

Integrated Offshore Services for India's Energy Exploration. Energised to steer ahead.



GREAT OFFSHORE
Enterprise • Energy • Endurance





GREAT OFFSHORE

Board of Directors

Shri Keki M. Elavia

Chairman

Shri Kaushal Raj Sachar

Deputy Chairman

Shri Vijay Kumar

Executive Director

Shri Prakash Chandra Kapoor

Executive Director

Shri Soli C. Engineer

Executive Director

Shri Chandan Bhattacharya

Lt. Gen. Deepak Summanwar

Dr. Ram Nath Sharma

Shri Vinesh Davda

Shri Kaiwan Kalyaniwalla

Shri Chetan D. Mehra

Chief Compliance Officer & Company Secretary

Shri R. Narayanan

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Auditors

M/s Kalyaniwalla & Mistry, Chartered Accountants
Statutory Auditors

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

Registered Office

Energy House,
81, Dr. D. N. Road, Mumbai – 400 001
Telephone No: + 91 22 6635 2222
Fax no. +91 22 2267 3993
e-mail: info@greatoffshore.com
website: www.greatoffshore.com

Registrar & Share Transfer Agent

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



GREAT OFFSHORE

NOTICE

NOTICE is hereby given that the **FIFTH ANNUAL GENERAL MEETING** of the members of **GREAT OFFSHORE LIMITED** will be held on **Tuesday, August 10, 2010 at 11.30 a.m.** at M. C. Ghia Hall, 2nd floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Statement of Accounts together with Directors' Report and also the Auditors' Report thereon for the year ended March 31, 2010.
2. To declare dividend of Rs.2.50/- per equity share for the year ended March 31, 2010.
3. To appoint a director in place of Shri Kaiwan Kalyaniwalla, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a director in place of Shri Kaushal Raj Sachar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a director in place of Shri Keki M. Elavia, who retires by rotation and being eligible, offers himself for re-appointment.
6. To pass with or without modifications, the following Resolution as an Ordinary Resolution but in the event of the provisions of Section 224A of the Companies Act, 1956 becoming applicable to the Company on the date of holding of this meeting, the same will be proposed as a Special Resolution:

"RESOLVED THAT Messrs. Kalyaniwalla & Mistry, Chartered Accountants, having Registration No.104607W, be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs.22,00,000/- (Rupees Twenty Two Lakhs only) (including out-of-pocket expenses) plus service tax as applicable."

SPECIAL BUSINESS:

To pass with or without modification(s), the following resolutions:

As an Ordinary Resolution:

7. **"RESOLVED THAT** Shri Chetan D. Mehra, who was appointed as an Additional Director of the Company with effect from February 2, 2010, by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 ('the Act'), and in respect of whom a notice under Section 257 of the Act has been received from a member signifying his / her intention to propose Shri Chetan D. Mehra as a candidate to the office of Director of the Company, be and is hereby appointed as a Director of the Company whose period of office shall not be liable to determination by retirement of directors by rotation."

As a Special Resolution:

8. **"RESOLVED THAT** pursuant to the provisions of the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and Press Note dated November 27, 2008 and the Press Note F. No. 9/3/2009-ECB dated February 15, 2010, issued by the Ministry of Finance, Government of India and such other rules and regulations, circulars, clarifications, press notes as may be issued by the Reserve Bank of India or the Ministry of Finance, Government of India or any other regulator from time to time, the Board of Directors of the Company be and is hereby authorised subject to the approval of the Reserve Bank of India and other regulatory authorities, as may be applicable, to revise the conversion price, the floor price and/or the fixed exchange rate of the US\$ 42,000,000 7.25% Unsecured Foreign Currency Convertible Bonds due 2012 ('FCCBs') issued by the Company, including by amending the terms and conditions of the FCCBs, if required.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors or any other duly constituted committee of the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things



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as it may in its absolute discretion deem necessary, proper or desirable and further to do all such acts, deeds, matters and things and to finalise and execute all documents and writings as may be necessary, proper, desirable or expedient as it may deem fit and to give such directions and / or instructions as it may from time to time decide, and that all or any of the powers conferred on the Board vide this resolution may exercised by the Board of Director or such committee thereof as the Board of Directors may constitute in this behalf from time to time, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

Mumbai
June 23, 2010

By Order of the Board
For **Great Offshore Limited**

Registered Office:

