handling Tug cum Supply Vessel | @Greatship Abha | 2,054 | 2009 | Jul-10 |

**acquired and simultaneously sold to the buyers

@ Bareboat charter terminated simultaneously with the sale of the vessel by the Owners

Greatship Global Energy Services Pte. Ltd., Singapore

| CATEGORY | TYPE | VESSEL NAME | YEAR BUILT | MONTH OF AQUISITION |
|---------------------|-------------|-------------------|------------|---------------------|
| Acquisitions | | | | |
| Drilling Unit | Jack Up Rig | Greatdrill Chetna | 2009 | Mar-11 |

Order Book as on May 6, 2011

| CATEGORY | TYPE | SHIPYARD | MONTH OF CONTRACTING | EXPECTED DELIVERY |
|--|--|---|----------------------|-------------------|
| New Building Order Book Position | | | | |
| Offshore Support Vessels in Greatship (India) Limited | | | | |
| | 1. Anchor Handling Tug cum Supply Vessel | Drydocks World Singapore Pte. Ltd., Singapore | Jul-08 | Q3 FY12 |
| | 2. Anchor Handling Tug cum Supply Vessel | Drydocks World Singapore Pte. Ltd., Singapore | Jul-08 | Q4 FY12 |
| Offshore Support Vessels in Greatship Global Offshore Services Pte. Ltd., Singapore | | | | |
| | 1. Multipurpose Support Vessel | Mazagon Dock Limited, Mumbai | Sep-07 | Q2 FY12 |
| | 2. Multipurpose Support Vessel | Mazagon Dock Limited., Mumbai | Sep-07 | Q3 FY12 |
| | 3. ROV Support Vessel | Colombo Dockyard Plc, Srilanka | Oct-10 | Q4 FY12 |
| | 4. ROV Support Vessel | Colombo Dockyard Plc, Srilanka | Oct-10 | Q1 FY13 |
| | 5. ROV Support Vessel | Colombo Dockyard Plc, Srilanka | Dec-10 | Q2 FY13 |
| Drilling units in Greatship Global Energy Services Pte. Ltd., Singapore | | | | |
| | 1. Jack Up Rig | Lamprell Energy Ltd.,Dubai | Jan-11 | Q3 FY13 |

The Year at a Glance

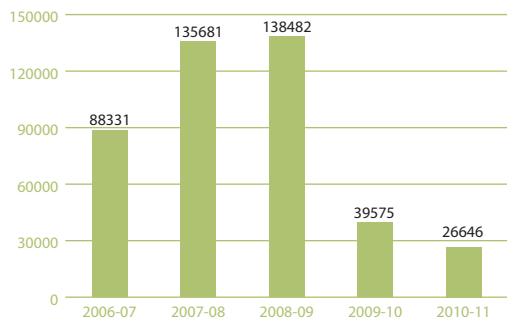
| | MARCH 31, 2011 | | MARCH 31, 2010 | |
|---|---|-----------------------|------------------|-----------------------|
| | RS (IN LAKHS) | US\$ (IN MILLIONS) | RS (IN LAKHS) | US\$ (IN MILLIONS) |
| | (EXCEPT FOR EARNINGS & CASH EARNINGS PER SHARE) | | | |
| For the year | | | | |
| Total Revenue | 165928 | 364 | 224539 | 471 |
| Operating Profit (PBIDT) | 82920 | 182 | 92139 | 193 |
| Net Profit | 26646 | 59 | 39575 | 83 |
| Cash Profit | 65519 | 144 | 74221 | 156 |
| PBIDT as a percentage of total revenue | 49.97 | 49.97 | 41.03 | 41.03 |
| Return on Equity (percentage) | 4.90 | 4.90 | 7.68 | 7.68 |
| Earnings per share (Rs./US\$) | 17.50 | 0.38 | 25.99 | 0.55 |
| Cash earnings per share (Rs./US\$) | 43.02 | 0.94 | 48.73 | 1.02 |
| Dividend amount (Including tax on dividend) | 13843 | 30 | 14079 | 30 |
| Capital Investment | 107791 | 237 | 18060 | 38 |
| At the end of the year | | | | |
| Total assets | 959623 | 2152 | 960403 | 2139 |
| Fixed assets | 531817 | 1193 | 482558 | 1075 |
| Total debt | 361582 | 811 | 366889 | 817 |
| Net worth | 550406 | 1234 | 537112 | 1197 |
| Equity Capital | 15229 | 34 | 15229 | 34 |

Figures in US\$ are arrived at by converting Rupee figures at the average conversion rate for all for the year items and at closing rate for all year end items, as given below, to facilitate comparison

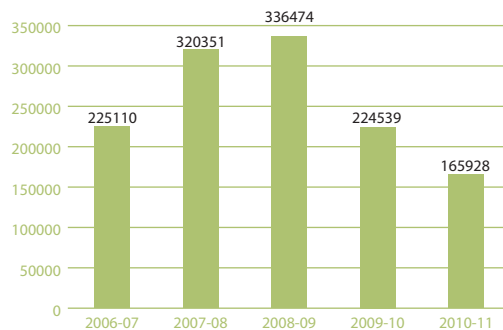
| | RS./US\$ | |
|---------------|----------|---------|
| Exchange Rate | 2010-11 | 2009-10 |
| - Average | 45.54 | 47.67 |
| - Closing | 44.59 | 44.89 |

Financial Highlights

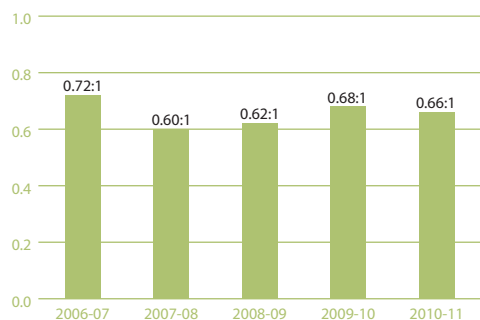
Net Profit Rs. in lakhs



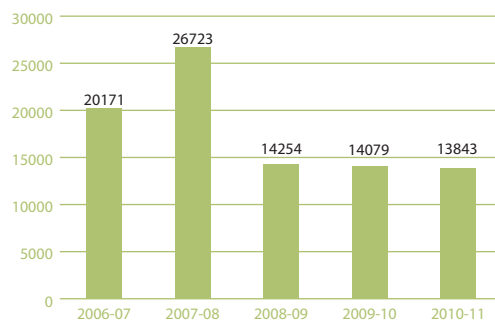
Revenues Rs. in lakhs



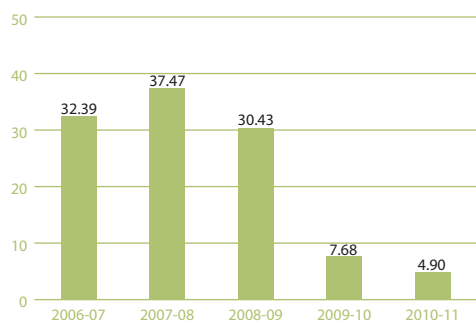
Debt Equity Ratio



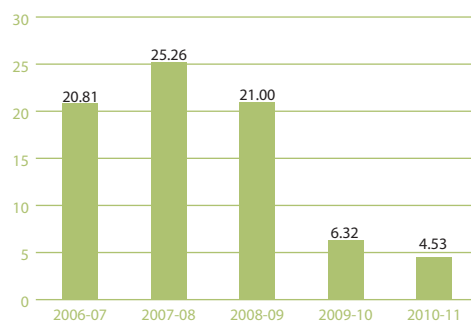
Dividend Payout Rs. in lakhs



Return on Networth Percent



Return on Capital Employed Percent



10 Years at a Glance

RS. IN LAKHS

| | 2001-02 | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| PROFIT & LOSS A/C | | | | | | | | | | |
| Revenues | 119535 | 100715 | 142635 | 211923 | 234208 | 225110 | 320351 | 336474 | 224539 | 165928 |
| Operating profit (PBIDT) | 50478 | 45273 | 74000 | 115905 | 134307 | 128233 | 189316 | 199182 | 92139 | 82920 |
| Net Profit | 19719 | 22729 | 47113 | 80879 | 83860 | 88331 | 135681 | 138482 | 39575 | 26646 |
| BALANCE SHEET | | | | | | | | | | |
| What the Company owned | | | | | | | | | | |
| Fixed Assets | 181026 | 182260 | 255195 | 320133 | 286505 | 381241 | 483259 | 537401 | 482558 | 531817 |
| Investments & net current assets | 46065 | 56430 | 59938 | 106148 | 139029 | 145327 | 182538 | 262076 | 421443 | 380171 |
| Deferred Taxation (Net) | - | - | - | 406 | - | - | - | - | - | - |
| TOTAL | 227091 | 238690 | 315133 | 426687 | 425534 | 526568 | 665797 | 799477 | 904001 | 911988 |
| What the Company owed | | | | | | | | | | |
| Loans | 93393 | 102086 | 145900 | 207975 | 186915 | 219789 | 248458 | 306655 | 366889 | 361582 |
| Deferred Taxation (Net) | 10072 | 12739 | 12476 | - | - | - | - | - | - | - |
| TOTAL | 103465 | 114825 | 158376 | 207975 | 186915 | 219789 | 248458 | 306655 | 366889 | 361582 |
| Shareholders' Funds | | | | | | | | | | |
| Equity Share Capital | 20256 | 19033 | 19033 | 19034 | 15227 | 15227 | 15227 | 15229 | 15229 | 15229 |
| Preference Share Capital | 17000 | 7500 | 7500 | - | - | - | - | - | - | - |
| Application Money - Equity Warrants | - | - | - | - | - | - | 1602 | - | - | - |
| Reserves & surplus | 88031 | 98425 | 130693 | 199870 | 223392 | 291552 | 400510 | 477593 | 521883 | 535177 |
| Misc. Expd. (to the extent not w/off) | (1661) | (1093) | (469) | (192) | - | - | - | - | - | - |
| TOTAL | 123626 | 123865 | 156757 | 218712 | 238619 | 306779 | 417339 | 492822 | 537112 | 550406 |
| Debt-Equity ratio | 1.04:1 | 0.94:1 | 1.03:1 | 0.95:1 | 0.78:1 | 0.72:1 | 0.60:1 | 0.62:1 | 0.68:1 | 0.66:1 |
| Return on Networth (%) | 17.57 | 19.52 | 34.80 | 43.80 | 40.64 | 32.39 | 37.47 | 30.43 | 7.68 | 4.90 |
| Earning per share (in Rs.) | 8.80 | 11.40 | 24.30 | 42.34 | 55.07 | 58.01 | 89.11 | 90.94 | 25.99 | 17.50 |
| Dividend per share (in Rs.) | 4.00 | 4.00 | 6.50 | 9.00 | 11.22 | 11.50 | 15.00 | 8.00 | 8.00 | 8.00 |

Report of the Auditors to the Members of The Great Eastern Shipping Company Limited

1. We have audited the attached Balance Sheet of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, 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 such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2011, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No.: 104607W

Daraius Z. Fraser
Partner
Membership No.: 42454

Mumbai: May 6, 2011.

Annexure to the Auditor's Report

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that :

1. Fixed Assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of account.
 - c) In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.
2. Inventory :
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories 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 no material discrepancies were noticed on verification between the physical stocks and the book records and the same have been properly dealt with in the books of account.
3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 :
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, 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 entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
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, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of any of the activities of the Company.

9. Statutory Dues

- a) According to the information and explanation given to us, except for the provident fund dues of floating staff, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Shore Staff Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that in respect of floating staff it is not possible to accurately ascertain the provident fund dues in view of the nature of Company's activities. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination, the balance, if any, is paid. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
- b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following :

| NAME OF THE STATUTE | NATURE OF DUES | AMOUNT (RS. IN LAKHS) | PERIOD TO WHICH THE AMOUNT RELATES | FORUM WHERE DISPUTE IS PENDING |
|---|---|--------------------------|---------------------------------------|-----------------------------------|
| The Customs Act, 1962 | Import duty | 31 | 2000-01 | The High Court at Bombay |
| The Tamilnadu General Sales Tax Act, 1959 | Lease tax | 1740 | 1995-96 to 1997-98 | The High Court at Madras |
| The Central Sales Tax Act, 1956, Bombay Sales Tax Act, 1959 & Maharashtra VAT Act, 2005 | Sales Tax | 746 | 1995-96 to 2010-11 | The Sales Tax Appellate Tribunal |
| Maharashtra Land Revenue Code, 1966 | Transfer charges for office premises under the scheme of demerger | 124 | 2002-03 | The High Court at Bombay |
| | Transfer Charges for office Premises | 310 | 2003-04 | The High Court at Bombay |
| Major Ports Trust Act, 1963 | Demand for Pilotage and Berth Charges on gross tonnage | 137 | 2001-02 to 2002-03 | The High Court at Karnataka |

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks or debenture holders. There are no dues to financial institutions.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiaries from banks are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the loans were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has created security in respect of the secured redeemable non-convertible debentures issued.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the Company, has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No.: 104607W

Daraius Z. Fraser

Partner

Membership No.: 42454

Mumbai: May 6, 2011.

Detailed Financial Statements



Jag Aditi - Kamsarmax Dry Bulk Carrier : Acquired in April 2011

Balance Sheet as at March 31, 2011.

(RS. IN LAKHS)

| | SCHEDULE | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|---------------|---------------|
| Sources of Funds : | | | |
| Shareholders' Funds : | | | |
| Share Capital | 1 | 15229 | 15229 |
| Reserves and Surplus | 2 | 535177 | 521883 |
| | | 550406 | 537112 |
| Loan Funds : | | | |
| Secured Loans | 3 | 236582 | 271889 |
| Unsecured Loans | 4 | 125000 | 95000 |
| | | 361582 | 366889 |
| TOTAL | | 911988 | 904001 |
| Application of Funds : | | | |
| Fixed Assets : | | | |
| Gross Block | 5 | 617940 | 628693 |
| Less : Depreciation (including impairment) | | 192074 | 201510 |
| Net Block | | 425866 | 427183 |
| Ships under Construction/Capital work-in-progress (net of impairment) | | 105951 | 55375 |
| | | 531817 | 482558 |
| Investments | 6 | 330231 | 325100 |
| Current Assets, Loans and Advances : | | | |
| Inventories | 7 | 5706 | 4287 |
| Sundry Debtors | 8 | 5333 | 8672 |
| Cash and Bank Balances | 9 | 81947 | 132112 |
| Other Current Assets | 10 | 640 | 1362 |
| Loans and Advances | 11 | 3414 | 6228 |
| Incomplete Voyages (net) | | 535 | 84 |
| | | 97575 | 152745 |
| Less : Current Liabilities and Provisions : | | | |
| Current Liabilities | 12 | 37857 | 39978 |
| Provisions | 13 | 9778 | 16424 |
| | | 47635 | 56402 |
| Net Current Assets | | 49940 | 96343 |
| TOTAL | | 911988 | 904001 |
| Significant Accounting Policies | | | |
| Notes on Accounts | 20 | | |
| | 21 | | |

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth

Bharat K. Sheth

Keki Mistry

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai, May 6, 2011.

Profit and Loss Account for the year ended March 31, 2011.

(RS. IN LAKHS)

| | SCHEDULE | CURRENT YEAR | PREVIOUS YEAR |
|--|------------------|--------------|---------------|
| Income : | | | |
| Income from Operations | 14 | 149245 | 208753 |
| Other Income | 15 | 16683 | 15786 |
| | | 165928 | 224539 |
| Expenditure : | | | |
| Operating Expenses | 16 | 73592 | 103704 |
| Administration & Other Expenses | 17 | 9416 | 28696 |
| Interest & Finance charges | 18 | 14526 | 14297 |
| Depreciation | | 30303 | 34646 |
| Impairment Loss on ships under construction | | 8570 | - |
| | | 136407 | 181343 |
| Profit Before Tax | | 29521 | 43196 |
| Less : Provision for Income tax | | 2800 | 3915 |
| Profit for the Year After Tax | | 26721 | 39281 |
| (Less)/Add : Prior Period Adjustments | 19 | (75) | 294 |
| Net Profit | | 26646 | 39575 |
| Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961 | | 4000 | 4000 |
| | | 22646 | 35575 |
| Add : Surplus Brought Forward from Previous Year | | 288673 | 271177 |
| Amount Available for Appropriation | | 311319 | 306752 |
| Appropriations : | | | |
| - Transfer to General Reserve | | 2700 | 4000 |
| - Interim Dividend on Equity Shares | | 5330 | - |
| - Proposed Dividend on Equity Shares | | 6853 | 12183 |
| - Dividend Distribution Tax | | 1660 | 1896 |
| | | 16543 | 18079 |
| Balance Carried Forward | | 294776 | 288673 |
| Basic Earnings per Share (in Rs.) | 21-(Note No. 19) | 17.50 | 25.99 |
| Diluted Earnings per Share (in Rs.) | | 17.46 | 25.93 |
| Significant Accounting Policies | 20 | | |
| Notes on Accounts | 21 | | |

The Schedules referred to above form an integral part of the Profit & Loss Account.

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Darius Z. Fraser

Partner

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director

Mumbai, May 6, 2011.

Cash Flow Statement for the Year Ended March 31, 2011.

| | CURRENT YEAR | (RS. IN LAKHS) PREVIOUS YEAR |
|---|-----------------------|------------------------------------|
| A. Cash Flow From Operating Activities | | |
| Net Profit Before Tax | 29521 | 43196 |
| Adjustments For : | | |
| Depreciation | 30303 | 34646 |
| Impairment loss on ships under constuction | 8570 | - |
| Interest earned | (3716) | (6042) |
| Interest paid | 14526 | 14297 |
| Dividend received | (6383) | (4213) |
| Diminution in value of investment written back (net) | - | (444) |
| (Profit)/Loss on sale of investments in Joint venture | - | 457 |
| Profit on sale of Investments | (4390) | (2225) |
| Profit on sale of sundry assets | (15) | (1259) |
| Bad debts/advances written off | (619) | 555 |
| Provision for doubtful debts | (4) | (486) |
| Revaluation of Foreign Currency Balances | (1462) | 15916 |
| Operating Profit Before Working Capital Changes | 66331 | 94398 |
| Adjustments For : | | |
| Trade & Other Receivables | 5981 | 13752 |
| Inventories | (1419) | 286 |
| Incomplete Voyages (net) | (451) | (1121) |
| Trade Payables | (2167) | (11155) |
| Cash Generated from Operations | 68275 | 96160 |
| Tax Paid | (2051) | (4289) |
| Net Cash From Operating Activities | 66224 | 91871 |
| B. Cash Flow From Investing Activities | | |
| Purchase of fixed assets | (105883) | (48782) |
| Sale proceeds of fixed assets (refer note 1) | 19674 | 39516 |
| Acquisition of Equity shares in subsidiaries | (31828) | - |
| Acquisition of Preference shares in subsidiaries | (18187) | - |
| Disposal of investment in joint venture | - | 241 |
| Profit on sale of investments | 4390 | 2225 |
| Interest received | 4438 | 6839 |
| Dividend received | 6383 | 4213 |
| Net Cash From/(Used in) Investing Activities | (121013) | 4252 |
| C. Cash Flow From Financing Activities | | |
| Proceeds from long term borrowings | 41062 | 156079 |
| Repayments of long term borrowings | (45801) | (66477) |
| Dividend paid | (17475) | (4602) |
| Dividend Distribution Tax paid | (2781) | (776) |
| Interest paid | (16916) | (14863) |
| Net Cash From / (Used in) Financing Activities | (41911) | 69361 |
| Net increase / (decrease) in cash and cash equivalents | (96700) | 165484 |
| Cash and cash equivalents as at April 1, 2010 (refer note 2) | 357984 | 192500 |
| Cash and cash equivalents as at March 31, 2011 (refer note 2) | 261284 | 357984 |
| Note : - | | |
| 1) Profit on sale of ships, is considered as operating income, consequently the sale proceeds are net of profit on sale of ships | | |
| 2) Cash and cash equivalents | March 31, 2011 | March 31, 2010 |
| Cash and cash equivalents (refer note 3) | 250404 | 345453 |
| Effect of exchange rate changes [(gain)/loss] | 10880 | 12531 |
| Cash and cash equivalents as restated | 261284 | 357984 |
| 3) Cash and cash equivalent includes : | | |
| a) Rs. 2897 lakhs (Previous year Rs. 2423 lakhs) which are under a lien as margin/security deposit against financial facilities granted by banks. | | |
| b) Rs.168457 lakhs (Previous year Rs. 213341 lakhs) Mutual Funds which are shown under Schedule 6(b). | | |

As per our Report attached hereto
For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Daraius Z. Fraser
Partner

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
Keki Mistry Director

Mumbai, May 6, 2011.

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2011.

| | RS. IN LAKHS | |
|--|---------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Schedule "1" : | | |
| Share Capital : | | |
| Authorised : | | |
| 30,00,00,000 Equity Shares of Rs. 10 each | 30000 | 30000 |
| 20,00,00,000 Preference Shares of Rs. 10 each | 20000 | 20000 |
| | 50000 | 50000 |
| Issued : | | |
| 15,27,08,445 (previous year 15,27,08,445) Equity Shares of Rs. 10 each | 15271 | 15271 |
| | 15271 | 15271 |
| Subscribed : | | |
| 15,22,92,202 (previous year 15,22,92,202) Equity Shares of Rs. 10 each | 15229 | 15229 |
| | 15229 | 15229 |
| Paid-up : | | |
| 15,22,89,684 (previous year 15,22,89,684) Equity Shares of Rs. 10 each fully paid up | 15229 | 15229 |
| | 15229 | 15229 |
| Notes : | | |
| 1. Out of above, 74,39,858 (previous year 74,39,858) shares are allotted as fully paid up pursuant to a contract without payment being received in cash. | | |
| 2. The Paid-up Equity Share Capital includes Rs. 0.30 lakh (previous year Rs. 0.30 lakh), on account of forfeited shares and is net of Calls in Arrears Rs. 0.31 lakh (Previous year Rs. 0.31 lakh). | | |
| Schedule "2" : | | |
| Reserves And Surplus : | | |
| (a) Capital Reserve : | | |
| As per last Balance Sheet | 1598 | 1598 |
| (b) Capital Redemption Reserve : | | |
| As per last Balance Sheet | 23854 | 23854 |
| (c) Tonnage Tax Reserve Account Under Section 115VT of the Income-tax Act,1961 : | | |
| As per last Balance Sheet | 94000 | 90000 |
| Add : Transfer from Profit and Loss Account | 4000 | 4000 |
| | 98000 | 94000 |
| (d) Debenture Redemption Reserve : | | |
| As per last Balance Sheet | 5750 | 5750 |
| (e) Hedging Reserve Account : | | |
| (Loss)/gain on derivative contracts designated as cash flow hedges | (17228) | (17719) |
| (f) Securities Premium Account : | | |
| As per last Balance Sheet | 12631 | 12631 |
| (g) General Reserve : | | |
| As per last Balance Sheet | 113096 | 109096 |
| Add : Transfer from Profit and Loss Account | 2700 | 4000 |
| | 115796 | 113096 |
| (h) Profit And Loss Account | | |
| | 294776 | 288673 |
| | 535177 | 521883 |

| | RS. IN LAKHS | |
|--|-----------------|------------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Schedule "3" : | | |
| Secured Loans : | | |
| (a) Term Loans - | | |
| - From Banks | 211582 | 238156 |
| Secured by mortgage of specific ships, assignment of bank deposit and a financial covenant to maintain unencumbered assets (refer note 3). | | |
| (b) Non Convertible Debentures* - | | |
| (i) Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each - | | |
| - 6.05% 95 Debentures redeemed on September 20, 2010.** | - | 8733 |
| (ii) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each - | | |
| - 9.80% 2500 Debentures redeemable on July 03, 2019. | 25000 | 25000 |
| * Secured by mortgage of specified immovable properties and ships. | | |
| ** Liability for Debentures was net of amount recoverable from Great Offshore Limited amounting to Rs. 767 lakhs in respect of amount transferred on de-merger. | | |
| | 236582 | 271889 |
| Schedule "4" : | | |
| Unsecured Loans : | | |
| Non Convertible Debentures* - | | |
| Unsecured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each - | | |
| (i) 9.75% 2500 Debentures redeemable on August 20, 2019. | 25000 | 25000 |
| (ii) 9.60% 2000 Debentures redeemable on November 10, 2019. | 20000 | 20000 |
| (iii) 9.19% 1000 Debentures redeemable on December 24, 2018. | 10000 | 10000 |
| (iv) 9.40% 1000 Debentures redeemable on January 06, 2018. | 10000 | 10000 |
| (v) 9.40% 1000 Debentures redeemable on January 06, 2019. | 10000 | 10000 |
| (vi) 9.35% 1000 Debentures redeemable on February 08, 2018. | 10000 | 10000 |
| (vii) 9.35% 1000 Debentures redeemable on February 08, 2019. | 10000 | 10000 |
| (viii) 9.70% 1000 Debentures redeemable on January 07, 2023. | 10000 | - |
| (ix) 9.70% 1000 Debentures redeemable on January 18, 2023. | 10000 | - |
| (x) 9.70% 1000 Debentures redeemable on February 02, 2021. | 10000 | - |
| * The Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the Debentures. | | |
| | 125000 | 95000 |

Schedule "5" :

Fixed Assets :

(RS. IN LAKHS)

| P A R T I C U L A R S | C O S T | | | | D E P R E C I A T I O N | | | | I M P A I R M E N T | | N E T B L O C K |
|---|------------------------------|------------------------------|---|-------------------------------|---------------------------------|--|-----------------|---------------------------------|------------------------------|---------------------------------|-----------------|
| | AS AT APRIL 1, 2 0 1 0 | ADDITIONS FOR THE YEAR | DEDUCTIONS FOR THE YEAR [NOTE 4 (b)] | AS AT MARCH 31, 2 0 1 1 | U P T O MARCH 31, 2 0 1 0 | ADJUSTMENTS/ DEDUCTIONS FOR ASSETS SOLD/ DISCARDED | FOR THE YEAR | U P T O MARCH 31, 2 0 1 1 | AS AT APRIL 1, 2 0 1 0 | U P T O MARCH 31, 2 0 1 1 | |
| Fleet | 614363 | 47101 | 58985 | 602479 | 180698 | 39454 | 29640 | 170884 | 15755 | 15755 | 415840 |
| | 639517 | 25765 | 50919 | 614363 | 159545 | 12809 | 33962 | 180698 | 15755 | 15755 | 417910 |
| Plant & Machinery | 885 | 161 | 228 | 818 | 299 | 109 | 77 | 267 | - | - | 551 |
| | 1201 | 71 | 387 | 885 | 461 | 245 | 83 | 299 | - | - | 586 |
| Land | 4935 | 1034 | - | 5969 | - | - | - | - | - | - | 5969 |
| (Freehold & Perpetual Lease) | 4935 | - | - | 4935 | - | - | - | - | - | - | 4935 |
| Ownership Flats and Buildings * | 4631 | - | - | 4631 | 1422 | - | 154 | 1576 | 135 | 135 | 2920 |
| | 4628 | 5 | 2 | 4631 | 1262 | 2 | 162 | 1422 | 135 | 135 | 3074 |
| Furniture, Fixtures and Office Equipment | 2746 | 168 | 88 | 2826 | 2476 | 84 | 179 | 2571 | - | - | 255 |
| | 2746 | 64 | 64 | 2746 | 2338 | 62 | 200 | 2476 | - | - | 270 |
| Vehicles | 1133 | 181 | 97 | 1217 | 725 | 92 | 253 | 886 | - | - | 331 |
| | 1012 | 245 | 124 | 1133 | 607 | 121 | 239 | 725 | - | - | 408 |
| S U B - T O T A L | 628693 | 48645 | 59398 | 617940 | 185620 | 39739 | 30303 | 176184 | 15890 | 15890 | 425866 |
| | 654039 | 26150 | 51496 | 628693 | 164213 | 13239 | 34646 | 185620 | 15890 | 15890 | 427183 |
| Ships under construction/Capital work-in-Progress [Net of impairment loss Rs. 8570 lakhs (previous year Rs. Nil)] | | | | | | | | | | | 105951 |
| | | | | | | | | | | | 55375 |
| | | | | | | | | | | | 531817 |
| | | | | | | | | | | | 482558 |

Notes :

* The Ownership Flats & Buildings include Rs. 0.12 lakh (previous year Rs. 0.12 lakh), being value of shares held in various co-operative societies.
(Previous year figures are in italics)

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|---|----------------------|--|-----------------|---|-----------------|
| Schedule "6" : | | | | | |
| Investments : | | | | | |
| (a) Long Term Investments : | | | | | |
| (At cost - fully paid unless stated otherwise) | | | | | |
| Equity Shares : Unquoted | | | | | |
| Subsidiaries : | | | | | |
| The Great Eastern Shipping Co. London Ltd. of Stg. Pound 10 each | | 16,000 | 26 | 16,000 | 26 |
| The Greatship (Singapore) Pte. Ltd. of S\$ 1 each | | 5,00,000 | 114 | 5,00,000 | 114 |
| The Great Eastern Chartering L.L.C. (FZC) of AED 100 each | | 1,500 | 19 | 1,500 | 19 |
| Greatship (India) Ltd. | 10 | 10,37,82,000 | 117028 | 8,61,00,000 | 85200 |
| | | | 117187 | | 85359 |
| Preference Shares : Unquoted | | | | | |
| Subsidiaries : | | | | | |
| Greatship (India) Ltd. | | | | | |
| 7.5% Cumulative Redeemable Preference Shares | 10 | 8,80,00,000 | 26400 | 8,80,00,000 | 26400 |
| 22.5% Cumulative Redeemable Preference Shares | 10 | 6,06,24,000 | 18187 | - | - |
| | | | 44587 | | 26400 |
| | | | 161774 | | 111759 |
| (b) Current Investments : | | | | | |
| (At lower of cost and fair value - fully paid) | | | | | |
| Mutual Funds : Quoted | | | | | |
| Baroda Pioneer 90Days FMP Series 1- Dividend Plan | 10 | 1,00,00,000 | 1000 | - | - |
| Benchmark Gold Bees ETF | 1000 | 91,710 | 1734 | - | - |
| Birla Sun Life Fixed Term Plan Series CO Dividend-Payout | 10 | 2,50,03,399 | 2500 | - | - |
| Birla Sun Life Short Term FMP Series 7 Growth | 10 | 2,50,00,000 | 2500 | - | - |
| DSP Black Rock Fixed Maturity Plan 3M Series 28 - Dividend Reinvestment | 10 | 4,75,00,000 | 4750 | - | - |
| DSP Black Rock FMP-12M Series 12 - Dividend Payout | 10 | 2,25,12,336 | 2251 | - | - |
| DWS Fixed Term Fund - Series 77 - Dividend Plan-Payout | 10 | 2,50,00,000 | 2500 | - | - |
| DWS Fixed Term Fund Series 79 - Growth Plan | 10 | 2,00,00,000 | 2000 | - | - |
| Fidelity Fixed Maturity Plan Series 4 - Plan E - Dividend | 10 | 3,40,00,000 | 3400 | - | - |
| ICICI Prudential Fixed Maturity Plan Series 53 - 1 Year Plan C Dividend | 10 | 5,20,00,000 | 5200 | - | - |
| ICICI Prudential Interval Fund Half Yearly Interval Plan -I Institutional Dividend | 10 | 2,72,29,752 | 2723 | - | - |
| ICICI Prudential Interval Fund II Quaterly Interval Plan D Institutional Dividend | 10 | 1,55,00,000 | 1550 | - | - |
| ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Cumulative | 10 | 4,80,67,217 | 5000 | - | - |
| IDBI FMP 90 Days Series-I (February 2011)-A - Dividend Payout | 10 | 90,89,983 | 909 | - | - |
| JP Morgan India Fixed Maturity Plan 400 D Institutional Growth Plan | 10 | 50,00,000 | 500 | - | - |

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|---|----------------------|--|-----------------|---|-----------------|
| JP Morgan India Fixed Maturity Plan 95 D Institutional Growth Plan | 10 | 2,50,00,000 | 2500 | - | - |
| Kotak Fixed Maturity Plan 6M Series 10 - Dividend | 10 | 2,50,00,000 | 2500 | - | - |
| Kotak Fixed Maturity Plan 6M Series 11 - Dividend | 10 | 2,50,00,000 | 2500 | - | - |
| Kotak Quarterly Interval Plan Series 5 - Growth | 10 | 2,52,03,384 | 3084 | - | - |
| Reliance Fixed Horizon Fund XVI Series 4 - Dividend Plan | 10 | 2,50,00,000 | 2500 | - | - |
| Reliance Fixed Horizon Fund XVI Series 5 - Dividend Plan | 10 | 5,00,00,000 | 5000 | - | - |
| Reliance Fixed Horizon Fund XVII Series 1 - Dividend Plan | 10 | 6,00,00,000 | 6000 | - | - |
| Reliance Fixed Horizon XVIII Series 1 Growth | 10 | 1,50,00,000 | 1500 | - | - |
| Religare Fixed Maturity Plan Series IV Plan B (6 Months) Dividend | 10 | 3,00,03,680 | 3000 | - | - |
| Religare FMP Series V Plan C 3 Months Growth Plan | 10 | 2,50,00,000 | 2500 | - | - |
| SBI Debt Fund Series - 180 Days - 13 - Dividend | 10 | 5,20,00,000 | 5200 | - | - |
| SBI Debt Fund Series - 180 Days - 14 - Dividend | 10 | 4,00,00,000 | 4000 | - | - |
| SBI Debt Fund Series -180 Days -12 -Dividend | 10 | 2,50,00,000 | 2500 | - | - |
| SBI Debt Fund Series- 90 Days-40- Growth | 10 | 2,16,20,000 | 2162 | - | - |
| Tata Fixed Income Portfolio Fund Scheme C2 Regular Monthly | 10 | 3,96,52,250 | 4000 | - | - |
| Tata Fixed Maturity Plan Series 28 Scheme C - Dividend | 10 | 1,00,00,000 | 1000 | - | - |
| Tata Fixed Maturity Plan Series 28 Scheme A - Growth | 10 | 5,00,10,667 | 5001 | - | - |
| UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan IV Institutional Dividend Plan | 10 | 2,53,42,421 | 2534 | - | - |
| UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan VII Institutional Growth Plan | 10 | 3,71,99,865 | 3850 | - | - |
| UTI Fixed Income Interval Fund - Half Yearly Interval Plan Series - I - Institutional Dividend Plan | 10 | 1,99,94,801 | 2000 | - | - |
| | | | 101848 | | - |
| Mutual Funds : Unquoted | | | | | |
| Axis Short Term Fund - Daily Dividend Reinvestment | 10 | - | - | 2,16,00,560 | 2160 |
| Birla Sunlife Dynamic Bond Fund - Retail - Growth | 10 | - | - | 10,88,66,760 | 16855 |
| Birla Sunlife Dynamic Bond Fund - Retail Plan - Monthly Dividend | 10 | - | - | 5,18,36,137 | 5392 |
| Birla Sunlife Floating Rate Fund - Short Term Plan - Institutional Plus - Daily Dividend | 10 | 1,10,07,533 | 1101 | - | - |
| Birla Sunlife Floating Rate Fund Long Term Institutional - Growth | 10 | - | - | 4,38,86,615 | 4731 |
| Birla Sunlife Income Fund - Quarterly Dividend - Reinvestment | 10 | 3,31,88,790 | 3718 | - | - |
| Birla Sunlife Income Plus - Growth | 10 | - | - | 24,18,682 | 1000 |
| Birla Sunlife Income Plus - Quarterly Dividend - Reinvestment | 10 | 16,94,901 | 200 | 38,11,495 | 428 |
| BSL Floating Rate Fund - Weekly Dividend | 10 | - | - | 37,50,975 | 376 |
| BSL Interval Income Fund - Institutional - Quarterly - Series 1 - Growth | 10 | - | - | 1,00,00,000 | 1000 |

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|---|----------------------|--|-----------------|---|-----------------|
| BSL Short Term Opportunities Fund - Institutional Growth | 10 | 5,44,45,141 | 6061 | - | - |
| Canara Robeco Indigo Quaterly Dividend Fund-ISIN: INF760K01AL6 | 10 | 1,53,02,809 | 1531 | - | - |
| DSP Black Rock Short Term Fund - Weekly Dividend Reinvestment | 10 | - | - | 7,47,87,286 | 7614 |
| DWS Money Plus Fund - Institutional plan Monthly Dividend Plan | 10 | 5,09,39,672 | 5134 | - | - |
| DWS Treasury Fund Cash - Institutional Plan - Growth | 10 | - | - | 1,46,95,574 | 1503 |
| DWS Treasury Fund Cash - Institutional Plan - Daily Dividend Plan | 10 | - | - | 5,24,22,197 | 5268 |
| Fortis Flexi Debt Fund - Regular Weekly Dividend | 10 | - | - | 3,51,23,420 | 3530 |
| Fortis Overnight Institutional Plus Growth | 10 | - | - | 9,60,67,354 | 9617 |
| Fortis Overnight Institutional Plus Daily Dividend | 10 | - | - | 3,84,92,631 | 3850 |
| Fortis Short Term Income Fund Institutional Plus Daily Dividend | 10 | - | - | 11,81,89,914 | 11823 |
| HDFC Quarterly Interval Fund - Plan C Wholesale Growth | 10 | - | - | 2,50,00,000 | 2500 |
| HDFC Short Term Institutional Plus Growth | 10 | - | - | 4,80,17,251 | 8581 |
| HDFC Short Term Plan Dividend Option Reinvestment | 10 | - | - | 6,89,35,215 | 7126 |
| ICICI Prudential Banking & PSU Debt Fund Premium Plus Daily Dividend | 10 | 90,72,474 | 914 | 4,48,72,886 | 4496 |
| ICICI Prudential Banking and PSU Debt Fund Premium Plus Growth | 10 | 14,06,75,261 | 14939 | 1,27,34,959 | 1278 |
| ICICI Prudential Gilt Fund - Investment Plan - Dividend | 10 | - | - | 2,02,90,231 | 2495 |
| ICICI Prudential Income Opportunities Fund Institutional Monthly Dividend Reinvestment | 10 | - | - | 1,49,47,552 | 1534 |
| ICICI Prudential Institutional Income Plan Dividend Quarterly Reinvestment | 10 | - | - | 2,06,76,359 | 2432 |
| ICICI Prudential Institutional Short Term Plan - Cumulative Option | 10 | - | - | 2,07,21,482 | 4000 |
| ICICI Prudential Institutional Short Term Plan - Fortnightly Dividend Reinvestment | 10 | - | - | 4,38,50,253 | 5263 |
| ICICI Prudential Medium Term Plan Premium Plus - Growth | 10 | - | - | 5,00,29,535 | 5029 |
| ICICI Prudential Medium Term Plan Premium Plus - Monthly Dividend | 10 | - | - | 3,26,92,190 | 3272 |
| IDBI Ultra Short Term Fund - Growth | 10 | 1,46,41,146 | 1500 | - | - |
| IDFC Fixed Maturity Plan Half Yearly Series 9 - Dividend Reinvestment | 10 | - | - | 3,06,52,057 | 3065 |
| IDFC - Savings Advantage Fund Plan A - Growth | 1000 | - | - | 5,89,001 | 7600 |
| IDFC - SSIF - Short Term - Plan D - Fortnightly Dividend Reinvest | 10 | - | - | 94,63,654 | 952 |
| IDFC - SSIF - Short Term - Plan D - Growth | 10 | - | - | 4,06,97,789 | 5001 |
| IDFC Money Manager Fund Investment Plan B - Growth | 10 | - | - | 5,32,93,735 | 7544 |
| IDFC Money Manager Fund Investment Plan B - Daily Dividend Fund | 10 | - | - | 2,00,32,294 | 2006 |

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|--|----------------------|--|-----------------|---|-----------------|
| IDFC Money Manager Fund Investment Plan Institutional Plan B - Monthly Dividend Fund | 10 | 2,31,96,232 | 2335 | - | - |
| IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvestment | 1000 | 5,52,806 | 5529 | 3,60,302 | 3604 |
| Kotak Bond Short Term - Monthly Dividend | 10 | 5,12,26,451 | 5150 | 11,55,44,397 | 11633 |
| Kotak Credit Opportunities Fund - Growth | 10 | 1,69,98,599 | 1711 | - | - |
| Kotak Credit Opportunities Fund - Weekly Dividend | 10 | 4,14,37,183 | 4144 | - | - |
| Kotak Floater Long Term - Growth | 10 | - | - | 6,97,34,833 | 10172 |
| Kotak Gilt (Investment Regular) - Growth | 10 | - | - | 32,15,951 | 1000 |
| Kotak Quarterly Interval Plan Series 6 - Growth | 10 | - | - | 2,18,12,154 | 2500 |
| Principal Money Manager - Institutional Growth Plan | 10 | - | - | 4,76,30,388 | 5000 |
| Reliance Medium Term Fund - Daily Dividend Plan | 10 | - | - | 6,69,32,609 | 11442 |
| Reliance Medium Term Retail Plan Growth Plan | 10 | - | - | 3,98,28,454 | 7586 |
| Tata Treasury Manager Ship | 1000 | - | - | 5,79,814 | 6065 |
| Tata Treasury Manager Ship - Daily Dividend | 1000 | - | - | 2,49,269 | 2518 |
| TATA Treasury Manager SHIP Growth | 1000 | 5,98,037 | 6650 | - | - |
| UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V Institutional Growth Plan | 10 | - | - | 2,50,02,462 | 2500 |
| UTI Short Term Income Fund - Institutional Income Option - Reinvestment | 10 | 1,87,77,038 | 1914 | - | - |
| UTI Short Term Income Fund - Institutional Income Option - Growth Plan | 10 | 3,76,29,590 | 4078 | - | - |
| | | | 66609 | | 213341 |
| | | | 168457 | | 213341 |
| | | | 330231 | | 325100 |
| Market Value of Quoted Investments | | | 103116 | | - |
| Book Value of Quoted Investments | | | 101848 | | - |
| Book Value of Unquoted Investments | | | 228383 | | 325100 |

| | RS. IN LAKHS | |
|---|-----------------|------------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Schedule “7” : | | |
| Inventories : | | |
| Fuel Oils | 5706 | 4287 |
| | <u>5706</u> | <u>4287</u> |
| Schedule “8” : | | |
| Sundry Debtors : | | |
| (Unsecured) | | |
| (a) Debts outstanding over six months : | | |
| - Considered Good | 267 | 232 |
| - Considered Doubtful | 437 | 1130 |
| | <u>704</u> | <u>1362</u> |
| (b) Other Debts : | | |
| - Considered Good | 5066 | 8440 |
| - Considered Doubtful | 8 | 27 |
| | <u>5074</u> | <u>8467</u> |
| | <u>5778</u> | <u>9829</u> |
| Less : Provision for Doubtful Debts | 445 | 1157 |
| | <u>5333</u> | <u>8672</u> |
| Schedule “9” : | | |
| Cash And Bank Balances : | | |
| (a) Cash on Hand | 2 | 3 |
| (b) Balances with Scheduled Banks : | | |
| - In Current Account | 1737 | 1175 |
| - In Deposit Account | 73814 | 118276 |
| | <u>75551</u> | <u>119451</u> |
| (c) Balances with Other Banks : | | |
| - In Current Account with Royal Bank of Scotland, London (Maximum Balance Rs. 28689 lakhs, previous year Rs. 34639 lakhs) | 5043 | 6323 |
| - In Current Account with Royal Bank of Scotland, Dubai (Maximum Balance Rs. 23 lakhs, previous year Rs. 68 lakhs) | 2 | 13 |
| - In Current Account with Citi Bank, London (Maximum Balance Rs. 57 lakhs, previous year Rs. 59 lakhs) | 55 | 56 |
| - In Term Deposits with Citi Bank, London (Maximum Balance Rs. 1298 lakhs, previous year Rs. 1417 lakhs) | 1246 | 1254 |
| - In Current Account with Citi Bank, Dubai (Maximum Balance Rs. 69 lakhs, previous year Rs. 35 lakhs) | 1 | 2 |
| - In Current Account with HSBC, London (Maximum Balance Rs. 5069 lakhs, previous year Rs. 5069 lakhs) | 7 | 4943 |
| - In Current Account with HSBC, Singapore (Maximum Balance Rs. 221 lakhs, previous year Rs. 287 lakhs) | 40 | 67 |
| | <u>6394</u> | <u>12658</u> |
| | <u>81947</u> | <u>132112</u> |

| | RS. IN LAKHS | |
|--|--------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Schedule "10" : | | |
| Other Current Assets : | | |
| Interest Accrued on Deposits | 640 | 1362 |
| | <u>640</u> | <u>1362</u> |
| Schedule "11" : | | |
| Loans And Advances : | | |
| (Unsecured - considered good, unless otherwise stated) | | |
| (a) Advances recoverable in cash or in kind or for value to be received (Net of provision for doubtful advances Rs. 44 lakhs, previous year Rs. 95 lakhs) | 3061 | 4886 |
| (b) Agents' Current Accounts | 13 | 175 |
| (c) Balances with Customs, Port Trust, etc. | 4 | 7 |
| (d) Advance payment of Income-tax & Tax Deducted at Source (Net of provision for taxation - Rs. 15697 lakhs, previous year Rs. 16201 lakhs) | 336 | 1160 |
| | <u>3414</u> | <u>6228</u> |
| Schedule "12" : | | |
| Current Liabilities : | | |
| (a) Sundry Creditors | | |
| - Outstanding Dues to Micro, Small and Medium Enterprises | - | - |
| - Dues to Other Creditors | 4981 | 4619 |
| (b) Due to Subsidiary Companies | 18 | - |
| (c) Advance Charter Hire | 1119 | 1106 |
| (d) Derivative Contracts Payable (net) | 17229 | 17727 |
| (e) Liabilities towards Investor Education and Protection Fund, not due - Unpaid dividend | 784 | 746 |
| (f) Other Liabilities | 10577 | 12717 |
| (g) Interest Accrued but not Due on Loans | 3149 | 3063 |
| | <u>37857</u> | <u>39978</u> |
| Schedule "13" : | | |
| Provisions : | | |
| (a) Proposed Dividend | 6853 | 12183 |
| (b) Provision for Dividend Distribution Tax | 775 | 1896 |
| (c) Provision for Employee Retirement Benefits | 2150 | 2345 |
| | <u>9778</u> | <u>16424</u> |

Schedules Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2011.