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

R. Narayanan
Chief Compliance Officer
& Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument(s) appointing the proxy must be received at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the Meeting.
3. The Explanatory Statement setting out the material facts concerning Special Business in respect of Item Nos.7 and 8 of the accompanying Notice as required by Section 173 of the Companies Act, 1956, is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from July 31, 2010 to August 10, 2010 (both days inclusive) in connection with the Annual General Meeting and dividend.
5. The dividend as recommended by the Board, if declared at the meeting, will be paid on or after August 14, 2010 to those members whose names appear on the Company's Register of Members on August 10, 2010. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as on that date as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
6. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and to the Registrar & Share Transfer Agent of the Company at TSR Darashaw Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011, in respect of their physical share folios.
7. Members holding shares in electronic form may please note that their bank details as furnished by the respective Depositories to TSR Darashaw Limited will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company / TSR Darashaw Limited will not entertain any direct request from such members for deletion of / change in such bank details. Further, instructions if any, already given by them in respect of shares held in physical form will not be automatically applicable to the dividend on shares in electronic form. Members may, therefore, give instructions regarding bank accounts in which they wish to receive dividend, directly to their Depository Participants.
8. All the documents referred to in the Notice and Explanatory Statement are open for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 2.00 p.m. on any working day of the Company, until the date of the ensuing Annual General Meeting or any adjournment or adjournments thereof.
9. Members / Proxies are requested to bring the attendance slip duly filled in.
10. Re-appointment / Appointment of Directors:

Pursuant to Clause 49 (IV) (G) of the Listing Agreements with Stock Exchanges, the profile of Shri Kaiwan Kalyaniwalla, Shri Kaushal Raj Sachar and Shri Keki M. Elavia proposed to be reappointed and Shri Chetan D. Mehra proposed to be appointed are as under:



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10.1 Shri Kaiwan Kalyaniwalla

Shri Kaiwan Kalyaniwalla, aged 46 years, is a Solicitor and Advocate of the Bombay High Court and a Partner of the law firm of Maneksha & Sethna in Mumbai. He has been in practice for over 20 years. Shri Kalyaniwalla is enrolled as a Solicitor of the Supreme Court of England and Wales. He is on the Board of various Indian and foreign companies and advises private sector corporate, multinational banks, transport and logistics companies and some of the India's largest property development companies and business house. His practice is predominantly in the field of corporate laws, property laws, tax laws and general commercial laws.

Shri Kalyaniwalla has been an active member of the Managing Committee of the Bombay Incorporated Law Society.

His Directorship and Membership of committee of Board of other companies are as under:

Name of the Company	Board Position held	Committee - Membership / Chairmanship
Hindustan Cargo Limited	- Director	-
Allcargo Global Logistics Limited	- Director	Audit Committee – Member Share Transfer Committee – Member
Raheja Universal Limited	- Director	Audit Committee – Member Shareholders / Investors Grievance Committee – Member
Synchro Investment Pvt. Ltd.	- Director	-
Bombay Metals & Alloy Manufacturing Co. Pvt. Ltd.	- Director	-
Iron and Metal Traders Pvt. Ltd.	- Director	-
MHTC Logistics Pvt. Ltd.	- Director	-
Sealand Ports Private Limited	- Director	-
Avash Logistic Park Private Limited	- Director	-
Gujarat Integrated Maritime Complex Private Limited	- Director	-
Huzar Hotel Pvt. Ltd.	- Director	-
The Bombay Incorporated Law Society	- Director	-
Ecuhold NV	- Director	-
Ecu International NV	- Director	-

Shri Kaiwan Kalyaniwalla holds 100 equity shares of the Company.

10.2 Shri Kaushal Raj Sachar

Shri Kaushal Raj Sachar holds a Marine Engineering Certificate from the Directorate of Marine Engineering Training (DMET) and first class certificate (motor and steam) from the Ministry of Surface Transport, Government of India.

Shri Sachar has over 40 years of experience in shipping and offshore field. During his 34 years of service with Shipping Corporation of India (1962-1996), he has held various positions and responsibilities including as Managing Director of Irano-Hind Shipping Company, Director (Coastal Passenger Ships & Offshore Marine Services), Director (Technical & Offshore Services). Further, he has been the Managing Director of New Seltzer Diesel India Limited (June 1996 to March 1997) and Executive Director of Wartsila India Limited (April 1997 to March 2002).

Shri Sachar, who is presently Management Consultant, has been an Advisor to HAL Offshore and Iftex Company (2002-2005).

He has been a Fellow member of The Institute of Marine Engineers (India) and Fellow member of Institute of Marine Engineers Scientists & Technologists, London (I.Mar. EST London).



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Directorship and membership of committee of Board of other companies:

He is Director of Yeoman Marine Private Limited

He does not hold membership of any committee of the company in which he is a Director.