| | (RS. IN LAKHS) | |
|---|-----------------------|----------------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Schedule "14" : | | |
| Income From Operations : | | |
| (a) Freight and Demurrage | 71424 | 102180 |
| (b) Charter Hire | 64885 | 86040 |
| (c) Profit on Sale of Ships | 10553 | 17326 |
| (d) Gain on Foreign Currency Transactions (net) | 1067 | - |
| (e) Miscellaneous Operating Income | 1316 | 3207 |
| | 149245 | 208753 |
| Schedule "15" : | | |
| Other Income : | | |
| (a) Dividend : | | |
| - from a Subsidiary Company | 660 | 768 |
| - from Current Investments | 5723 | 3445 |
| | 6383 | 4213 |
| (b) Interest Earned (Gross): | | |
| - on Term Deposits | 3195 | 5876 |
| - on Call Deposits | 258 | 2 |
| - Others | 263 | 164 |
| (Income-tax Deducted at Source Rs. 34 lakhs, previous year Rs. 335 lakhs) | 3716 | 6042 |
| (c) Profit on Sale of Current Investments (net) | 4390 | 2225 |
| (d) Provision for Diminution in Investment Written Back (net) | - | 284 |
| (e) Profit on Sale of Sundry Assets (net) | 15 | 1259 |
| (f) Provision for Doubtful Debts & Advances Written Back (net) | 716 | 486 |
| (g) Miscellaneous Income | 1463 | 1277 |
| | 16683 | 15786 |
| Schedule "16" : | | |
| Operating Expenses : | | |
| (a) Fuel Oil and Water | 25616 | 30975 |
| (b) Port, Light and Canal Dues | 8132 | 13504 |
| (c) Stevedoring, Despatch & Cargo Expenses | 256 | 388 |
| (d) Hire of Chartered Ships | 1576 | 14635 |
| (e) Brokerage & Commission | 1293 | 1745 |
| (f) Agency Fees | 471 | 644 |
| (g) Wages, Bonus and Other Expenses - Floating Staff | 15845 | 17152 |
| (h) Contribution to Provident & Other Funds - Floating Staff | 478 | (155) |
| (i) Stores | 5082 | 5535 |
| (j) Repairs & Maintenance - Fleet | 11351 | 14024 |
| (k) Insurance & Protection Club Fees | 2884 | 3261 |
| (l) Vessel Management Expenses | - | 171 |
| (m) Sundry Operating Expenses | 608 | 1654 |
| (n) Compensation on Modification / Cancellation of Contracts | - | 171 |
| | 73592 | 103704 |

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|--|-----------------|------------------|
|--|-----------------|------------------|

Schedule "17" :**Administration & Other Expenses :**

| | | |
|---|------|-------|
| (a) Staff Expenses- | | |
| - Salaries, Allowances & Bonus | 5489 | 4674 |
| - Staff Welfare Expenses | 203 | 171 |
| - Contribution to Provident & Other Funds | 228 | 230 |
| | 5920 | 5075 |
| (b) Rent | 45 | 50 |
| (c) Insurance | 80 | 76 |
| (d) Repairs and Maintenance - | | |
| - Buildings | 67 | 57 |
| - Others | 427 | 327 |
| | 494 | 384 |
| (e) Property Taxes | 17 | 14 |
| (f) Miscellaneous Expenses | 2767 | 2430 |
| (g) Loss on Foreign Currency Transactions (net) | - | 19655 |
| (h) Loss on Sale of Current Investments | - | 457 |
| (i) Bad Debts and Advances Written off | 93 | 555 |
| | 9416 | 28696 |

Schedule "18":**Interest & Finance Charges :**

| | | |
|--|-------|-------|
| (a) Interest on Fixed Loans | 16291 | 14290 |
| (b) Other Interest | 180 | 31 |
| (c) Finance Charges | 719 | 316 |
| | 17190 | 14637 |
| Less : Pre-delivery Interest Capitalised | 2664 | 340 |
| | 14526 | 14297 |

Schedule "19":**Prior Period Adjustments :**

| | | |
|---|------|-----|
| Income-tax Adjustments of Prior Years (net) [(loss)/gain] | (75) | 294 |
| | (75) | 294 |

Schedule "20"

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 issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenses related to acquisition and borrowings cost during construction period. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of assets are adjusted to the carrying cost of the assets.

(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 and fair value and the resultant decline, if any, is charged to revenue

(e) Inventories :

Inventories of fuel oil are carried at lower of cost or net realisable value. Cost is ascertained on first-in-first out basis.

(f) Incomplete Voyages :

Incomplete voyages represent freight received and direct operating expenses in respect of voyages which were not complete as at the Balance Sheet date.

(g) Borrowing Costs :

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

(h) Revenue Recognition :

Freight and demurrage earnings are recognised on completed voyage basis. Charter hire earnings are accrued on time basis except where the charter party agreements have not been renewed/finalised, in which case it is recognised on provisional basis.

(i) Operating Expenses :

- (i) Fleet direct operating expenses are charged to revenue on completed voyage basis.
- (ii) Stores and spares delivered on board the ships are charged to revenue.
- (iii) Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred. Claims against the underwriters are accounted for on submission of average adjustment by the adjustors.

(j) Employee Benefits :

Liability is provided for retirement benefits of provident fund, superannuation, gratuity and leave encashment in respect of all eligible employees and for pension benefit to Whole-time Directors of the Company.

- (i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

Retirement benefits in the form of Gratuity and the Pension plan for Whole-time Directors are considered as defined benefit obligations and are provided for on the basis of actuarial valuations, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long Term Benefits

Long term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Profit and Loss Account.

(k) Depreciation :

- (i) Depreciation is provided so as to write off 95% of the original cost of the asset over the estimated useful life or at rates prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The basis for charging depreciation and the estimated useful life of the assets is as under :

| | | Estimated Useful life/ depreciation rate |
|--|---|--|
| Fleet | | |
| - Single Hull Tankers | Straight line over balance useful life or 5%, whichever is higher | 20 to 23 years* |
| - Double Hull Tankers | | 20 to 25 years |
| - Dry Bulk Carriers | | 23 to 30 years |
| - Gas Carriers | | 27 to 30 years |
| Leasehold Land | Straight line | Lease period |
| Ownership Flats and Buildings | Written down value | 5% |
| Furniture & Fixtures, Office Equipment, etc. | Straight line | 5 years |
| Computers | Straight line | 3 years |
| Vehicles | Straight line | 4 years |
| Plant & Machinery | Straight line | 10 years |

- (ii) Depreciation on fleet is provided on prorata basis and on Other Assets depreciation is provided for the full year on additions and no depreciation is provided in the year of disposal.
- (iii) In case of assets depreciated under the straight line method, 95% of the original cost is written off over the estimated useful life. However, if an asset continues in operation beyond the useful life, as estimated by the management, the balance cost is depreciated in the subsequent year.

(l) 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 amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 of depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

(m) Foreign Exchange Transactions :

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long-term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/liability, but not beyond March 31, 2011 by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Profit and Loss Account.

- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Profit and Loss Account, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added to or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Currency swaps which form an integral part of the loans are translated at closing rates and the resultant gains and losses are dealt with in the same manner as the translation differences of long term monetary assets and liabilities.

(n) Derivative Financial Instruments and Hedging :

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions, interest rate risk and bunker price risk. The method of recognising the resultant gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The carrying amount of a derivative designated as a hedge is presented as a current asset or a liability. The company does not enter into any derivatives for trading purposes.

Cash Flow Hedge :

Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps and commodity future contracts, that qualify as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments : Recognition and Measurement. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognised in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition.

Gains or losses on the ineffective transactions are immediately recognised in the Profit and Loss account. When a forecasted transaction is no longer expected to occur the gains and losses that were previously recognised in the Hedging Reserve are transferred to the statement of Profit and Loss immediately.

(o) Provision for Taxation :

Tax expense comprises both 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.

(p) Provisions and Contingent Liabilities :

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Schedule "21":**Notes to Accounts**

For the year ended March 31, 2011.

1. Contingent Liabilities :

| | | (RS. IN LAKHS) | |
|----------|---|----------------|---------------|
| S.R. NO. | PARTICULARS | CURRENT YEAR | PREVIOUS YEAR |
| (a) | Guarantees given by banks counter guaranteed by the Company. | 55 | 23627 |
| (b) | Guarantees by bank given on behalf of a subsidiary company. | 189 | 190 |
| (c) | Guarantees given to banks/shipyard on behalf of subsidiaries. | 69661 | 34898 |
| (d) | Sales Tax demands under BST Act for the years 1995-96,1996-97,1997-98,1998-99, 2001-02,2009-10,2010-11 against which the Company has preferred appeals. | 746 | 746 |
| (e) | Lease Tax liability in respect of a matter decided against the Company, against which the Company has filed a revision petition in the Madras High Court. | 1740 | 1740 |
| (f) | Possible obligation in respect of matters under arbitration/appeal. | - | 59 |
| (g) | Demand from the Office of the Collector & District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Company. | 434 | 434 |

2. Share Capital :

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 2,85,922 (previous year 2,85,922) right equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 [previous year 40,608] shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

3. Secured Loans :

- Term loans from banks are secured by mortgage of specific ships.
- Term loans from banks includes a syndicated loan of USD 16 million from a consortium of banks against security by way of assignment of bank deposit of USD 2.5 million and a financial covenant inter-alia, to maintain unencumbered assets of value not less than 1.25 times the said borrowing.
- 9.80% 2500 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each, redeemable on July 03, 2019, are secured by exclusive charge on ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the company.

4. Fixed Assets :

- Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. 105521 lakhs (previous year Rs. 206426 lakhs).
- The amount of exchange gains / (losses) on account of fluctuation of the rupee against foreign currencies and gains / (losses) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets and gains / (losses) on forward contracts for hedging capital commitments for acquisition of depreciable assets, deducted from the carrying amount of fixed assets during the year is Rs. 305 lakhs. Corresponding gain relating to the previous year deducted from the carrying amount of fixed assets was Rs. 31022 lakhs.
- The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- In accordance with the Accounting Standard (AS-28), during the year the Company has recognised an impairment loss of Rs. 8570 lakhs in respect of the three Very Large Crude Carriers under construction which are proposed to be sold. These assets have been impaired on account of the agreed sale price being lower than the contracted purchase price.

5. Debtors and Creditors :

Debtors and Creditors are subject to confirmation, reconciliation and adjustments, if any.

6. Cash and Bank Balance :

Balances with scheduled banks on deposit account include margin deposits of Rs. 1651 lakhs (previous year Rs. 1301 lakhs) placed with the bank, under a lien against the guarantees issued by the said bank. Balances with other banks include a deposit of Rs. 1246 lakhs (previous year Rs. 1122 lakhs) which is under lien as security against a syndicated loan.

7. Loans and Advances :

Loans and Advances include amount due from subsidiary companies :

| (RS. IN LAKHS) | | |
|--|--------------|---------------|
| PARTICULARS | CURRENT YEAR | PREVIOUS YEAR |
| The Greatship (Singapore) Pte Ltd. (Maximum Balance during the year Rs. 196 lakhs, previous year Rs. 12 lakhs). | - | 12 |
| Greatship India Ltd. (Amount less than Rs. One lakh, previous year amount less than Rs. One lakh) (Maximum Balance during the year Rs. 3 lakhs, previous year Rs. 36 lakhs) | - | - |

8. Current Liabilities :

According to the information available with the Company regarding the status of the suppliers as defined under the “Micro, Small and Medium Enterprises Development Act, 2006”, no amount is overdue as on March 31, 2011, to Micro, Small and Medium Enterprises on account of principal or interest.

9. Deferred Tax :

Pursuant to the introduction of Section 115VA 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 is assessed on the basis of the deemed Tonnage Income of the Company and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered necessary.

10. Provisions :

The Company has recognised the following provisions in its accounts in respect of obligations arising from past events, the settlement of which is expected to result in an outflow embodying economic benefits.

| (RS. IN LAKHS) | | | | |
|--|-----------------------------|---------------------------|--------------------------------|------------------------------|
| DESCRIPTION | BALANCE AS ON APRIL 1, 2010 | ADDITIONS DURING THE YEAR | REVERSED/ PAID DURING THE YEAR | BALANCE AS ON MARCH 31, 2011 |
| Manning dues and related contributions to welfare funds Provisions have been recognised for payment of arrears` of wages to officers in anticipation of wage agreements. | 39 | 140 | 39 | 140 |
| Vessel Performance/Offhire Claims Provisions have been recognised for the estimated liability for under performance of certain vessels and offhire claims under dispute. | 926 | 356 | 537 | 745 |

11. The Company has provided performance guarantees in favour of parties which have awarded a contract to the Company's wholly owned subsidiary which would require it to assume the benefits and costs of this contract in the event the subsidiary is not able to fulfill the same, in which event, the company does not expect any net liability or outflow of resources.

12. Managerial Remuneration :

- (i) Managerial Remuneration paid/payable to Directors for the year is as follows :

| (RS. IN LAKHS) | | |
|--|--------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| (a) Salaries | 472 | 431 |
| (b) Contribution to Provident fund and Superannuation fund | 127 | 116 |
| (c) Perquisites | 13 | 11 |
| (d) Commission to whole-time directors | 490 | 512 |
| (e) Commission to non-whole-time directors | 50 | 54 |
| TOTAL | 1152 | 1124 |

Notes :

The above does not include :

- Contribution to Gratuity Fund and provision for retirement leave encashment benefit as separate figures are not available in respect of the whole time directors.
 - Provision for retirement pension benefits payable Rs. (172) lakhs (previous year Rs. 35 lakhs) (on the basis of an actuarial valuation) to the whole-time directors as per the scheme approved by the Board of Directors.
- ii) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956 :

(RS. IN LAKHS)

| | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|-------|---------------|-------|
| Profit for the Year Before Tax | | 29521 | | 43196 |
| Add : Managerial Remuneration | 980 | | 1159 | |
| Prior Period Adjustments | - | | 294 | |
| Depreciation as per books | 30303 | | 34646 | |
| Impairment on ships under construction | 8570 | | - | |
| | | 39853 | | 36099 |
| | | 69374 | | 79295 |
| Less : Profit on Sale of Investments (net) | 4390 | | 1768 | |
| Prior Period Adjustments | 75 | | - | |
| Provision for Doubtful Debts and Advances Written Back (net) | 716 | | 486 | |
| Provision for Diminution in Investments Written Back (net) | - | | 284 | |
| Depreciation u/s 350 of the Companies Act, 1956 | 30303 | | 34646 | |
| Capital Profit on Sale of Fixed Assets | 603 | | 12968 | |
| | | 36087 | | 50152 |
| Eligible Net Profit as per Section 349 of the Companies Act, 1956 | | 33287 | | 29143 |
| Maximum Limit of Remuneration payable as per Section 198 read with Schedule XIII of the Companies Act, 1956 : | | | | |
| a) To Whole-time Directors @10% of eligible profit | | 3329 | | 2914 |
| b) To Non-whole-time Directors @1% of eligible profit | | 333 | | 291 |
| Total Managerial Remuneration (including commission and provision for retirement pension benefits) | | | | |
| a) To Whole-time Directors | | 930 | | 1105 |
| b) To Non-whole-time Directors | | 50 | | 54 |
| | | 980 | | 1159 |

13. Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits" :

A) Defined Contribution Plans :

The Company has recognised the following amounts in the Profit and Loss Account for the year :

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|---|--------------|---------------|
| Contribution to Employees Provident Fund | 285 | 241 |
| Contribution to Employees Superannuation Fund | 293 | 257 |
| Contribution to Employees Pension Scheme 1995 | 26 | 24 |
| Contribution to Employees Gratuity Fund | 71 | (510) |
| Contribution to Seamen's Provident Fund | 47 | 47 |
| Contribution to Seamen's Annuity Fund | 69 | 72 |
| Contribution to Seamen's Rehabilitation Fund | 57 | 62 |
| Contribution to Seamen's Gratuity Fund | 84 | (88) |

B) Defined Benefit Plans and Other Long Term Benefits :

Valuations in respect of Gratuity, Pension Plan for Whole-time Directors and 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 | | PENSION PLAN | | LEAVE ENCASHMENT | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| (a) Discount Rate (p.a.) | 7.00% | 6.00 % | 7.00% | 6.00 % | 7.00% | 6.00 % |
| (b) Rate of Return on Plan Assets | 7.00% | 6.00 % | - | - | - | - |
| (c) Salary Escalation rate | 4.00% | 4.00% | - | - | 4.00% | 4.00% |
| (d) Mortality | LIC– Ultimate 94-96 | LIC– Ultimate 94-96 | LIC– Ultimate 94-96 | LIC– Ultimate 94-96 | LIC– Ultimate 94-96 | LIC– Ultimate 94-96 |
| (e) Withdrawal rate | 0.50% | 0.50% | - | - | 0.50% | 0.50% |
| (f) Expected average remaining service (in years) | 18.24 | 17.93 | - | - | 13.23 | 13.94 |

(i) Change in Benefit Obligation :

(RS. IN LAKHS)

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Liability at the beginning of the year | 1073 | 1490 | 2089 | 2060 | 256 | 264 |
| Interest Cost | 61 | 87 | 125 | 122 | 15 | 16 |
| Current Service Cost | 195 | 151 | - | - | 119 | 91 |
| Benefits Paid | (97) | (73) | (20) | (20) | (5) | (9) |
| Actuarial (gain)/loss on obligations | 24 | (582) | (297) | (73) | (132) | (106) |
| Liability at the end of the year | 1256 | 1073 | 1897 | 2089 | 253 | 256 |

(ii) Fair value of Plan Assets :

(RS. IN LAKHS)

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Fair Value of Plan Assets at the beginning of the year | 1678 | 1044 | - | - | - | - |
| Adjustment to Opening Balance | (202) | 445 | - | - | - | - |
| Expected Return on Plan Assets | 100 | 87 | - | - | - | - |
| Employer's Contribution | - | - | 20 | 20 | 5 | 9 |
| Benefits Paid | (97) | (73) | (20) | (20) | (5) | (9) |
| Actuarial gain/(loss) on Plan Assets | 236 | 175 | - | - | - | - |
| Fair Value of Plan Assets at the end of the year | 1715 | 1678 | - | - | - | - |

(iii) Actuarial Experience Adjustment :

(RS. IN LAKHS)

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|---|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| (Gain)/loss on obligation due to change in assumption | (132) | - | - | - | (10) | - |
| Experience (gain)/loss on obligation | 156 | (582) | - | - | (123) | (106) |
| Actuarial gain/(loss) on Plan Assets | 236 | 175 | - | - | - | - |

(iv) Actual Return on Plan Assets :**(RS. IN LAKHS)**

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--------------------------------------|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Expected Return on Plan Assets | 100 | 87 | - | - | - | - |
| Actuarial gain/(loss) on Plan Assets | 236 | 175 | - | - | - | - |
| Actual Return on Plan Assets | 336 | 262 | - | - | - | - |

(v) Amount Recognised in the Balance Sheet :**(RS. IN LAKHS)**

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Liability at the end of the year | 1256 | 1073 | 1897 | 2089 | 253 | 256 |
| Fair Value of Plan Assets at the end of the year | 1715 | 1678 | - | - | - | - |
| Unrecognised past service cost | - | - | - | - | - | - |
| Amount recognised in the Balance Sheet | (459) | (605) | 1897 | 2089 | 253 | 256 |

(vi) Expenses recognised in the Profit & Loss Account :**(RS. IN LAKHS)**

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Current Service Cost | 195 | 151 | - | - | 119 | 91 |
| Interest Cost | 61 | 87 | 124 | 122 | 15 | 16 |
| Expected Return on Plan Assets | (100) | (87) | - | - | - | - |
| Net Actuarial (gain)/loss to be recognised | (212) | (757) | (296) | (73) | (132) | (106) |
| Expenses recognised in Profit and Loss Account | (56) | (606) | (172) | 49 | 2 | 1 |

(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 and 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 basic salary.

Pension Plan :

Under the Company's Pension Scheme for the whole-time Directors as approved by the Shareholders, all the whole-time Directors are entitled to the benefits of the scheme only after attaining the age of 62 years, except for retirement due to physical disability, in which case, the benefits shall start on his retirement. The benefits are in the form of monthly pension @ 50% of his last drawn monthly salary subject to maximum of Rs. 75 lakhs p.a. during his lifetime. If he predeceases the spouse, she will be paid monthly pension @ 50% of his last drawn pension during her lifetime. Benefit also include reimbursement of medical expense for self and spouse, overseas medical treatment upto Rs. 50 lakhs per illness, office space including telephone in the Company's office premises and use of Company's car including reimbursement of driver's salary and other related expenses during his lifetime.

Leave Encashment :

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed at 15 days for employees on CTC basis and at 300 days for other employees. The leave over and above 15 days for CTC employees and over 300 days for others is encashed and paid to employees as per the balance as on June 30th every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

(ix) Broad Category of Plan Assets relating to Gratuity as a percentage of total Plan Assets :

| | CURRENT YEAR | PREVIOUS YEAR |
|--------------------------------|--------------|---------------|
| Government of India securities | 7% | 7% |
| State Government securities | 3% | 4% |
| Bonds | 18% | 18% |
| HDFC Defence Fund | 72% | 71% |
| Total | 100% | 100% |

14. Auditors' Remuneration (including service tax) :

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|----------------------------------|--------------|---------------|
| Audit Fees | 33 | 33 |
| In other capacities : | | |
| - Tax Audit | 3 | 3 |
| - Taxation | 24 | 35 |
| - Certification & Other Services | 20 | 17 |
| Total | 80 | 88 |

15. Particulars of Investments Purchased and Sold During the Year :

(RS. IN LAKHS)

| | FACE VALUE | NO. OF UNITS | PURCHASE AMOUNT |
|--|------------|--------------|-----------------|
| Mutual Funds : | | | |
| AIG Quarterly Interval Fund Series II Institutional Dividend | 1,000 | 99,734 | 1000 |
| Axis Liquid Fund - Daily Dividend Reinvest | 1,000 | 55,029 | 550 |
| Axis Short Term Fund - Daily Dividend Reinvest | 10 | 2,51,82,936 | 2524 |
| Axis Short Term Fund - Institutional growth | 10 | 2,39,83,346 | 2500 |
| Baroda Pioneer Liquid Fund Institutional - Daily Dividend Reinvest | 10 | 2,17,92,770 | 2181 |
| Baroda Pioneer Liquid Fund - Institutional Growth Plan | 10 | 1,42,52,660 | 1503 |
| Baroda Pioneer PSU Bond Fund Institutional - Dividend Reinvest | 10 | 2,19,59,047 | 2205 |
| Baroda Pioneer PSU Bond Fund - Institutional Growth Plan | 10 | 1,47,64,038 | 1503 |
| Baroda Pioneer Short Term Bond Fund Institutional - Dividend Reinvest | 10 | 1,01,03,398 | 1010 |
| Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment | 10 | 25,18,01,365 | 25229 |
| Birla Sun Life Dynamic Bond Fund - Retail Plan -Monthly Dividend | 10 | 48,23,845 | 504 |
| Birla Sun Life Gilt Plus Regular - Institutional - Quarterly Dividend - Reinvestment | 10 | 75,84,536 | 900 |
| Birla Sun Life Income Plus - Quarterly Dividend - Reinvestment | 10 | 1,18,71,878 | 1377 |
| Birla Sun Life Savings Fund - Institutional -Daily Dividend | 10 | 3,93,03,028 | 3933 |
| Birla Sun Life Short Term Opportunities - Institutional - Weekly Dividend - Reinvestment | 10 | 18,55,39,100 | 18570 |
| Birla Sunlife Cash Plus Institutional Plan - Growth | 10 | 3,33,36,762 | 5082 |
| Birla Sunlife Dynamic Bond Fund - Retail - Growth | 10 | 8,11,93,829 | 12785 |
| Birla Sunlife Dynamic Bond Fund - Retail - Quarterly Dividend | 10 | 6,21,90,445 | 7011 |
| BNP Paribas Fixed Term Fund Ser 17D Div On Maturity | 10 | 3,50,00,000 | 3500 |
| BNP Paribas Flexi Debt Fund - Regular Weekly Dividend | 10 | 1,87,15,114 | 1892 |
| BNP Paribas Overnight - Institutional Plus Growth | 10 | 3,88,14,396 | 5685 |
| BNP Paribas Overnight Institutional Plus Daily Dividend | 10 | 98,37,58,376 | 98405 |
| BNP Paribas Short Term Income Fund Institutional Plus Daily Dividend | 10 | 21,68,37,590 | 21693 |

| | FACE VALUE | NO. OF UNITS | PURCHASE AMOUNT |
|---|---------------|-----------------|--------------------|
| BSL Floating Rate Fund - Weekly Dividend | 10 | 2,360 | - |
| BSL Medium Term Plan - Institutional - Weekly Dividend - Reinvestment | 10 | 1,27,00,925 | 1274 |
| BSL Medium Term Plan Institutional – Growth | 10 | 4,78,18,976 | 5000 |
| BSL Qtly Interval - Series 4 - Dividend - Reinvestment | 10 | 3,66,53,551 | 3665 |
| Canara Robeco Dynamic Bond Institutional Dividend Fund | 10 | 2,44,90,624 | 2509 |
| Canara Robeco Interval Fund Series 2 Qtly Dividend | 10 | 5,09,09,147 | 5091 |
| Canara Robeco Liquid Super Institutional - Daily Dividend | 10 | 5,22,18,430 | 5251 |
| Canara Robeco Short Term Institutional Weekly Dividend Fund | 10 | 2,52,97,794 | 2561 |
| Canara Robeco Treasury Advantage Super Institutional - Daily Dividend | 10 | 1,01,46,560 | 1259 |
| DSP Black Bond Fund - Retail - Quarterly Dividend Reinvestment | 10 | 2,64,53,740 | 2928 |
| DSP Black Government Securities Fund - Retail - Quarterly Dividend Reinvestment | 10 | 4,02,14,092 | 4758 |
| DSP Black Liquidity Fund - Institutional Plan - Daily Dividend Reinvestment | 1,000 | 19,69,631 | 19703 |
| DSP Black Rock Floating Rate Fund - Daily Dividend Reinvestment | 1,000 | 10,51,880 | 10525 |
| DSP Black Rock FMP 3M Series 22 - Dividend Reinvestment | 10 | 4,75,00,000 | 4750 |
| DSP Black Rock FMP 3M Series 23 - Dividend Reinvestment | 10 | 2,10,02,951 | 2100 |
| DSP Black Rock Short Term Fund - Weekly Dividend Reinvestment | 10 | 2,36,969 | 24 |
| DSP BR FMP 3M Series 21 - Dividend Reinvestment | 10 | 1,20,00,000 | 1200 |
| DSP BR FMP 3M Series 22 - Growth | 10 | 2,50,00,000 | 2500 |
| DSP BR Liquidity Fund - Institutional Plan -Growth | 1,000 | 3,60,874 | 5000 |
| DWS Insta Cash Plus Fund - Super Institutional Plan Daily Dividend | 10 | 14,10,90,517 | 14152 |
| DWS Money Plus Fund - Institutional Plan Monthly Dividend Plan | 10 | 4,80,47,312 | 5109 |
| DWS Treasury Fund Cash - Institutional Plan - Growth | 10 | 4,66,94,061 | 5000 |
| DWS Treasury Fund Cash - Institutional Plan Daily Dividend Plan | 10 | 27,96,46,158 | 28104 |
| DWS Treasury Fund Investment - Institutional Plan - Monthly Dividend- Reinvest Plan | 10 | 6,53,96,158 | 6540 |
| Fidelity Cash Fund (Institutional) Daily Dividend | 10 | 25,00,108 | 250 |
| Fidelity Cash Fund (Super Institutional) Daily Dividend | 10 | 7,97,84,188 | 8164 |
| Fidelity Fixed Maturity Plan Series III Plan A Dividend | 10 | 30,43,702 | 304 |
| Fidelity FMP Series 4 - Plan A - Dividend | 10 | 1,40,00,733 | 1400 |
| Fidelity Ultra Short Term Debt Fund Super Institutional Daily Dividend | 10 | 8,25,12,506 | 8255 |
| Fortis Fixed Term Fund Ser 18C Div On Maturity | 10 | 2,98,80,000 | 2988 |
| Fortis Fixed Term Fund Series 18B (Growth) | 10 | 2,50,00,000 | 2500 |
| Fortis Overnight - Institutional Plus Growth | 10 | 16,88,62,273 | 21205 |
| Fortis Short Term Income Fund - Inst.Plus - Growth | 10 | 23,35,26,085 | 24289 |
| Gold ETFs | 1,000 | 19,235 | 358 |
| HDFC Liquid Premium Plan Daily Dividend Option Reinvest | 10 | 10,60,07,453 | 12996 |
| HDFC Short Term Institutional Plus Growth | 10 | 1,39,52,723 | 2534 |
| HDFC Short Term Plan Dividend Option Reinvest | 10 | 10,05,66,261 | 10404 |
| HDFC Short Term Opportunities Fund - Dividend, Option Reinvest | 10 | 2,86,41,597 | 2864 |

| | FACE VALUE | NO. OF UNITS | PURCHASE AMOUNT |
|---|---------------|-----------------|--------------------|
| HSBC Cash Fund IP - Growth | 10 | 3,54,15,067 | 5026 |
| HSBC Floating Rate Long Term Plan Institutional Option - Growth | 10 | 9,47,55,774 | 14298 |
| HSBC Income Fund Short Term Institutional Plus - Growth | 10 | 5,02,64,958 | 5026 |
| ICICI Prudential Banking & PSU Debt Fund - Daily Dividend | 10 | 15,85,450 | 160 |
| ICICI Prudential Flexible Income Plan Growth - Growth | 100 | 67,31,054 | 11838 |
| ICICI Prudential Income Opportunities Fund Institutional Monthly Dividend Reinvest | 10 | 5,33,188 | 55 |
| ICICI Prudential Institutional Income Plan Dividend Quarterly Reinvest | 10 | 6,54,781 | 77 |
| ICICI Prudential Institutional Liquid Plan - Super Institutional Growth | 100 | 1,73,13,617 | 24250 |
| ICICI Prudential Institutional Short Term Plan - DR - Fortnightly Dividend Reinvest | 10 | 10,59,163 | 127 |
| ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Dividend Reinvest | 10 | 3,25,58,720 | 3256 |
| ICICI Prudential Interval Fund V Monthly Interval Plan Institutional Growth - Growth | 10 | 82,74,152 | 854 |
| ICICI Prudential Liquid Super Institutional Plan - Daily Dividend Reinvest | 100 | 26,50,152 | 2651 |
| ICICI Prudential Liquid Super Institutional Plan - Daily Dividend Reinvest | 10 | 4,75,94,835 | 4763 |
| ICICI Prudential Medium Term Premium Plus - Monthly Dividend | 10 | 6,78,990 | 68 |
| ICICI Prudential Banking and PSU Debt Fund Growth - Growth | 10 | 21,48,18,091 | 22156 |
| IDBI Ultra Short Term Fund Institutional Daily Dividend | 10 | 90,89,983 | 909 |
| IDFC - Savings Advantage Fund Plan A - Growth | 1,000 | 1,86,247 | 2500 |
| IDFC - SSIF - ST - Plan D - Fortnightly Dividend Reinvest - Growth | 10 | 1,30,082 | 13 |
| IDFC Cash Fund Plan Institutional Daily Dividend Fund | 10 | 6,54,91,038 | 6551 |
| IDFC Cash Fund Super Institutional Plan C - Growth | 10 | 2,15,45,223 | 2500 |
| IDFC Fixed Maturity Quarterly Series- 59 Dividend - Growth | 10 | 3,10,49,614 | 3105 |
| IDFC FMP HY Series 9 - Dividend Reinvest | 10 | 3,97,557 | 40 |
| IDFC Money Manager Fund Investment Plan Institutional Plan B - Daily Dividend Fund | 10 | 4,89,902 | 49 |
| IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvest | 1,000 | 6,42,743 | 6429 |
| IDFC Savings Advantage Fund - Plan A - Monthly Dividend Reinvest - Growth | 1,000 | 3,11,415 | 3140 |
| JP Morgan India Liquid Fund - Super Institutional Daily Dividend Plan | 10 | 1,94,86,806 | 1950 |
| JP Morgan India Liquid Fund Super Institutional Growth Plan | 10 | 1,25,85,314 | 1501 |
| JP Morgan India Short Term Income Institutional Growth Plan | 10 | 1,49,43,173 | 1501 |
| JP Morgan India Short Term Income Fund Weekly Dividend Plan | 10 | 1,20,62,142 | 1209 |
| Kotak Liquid (Institutional Premium) Daily Dividend. | 10 | 3,47,59,456 | 4250 |
| Kotak Bond Short Term - Monthly Dividend. | 10 | 52,01,717 | 525 |
| Kotak Credit Opportunities Fund Div | 10 | 12,47,50,817 | 12575 |
| Kotak Floater Long Term - Growth | 10 | 8,54,34,561 | 12540 |
| Kotak Floater Short Term - Daily Dividend. | 10 | 2,76,82,708 | 2800 |
| Kotak Floater Short Term - Growth | 10 | 5,79,19,672 | 8894 |
| Kotak Gilt (Savings) - Growth | 10 | 5,82,19,407 | 12500 |
| Kotak QIP Series 5 - Growth | 10 | 2,52,03,384 | 3026 |
| Kotak QIP Series 9 - Growth | 10 | 2,67,79,102 | 3000 |

(RS. IN LAKHS)

| | FACE VALUE | NO. OF UNITS | PURCHASE AMOUNT |
|---|---------------|-----------------|--------------------|
| Kotak Quarterly Interval Plan S6 - Dividend. | 10 | 2,80,04,381 | 2800 |
| Reliance Fixed Horizon Fund XV Series 2 - Dividend Plan | 10 | 2,50,00,000 | 2500 |
| Reliance Liquid Fund - Cash Plan - Daily Dividend Plan | 10 | 2,09,38,538 | 2333 |
| Reliance Liquid Fund Cash Plan Growth | 10 | 44,89,971 | 700 |
| Reliance Liquidity Fund - Daily Dividend Plan | 10 | 16,28,03,454 | 16289 |
| Reliance Liquidity Fund Growth | 10 | 1,81,94,738 | 2535 |
| Reliance Medium Term Fund - Daily Dividend Plan | 10 | 6,98,58,228 | 11943 |
| Reliance Medium Term Retail Plan Growth Plan Growth Option | 10 | 1,32,09,440 | 2535 |
| Reliance Quarterly Interval Fund - Series II - Institutional- Dividend Plan | 10 | 2,02,58,873 | 2027 |
| Reliance Quarterly Interval Fund Series III Institutional Growth Option | 10 | 5,28,38,088 | 6608 |
| Religare Active Income Fund Institutional Growth | 10 | 6,80,15,636 | 6976 |
| Religare Liquid Fund Super Institutional Daily Dividend | 10 | 2,79,84,586 | 2801 |
| Religare Liquid Super IP Growth | 10 | 5,34,99,885 | 6975 |
| Religare Overnight Fund - Dividend | 10 | 2,00,24,440 | 2002 |
| SBI - Magnum Insta Cash Fund - Daily Dividend Option | 10 | 2,98,56,717 | 5001 |
| SBI SDFS 180 Days -11 Growth Plan | 10 | 2,50,00,000 | 2500 |
| SBI SDFS 90 Days -36 Growth Plan | 10 | 2,50,60,000 | 2506 |
| SBI SDFS 90 Days 36 Dividend | 10 | 60,00,000 | 600 |
| SBNPP Flexible Fund ST Institutional Daily Div. - Reinvest | 10 | 1,21,13,631 | 1216 |
| SBNPP Money Fund Super Institutional Daily Div. - Reinvest | 10 | 1,18,88,074 | 1200 |
| Sundaram Interval Fund Quarterly Plan E Institutional Dividend | 10 | 1,23,82,357 | 1238 |
| Tata Liquid Fund Ship-Growth | 1,000 | 2,79,826 | 5000 |
| Tata Liquid Super High Investment Fund - Daily Dividend | 1,000 | 1,34,659 | 1501 |
| Tata Treasury Manager Ship - Daily Dividend | 1,000 | 12,48,098 | 12610 |
| Tata Treasury Manager Ship -Growth | 1,000 | 6,03,155 | 6674 |
| UTI Dynamic Bond Fund Growth Plan | 10 | 5,06,23,682 | 5099 |
| UTI Fixed Income Fund HY IP II - Dividend Reinvest Fund | 10 | 5,13,12,491 | 5132 |
| UTI Fixed Income Interval Fund Monthly Interval Plan II - Dividend Reinvest Fund | 10 | 2,52,24,095 | 2523 |
| UTI Liquid Cash Plan - Daily Dividend Reinvest Fund | 1,000 | 7,99,559 | 8151 |
| UTI Liquid Cash Plan - Institutional Growth | 1,000 | 9,70,299 | 14992 |
| UTI Short Term Income Fund Institutional - Income Option - Reinvest | 10 | 2,44,38,528 | 2491 |
| UTI Short Term Income Fund - Institutional Income Option Growth Plan | 10 | 5,36,86,471 | 5818 |
| UTI-Fixed Income Interval Fund - Series II - Quarterly Interval Plan IV - Institutional Dividend Plan | 10 | 2,53,89,421 | 2539 |
| UTI-Fixed Income Interval Fund- Series II - Quarterly Interval Plan V - Institutional Dividend Plan | 10 | 3,76,09,264 | 3761 |

16. Hedging Contracts :

The Company uses foreign exchange forward contracts, currency & interest rate swaps and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts, currency & interest rate swaps and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts, currency & interest rate swaps and options for trading or speculation purposes.

The Company also uses commodity futures contracts for hedging the exposure to bunker price risk.

1. Derivative Instruments Outstanding :

i) Cash Flow Hedges :

(a) Commodity Futures Contracts for Import of Bunker :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|------|---------------|------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | 4 | - | 4 | - |
| No. of units in MT under above contracts | 16500 | - | 9000 | - |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | 55 | - | 45 | - |
| Maturity Period | Upto 1 Year | - | Upto 9 Months | - |

(b) Forward Exchange Contracts :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|------|---------------|---------------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | - | - | - | 3 |
| Foreign Currency Value (USD in million) | - | - | - | 3.000 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | - | - | - | 85 |
| Maturity Period | - | - | - | Upto 5 Months |

(c) Forward Exchange Option Contracts :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|--------------|---------------|--------------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | - | 10 | - | 7 |
| Foreign Currency Value (USD in million) | - | 193.500 | - | 167.500 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | - | (4689) | - | (7382) |
| Maturity Period | - | Upto 2 Years | - | Upto 3 Years |

(d) Interest Rate Swap Contracts :

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|---|--------------|---------------|
| Total No. of contracts outstanding | 9 | 6 |
| Principal Notional Amount (USD in million) | 153.638 | 113.025 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | (3026) | (3808) |
| Maturity Period | Upto 8 Years | Upto 5 Years |

(e) Interest portion of Currency Swap Contracts :

| DETAILS | CURRENCY | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|--------------|---------------|
| Total No. of contracts outstanding | | 6 | 6 |
| Principal Notional Amount (JPY in million) | JPY/USD | 15890.535 | 18288.720 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | | (3168) | (4506) |
| Maturity Period | | Upto 7 Years | Upto 8 Years |

(f) Currency Swap Contract :

| DETAILS | CURRENCY | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|---------------|---------------|
| Total No. of contracts outstanding | | 11 | 8 |
| Principal Notional Amount (Rs. in lakhs) | INR/USD | 150000 | 120000 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | | (6400) | (2161) |
| Maturity Period | | Upto 12 Years | Upto 10 Years |

(ii) (a) Forward Exchange Contracts :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|---------------|---------------|---------------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | - | 22 | - | 11 |
| Foreign Currency Value (USD in million) | - | 107.000 | - | 28.000 |
| Maturity Period | - | Upto 6 Months | - | Upto 9 Months |

(b) Currency Swap Contracts :

| DETAILS | CURRENCY | CURRENT YEAR | PREVIOUS YEAR |
|--|----------|--------------|---------------|
| Total No. of contracts outstanding | | 6 | 6 |
| Principal Notional Amount (JPY in million) | JPY/USD | 15890.535 | 18288.720 |
| Maturity Period | | Upto 7 Years | Upto 8 Years |

2. Un-hedged Foreign Currency Exposures as on March 31 :

| DETAILS | CURRENCY | CURRENT YEAR IN MILLIONS | PREVIOUS YEAR IN MILLIONS |
|-------------------------------|----------|--------------------------|---------------------------|
| Loan Liabilities and Payables | AED | 1.393 | 1.312 |
| | AUD | 0.018 | 0.007 |
| | CAD | 0.002 | 0.001 |
| | CHF | 0.066 | 0.007 |
| | DKK | 0.544 | 0.987 |
| | EUR | 0.459 | 0.427 |
| | GBP | 0.031 | 0.017 |
| | JPY | 34.535 | 38.787 |
| | NOK | 0.327 | 0.405 |
| | SAR | 0.003 | 0.057 |
| | SEK | 0.020 | 0.107 |
| | SGD | 0.562 | 0.715 |
| | USD | 817.768 | 814.970 |
| | ZAR | - | 0.034 |
| Receivables | AED | 0.060 | 0.009 |
| | AUD | - | 0.008 |
| | DKK | - | 0.093 |
| | EUR | 0.357 | 0.308 |
| | GBP | 0.002 | 0.002 |
| | JPY | 21.406 | - |
| | NOK | - | 0.685 |
| | SAR | - | 0.050 |
| | SEK | 0.009 | 0.072 |
| | SGD | 0.032 | 0.077 |
| | USD | 3.427 | 10.967 |
| Bank Balances | AED | 0.022 | 0.127 |
| | DKK | 0.147 | 0.201 |
| | EUR | 0.175 | 5.932 |
| | GBP | 0.045 | 0.068 |
| | NOK | 0.136 | 0.193 |
| | SGD | 0.114 | 0.208 |
| | USD | 53.196 | 253.610 |

3. The above mentioned derivative contracts having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and the interest rate risk, have been designated as hedge instruments that qualify as effective cash flow hedges. The mark-to-market loss / (gain) on the foreign exchange derivative contracts outstanding as on March 31, 2011 amounting to loss of Rs. 17228 lakhs (previous year Rs. 17727 lakhs) has been recorded in the Hedging Reserve Account.

17. Segment Reporting :

The Company is only engaged in shipping business and there are no separate reportable segments as per Accounting Standard AS -17 'Segment Reporting'.

18. Related Party Disclosures :

(I) List of Related Parties

a) Parties where control exists :

Subsidiary Companies :

The Great Eastern Shipping Co. London Ltd.

The Greatship (Singapore) Pte. Ltd.

Great Eastern Chartering LLC (FZC)

Greatship (India) Ltd. and its subsidiaries :

- Greatship Global Holdings Ltd., Mauritius.
- Greatship Global Energy Services Pte Ltd., Singapore.
- Greatship Global Offshore Services Pte Ltd., Singapore.
- Greatship DOF Subsea Projects Private Ltd., India.
- Greatship Subsea Solutions Singapore Pte. Ltd., Singapore.
- Greatship Subsea Solutions Australia Pty. Ltd., Australia.
- Greatship (UK) Ltd., UK.
- Greatship Global Offshore Management Services Pte. Ltd., Singapore.

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

(i) Key Management Personnel :

Mr. K. M. Sheth - Executive Chairman

Mr. Bharat K. Sheth - Deputy Chairman and Managing Director

Mr. Ravi K. Sheth - Executive Director

(II) Transactions with Related Parties :

(RS. IN LAKHS)

| NATURE OF TRANSACTION | SUBSIDIARY COMPANIES | | KEY MANAGEMENT PERSONNEL | | TOTAL | |
|---|----------------------|---------------|--------------------------|---------------|--------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Services received | 402 | 1085 | - | - | 402 | 1085 |
| - The Greatship (Singapore) Pte Ltd. | | | | | | |
| Rs. 402 lakhs | | | | | | |
| Dividend income | 660 | 768 | - | - | 660 | 768 |
| - Greatship (India) Ltd. | | | | | | |
| Rs. 660 lakhs | | | | | | |
| Interest Income | 37 | - | - | - | 37 | - |
| - Greatship (India) Ltd. | | | | | | |
| Rs. 37 lakhs | | | | | | |
| Reimbursement of expenses | 15 | 54 | - | - | 15 | 54 |
| - Greatship (India) Ltd. | | | | | | |
| Rs. 15 lakhs | | | | | | |
| Sale of Assets | - | - | - | 1250 | - | 1250 |
| Finance Provided to | 56105 | - | - | - | 56105 | - |
| Equity/preference shares contribution - | | | | | | |
| - Greatship (India) Ltd. | | | | | | |
| Rs. 50015 lakhs | | | | | | |
| ICD given & received back - | | | | | | |
| - Greatship (India) Ltd. | | | | | | |
| Rs.6090 lakhs | | | | | | |
| Advance received and given back | 1 | - | - | - | 1 | - |
| - Greatship (India) Ltd. | | | | | | |
| Rs.1 lakh | | | | | | |

(RS. IN LAKHS)

| NATURE OF TRANSACTION | SUBSIDIARY COMPANIES | | KEY MANAGEMENT PERSONNEL | | TOTAL | |
|--|----------------------|---------------|--------------------------|---------------|--------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Remuneration | - | - | 930 | 1105 | 930 | 1105 |
| - Mr. K. M. Sheth | | | | | | |
| Rs. 294 lakhs | | | | | | |
| - Mr. Bharat K. Sheth | | | | | | |
| Rs. 513 lakhs | | | | | | |
| - Mr. Ravi K. Sheth | | | | | | |
| Rs. 123 lakhs | | | | | | |
| Guarantee letters given | 69850 | 35088 | - | - | 69850 | 35088 |
| - Greatship (India) Ltd. | | | | | | |
| Rs. 12473 lakhs | | | | | | |
| - Greatship Global Energy Services Pte. Ltd. | | | | | | |
| Rs. 57377 lakhs | | | | | | |
| Outstanding balance as on 31-03-2011: | | | | | | |
| Receivables | - | 780 | - | - | - | 780 |
| Payables | 18 | 10 | - | - | 18 | 10 |
| - The Greatship (Singapore) Pte. Ltd. | | | | | | |
| Rs. 18 lakhs | | | | | | |

Note : The significant related party transactions are disclosed separately under each transaction. Dividend payments to key management personnel and their relatives have not been considered in the above disclosure.

19. Basic and Diluted Earnings per Share :

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|---|---------------------|---------------|
| (a) Profit for the Year After Tax | 26721 | 39281 |
| (Less)/Add : Prior Period Adjustments | (75) | 294 |
| Net Profit After Tax | 26646 | 39575 |
| (b) Number of Equity Shares | | |
| (i) Basic Earning per Share | | |
| Number of Equity Shares as at the beginning of the year | 15,22,89,684 | 15,22,89,684 |
| Number of Equity Shares as at the end of the year | 15,22,89,684 | 15,22,89,684 |
| Weighted Average Number of Equity Shares | 15,22,89,684 | 15,22,89,684 |
| (ii) Diluted Earning per Share : | | |
| Weighted Average number of Equity Shares | 15,22,89,684 | 15,22,89,684 |
| Add : Rights Shares kept in abeyance | 3,26,530 | 3,26,530 |
| Weighted Average Number of Equity Shares | 15,26,16,214 | 15,26,16,214 |
| (c) Face Value of Equity Share | Rs. 10 | Rs. 10 |
| (d) Earnings per Share | | |
| - Basic | Rs. 17.50 | Rs. 25.99 |
| - Diluted | Rs. 17.46 | Rs. 25.93 |

20. The Ministry of Corporate Affairs has issued on February 8, 2011 a notification on General Exemption under Section 211 of the Companies Act 1956. Accordingly shipping companies are exempted to give information pursuant to para 4D(a), (b), (c) and (e) of Part II of Schedule VI to the Companies Act, 1956.

The Company has not remitted any amount in foreign currencies on account of dividend during the year.

21. Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.

Additional Information as Required Under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile :

I. Registration Details :

| | | | | | | | | |
|--------------------|---|---|--|---|---|---|---|---|
| Registration No. | | | | | 6 | 4 | 7 | 2 |
| State Code | | | | | | | 1 | 1 |
| Balance Sheet Date | 3 | 1 | | 0 | 3 | | 1 | 1 |

II. Capital Raised during the year :

| | | | | | | | | | | | | | | | | | | |
|--------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|
| Public Issue | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div>N</div> | <div>I</div> | <div>L</div> | Rights Issue | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div>N</div> | <div>I</div> | <div>L</div> |
| Bonus Issue | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div>N</div> | <div>I</div> | <div>L</div> | Private Placement | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div></div> | <div>N</div> | <div>I</div> | <div>L</div> |

III. Position of Mobilisation and Deployment of Funds : (RS. IN LAKHS)

| | | | | | | | | | | | | | | | | | |
|-------------------|--|--|---|---|---|---|---|---|--------------|--|--|---|---|---|---|---|---|
| Total Liabilities | | | 9 | 5 | 9 | 6 | 2 | 3 | Total Assets | | | 9 | 5 | 9 | 6 | 2 | 3 |
|-------------------|--|--|---|---|---|---|---|---|--------------|--|--|---|---|---|---|---|---|

Sources of Funds :

| | | | | | | | | | | | | | | | | | |
|-----------------|--|--|---|---|---|---|---|---|--------------------|--|--|---|---|---|---|---|---|
| Paid-up Capital | | | | 1 | 5 | 2 | 2 | 9 | Reserves & Surplus | | | 5 | 3 | 5 | 1 | 7 | 7 |
| Secured Loans | | | 2 | 3 | 6 | 5 | 8 | 2 | Unsecured Loans | | | 1 | 2 | 5 | 0 | 0 | 0 |

Application of Funds :

| | | | | | | | | | | | | | | | | | |
|--------------------|--|--|---|---|---|---|---|---|---------------------------|--|--|---|---|---|---|---|---|
| Net Fixed Assets | | | 5 | 3 | 1 | 8 | 1 | 7 | Investments | | | 3 | 3 | 0 | 2 | 3 | 1 |
| Net Current Assets | | | | 4 | 9 | 9 | 4 | 0 | Miscellaneous Expenditure | | | | | | N | I | L |
| Accumulated Losses | | | | | | | N | I | L | | | | | | | | |

IV. Performance of Company : (RS. IN LAKHS)

| | | | | | | | | | | | | | | | | | |
|----------------------------|--|--|---|---|---|---|---|---|-------------------|--|--|---|---|---|---|---|---|
| Turnover | | | 1 | 6 | 5 | 9 | 2 | 8 | Total Expenditure | | | 1 | 3 | 6 | 4 | 0 | 7 |
| Profit Before Tax | | | | 2 | 9 | 5 | 2 | 1 | Net Profit | | | | 2 | 6 | 6 | 4 | 6 |
| Earning Per Share (in Rs.) | | | | | | | | | | | | | | | | | |
| - Basic | | | | 1 | 7 | . | 5 | 0 | Dividend Rate (%) | | | | | | | 8 | 0 |
| - Diluted | | | | 1 | 7 | . | 4 | 6 | | | | | | | | | |

V. Generic Names of Three Principal Products/Services of Company (as per monetary terms) :

| | | | | | | | | |
|---------------|---|---|---|---|---|---|---|---|
| Description | S | H | I | P | P | I | N | G |
| Item Code No. | | | | | N | . | A | . |

Statement pursuant to Section 212 of the Companies Act, 1956

| Name of Subsidiary | The Great Eastern Shipping Co. London Ltd. | The Greatship (Singapore) Pte. Ltd. | The Great Eastern Chartering LLC(FZC) | Greatship (India) Limited | Greatship Global Holdings Ltd. + Pte.Ltd. \$ | Greatship Global Offshore Services Pte.Ltd. \$ | Greatship Global Energy Services Pte. Ltd. # | Greatship DOF Subsea Projects Pvt. Ltd. + Pte. Ltd.* @ | Greatship Subsea Solutions Singapore Pte. Ltd.* @ | Greatship Subsea Solutions Australia Pty Limited ** @ | Greatship (UK) Limited @ + | Greatship Global Offshore Management Services Pte. Ltd. * @ |
|---|--|-------------------------------------|---------------------------------------|---------------------------|--|--|--|--|---|---|----------------------------|---|
| Financial Year ended | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 | March 31, 2011 |
| Date from which it became a Subsidiary | July 3, 1985 | March 28, 1994 | November 1, 2004 | June 26, 2002 | May 30, 2007 | May 8, 2007 | October 23, 2006 | November 10, 2008 | August 12, 2010 | August 17, 2010 | October 29, 2010 | December 9, 2010 |
| Extent of interest of the Holding Company in the Capital of the Subsidiary | 100% | 100% | 100% | 98.01% | 98.01% | 98.01% | 98.01% | 98.01% | 98.01% | 98.01% | 98.01% | 98.01% |
| Net aggregate amount of the Subsidiary's profits less losses not dealt with in the Holding Company's Accounts (Standalone) | | | | | | | | | | | | |
| (i) Current Year | Rs.23858815 | Rs.894231 | Rs.1509995 | Rs.1183757003 | Rs.2509481 | Rs.149127464 | Rs.931209490 | Rs.3420 | Rs.13148790 | Rs.110614279 | Rs.27036611 | Rs.7592384 |
| (ii) Previous Year since it became Subsidiary | Rs.68089253 | Rs.42949197 | Rs.108926593 | Rs.1211318482 | Rs.4357966 | Rs.34392384 | Rs.231480043 | Rs.1000 | - | - | - | - |
| Net aggregate amount of the Subsidiary's profits less losses dealt with in the Holding Company's Accounts (Standalone) | | | | | | | | | | | | |
| (i) Current Year | - | - | - | - | - | - | - | - | - | - | - | - |
| (ii) Previous Year since it became Subsidiary | - | - | - | - | - | - | - | - | - | - | - | - |
| Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs, the Board of Directors of the Company has given consent for not attaching the balance sheet of the subsidiaries with the balance sheet of the Company as required under Section 212 of the Companies Act, 1956 by passing a resolution at its meeting held on May 06, 2011. | | | | | | | | | | | | |
| + Greatship Global Holdings Ltd., Greatship DOF Subsea Projects Pvt. Ltd. and Greatship (UK) Limited are wholly owned subsidiaries of Greatship (India) Limited. | | | | | | | | | | | | |
| \$ Greatship Global Offshore Services Pte. Ltd. is a wholly owned subsidiary of Greatship Global Holdings Ltd. | | | | | | | | | | | | |
| # The entire share capital of Greatship Global Energy Services Pte. Ltd. is held by Greatship (India) Limited and Greatship Global Holdings Ltd. | | | | | | | | | | | | |
| * Greatship Subsea Solutions Singapore Pte. Ltd. and Greatship Global Offshore Management Services Pte. Ltd. are wholly owned subsidiaries of Greatship Global Offshore Services Pte. Ltd. | | | | | | | | | | | | |
| ** Greatship Subsea Solutions Australia Pty Limited is a wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte. Ltd. | | | | | | | | | | | | |
| @ First financial statements are for the period from the date of incorporation till March 31, 2011. | | | | | | | | | | | | |
| For and on behalf of the Board | | | | | | | | | | | | |
| K. M. Sheth | Executive Chairman | | | | Jayesh M. Trivedi | | | | Company Secretary | | | |
| Bharat K. Sheth | Deputy Chairman & Managing Director | | | | | | | | | | | |
| Keki Mistry | Director | | | | | | | | | | | |
| Mumbai, May 06, 2011 | | | | | | | | | | | | |

Statement pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs

Rs. in lakhs

| Name of Subsidiary | The Great Eastern Shipping Co. London Ltd. | The Greatship (Singapore) Pte. Ltd. | The Great Eastern Chartering LLC (FZC) | Greatship (India) Limited | Greatship Global Holdings Ltd. | Greatship Global Offshore Services Pte.Ltd. | Greatship Global Energy Services Pte. Ltd. | Greatship DOF Subsea Projects Pvt. Ltd. | Greatship Subsea Solutions Singapore Pte. Ltd. | Greatship Subsea Solutions Australia Pty. Limited | Greatship (UK) Limited | Greatship Global Offshore Management Services Pte. Ltd. |
|--|--|-------------------------------------|--|---------------------------|--------------------------------|---|--|---|--|---|------------------------|---|
| Capital | 132 | 131 | 18 | 25451 | 99080 | 53981 | 53046 | 1 | 1338 | 1249 | 223 | 49 |
| Reserves | 437 | 478 | 11770 | 164031 | (87) | 763 | 10366 | (0.04) | 132 | (1106) | (270) | 76 |
| Total Assets | 572 | 628 | 14739 | 269730 | 116904 | 116821 | 192670 | 1 | 5584 | 1163 | 669 | 1092 |
| Total Liabilities | 572 | 628 | 14739 | 269730 | 116904 | 116821 | 192670 | 1 | 5584 | 1163 | 669 | 1092 |
| Investments (except in case of investment in subsidiaries) | - | - | - | 11444 | - | - | - | - | - | - | - | - |
| Turnover | 9 | 419 | 19101 | 76829 | - | 13131 | 30340 | - | 2878 | 1278 | - | 1154 |
| Profit/(Loss) before taxation | (239) | (9) | 15 | 14530 | (25) | 1499 | 9312 | (0.03) | 147 | (1106) | (270) | 81 |
| Provision for taxation | - | - | - | 2692 | - | 8 | - | - | 15 | - | - | 5 |
| Profit/(Loss) after taxation | (239) | (9) | 15 | 11838 | (25) | 1491 | 9312 | (0.03) | 132 | (1106) | (270) | 76 |
| Proposed dividend | - | - | - | 2118 | - | - | - | - | - | - | - | - |

Auditors' Report on the Consolidated Financial Statements of the Great Eastern Shipping Company Limited and its Subsidiaries

1. We have audited the attached consolidated Balance Sheet of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** (the Company) and its subsidiaries (collectively referred to as the "Group") as at March 31, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended annexed thereto (Consolidated Financial Statements). These Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries included in the Consolidated Financial Statement whose financial statements reflect the Group's share of total assets of Rs. 317085 lakhs as at March 31, 2011, the Group's share of total revenues of Rs. 34162 lakhs and net cash outflows amounting to Rs. 11999 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the management's certification of the unaudited financial statements, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of The Great Eastern Shipping Company Limited and its subsidiaries as at March 31, 2011;
 - (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No.: 104607W

Daraius Z. Fraser
Partner
Membership No.: 42454

Mumbai: May 6, 2011.

Consolidated Balance Sheet as at March 31, 2011.

(RS. IN LAKHS)

| | SCHEDULE | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|-----------------|------------------|
| Sources Of Funds : | | | |
| Shareholders' Funds : | | | |
| Share Capital | 1 | 15229 | 15229 |
| Application Money - Equity Shares and Warrants | | - | 591 |
| Employee stock options outstanding | | 237 | 232 |
| Reserves and Surplus | 2 | 587600 | 554925 |
| | | 603066 | 570977 |
| Minority Interest | | 3762 | - |
| Loan Funds : | | | |
| Secured Loans | 3 | 470743 | 442016 |
| Unsecured Loans | 4 | 125000 | 95000 |
| | | 595743 | 537016 |
| TOTAL | | 1202571 | 1107993 |
| Application Of Funds : | | | |
| Fixed Assets : | 5 | | |
| Gross Block | | 982864 | 854381 |
| Less : Depreciation (including impairment) | | 213935 | 214141 |
| Net Block | | 768929 | 640240 |
| Ships under Construction/Capital work-in-progress (net of impairment) | | 139502 | 110106 |
| | | 908431 | 750346 |
| Investments | 6 | 179901 | 217886 |
| Deferred Tax Assets | | 88 | 70 |
| Current Assets, Loans and Advances : | | | |
| Inventories | 7 | 10338 | 8611 |
| Sundry Debtors | 8 | 22769 | 22567 |
| Cash and Bank Balances | 9 | 132596 | 174392 |
| Other Current Assets | 10 | 662 | 1363 |
| Loans and Advances | 11 | 10346 | 11462 |
| Incomplete Voyages (net) | | 166 | 84 |
| | | 176877 | 218479 |
| Less : Current Liabilities and Provisions : | | | |
| Current Liabilities | 12 | 52432 | 61385 |
| Provisions | 13 | 10294 | 17403 |
| | | 62726 | 78788 |
| Net Current Assets | | 114151 | 139691 |
| TOTAL | | 1202571 | 1107993 |
| Significant Accounting Policies | 20 | | |
| Notes on Accounts | 21 | | |

The Schedules referred to above form an integral part of the Consolidated Balance Sheet.

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi
Company Secretary

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director

Mumbai , May 6, 2011

Consolidated Profit and Loss Account for the year ended March 31, 2011.

(RS. IN LAKHS)

| | SCHEDULE | CURRENT YEAR | PREVIOUS YEAR |
|--|-------------------------|-----------------|------------------|
| Income : | | | |
| Income from Operations | 14 | 258503 | 307551 |
| Other Income | 15 | 16766 | 24170 |
| | | 275269 | 331721 |
| Expenditure : | | | |
| Operating Expenses | 16 | 130477 | 172936 |
| Administration & Other Expenses | 17 | 17297 | 39643 |
| Interest & Finance charges | 18 | 23966 | 21227 |
| Depreciation | | 42044 | 42457 |
| Impairment Loss on ships under construction | | 8570 | - |
| | | 222354 | 276263 |
| Profit Before Tax | | 52915 | 55458 |
| Less : Provision for Taxation | | | |
| - Current Tax | | 5539 | 4571 |
| - Deferred Tax | | (18) | (70) |
| | | 5521 | 4501 |
| Profit for the Year After Tax | | 47394 | 50957 |
| (Less)/Add : Prior Period Adjustments | 19 | (75) | 319 |
| | | 47319 | 51276 |
| Less : Minority Interest | | 449 | - |
| Net Profit | | 46870 | 51276 |
| Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961 | | 6000 | 5200 |
| | | 40870 | 46076 |
| Add : Surplus Brought Forward from Previous Year | | 317776 | 289907 |
| Less : Share of Minority interest | | 180 | - |
| | | 317596 | 289907 |
| Amount Available for Appropriation | | 358466 | 335983 |
| Appropriations : | | | |
| - Transfer to General Reserve | | 3900 | 4000 |
| - Interim Dividend on Equity Shares | | 5330 | - |
| - Proposed Dividend on Equity Shares | | 6895 | 12183 |
| - Dividend Distribution Tax | | 2113 | 2024 |
| | | 18238 | 18207 |
| Balance Carried Forward | | 340228 | 317776 |
| Basic Earnings per Share (in Rs.) | 21-(Note No. 19) | 30.78 | 33.67 |
| Diluted Earnings per Share (in Rs.) | | 30.71 | 33.60 |
| Significant Accounting Policies | 20 | | |
| Notes on Accounts | 21 | | |

The Schedules referred to above form an integral part of the Consolidated Profit & Loss Account.

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi
Company Secretary

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director

Mumbai , May 6, 2011

Consolidated Cash Flow Statement for the Year Ended March 31, 2011.

| | CURRENT YEAR | (RS. IN LAKHS) PREVIOUS YEAR |
|---|-----------------------|------------------------------------|
| A. Cash Flow From Operating Activities | | |
| Net Profit Before Tax : | 52915 | 55458 |
| Adjustments For : | | |
| Prior year adjustments | - | 25 |
| Depreciation | 42044 | 42457 |
| Impairment loss on ships under construction | 8570 | - |
| Interest earned | (4174) | (6552) |
| Interest paid | 23966 | 21227 |
| Dividend received | (6252) | (3751) |
| Provision for diminution in value of investments | 626 | 943 |
| Loss written back on sale of joint venture | - | (880) |
| (Profit)/Loss on sale of investments in Joint venture | - | 456 |
| Profit on sale of investments | (4390) | (2225) |
| Profit on sale of sundry assets | 68 | (1259) |
| ESOP Costs | 10 | 43 |
| Bad debts/advances written off | (764) | 574 |
| Provision for doubtful debts | 894 | 524 |
| Provision for loss on onerous incharter hire contracts written back | (501) | (8207) |
| Deferred gain/(loss) realised | - | (7) |
| Revaluation of Foreign Currency Balances | (2514) | 12713 |
| Operating Profit Before Working Capital Changes | 110498 | 111539 |
| Adjustments For : | | |
| Trade & Other Receivables | 1536 | 8882 |
| Inventories | (1730) | 410 |
| Incomplete Voyages (net) | (451) | (1121) |
| Trade Payables | (7363) | (12063) |
| Cash Generated From Operations | 102490 | 107647 |
| Tax Paid | (4587) | (5126) |
| Net Cash From Operating Activities | 97903 | 102521 |
| B. Cash Flow From Investing Activities | | |
| Purchase of fixed assets | (256212) | (147995) |
| Sale proceeds of fixed assets (refer note1) | 47713 | 61349 |
| Purchase of Investments | (618) | (653) |
| Disposal of investment in joint venture | - | 241 |
| Profit on sale of investments | 4390 | 2225 |
| Interest received | 4866 | 7412 |
| Dividend received | 6252 | 3751 |
| Net Cash From/(Used in) Investing Activities | (193609) | (73670) |
| C. Cash Flow From Financing Activities | | |
| Proceeds from issue of equity shares | 2658 | - |
| Proceeds from long term borrowings | 140299 | 254823 |
| Proceeds from Finance Lease | - | 8349 |
| Repayments of long term borrowings | (71428) | (106610) |
| Repayment of Finance Lease | (8250) | (766) |
| Dividend paid | (18481) | (3834) |
| Dividend Distribution Tax paid | (2781) | (776) |
| Interest paid | (27873) | (21392) |
| Net Cash From/(Used In) Financing Activities | 14144 | 129794 |
| Net increase / (decrease) in cash and cash equivalents | (81562) | 158645 |
| Cash and cash equivalents as at April 1, 2010 (refer note 2) | 405594 | 247117 |
| Cash and cash equivalents of Joint Venture upto the date of sale | - | (168) |
| Cash and cash equivalents as at March 31, 2011 (refer note 2) | 324032 | 405594 |
| Note : | | |
| 1) * Profit on sale of ships, is considered as operating income, consequently the sale proceeds are net of profit on sale of ships. | | |
| 2) Cash and cash equivalents | March 31, 2011 | March 31, 2010 |
| Cash and bank balances (refer note 3) | 312497 | 392278 |
| Effect of exchange rate changes [(gain)/loss] | 11535 | 13316 |
| Cash and cash equivalents as restated | 324032 | 405594 |
| 3) Cash and cash equivalent includes : | | |
| a) Rs. 2897 lakhs (Previous year Rs. 2814 lakhs) which are under a lien as margin/security deposit against financial facilities granted by banks. | | |
| b) Rs. 179901 lakhs (Previous year Rs. 217886 lakhs) Mutual Funds which are shown under Schedule 6(b). | | |

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Darius Z. Fraser

Partner

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director

Mumbai , May 6, 2011

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2011.

| RS. IN LAKHS | | |
|--|--------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Schedule "1" : | | |
| Share Capital : | | |
| Authorised : | | |
| 30,00,00,000 Equity Shares of Rs.10 each | 30000 | 30000 |
| 20,00,00,000 Preference Shares of Rs.10 each | 20000 | 20000 |
| | 50000 | 50000 |
| Issued : | | |
| 15,27,08,445 (previous year 15,27,08,445) Equity Shares of Rs. 10 each | 15271 | 15271 |
| | 15271 | 15271 |
| Subscribed : | | |
| 15,22,92,202 (previous year 15,22,92,202) Equity Shares of Rs. 10 each | 15229 | 15229 |
| | 15229 | 15229 |
| Paid-up : | | |
| 15,22,89,684 (previous year 15,22,89,684) Equity Shares of Rs. 10 each fully paid up | 15229 | 15229 |
| | 15229 | 15229 |

Notes :

1. Out of above, 74,39,858 (previous year 74,39,858) shares are allotted as fully paid up pursuant to a contract without payment being received in cash.
2. The Paid-up Equity Share Capital includes Rs. 0.30 lakh (previous year Rs. 0.30 lakh) on account of forfeited shares and is net of Calls in Arrears Rs. 0.31 lakh (Previous year Rs. 0.31 lakh).

Schedule "2" :

Reserves And Surplus :

| (RS. IN LAKHS) | | | | |
|---|---------------------------|----------------------------|----------------------------|----------------------------|
| | AS AT APRIL, 1 2010 | ADDITIONS / ADJUSTMENTS | DEDUCTIONS/ ADJUSTMENTS | AS AT MARCH 31, 2011 |
| (a) Capital Reserve | 1598 1598 | 295 - | 6 - | 1887 1598 |
| (b) Capital Redemption Reserve | 23854 23854 | - - | - - | 23854 23854 |
| (c) Tonnage Tax Reserve Account under Section 115VT of the Income-tax Act, 1961 | 97685 92485 | 6000 5200 | 113 - | 103572 97685 |
| (d) Statutory Reserves | 10 10 | - - | 1 - | 9 10 |
| (e) Debenture Redemption Reserve | 5750 5750 | - - | - - | 5750 5750 |
| (f) Securities Premium Account | 12631 12631 | 2743 - | 2764 - | 12610 12631 |
| (g) Foreign Currency Translation Reserve | 5329 17068 | - - | 1424 11739 | 3905 5329 |
| (h) Hedging Reserve Account | (20268) (43083) | 1650 22815 | - - | (18618) (20268) |
| (i) Foreign Currency Monetary Item Translation Difference Account | 57 63 | - - | 57 6 | - 57 |

Schedule “2” :
Reserves And Surplus : (Contd.)

(RS. IN LAKHS)

| | AS AT APRIL, 1 2010 | ADDITIONS / ADJUSTMENTS | DEDUCTIONS/ ADJUSTMENTS | AS AT MARCH 31, 2011 |
|-----------------------------|--------------------------------|------------------------------|-----------------------------|--------------------------------|
| (j) General Reserve | 110503 <i>106503</i> | 3900 <i>4000</i> | - - | 114403 <i>110503</i> |
| (k) Profit And Loss Account | 317776 <i>289907</i> | 22632 <i>27869</i> | 180 - | 340228 <i>317776</i> |
| | 554925 <i>506786</i> | 37220 <i>59884</i> | 4545 <i>11745</i> | 587600 <i>554925</i> |

(Previous year figures are in italics)

Schedule “3” :

Secured Loans :

(a) Term Loans -

| | | |
|--|---------------|--------|
| - From Banks | 438239 | 392424 |
| Secured by mortgage of specific ships, assignment of bank deposit and a financial covenant to maintain unencumbered assets (refer note no. 6). | | |

(b) Non Convertible Debentures* -

| | | |
|--|--------------|-------|
| (i) Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each - - 6.05% 95 Debentures redeemed on September 20, 2010.** | - | 8733 |
| (ii) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each - - 9.80% 2500 Debenuters redeemable on July 03, 2019. | 25000 | 25000 |

*Secured by mortgage of specified immovable properties and ships.

** Liability for Debentures was net of amount recoverable from Great Offshore Limited amounting to Rs. 767 lakhs in respect of amount transferred on de-merger.

| | | |
|---|---------------|--------|
| (c) Finance Lease Payables (refer note no. 18) | 7504 | 15859 |
| | 470743 | 442016 |

Schedule “4” :

Unsecured Loans* :

Unsecured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each -

| | | |
|--|--------------|-------|
| (i) 9.75% 2500 Debentures redeemable on August 20, 2019. | 25000 | 25000 |
| (ii) 9.60% 2000 Debentures redeemable on November 10, 2019. | 20000 | 20000 |
| (iii) 9.19% 1000 Debentures redeemable on December 24, 2018. | 10000 | 10000 |
| (iv) 9.40% 1000 Debentures redeemable on January 06, 2018. | 10000 | 10000 |
| (v) 9.40% 1000 Debentures redeemable on January 06, 2019. | 10000 | 10000 |
| (vi) 9.35% 1000 Debentures redeemable on February 08, 2018. | 10000 | 10000 |
| (vii) 9.35% 1000 Debentures redeemable on February 08, 2019. | 10000 | 10000 |
| (viii) 9.70% 1000 Debentures redeemable on January 07, 2023. | 10000 | - |
| (ix) 9.70% 1000 Debentures redeemable on January 18, 2023. | 10000 | - |
| (x) 9.70% 1000 Debentures redeemable on February 02, 2021. | 10000 | - |

*The Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the Debentures.

| | |
|---------------|-------|
| 125000 | 95000 |
|---------------|-------|

Schedule "5" :

(RS. IN LAKHS)

Fixed Assets :

| P A R T I C U L A R S | COST | | | DEPRECIATION | | | | IMPAIRMENT | | NET BLOCK | |
|--|------------------------------|------------------------------|--|-------------------------------|------------------------------|--|-----------------|------------------------------|------------------------------|-----------|------------------------------|
| | AS AT APRIL 1, 2 0 1 0 | ADDITIONS FOR THE YEAR | DEDUCTIONS FOR THE YEAR [NOTE 7 (b)] | AS AT MARCH 31, 2 0 1 1 | UPTO MARCH 31, 2 0 1 0 | ADJUSTMENTS/ DEDUCTIONS FOR ASSETS SOLD/ DISCARDED | FOR THE YEAR | UPTO MARCH 31, 2 0 1 1 | AS AT APRIL 1, 2 0 1 0 | | UPTO MARCH 31, 2 0 1 1 |
| Fleet | 751227 | 138450 | 89770 | 799907 | 191413 | 41794 | 37721 | 187340 | 15755 | 15755 | 596812 |
| | 736300 | 68747 | 53820 | 751227 | 164534 | 13060 | 39939 | 191413 | 15755 | 15755 | 544059 |
| Plant & Machinery : | | | | | | | | | | | |
| - Rigs | 86997 | 79257 | 581 | 165673 | 1334 | 75 | 3180 | 4439 | - | - | 161234 |
| | - | 86997 | - | 86997 | - | 83 | 1417 | 1334 | - | - | 85663 |
| - Others | 1573 | 163 | 383 | 1353 | 508 | 187 | 290 | 611 | - | - | 742 |
| | 1201 | 759 | 387 | 1573 | 461 | 245 | 292 | 508 | - | - | 1065 |
| Land | 4935 | 1034 | - | 5969 | - | - | - | - | - | - | 5969 |
| (Freehold & Perpetual Lease) | 4935 | - | - | 4935 | - | - | - | - | - | - | 4935 |
| Ownership Flats and Buildings * | 4631 | - | - | 4631 | 1422 | - | 154 | 1576 | 135 | 135 | 2920 |
| | 4628 | 5 | 2 | 4631 | 1262 | 2 | 162 | 1422 | 135 | 135 | 3074 |
| Furniture, Fixtures and Office Equipment | 3701 | 316 | 103 | 3914 | 2772 | 92 | 400 | 3080 | - | - | 834 |
| | 3288 | 552 | 139 | 3701 | 2489 | 87 | 370 | 2772 | - | - | 929 |
| Vehicles | 1317 | 213 | 113 | 1417 | 802 | 102 | 299 | 999 | - | - | 418 |
| | 1125 | 324 | 132 | 1317 | 651 | 126 | 277 | 802 | - | - | 515 |
| S U B - T O T A L | 854381 | 219433 | 90950 | 982864 | 198251 | 42250 | 42044 | 198045 | 15890 | 15890 | 768929 |
| | 751477 | 157384 | 54480 | 854381 | 169397 | 13603 | 42457 | 198251 | 15890 | 15890 | 640240 |
| Ships under construction/Capital work-in-Progress (Net of impairment loss Rs. 8570 lakhs, previous year Rs. Nil) | | | | | | | | | | | |
| | | | | | | | | | | | 139502 |
| | | | | | | | | | | | 110106 |
| | | | | | | | | | | | 908431 |
| | | | | | | | | | | | 750346 |

Notes :

* The Ownership Flats & Buildings include Rs. 0.12 lakh (previous year Rs. 0.12 lakh), being value of shares held in various co-operative societies. (Previous year figures are in Italics)

| | | CURRENT YEAR | | PREVIOUS YEAR | |
|--|----------------------|----------------------------|-----------------|----------------------------|-----------------|
| | FACE VALUE RS. | NO. OF SHARES/ UNITS | RS. IN LAKHS | NO. OF SHARES/ UNITS | RS. IN LAKHS |
| Schedule “6” : | | | | | |
| Investments : | | | | | |
| (a) Long Term Investments : | | | | | |
| (At cost - fully paid unless stated otherwise) | | | | | |
| Equity Shares : Unquoted | | | | | |
| Seachange Maritime L.L.C. | | 11,04,000 | 5351 | 11,04,000 | 4769 |
| Less : Provision for Diminution in Value of Investment | | | 5351 | | 4769 |
| | | | - | | - |
| (b) Current Investments : | | | | | |
| (At lower of cost and fair value - fully paid) | | | | | |
| Mutual Funds : Quoted | | | | | |
| Baroda Pioneer 90Days FMP Series 1- Dividend Plan | 10 | 1,00,00,000 | 1000 | - | - |
| Benchmark Gold Bees ETF | 1000 | 91,710 | 1734 | - | - |
| Birla Sun Life Fixed Term Plan Series CO Dividend-Payout | 10 | 2,50,03,399 | 2500 | - | - |
| Birla Sun Life Short Term FMP Series 7 Growth | 10 | 2,50,00,000 | 2500 | - | - |
| DSP Black Rock Fixed Maturity Plan 3M Series 28 - Dividend Reinvestment | 10 | 4,75,00,000 | 4750 | - | - |
| DSP Black Rock FMP-12M Series 12 - Dividend Payout | 10 | 2,25,12,336 | 2251 | - | - |
| DWS Fixed Term Fund - Series 77 - Dividend Plan-Payout | 10 | 2,50,00,000 | 2500 | - | - |
| DWS Fixed Term Fund Series 79 - Growth Plan | 10 | 2,00,00,000 | 2000 | - | - |
| Fidelity Fixed Maturity Plan Series 4 - Plan E - Dividend | 10 | 3,40,00,000 | 3400 | - | - |
| ICICI Prudential Fixed Maturity Plan Series 53 - 1 Year Plan C Dividend | 10 | 5,20,00,000 | 5200 | - | - |
| ICICI Prudential Interval Fund Half Yearly Interval Plan-I Institutional Dividend | 10 | 2,72,29,752 | 2723 | - | - |
| ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Cumulative | 10 | 4,80,67,217 | 5000 | - | - |
| ICICI Prudential Interval Fund II Quaterly Interval Plan D Institutional Dividend | 10 | 1,55,00,000 | 1550 | - | - |
| ICICI Prudential Interval Fund II Quarterly Interval Plan D IP Daily Dividend Reinvestment | 10 | 1,53,09,679 | 1531 | - | - |
| IDBI FMP 90 Days Series-I (February 2011)-A- Dividend Payout | 10 | 90,89,983 | 909 | - | - |
| JP Morgan India Fixed Maturity Plan 400 D Institutional Growth Plan | 10 | 50,00,000 | 500 | - | - |
| JP Morgan India Fixed Maturity Plan 95 D Institutional Growth Plan | 10 | 2,50,00,000 | 2500 | - | - |
| Kotak Fixed Maturity Plan 6M Series 10 - Dividend | 10 | 2,50,00,000 | 2500 | - | - |
| Kotak Fixed Maturity Plan 6M Series 11 - Dividend | 10 | 2,50,00,000 | 2500 | - | - |
| Kotak Quarterly Interval Plan Series 5 - Growth | 10 | 2,52,03,384 | 3084 | - | - |
| Reliance Fixed Horizon Fund XVIII Series 6) - Daily Dividend Reinvestment | 10 | 1,50,00,000 | 1500 | - | - |
| Reliance Fixed Horizon Fund XVI Series 4 - Dividend Plan | 10 | 2,50,00,000 | 2500 | - | - |
| Reliance Fixed Horizon Fund XVI Series 5 - Dividend Plan | 10 | 5,00,00,000 | 5000 | - | - |

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|--|----------------------|--|-----------------|---|-----------------|
|--|----------------------|--|-----------------|---|-----------------|

Schedule “6” :

Investments : (Contd.)

| | | | | | |
|---|----|-------------|--------|---|---|
| Reliance Fixed Horizon Fund XVII Series 1 - Dividend Plan | 10 | 6,00,00,000 | 6000 | - | - |
| Reliance Fixed Horizon XVIII Series 1 Growth | 10 | 1,50,00,000 | 1500 | - | - |
| Reliance Monthly Interval Fund Series I - Institutional Plan - Dividend Re-Investment Plan | 10 | 1,03,10,246 | 1031 | - | - |
| Religare Fixed Maturity Plan Series IV Plan B (6 Months) Dividend | 10 | 3,00,03,680 | 3000 | - | - |
| Religare FMP Series V Plan C 3 Months Growth Plan | 10 | 2,50,00,000 | 2500 | - | - |
| SBI Debt Fund Series - 180 Days - 13 - Dividend | 10 | 5,20,00,000 | 5200 | - | - |
| SBI Debt Fund Series - 180 Days - 14 - Dividend | 10 | 4,00,00,000 | 4000 | - | - |
| SBI Debt Fund Series -180 Days -12 -Dividend | 10 | 2,50,00,000 | 2500 | - | - |
| SBI Debt Fund Series- 90 Days-40- Growth | 10 | 2,16,20,000 | 2162 | - | - |
| Tata Fixed Income Portfolio Fund Scheme C2 Regular Monthly | 10 | 3,96,52,250 | 4000 | - | - |
| Tata Fixed Maturity Plan Series 28 Scheme C - Dividend | 10 | 1,00,00,000 | 1000 | - | - |
| Tata Fixed Maturity Plan Series 28 Scheme A - Growth | 10 | 5,00,10,667 | 5001 | - | - |
| UTI Fixed Income Interval Fund - Half Yearly Interval Plan Series - I - Institutional Dividend Plan | 10 | 1,99,94,801 | 2000 | - | - |
| UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan IV Institutional Dividend Plan | 10 | 2,53,42,421 | 2534 | - | - |
| UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan VII Institutional Growth Plan | 10 | 3,71,99,865 | 3850 | - | - |
| | | | 105910 | | - |

Mutual Funds : Unquoted

| | | | | | |
|--|----|-------------|------|--------------|-------|
| Axis Short Term Fund - Daily Dividend Reinvestment | 10 | - | - | 2,16,00,560 | 2160 |
| Birla Sun Life Savings Fund - Institutional | 10 | 32,26,114 | 323 | - | - |
| Birla Sunlife Dynamic Bond Fund - Retail - Growth | 10 | - | - | 10,88,66,760 | 16855 |
| Birla Sunlife Dynamic Bond Fund - Retail Plan - Monthly Dividend | 10 | - | - | 5,18,36,137 | 5392 |
| Birla Sunlife Floating Rate Fund - Short Term Plan - Institutional Plus - Daily Dividend | 10 | 1,10,07,533 | 1101 | - | - |
| Birla Sunlife Floating Rate Fund Long Term Institutional - Growth | 10 | - | - | 4,38,86,615 | 4731 |
| Birla Sunlife Income Fund - Quarterly Dividend - Reinvestment | 10 | 3,31,88,790 | 3718 | - | - |
| Birla Sunlife Income Plus - Growth | 10 | - | - | 24,18,682 | 1000 |
| Birla Sunlife Income Plus - Quarterly Dividend Reinvestment | 10 | 16,94,901 | 200 | 38,11,495 | 428 |
| Birla Sunlife Short Term Opportunities | 10 | 1,00,28,900 | 1004 | - | - |
| BSL Floating Rate Fund - Weekly Dividend | 10 | - | - | 37,50,975 | 376 |
| BSL Interval Income Fund - Institutional - Quarterly - Series 1 - Growth | 10 | - | - | 1,00,00,000 | 1000 |
| BSL Short Term Opportunities Fund - Institutional Growth | 10 | 5,44,45,141 | 6061 | - | - |
| Canara Robeco Indigo Quarterly Dividend Fund-ISIN: INF760K01AL6 | 10 | 1,53,02,809 | 1531 | - | - |
| Canara Robeco Treasury Advantage Super IP Daily Dividend Reinvestment | 10 | 26,70,807 | 331 | - | - |

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|--|----------------------|--|-----------------|---|-----------------|
|--|----------------------|--|-----------------|---|-----------------|

Schedule “6” :

Investments : (Contd.)

| | | | | | |
|--|------|---------------------|--------------|--------------|-------|
| DSP Black Rock Short Term Fund - Weekly Dividend Reinvestment | 10 | - | - | 7,47,87,286 | 7614 |
| DWS Money Plus Fund - Institutional plan Monthly Dividend Plan | 10 | 5,09,39,672 | 5134 | - | - |
| DWS Treasury Fund Cash - Institutional Plan - Daily Dividend Plan | 10 | - | - | 5,24,22,197 | 5268 |
| DWS Treasury Fund Cash - Institutional Plan - Growth | 10 | - | - | 1,46,95,574 | 1503 |
| Fortis Flexi Debt Fund - Regular Weekly Dividend | 10 | - | - | 3,51,23,420 | 3530 |
| Fortis Overnight Institutional Plus Daily Dividend | 10 | - | - | 3,84,92,631 | 3850 |
| Fortis Overnight Institutional Plus Growth | 10 | - | - | 9,60,67,354 | 9617 |
| Fortis Short Term Income Fund Institutional Plus Daily Dividend | 10 | - | - | 11,81,89,914 | 11823 |
| HDFC Cash Management Fund - Treasury Advantge Plan Daily Dividend Reinvestment | 10 | - | - | 1,05,26,074 | 1056 |
| HDFC Liquid Fund - Premium Plan Daily Dividend Reinvestment | 10 | - | - | 40,78,902 | 500 |
| HDFC Quarterly Interval Fund - Plan C Wholesale Growth | 10 | - | - | 2,50,00,000 | 2500 |
| HDFC Short Term Institutional Plus Growth | 10 | - | - | 4,80,17,251 | 8581 |
| HDFC Short Term Plan Dividend Option Reinvestment | 10 | - | - | 6,89,35,215 | 7126 |
| ICICI Prudential Banking & PSU Debt Fund Premium Plus Daily Dividend | 10 | 90,72,474 | 914 | 4,48,72,886 | 4496 |
| ICICI Prudential Banking and PSU Debt Fund Premium Plus Growth | 10 | 14,06,75,261 | 14939 | 1,27,34,959 | 1278 |
| ICICI Prudential FRF - Plan D | 100 | 27,21,206 | 2722 | - | - |
| ICICI Prudential Gilt Fund - Investment Plan - Dividend | 10 | - | - | 2,02,90,231 | 2495 |
| ICICI Prudential Income Opportunities Fund Institutional Monthly Dividend Reinvestment | 10 | - | - | 1,49,47,552 | 1534 |
| ICICI Prudential Institutional Income Plan Dividend Quarterly Reinvestment | 10 | - | - | 2,06,76,359 | 2432 |
| ICICI Prudential Institutional Short Term Plan - Cumulative Option | 10 | - | - | 2,07,21,482 | 4000 |
| ICICI Prudential Institutional Short Term Plan - Fortnightly Dividend Reinvestment | 10 | - | - | 4,38,50,253 | 5263 |
| ICICI Prudential Medium Term Plan Premium Plus - Growth | 10 | - | - | 5,00,29,535 | 5029 |
| ICICI Prudential Medium Term Plan Premium Plus - Monthly Dividend | 10 | - | - | 3,26,92,190 | 3272 |
| IDBI Ultra Short Term Fund - Growth | 10 | 1,46,41,146 | 1500 | - | - |
| IDFC - Savings Advantage Fund Plan A - Growth | 1000 | - | - | 5,89,001 | 7600 |
| IDFC - SSIF - Short Term - Plan D - Fortnightly Dividend Reinvest | 10 | - | - | 94,63,654 | 952 |
| IDFC - SSIF - Short Term - Plan D - Growth | 10 | - | - | 4,06,97,789 | 5001 |
| IDFC Fixed Maturity Plan Half Yearly Series 9 - Dividend Reinvestment | 10 | - | - | 3,06,52,057 | 3065 |

| | FACE VALUE RS. | CURRENT YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS | PREVIOUS YEAR NO. OF SHARES/ UNITS | RS. IN LAKHS |
|--|----------------------|--|-----------------|---|-----------------|
|--|----------------------|--|-----------------|---|-----------------|

Schedule “6” :

Investments : (Contd.)

| | | | | | |
|--|------|--------------------|---------------|--------------|--------|
| IDFC Money Manager Fund Investment Plan B - Daily Dividend Fund | 10 | - | - | 2,00,32,294 | 2006 |
| IDFC Money Manager Fund Investment Plan B - Growth | 10 | - | - | 5,32,93,735 | 7544 |
| IDFC Money Manager Fund Investment Plan Institutional Plan B - Monthly Dividend Fund | 10 | 2,31,96,232 | 2335 | - | - |
| IDFC Money Manager Treasury Plan Daily Dividend Reinvestment | 10 | 46,45,996 | 468 | - | - |
| IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvestment | 1000 | 5,52,806 | 5529 | 3,60,302 | 3604 |
| Kotak Bond Short Term - Monthly Dividend | 10 | 5,12,26,451 | 5150 | 11,55,44,397 | 11633 |
| Kotak Credit Opportunities Fund - Growth | 10 | 1,69,98,599 | 1711 | - | - |
| Kotak Credit Opportunities Fund - Weekly Dividend | 10 | 4,14,37,183 | 4144 | - | - |
| Kotak Flexi Debt Institutional Plan Daily Dividend Reinvestment | 10 | 90,81,536 | 913 | - | - |
| Kotak Floater Long Term - Growth | 10 | - | - | 6,97,34,833 | 10172 |
| Kotak Gilt (Investment Regular) - Growth | 10 | - | - | 32,15,951 | 1000 |
| Kotak Quarterly Interval Plan Series 6 - Growth | 10 | - | - | 2,18,12,154 | 2500 |
| Principal Money Manager - Institutional Growth Plan | 10 | - | - | 4,76,30,388 | 5000 |
| Reliance Medium Term Fund - Daily Dividend Plan | 10 | - | - | 6,69,32,609 | 11442 |
| Reliance Medium Term Fund Daily Dividend Reinvestment | 10 | - | - | 29,31,248 | 501 |
| Reliance Medium Term Retail Plan Growth Plan | 10 | - | - | 3,98,28,454 | 7586 |
| Reliance Money Manager Fund Institution Option Daily Dividend Reinvestment | 1000 | 20,084 | 201 | 1,79,386 | 1796 |
| SBI SHF Ultra Short Term Fund Institutional Plan | 10 | - | - | 69,18,034 | 692 |
| Tata Treasury Manager Ship | 1000 | - | - | 5,79,814 | 6065 |
| Tata Treasury Manager Ship - Daily Dividend | 1000 | - | - | 2,49,269 | 2518 |
| TATA Treasury Manager SHIP Growth | 1000 | 5,98,037 | 6650 | - | - |
| UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan V Institutional Growth Plan | 10 | - | - | 2,50,02,462 | 2500 |
| UTI Floating Rate Fund (STP) Institutional Daily Dividend Reinvestment | 1000 | 15,032 | 150 | - | - |
| UTI Short Term Income Fund - Institutional Income Option - Growth Plan | 10 | 3,76,29,590 | 4078 | - | - |
| UTI Short Term Income Fund - Institutional Income Option - Reinvestment | 10 | 1,87,77,038 | 1914 | - | - |
| UTI Treasury Advantage Fund - Institutional - Daily Dividend Reinvestment | 1000 | 1,26,965 | 1270 | - | - |
| | | | 73991 | | 217886 |
| | | | 179901 | | 217886 |
| | | | 179901 | | 217886 |
| Market Value of Quoted Investment | | | 104622 | | - |
| Book Value of Quoted Investment | | | 105910 | | - |
| Book Value of Unquoted Investment (net of provisions) | | | 73991 | | 217886 |

| | CURRENT YEAR | PREVIOUS YEAR |
|--|-----------------|------------------|
| Schedule “7” : | | |
| Inventories : | | |
| (a) Stores and Spares on board Rigs | 3646 | 3526 |
| (b) Fuel Oils | 6692 | 5085 |
| | <u>10338</u> | <u>8611</u> |
| Schedule “8” : | | |
| Sundry Debtors : | | |
| (Unsecured) | | |
| (a) Debts outstanding over six months : | | |
| - Considered Good | 476 | 483 |
| - Considered Doubtful | 2153 | 2386 |
| | <u>2629</u> | <u>2869</u> |
| (b) Other Debts : | | |
| - Considered Good | 22293 | 22084 |
| - Considered Doubtful | 258 | 27 |
| | <u>22551</u> | <u>22111</u> |
| | <u>25180</u> | <u>24980</u> |
| Less : Provision for Doubtful Debts | 2411 | 2413 |
| | <u>22769</u> | <u>22567</u> |
| Schedule “9” : | | |
| Cash And Bank Balances : | | |
| (a) Cash on Hand | 7 | 6 |
| (b) Balances with Scheduled Banks : | | |
| - In Current Account | 3042 | 14113 |
| - In Deposit Account | 78273 | 120941 |
| | <u>81315</u> | <u>135054</u> |
| (c) Balances with Other Banks on Call / Deposit Accounts | 51274 | 39332 |
| | <u>132596</u> | <u>174392</u> |
| Schedule “10” : | | |
| Other Current Assets : | | |
| Interest Accrued on Deposits | 662 | 1363 |
| | <u>662</u> | <u>1363</u> |
| Schedule “11” : | | |
| Loans And Advances : | | |
| (Unsecured - considered good ,unless otherwise stated) | | |
| (a) Advances recoverable in cash or in kind or for value to be received (Net of provision for doubtful advances Rs. 692 lakhs, - previous year Rs. 715 lakhs) | 9656 | 9711 |
| (b) Agents’ Current Accounts | 57 | 297 |
| (c) Derivative Contracts Receivable | 263 | - |
| (d) Balances with Customs, Port Trust, etc. | 4 | 7 |
| (e) Advance Payment of Income-tax & Tax Deducted at Source (Net of Provision for taxation - Rs. 19172 lakhs, previous year Rs. 16939 lakhs) | 366 | 1447 |
| | <u>10346</u> | <u>11462</u> |

| | CURRENT YEAR | PREVIOUS YEAR |
|---|-----------------|------------------|
| Schedule "12" : | | |
| Current Liabilities : | | |
| (a) Sundry Creditors | | |
| - Outstanding Dues to Micro, Small and Medium Enterprises | - | - |
| - Dues to Other Creditors | 13791 | 14366 |
| (b) Advance Charter Hire | 1510 | 1613 |
| (c) Derivative Contracts Payable (net) | 19857 | 21657 |
| (d) Liabilities towards Investor Education and Protection Fund, not due | | |
| - Unpaid Dividend | 784 | 746 |
| (e) Other Liabilities | 12231 | 19045 |
| (f) Interest Accrued but not Due on Loans | 4259 | 3958 |
| | 52432 | 61385 |
| Schedule "13" : | | |
| Provisions : | | |
| (a) Proposed Dividend | 6895 | 12951 |
| (b) Provision for Dividend Distribution Tax | 1118 | 2024 |
| (c) Provision for Employee Retirement Benefits | 2281 | 2428 |
| | 10294 | 17403 |

Schedules Annexed to and forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2011.

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|--|-----------------|------------------|
| Schedule "14" : | | |
| Income From Operations : | | |
| (a) Freight and Demurrage | 85909 | 116708 |
| (b) Charter Hire | 157381 | 168945 |
| (c) Profit on Sale of Ships | 12507 | 18492 |
| (d) Compensation on Modification / Cancellation of Contracts (net) | 119 | 15 |
| (e) Gain on Foreign Currency Transactions (net) | 1173 | - |
| (f) Miscellaneous Operating Income | 1414 | 3391 |
| | 258503 | 307551 |
| Schedule "15" : | | |
| Other Income : | | |
| (a) Dividend on Current Investment | 6252 | 3751 |
| (b) Interest Earned (Gross) : | | |
| - on Term deposits | 3682 | 6386 |
| - on Call deposit | 221 | 2 |
| - Others | 271 | 164 |
| (Income-tax Deducted at Source Rs. 34 lakhs, previous year Rs. 336 lakhs) | 4174 | 6552 |
| (c) Profit on Sale of Current Investments (net) | 4390 | 2225 |
| (d) Provision for Loss on Onerous Incharter Hire Contract Written back (net) | 501 | 8207 |
| (e) Profit on Sale of Sundry Assets (net) | - | 1259 |
| (f) Miscellaneous Income | 1449 | 2176 |
| | 16766 | 24170 |
| Schedule "16": | | |
| Operating Expenses : | | |
| (a) Fuel Oil and Water | 30447 | 35794 |
| (b) Port, Light and Canal Dues | 10097 | 14810 |
| (c) Stevedoring, Despatch & Cargo Expenses | 289 | 421 |
| (d) Hire of Chartered Ships and Rigs | 31866 | 60862 |
| (e) Rig Mobilisation Expenses | 5 | 1233 |
| (f) Brokerage & Commission | 1549 | 2262 |
| (g) Agency Fees | 679 | 857 |
| (h) Wages, Bonus and Other Expenses - Floating Staff | 27147 | 25507 |
| (i) Contribution to Provident & Other Funds - Floating Staff | 534 | (121) |
| (j) Stores | 6988 | 7722 |
| (k) Repairs & Maintenance - Fleet and Rigs | 14308 | 15843 |
| (l) Insurance & Protection Club Fees | 4972 | 4890 |
| (m) Vessel Management Expenses | - | 171 |
| (n) Sundry Operating Expenses | 1596 | 2685 |
| | 130477 | 172936 |

| | CURRENT YEAR | PREVIOUS YEAR |
|--|-----------------|------------------|
|--|-----------------|------------------|

Schedule "17" :**Administration & Other Expenses :**

(a) Staff Expenses -

| | | |
|---|-------------|------|
| - Salaries, Allowances & Bonus | 8944 | 7672 |
| - Staff Welfare Expenses | 237 | 196 |
| - Contribution to Provident & Other Funds | 372 | 402 |
| | 9553 | 8270 |

| | | |
|----------|-----|-----|
| (b) Rent | 641 | 555 |
|----------|-----|-----|

| | | |
|---------------|-----|-----|
| (c) Insurance | 128 | 140 |
|---------------|-----|-----|

(d) Repairs and Maintenance -

| | | |
|-------------|------------|-----|
| - Buildings | 67 | 57 |
| - Others | 438 | 342 |
| | 505 | 399 |

| | | |
|---|----|---|
| (e) Loss on Sale of Sundry Assets (net) | 68 | - |
|---|----|---|

| | | |
|--------------------|----|----|
| (f) Property Taxes | 17 | 14 |
|--------------------|----|----|

| | | |
|----------------------------|------|------|
| (g) Miscellaneous Expenses | 5629 | 5801 |
|----------------------------|------|------|

| | | |
|---|---|-------|
| (h) Loss on Foreign Currency Transactions (net) | - | 21434 |
|---|---|-------|

| | | |
|--|-----|------|
| (i) Provision for Diminution in Value of Investments | 626 | 1932 |
|--|-----|------|

| | | |
|--|----|-----|
| (j) Bad Debts and Advances Written off | 93 | 574 |
|--|----|-----|

| | | |
|---|----|-----|
| (k) Provision for Doubtful Debts & Advances (net) | 37 | 524 |
|---|----|-----|

| | | |
|--|--------------|-------|
| | 17297 | 39643 |
|--|--------------|-------|

Schedule "18":**Interest & Finance Charges :**

| | | |
|-----------------------------|-------|-------|
| (a) Interest on Fixed Loans | 25525 | 21198 |
|-----------------------------|-------|-------|

| | | |
|--------------------|-----|----|
| (b) Other Interest | 180 | 33 |
|--------------------|-----|----|

| | | |
|---------------------|------|-----|
| (c) Finance Charges | 1314 | 794 |
|---------------------|------|-----|

| | | |
|--|--------------|-------|
| | 27019 | 22025 |
|--|--------------|-------|

| | | |
|--|------|-----|
| Less : Pre-delivery Interest Capitalised | 3053 | 798 |
|--|------|-----|

| | | |
|--|--------------|-------|
| | 23966 | 21227 |
|--|--------------|-------|

Schedule "19":**Prior Period Adjustments :**

| | | |
|---|------|-----|
| Income-tax Adjustments of Prior Years (net) [(loss)/gain] | (75) | 319 |
|---|------|-----|

| | | |
|--|-------------|-----|
| | (75) | 319 |
|--|-------------|-----|

Schedule "20":

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 and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as of the date of the financial statements and reported amounts of income and expenses during the period. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenses related to acquisition and borrowings cost during construction period. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of assets are adjusted to the carrying cost of the assets.

(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 and fair value and the resultant decline, if any, is charged to revenue.

(e) Inventories :

Inventories of fuel oil and stores & spares on rigs are carried at lower of cost or net realisable value. Cost is ascertained on first-in-first out basis for fuel oil and on weighted average basis for stores & spares on rigs.

(f) Incomplete Voyages :

Incomplete voyages represent freight received and direct operating expenses in respect of voyages which were not complete as at the Balance Sheet date.

(g) Borrowing Costs :

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

(h) Revenue Recognition :

Freight and demurrage earnings are recognised on completed voyage basis. Charter hire earnings are accrued on time basis except where the charter party agreements have not been renewed/finalised, in which case it is recognised on provisional basis.

(i) Operating Expenses :

- (i) Fleet direct operating expenses are charged to revenue on completed voyage basis.
- (ii) Stores and spares delivered on board the ships are charged to revenue. Spares on board rigs are charged to revenue on consumption basis.
- (iii) Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred. Claims against the underwriters are accounted for on submission of average adjustment by the adjustors.

(j) Leases :

- (i) Finance lease

Lease of assets where the company assumes substantially the risk and rewards of ownerships are classified as finance leases. Assets held under finance leases are recognised as assets of the company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor (net of finance charges) is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Gains arising from sale and finance leaseback of the vessel is determined based on fair values. Sale proceeds in excess of fair values and excess of fair value over sale proceeds are deferred and amortised over the minimum lease terms.

(ii) Operating lease

Lease of assets in which a significant portion of the risk and rewards of ownership are retained are classified as operating leases.

Rentals payables under operating leases are charged to income statement on a straight line basis over the term of the relevant lease.

(k) Employee Benefits :

Liability is provided for retirement benefits of provident fund, superannuation, gratuity and leave encashment in respect of all eligible employees and for pension benefit to Whole-time Directors of the Company.

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

Retirement benefits in the form of Gratuity and the Pension plan for Whole-time Directors are considered as defined benefit obligations and are provided for on the basis of actuarial valuations, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long-Term Benefits

Long-term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of the Balance Sheet.

Actuarial gain/losses, comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Profit and Loss Account.

(l) Depreciation :

- (i) Depreciation is provided so as to write off 95% of the original cost of the asset over the estimated useful life or at rates prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher. The basis for charging depreciation and the estimated useful life of the assets is as under:

| | | Estimated Useful life/ depreciation rate |
|--|---|--|
| Fleet | | |
| - Single Hull Tankers | Straight line over balance useful life or 5%, whichever is higher | 20 to 23 years* |
| - Double Hull Tankers | | 20 to 25 years |
| - Dry Bulk Carriers | | 23 to 30 years |
| - Gas Carriers | | 27 to 30 years |
| - Offshore Supply Vessels | | 25 to 30 years |
| Newly Built Rigs | Straight line | 30 years |
| Leasehold Land | Straight line | Lease period |
| Ownership Flats and Buildings | Written down value | 5% |
| Leasehold Improvements | Straight line | 5 years |
| Furniture & Fixtures, Office Equipment, etc. | Straight line | 5 years |
| Computers | Straight line | 3 years |
| Vehicles | Straight line | 4 years |
| Software | Straight line | 5 years |
| Plant & Machinery - Others | Straight line | 3 to 10 years |

- (ii) Depreciation on fleet is provided on prorata basis and on Other Assets depreciation is provided for the full year on additions and no depreciation is provided in the year of disposal.

- (iii) In case of assets depreciated under the straight line method, 95% of the original cost is written off over the estimated useful life. However, if an asset continues in operation beyond the useful life, as estimated by the management, the balance cost is depreciated in the subsequent year.

(m) 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 amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of Profit and Loss in the period in which impairment takes place.

Where an impairment loss subsequently reverses, the carrying amount of the asset 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 of depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

(n) Foreign Exchange Transactions :

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long-term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long-term asset/liability, but not beyond March 31, 2011 by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Profit and Loss Account.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Profit and Loss Account, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added to or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Currency swaps which form an integral part of the loans are translated at closing rates and the resultant gains and losses are dealt with in the same manner as the translation differences of long-term monetary assets and liabilities.

(o) Derivative Financial Instruments and Hedging :

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions, interest rate risk and bunker price risk. The method of recognising the resultant gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The carrying amount of a derivative designated as a hedge is presented as a current asset or a liability. The company does not enter into any derivatives for trading purposes.

Cash Flow Hedge :

Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps and commodity future contracts, that qualify as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments: Recognition and Measurement. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognised in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition.

Gains or losses on the ineffective transactions are immediately recognised in the Profit and Loss account. When a forecasted transaction is no longer expected to occur the gains and losses that were previously recognised in the Hedging Reserve are transferred to the statement of Profit and Loss immediately.

(p) Provision for Taxation :

Tax expense comprises both current and deferred tax.

- (i) Current income-tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws enacted or substantially enacted as at the Balance Sheet date. Income from shipping activities in India is assessed on the basis of deemed tonnage income of the Company. Foreign tax is recognised on accrual basis in accordance with the respective laws.
- (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.

(q) Provisions and Contingent Liabilities :

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Notes To Consolidated Accounts

Schedule “21”:

1) Basis of Consolidation :

The consolidated financial statements relate to The Great Eastern Shipping Company Ltd.,(GESCO) the holding Company and its subsidiaries (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”. 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.

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 end of the year. Exchange gains/(losses) arising on conversion are recognised under Foreign Currency Translation Reserve.

- 2) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2011.
- 3) The subsidiary companies considered in these consolidated financial statements are :

| SR. NO. | NAME OF THE COMPANY | COUNTRY OF INCORPORATION | % OF HOLDING | |
|---------|--|--------------------------|---------------|---------------|
| | | | CURRENT YEAR | PREVIOUS YEAR |
| 1. | The Great Eastern Shipping Co. London Ltd. | U.K. | 100% | 100% |
| 2. | The Greatship (Singapore) Pte. Ltd. | Singapore | 100% | 100% |
| 3. | The Great Eastern Chartering LLC (FZC) | U.A.E. | 100% | 100% |
| 4. | Greatship (India) Ltd. | India | 98.01% | 100% |
| 5. | Greatship Global Energy Services Pte. Ltd. (wholly owned subsidiary of Greatship (India) Ltd.) | Singapore | | |
| 6. | Greatship Global Holdings Ltd. (wholly owned subsidiary of Greatship (India) Ltd.) | Mauritius | | |
| 7. | Greatship Global Offshore Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Holdings Ltd.) | Singapore | | |
| 8. | Greatship DOF Subsea Projects Private Ltd. (wholly owned subsidiary of Greatship (India) Ltd.) | India | | |
| 9. | Greatship Subsea Solutions Singapore Pte. Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd. from current year) | Singapore | | |
| 10. | Greatship Subsea Solutions Australia Pty. Ltd. (wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte. Ltd. from current year) | Australia | | |
| 11. | Greatship (UK) Ltd. (wholly owned subsidiary of Greatship (India) Ltd. from current year) | U.K. | | |
| 12. | Greatship Global Offshore Management Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd. from current year) | Singapore | | |

4) Contingent Liabilities :

(RS. IN LAKHS)

| SR. NO. | PARTICULARS | CURRENT YEAR | PREVIOUS YEAR |
|---------|--|---------------|---------------|
| (a) | Guarantees given by banks including performance and bid bonds, counter guaranteed by the group. | 5503 | 30864 |
| (b) | Guarantees given to banks/shipyard on behalf of subsidiaries. | 283632 | 197256 |
| (c) | Sales Tax demands under BST Act for the years 1995-96, 1996-97, 1997-98, 1998-99, 2001-02, 2009-10, 2010-11 against which the Group has preferred appeals. | 746 | 746 |

(RS. IN LAKHS)

| SR. NO. | PARTICULARS | CURRENT YEAR | PREVIOUS YEAR |
|---------|---|--------------|---------------|
| (d) | Lease Tax liability in respect of a matter decided against the Group, against which the Group has filed a revision petition in the Madras High Court. | 1740 | 1740 |
| (e) | Possible obligation in respect of matters under arbitration/appeal. | - | 59 |
| (f) | Demand from the Office of the Collector & District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Group. | 434 | 434 |
| (g) | Custom Duty Payable for clearance of a vessel under DFCEC Scheme. | 882 | 882 |
| (h) | Service Tax paid in respect of a disputed liability and claimed as refund, pending with authorities (net). | - | 55 |
| (i) | Service Tax demand/notice for services provided by Drilling unit. | 2725 | - |
| (j) | Demand for Custom Duty disputed by the Group. | 12 | - |

5) Share Capital :

- (a) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 2,85,922 (previous year 2,85,922) right equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 [previous year 40,608] shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

- (b) Warrants against Share Capital :

On March 19, 2008, Greatship (India) Limited (GIL) had issued and allotted 42,07,000 warrants out of total 60,27,000 warrants approved by the shareholders, on preferential basis, to the promoter directors of GIL with an option to convert these warrants into equal numbers of equity shares of Rs. 10/- each at a price of Rs. 140.40 per equity share. On April 30, 2010, 21,03,500 warrants were converted into equal number of equity shares at the predetermined price of Rs. 140.40 per equity share and Rs. 2658 lakhs was received on conversion of warrants into equity shares. For the balance 21,03,500 warrants which were not converted, the advance amount of Rs. 295 lakhs paid at time of applying for the warrants, stood forfeited. The remaining 18,20,000 warrants out of the total approved issue were cancelled as the warrant holders conveyed their intention of not applying for the same.

6) Secured Loans :

- (a) Term loans from banks are secured by mortgage of specific ships.
- (b) Term loans from banks includes a syndicated loan of USD 16 million from a consortium of banks against security by way of assignment of bank deposit of USD 2.5 million and a financial covenant inter-alia, to maintain unencumbered assets of value not less than 1.25 times the said borrowing.
- (c) 9.80% 250 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each, redeemable on July 03, 2019 are secured by exclusive charge on ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the company.
- (d) The term loans of subsidiary companies are secured by -
- (1) First priority mortgage of vessels/rig financed.
 - (2) First assignment of the shipbuilding and engine contracts of the vessel.
 - (3) Letter of undertaking/corporate guarantee from holding company.
 - (4) Negative lien on the shares of the subsidiary Group.
 - (5) Assignment of insurances and requisition compensation.
 - (6) Assignment of earnings in the event of default.
 - (7) Charge on operating account of the vessels/rig.

7) Fixed Assets :

- (a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. 205039 lakhs [previous year Rs. 320720 lakhs].
- (b) The amount of exchange gain / (loss) on account of fluctuation of the rupee against foreign currencies and gain / (loss) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets and gains / (losses) on forward contracts for hedging capital commitments for acquisition of depreciable assets, deducted from the carrying amount of fixed assets during the year is Rs. 1528 lakhs. Corresponding gain relating to the previous year deducted from the carrying amount of fixed assets was Rs. 37576 lakhs.
- (c) The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- (d) In accordance with the Accounting Standard (AS-28), during the year the Group has recognised an impairment loss of Rs. 8570 lakhs in respect of the three Very Large Crude Carriers under construction which are proposed to be sold. These assets have been impaired on account of the agreed sale price being lower than the contracted purchase price.

8) Debtors and Creditors :

Debtors and Creditors are subject to confirmation, reconciliation and adjustments, if any.

9) Cash and Bank balances :

Balances with scheduled banks on deposit account include margin deposits of Rs. 1651 lakhs (previous year Rs. 1301 lakhs) placed with the bank under a lien against guarantees issued by the said bank. Balances with other banks include a deposit of Rs. 1246 lakhs (previous year Rs. 1122 lakhs) which is under lien as security against a syndicated loan and cash collateralised towards letter of credit facilities amounting to Rs. NIL (previous year Rs. 391 lakhs).

10) Employee Stock Options Plans :

All the ESOPs issued by Greatship (India) Limited (GIL) are in respect of GIL shares where each stock option is equivalent to one equity share. The employee stock options of the GIL are presently operated under five different Employee Stock Option Schemes ('Scheme/s') for the employees of GIL (including employees of parent company and subsidiaries). The Shareholders of GIL at their meeting held on April 23, 2010 approved the proposal to frame a new SEBI compliant Scheme – ESOP 2010 for grant of employee stock options and transfer 10,28,900 options available for future grants under the existing schemes ESOP 2007, ESOP 2007 – II, ESOP 2008 – I and ESOP 2008 - II to ESOP 2010. Subsequently, the Remuneration Committee of the Board of Directors of GIL at their meeting held on September 23, 2010 approved the new Scheme – ESOP 2010.

As on March 31, 2011, 16,33,600 options were outstanding under various ESOPs Schemes.

The details of the various Schemes and movements during the year under review are summarized as under :

| Sr. NO. | PARTICULARS | ESOP 2007 | ESOP 2007-II | ESOP 2008-I | ESOP 2008-II | ESOP 2010 |
|---------|--|----------------------------------|--------------|-------------|--|------------------------|
| 1. | Date of Grant | 10/08/07 28/01/08 05/05/09 | 28/01/08 | 12/02/08 | 23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09 18/03/10 30/04/10 | 23/09/10 |
| 2. | Date of Board Approval | 23/01/07 | 20/11/07 | 28/01/08 | 28/01/08 | 18/03/10 |
| 3. | Date of Shareholders' Approval | 27/03/07 | 21/11/07 | 31/01/08 | 31/01/08 | 23/04/10 |
| 4. | Options approved* | 10,00,000 | 2,00,000 | 1,00,000 | 17,10,000 | 10,28,900 |
| 5. | Options outstanding at the beginning of the year | 5,84,600 | 89,100 | 60,000 | 6,51,900 | - |
| 6. | Options granted during the year | - | - | - | 30/04/10 - 1,68,500 | 23/09/10 - 2,22,600 |

| SR. NO. | PARTICULARS | ESOP 2007 | ESOP 2007-II | ESOP 2008-I | ESOP 2008-II | ESOP 2010 |
|---------|--|--|--|--|--|--|
| 7. | Options cancelled/ forfeited during the year | 42,500 | - | - | 53,900 | 46,700 |
| 8. | Options Exercised during the year | - | - | - | - | - |
| 9. | Options outstanding at the end of the year | 5,42,100 | 89,100 | 60,000 | 7,66,500 | 1,75,900 |
| 10. | Exercise Price/Weighted Average Exercise Price | 100 | 100 | 100 | 135 | 135 |
| 11. | Exercise period from the date of vesting | One year from the date of vesting/listing whichever is later | One year from the date of vesting/listing whichever is later | One year from the date of vesting/listing whichever is later | One year from the date of vesting/listing whichever is later | One year from the date of vesting/listing whichever is later |
| 12. | Exercisable at end of the year | - | - | - | - | - |
| 13. | Method of Settlement | Equity/Cash | Equity | Equity | Equity/Cash | Equity |
| 14. | Vesting period from the date of grant | 20% equally over a period of five years | One year | One year | 20% equally over a period of five years | 20% equally over a period of five years |
| 15. | Vesting conditions | Continued employment with the Company (includes transfer within group companies) | Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies) | Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies) | Continued employment with the Company or subsidiaries (includes transfer within group companies) | Continued employment with the Company or subsidiaries (includes transfer within group companies) |

*10,28,900 options which were available for future grants under the schemes - ESOP 2007, ESOP 2007 - II, ESOP 2008 - I and ESOP 2008 - II have been transferred to the new scheme - ESOP 2010.

- (a) The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense / (income) amount which is the difference between exercise price of the option and the intrinsic value of shares amortised in the current year is Rs. 10 lakhs (previous year Rs. 43 lakhs). The cumulative amount of Employee Stock Option expense amortised upto March 31, 2011 of Rs. 242 lakhs is included under Shareholders' Funds in the Balance Sheet.
- (b) Had the compensation cost for the stock options outstanding as on March 31, 2011 been recognised, basis fair value method, the compensation expense to be amortised would be Rs. 93 lakhs (previous year Rs. 136 lakhs).

11) Deferred tax :

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Group has opted for computation of its income from Indian shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships is assessed on the basis of the deemed Tonnage Income and no deferred tax is applicable to such income as there are no timing differences. Deferred tax assets in respect of non-tonnage income as at the end of the year is Rs. 88 lakhs (previous year Rs. 70 lakhs).

In case of Singapore subsidiaries of Greatship (India) Ltd., future tax benefits arising from excess of tax written down value over book value of assets have not been recognised since there is no reasonable certainty of their recovery in future years. No deferred tax asset has been recognised for Mauritian Subsidiary as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

12) Provisions :

The Group has recognised the following provisions in its accounts in respect of obligations arising from past events, the settlement of which is expected to result in an outflow embodying economic benefits.

(RS. IN LAKHS)

| DESCRIPTION | BALANCE AS ON APRIL 1, 2010 | ADDITIONS DURING THE YEAR | REVERSED/ PAID DURING THE YEAR | BALANCE AS ON MARCH 31, 2011 |
|--|--------------------------------|------------------------------|-----------------------------------|---------------------------------|
| Manning dues and related contributions to welfare funds : Provisions have been recognised for payment of arrears of wages to officers in anticipation of wage agreements. | 39 | 140 | 39 | 140 |
| Vessel Performance/Offhire Claims : Provisions have been recognised for the estimated liability for under performance of certain vessels and offhire claims under dispute. | 926 | 356 | 537 | 745 |
| Provision for loss on onerous contracts : Provision for loss on onerous in charter hire contracts has been recognised for losses established on a prudent basis in respect of unavoidable vessel charter hire contract entered into by a group company for future periods over the estimated future earnings from operations of the related vessels arising from severe decline in the charter hire charges in the international freight market, which in the opinion of the management are of non-temporary nature. | 1772 | - | 1167 | 605 |

- 13) The Holding Company has provided performance guarantees in favour of parties which have awarded a contract to the one of its subsidiary which would require it to assume the benefits and costs of this contract in the event the subsidiary is not able to fulfill the same, in which event, the Holding Company does not expect any net liability or outflow of resources.

14) Employee Benefits :

(a) Defined Contribution Plans :

The Company has recognised the following amounts in the Profit and Loss Account for the year :

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|---|--------------|---------------|
| Contribution to Employees Provident Fund | 374 | 355 |
| Contribution to Employees Superannuation Fund | 312 | 266 |
| Contribution to Employees Pension Scheme 1995 | 26 | 24 |
| Contribution to Employees Gratuity Fund | 117 | (466) |
| Contribution to Seamen's Provident Fund | 47 | 47 |
| Contribution to Seamen's Annuity Fund | 69 | 72 |
| Contribution to Seamen's Rehabilitation Fund | 57 | 62 |
| Contribution to Seamen's Gratuity Fund | 84 | (88) |

(b) Defined Benefit Plans and Other Long Term Benefits :

Valuations in respect of Gratuity, Pension Plan for Whole-time Directors and 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 | | PENSION PLAN | | LEAVE ENCASHMENT | |
|---|---------------------------|--------------------|---------------------------|--------------------|---------------------------|--------------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| (a) Discount Rate (p.a.) | 7.00% to 8.00% | 6.00 % | 7.00 % | 6.00 % | 7.00% to 8.00% | 6.00 % |
| (b) Rate of Return on Plan Assets | 7.00 % | 6.00 % | - | - | - | - |
| (c) Salary Escalation rate | 4.00% to 9.00% | 4.00% to 6.00% | - | - | 4.00% to 9.00% | 4.00% to 6.00% |
| (d) Mortality | LIC-Ultimate 94-96 | LIC-Ultimate 94-96 | LIC-Ultimate 94-96 | LIC-Ultimate 94-96 | LIC-Ultimate 94-96 | LIC-Ultimate 94-96 |
| (e) Withdrawal rate | 0.50% to 5.00% | 0.50% to 15.00% | - | - | 0.50% to 5.00% | 0.50% to 5.00% |
| (f) Expected average remaining service (in years) | 10.72 to 18.24 | 5.04 to 17.93 | - | - | 11.53 to 13.23 | 11.81 to 13.94 |

(i) Change in Benefit Obligation :

(RS. IN LAKHS)

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Liability at the beginning of the year | 1132 | 1505 | 2089 | 2060 | 270 | 270 |
| Interest Cost | 65 | 88 | 125 | 122 | 16 | 16 |
| Current Service Cost | 249 | 184 | - | - | 149 | 115 |
| Benefits Paid | (97) | (73) | (20) | (20) | (8) | (9) |
| Actuarial (gain)/loss on obligations | 12 | (572) | (297) | (73) | (159) | (122) |
| Liability at the end of the year | 1361 | 1132 | 1897 | 2089 | 268 | 270 |

(ii) Fair value of Plan Assets :

(RS. IN LAKHS)

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Fair Value of Plan Assets at the beginning of the year | 1678 | 1044 | - | - | - | - |
| Adjustment to Opening Balance | (202) | 445 | - | - | - | - |
| Expected Return on Plan Assets | 100 | 87 | - | - | - | - |
| Employer's Contribution | - | - | 20 | 20 | 12 | 9 |
| Benefits Paid | (97) | (73) | (20) | (20) | (12) | (9) |
| Actuarial gain/(loss) on Plan Assets | 236 | 175 | - | - | - | - |
| Fair Value of Plan Assets at the end of the year | 1715 | 1678 | - | - | - | - |

(iii) Actual Return on Plan Assets :

(RS. IN LAKHS)

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--------------------------------------|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Expected Return on Plan Assets | 100 | 87 | - | - | - | - |
| Actuarial gain/(loss) on Plan Assets | 236 | 175 | - | - | - | - |
| Actual Return on Plan Assets | 348 | 262 | - | - | - | - |

(iv) Actuarial Experience Adjustment :**(RS. IN LAKHS)**

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|---|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| (Gain)/loss on obligation due to change in assumption | (116) | - | - | - | (9) | (16) |
| Experience (gain)/loss on obligation | 128 | (581) | - | - | (151) | (293) |
| Actuarial gain/(loss) on Plan Assets | 236 | 175 | - | - | - | - |

(v) Amount recognised in the Balance Sheet :**(RS. IN LAKHS)**

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Liability at the end of the year | 1361 | 1132 | 1897 | 2089 | 268 | 270 |
| Fair Value of Plan Assets at the end of the year | 1715 | 1678 | - | - | - | - |
| Unrecognised past service cost | (354) | - | - | - | - | - |
| Amount recognised in the Balance Sheet | (354) | (546) | 1897 | 2089 | 268 | 270 |

(vi) Expenses recognised in the Profit & Loss Account :**(RS. IN LAKHS)**

| | GRATUITY | | PENSION PLAN | | LEAVE ENCASHMENT | |
|--|--------------|---------------|--------------|---------------|------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Current Service Cost | 249 | 184 | - | - | 149 | 115 |
| Interest Cost | 65 | 88 | 124 | 122 | 16 | 16 |
| Expected Return on Plan Assets | (100) | (87) | - | - | - | - |
| Net Actuarial (Gain)/loss to be recognised | (224) | (747) | (296) | (73) | (159) | (122) |
| Expenses recognised in Profit and Loss Account | (10) | (562) | (172) | 49 | 6 | 9 |

(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 and 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 basic salary.

Pension Plan :

Under the Company's Pension Scheme for the whole-time Directors as approved by the Shareholders, all the whole-time Directors are entitled to the benefits of the scheme only after attaining the age of 62 years, except for retirement due to physical disability, in which case, the benefits shall start on his retirement. The benefits are in the form of monthly pension @ 50% of his last drawn monthly salary subject to maximum of Rs. 75 lakhs p.a. during his lifetime. If he predeceases the spouse, she will be paid monthly pension @ 50% of his last drawn pension during her lifetime. Benefit also include reimbursement of medical expense for self and spouse, overseas medical treatment upto Rs. 50 lakhs per illness, office space including telephone in the Company's office premises and use of Company's car including reimbursement of driver's salary and other related expenses during his lifetime.

Leave Encashment :

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed at 15 days for employees on CTC basis and at 300 days for

other employees. The leave over and above 15 days for CTC employees and over 300 days for others is encashed and paid to employees as per the balance as on June 30th every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

(ix) Broad Category of Plan Assets relating to Gratuity as a percentage of total Plan Assets :

| | CURRENT YEAR | PREVIOUS YEAR |
|--------------------------------|--------------|---------------|
| Government of India securities | 7% | 7% |
| State Government securities | 3% | 4% |
| Bonds | 18% | 18% |
| HDFC Defence Fund | 72% | 71% |
| Total | 100% | 100% |

15) Hedging Contracts :

The Group uses foreign exchange forward contracts, currency & interest rate swaps and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts, currency & interest rate swaps and options reduces the risk or cost to the Group and the Group does not use the foreign exchange forward contracts, currency & interest rate swaps and options for trading or speculation purposes.

The Group also uses commodity futures contracts for hedging the exposure to bunker price risk.

1) Derivative Instruments Outstanding :

i) Cash Flow Hedges :

(a) Commodity Futures Contracts for Import of Bunker :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|------|---------------|------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | 4 | - | 4 | - |
| No. of units in MT under above contracts | 16500 | - | 9000 | - |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | 55 | - | 45 | - |
| Maturity Period | Upto 1 Year | - | Upto 1 Year | - |

(b) Forward Exchange Contracts :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|--------------|---------------|-------------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | - | 1 | - | 3 |
| Foreign Currency Value (USD in million) | - | 12.000 | - | 3.000 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | - | (24) | - | 85 |
| Maturity Period | - | Upto 2 Years | - | Upto 1 Year |

(c) Cross Currency Forward Exchange Contracts :

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|--|---------------|---------------|
| Total No. of contracts outstanding | 4 | 6 |
| Cross currency Euro to US Dollars (in millions) | - | 7.170 |
| Cross currency Singapore to US Dollars (in millions) | 27.690 | 55.420 |
| Amount recognised in Hedging Reserve (loss) / gain (Rs in lakhs) | 555 | (1107) |
| Maturity Period | Upto 6 Months | Upto 1 Year |

(d) Forward Exchange Option Contracts :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|--------------|---------------|--------------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | - | 15 | - | 7 |
| Foreign Currency Value (USD in million) | - | 241.500 | - | 167.500 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | - | (4803) | - | (7382) |
| Maturity Period | - | Upto 2 Years | - | Upto 3 Years |

(e) Interest Rate Swap Contracts :

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|---|---------------|---------------|
| Total No. of contracts outstanding | 19 | 15 |
| Principal Notional Amount (USD in million) | 444.258 | 430.715 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | (5182) | (5409) |
| Maturity Period | Upto 10 Years | Upto 8 Years |

(f) Interest portion of Currency Swap Contract :

| | CURRENCY | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|--------------|---------------|
| Total No. of contracts outstanding | | 11 | 11 |
| Principal Notional Amount (JPY in million) | JPY/USD | 22514.730 | 25825.470 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | | (2847) | (4347) |
| Maturity Period | | Upto 8 Years | Upto 9 Years |

(g) Currency Swap Contract :

| | CURRENCY | CURRENT YEAR | PREVIOUS YEAR |
|---|----------|---------------|---------------|
| Total No. of contracts outstanding | | 11 | 8 |
| Principal Notional Amount (Rs. in lakhs) | INR/USD | 150000 | 120000 |
| Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs) | | (6400) | (2161) |
| Maturity Period | | Upto 12 Years | Upto 10 Years |

ii) (a) Forward Exchange Contracts :

| DETAILS | CURRENT YEAR | | PREVIOUS YEAR | |
|---|--------------|---------------|---------------|---------------|
| | PURCHASE | SALE | PURCHASE | SALE |
| Total No. of contracts outstanding | - | 22 | - | 11 |
| Foreign Currency Value (USD in million) | - | 107.000 | - | 28.000 |
| Maturity Period | - | Upto 6 Months | - | Upto 9 Months |

(b) Currency Swap Contract :

| | CURRENCY | CURRENT YEAR | PREVIOUS YEAR |
|--|----------|--------------|---------------|
| Total No. of contracts outstanding | | 11 | 11 |
| Principal Notional Amount (JPY in million) | JPY/USD | 22514.730 | 25825.470 |
| Maturity Period | | Upto 8 Years | Upto 9 Years |

2) Un-hedged Foreign Currency Exposures as on March 31 :

| | CURRENCY | CURRENT YEAR IN MILLIONS | PREVIOUS YEAR IN MILLIONS |
|-------------------------------|----------|-----------------------------|------------------------------|
| Loan liabilities and payables | AED | 1.433 | 2.542 |
| | AUD | 2.528 | 0.007 |
| | CAD | 0.002 | 0.001 |
| | CHF | 0.066 | 0.007 |
| | DKK | 0.544 | 0.987 |
| | EUR | 0.649 | 1.867 |
| | GBP | 0.091 | 0.167 |
| | JPY | 36.275 | 38.857 |
| | NOK | 0.457 | 1.485 |
| | SAR | 0.003 | 0.057 |
| | SEK | 0.040 | 0.107 |
| | SGD | 1.382 | 3.775 |
| | THB | - | 0.280 |
| | USD | 981.928 | 988.490 |
| | ZAR | 0.010 | 0.594 |
| Receivables | AED | 0.060 | 0.009 |
| | AUD | 1.980 | 0.008 |
| | DKK | - | 0.093 |
| | EUR | 0.357 | 0.308 |
| | GBP | 0.312 | 0.002 |
| | JPY | 21.406 | - |
| | NOK | - | 0.685 |
| | SAR | - | 0.050 |
| | SEK | 0.009 | 0.072 |
| | SGD | 0.282 | 0.177 |
| Bank balances | USD | 33.847 | 40.647 |
| | AED | 0.022 | 0.127 |
| | AUD | 0.140 | - |
| | DKK | 0.147 | 0.201 |
| | EUR | 0.175 | 5.932 |
| | GBP | 0.085 | 0.518 |
| | NOK | 0.136 | 0.193 |
| | SGD | 1.244 | 0.688 |
| | USD | 80.916 | 265.950 |

The un-hedged foreign currency exposures have been given in respect of currencies other than reporting currency of the respective enterprise.

The above mentioned derivative contracts having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and the interest rate risk, have been designated as hedge instruments that qualify as effective cash flow hedges. The mark-to-market loss / (gain) on the foreign exchange derivative contracts outstanding as on March 31, 2011 amounting to loss of Rs. 18646 lakhs has been recorded in the Hedging Reserve Account. The corresponding mark-to-market loss of Rs. 20276 lakhs in the previous year was recognised on settlement.

16) Segment Reporting :

a) Primary segment reporting by business segment :

(RS. IN LAKHS)

| | SHIPPING | | OFFSHORE | | TOTAL | |
|---------------------------------------|--------------|---------------|--------------|---------------|--------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR | CURRENT YEAR | PREVIOUS YEAR |
| Revenue : | | | | | | |
| Total Revenue | 184929 | 255416 | 91457 | 76305 | 276386 | 331721 |
| Less : Inter Segment Revenue | | | | | 1117 | - |
| Net Revenue | | | | | 275269 | 331721 |
| Results : | | | | | | |
| Profit/(Loss) before tax and interest | 43149 | 58637 | 33732 | 18048 | 76881 | 76685 |
| Less : Interest | | | | | 23966 | 21227 |
| Total Profit before tax | | | | | 52915 | 55458 |
| Provision for taxation : | | | | | | |
| - Current tax | | | | | 5539 | 4571 |
| - Deferred Tax | | | | | (18) | (70) |
| Profit for the year after tax : | | | | | 47394 | 50957 |
| (Less)/Add : Prior period adjustments | | | | | (75) | 319 |
| Less : Minority Interest | | | | | 449 | - |
| Net Profit | | | | | 46870 | 51276 |
| Other Information : | | | | | | |
| Assets | 813397 | 864209 | 451900 | 322572 | 1265297 | 1186781 |
| Liabilities | 415563 | 425631 | 246668 | 190173 | 662231 | 615804 |
| Capital Expenditure | 107791 | 18060 | 149608 | 57625 | 257399 | 75685 |
| Depreciation | 30306 | 34651 | 11738 | 7806 | 42044 | 42457 |

b) Secondary segment reporting by geographical segment :

(i) Segment-wise Revenue from Operations and Sales :

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|--------------------------------------|---------------|---------------|
| Revenue from customers outside India | 132527 | 171784 |
| Revenue from customers within India | 142742 | 159937 |
| Total | 275269 | 331721 |

(ii) Substantial assets of the Company are ships, which are operating across the world, in view of which they cannot be identified by any particular geographical segment.

(iii) In view of (ii) above the total cost incurred during the year, geographical segment-wise is not applicable.

17) Related Party Disclosures :**(i) List of Related Parties :**

Related parties with whom transactions have taken place during the year.

(a) Key Management Personnel :

| | | |
|---------------------|---|---|
| Mr. K. M. Sheth | - | Executive Chairman |
| Mr. Bharat K. Sheth | - | Deputy Chairman and Managing Director |
| Mr. Ravi K. Sheth | - | Executive Director |
| Mr. P. R. Naware | - | Executive Director (of Greatship (India) Ltd. and its subsidiary companies) |
| Ms. Nirja B. Sheth | - | Daughter of Deputy Chairman and Managing Director |

(ii) Transactions with Related Parties :**(RS. IN LAKHS)**

| NATURE OF TRANSACTION | KEY MANAGEMENT PERSONNEL | |
|--|--------------------------|---------------|
| | CURRENT YEAR | PREVIOUS YEAR |
| Sale of Assets | - | 1250 |
| Finance Received (equity shares) | 2658 | - |
| - Mr. Ravi K. Sheth Rs. 2658 lakhs | | |
| Remuneration | 1249 | 1376 |
| - Mr. K. M. Sheth Rs. 294 lakhs | | |
| - Mr. Bharat K. Sheth Rs. 513 lakhs | | |
| - Mr. Ravi K. Sheth Rs. 368 lakhs | | |
| - Mr. P. R. Naware Rs. 68 lakhs | | |
| - Ms. Nirja B. Sheth Rs. 6 lakhs | | |
| Note : The significant related party transactions are disclosed separately under each transaction. Dividend payments to key management personnel and their relatives have not been considered in the above disclosure. | | |

18) Leases :**Finance Lease :**

The Group had entered into lease agreements whereby the Group sold and leased back two offshore supply vessels with net book value of Rs. 8301 lakhs and Rs. 8349 lakhs respectively. The gain / (loss) arising from the sale and leaseback transactions is deferred and amortised over the lease period of 8 years.

During the current period, the Group sold the offshore supply vessel which was leased back on February 18, 2009 with net book value of Rs. 8301 lakhs and the related deferred gain balance at the disposal date was charged to Profit and Loss account.

The obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the Bareboat Charter Guarantor. The obligations in respect of vessels taken under finance lease arrangement for a period of eight years are as under :

(RS. IN LAKHS)

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|---|---------------|---------------|
| Due within one year | 1273 | 2504 |
| Due within two to five years | 4038 | 8590 |
| Due over five years | 6695 | 14527 |
| | 12006 | 25621 |
| Finance charges allocated to future periods | (4502) | (9761) |
| Representing finance lease liabilities | 7504 | 15860 |

The lease agreement entered on September 10, 2009 bearing of Rs. 8294 lakhs interest at flat rate of 10.30 % per annum. The earlier finance lease entered on February 18, 2009 of Rs. 8270 lakhs bearing interest at flat rate of 9.47 % per annum.

The gain / (loss) on the above sale and lease back transactions is deferred and amortised as under :

(RS. IN LAKHS)

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|-------------------------------|--------------|---------------|
| Deferred Gain | - | 232 |
| Deferred Loss | (177) | (218) |
| Net Deferred Gain/(Loss) | (177) | 14 |
| Transfer to income statements | 19 | (7) |
| | (158) | 7 |

Operating Lease :

- i) Operating Lease Commitments - where the Group is a lessee

The Group has taken premises on leave & license basis which is similar in substance to an operating lease. The lease has varying terms and renewal rights. The particulars of leasing arrangement are as under :

(RS. IN LAKHS)

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|--|--------------|---------------|
| a) Total Future Minimum Lease payments | | |
| - Not later than 1 year | | |
| Premises | 633 | 548 |
| Rig and Vessel | - | 17115 |
| Plant and Machinery | 180 | - |
| - Later than 1 year and not later than 5 years | | |
| Premises | 343 | 703 |
| Rig and Vessel | - | 15022 |
| Plant and Machinery | - | - |
| - Later than 5 years | | |
| Premises | - | - |
| Rig and Vessel | - | - |
| Plant and Machinery | - | - |

- b) Lease payments recognised in the statement of Profit and Loss Account for the period Rs. 16535 lakhs (previous year Rs. 47524 lakhs)

- ii) Operating Lease Commitments - where the Group is a lessor

The future minimum lease receipts of the Group under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows :

| DETAILS | CURRENT YEAR | PREVIOUS YEAR |
|------------------------------|--------------|---------------|
| Due within one year | 2085 | 4979 |
| Due within two to five years | - | 2088 |

19) Basic and Diluted Earnings Per Share :

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|---------------------------------------|--------------|---------------|
| (a) Profit for the Year After Tax | 47394 | 50957 |
| (Less)/Add : Prior Period Adjustments | (75) | 319 |
| Less : Minority Interest | 449 | - |
| Net Profit After Tax | 46870 | 51276 |

(RS. IN LAKHS)

| | CURRENT YEAR | PREVIOUS YEAR |
|---|---------------------|---------------|
| (b) Number of Equity Shares : | | |
| (i) Basic Earning per Share | | |
| Number of Equity Shares as at the beginning of the year | 15,22,89,684 | 15,22,89,684 |
| Number of Equity Shares as at the end of the year | 15,22,89,684 | 15,22,89,684 |
| Weighted Average Number of Equity Shares | 15,22,89,684 | 15,22,89,684 |
| (ii) Diluted Earning per Share : | | |
| Weighted Average Number of Equity Shares | 15,22,89,684 | 15,22,89,684 |
| Add : Rights shares kept in abeyance | 3,26,530 | 3,26,530 |
| Weighted Average Number of Equity Shares | 15,26,16,214 | 15,26,16,214 |
| (c) Face Value of Equity Share | Rs. 10 | Rs. 10 |
| (d) Earnings per Share : | | |
| - Basic | Rs. 30.78 | Rs. 33.67 |
| - Diluted | Rs. 30.71 | Rs. 33.60 |

20) Previous Year's figures have been regrouped wherever necessary to conform to current year's classification.

NOTES

[illegible]

ATTENDANCE SLIP

THE GREAT EASTERN SHIPPING CO. LTD.

Registered Office: Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL SLIP ON REQUEST

| | |
|---------|--|
| DP. ID* | |
|---------|--|

| | |
|----------------------|--|
| Registered Folio No. | |
|----------------------|--|

| | |
|------------|--|
| Client ID* | |
|------------|--|

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held :

I hereby record my presence at the 63rd Annual General Meeting of the Company held on Friday, August 05, 2011 at 3.00 p.m. at Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai - 400 020.

Signature of the shareholder or proxy

*Applicable for investors holding shares in electronic form.

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PROXY FORM

THE GREAT EASTERN SHIPPING CO. LTD.

Registered Office: Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

| | |
|---------|--|
| DP. ID* | |
|---------|--|

| | |
|----------------------|--|
| Registered Folio No. | |
|----------------------|--|

| | |
|------------|--|
| Client ID* | |
|------------|--|

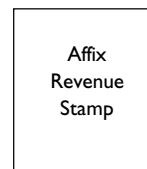
I/We
ofbeing a member/members of The Great Eastern Shipping Co. Ltd.
hereby appoint of
.....or failing him
..... of

as my/our proxy to vote for me/us and on my/our behalf at the 63rd Annual General Meeting to be held on Friday, August 05, 2011 at 3.00 p.m. or at any adjournments thereof.

Signed this day of 2011

Place :

* Applicable for investors holding shares in electronic form.



Note : This form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting. The proxy need not be a member of the Company.



The Great Eastern Shipping Company Limited
Ocean House
134/A, Dr. Annie Besant Road, Worli
Mumbai-400018, India