Shri Kaushal Raj Sachar does not hold any shares of the Company.

10.3 Shri Keki M. Elavia

Shri Keki M. Elavia, is a Chartered Accountant by profession having thirty five years of post qualification experience. He was associated with Kalyaniwalla & Mistry, Chartered Accountants initially as an employee from 1971 and then as a partner from 1974 till his retirement on 31st March, 2009. Shri Elavia is a director on the board of several companies and holds the position of Chairman or Member of Audit Committee in most of them. He was a member of the Corporate Governance and Audit Committee of the Hongkong and Shanghai Banking Corporation, Mumbai and a member of a number of expert committees of various Chambers of Commerce as well as an elected member of the governing council of the Indo-French Chamber of Commerce and Industry.

His Directorship and Membership of committee of Board of other companies are as under:

Name of the Company	Board Position held	Committee - Membership / Chairmanship
Allcargo Global Logistic Limited	- Director	Audit Committee – Chairman
Goa Carbon Limited	- Director	Audit Committee – Member
Grover Vineyards Limited	- Alternate Director	-
NRB Bearings Limited	- Director	Audit Committee – Member
Suzler India Limited	- Director	Audit Committee – Chairman
		Share Transfer and Investors' Grievance Committee – Member
Uni-Abex Alloy Products Limited	- Director	Audit Committee – Chairman
Uni Deritend Limited	- Director	-
Uni Klinger Limited	- Director	-
Insilco Limited	- Director	Audit Committee – Member
Peerless Trust Management Company Limited	- Director	Audit Committee – Chairman
Uni VTL Engineering Private Limited	- Director & Chairman of the Board	-
Parazelsus India Private Limited	- Director	-
Great Offshore (International) Limited	- Director	-

Shri Keki M. Elavia does not hold any shares of the Company.

10.4 Shri Chetan D. Mehra

Shri Chetan D. Mehra, aged 44, who holds a Bachelor Degree in Science, is the Managing Director of Weizmann Ltd., the flagship company of Weizmann Group engaged in Textile Processing and Exports, full Fledged Money Changers and Western Union Money Transfer Business.

Shri Mehra, who has over 24 years of experience in export of textiles, money changing, money transfer businesses, housing & consumer finance and wind farm and hydro power development, has been actively involved over a decade in guiding Weizmann Group companies in Renewable Energy Sector primarily wind power and hydro power.

He has organised setting up of over 30 MW capacity wind farms in various parts of the country. He is also involved in setting up of 18 MW hydel project.

He is actively associated with Industry Bodies like Renewable Energy Developers Association of Maharashtra, Indian Wind Power Association and World Institute of Sustainable Energy.

He is son-in-law of Shri Prakash Chandra Kapoor, Executive Director of the Company.



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His Directorship and Membership of committee of Board of other companies are as under:

Name of the Company	Board Position held
Weizmann Limited	- Managing Director
Weizmann Corporate Services Limited	- Managing Director
Almi Hydro-Electric Projects Limited	- Director
Batot Hydro Power Limited	- Director
Brahmanvel Energy Limited	- Director
Chikmaglur Energy Projects Limited	- Director
Dabripada Energy Limited	- Director
Karma Energy Limited	- Director
Khandesh Energy Projects Limited	- Director
Kondaibari Energy Limited	- Director
Siul-Baroti Hydro Projects Limited	- Director
Vedang Tours And Travels Limited	- Director
Weizmann Forex Limited	- Director
Windia Infrastructure Finance Limited	- Director
Advitiya Power Ventures Private Limited	- Director
Dahivel Energy Private Limited	- Director
Eco-Friendly Energy Projects Private Limited	- Director
Greenearth Energy Projects Private Limited	- Director
Greenpower Energy Projects Private Limited	- Director
Inspeed Power Private Limited	- Director
Karma Wind Power Private Limited	- Director
Malgaon Energy Projects Private Limited	- Director
Pawanraj Energy Private Limited	- Director
Sanchay Properties Private Limited	- Director
Samarth Multitrade Private Limited	- Director
Sarvodaya Properties Private Limited	- Director
Truwind Power Private Limited	- Director
Vayuputra Urja Projects Private Limited	- Director
Vayuraj Power Ventures Private Limited	- Director
Vikalp Urja Private Limited	- Director

He does not hold membership of any committee of the companies in which he is a Director.

Shri Chetan D. Mehra holds 2 equity shares of the Company.

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

ATTENTION

The members holding shares in physical form are requested to update their correspondence / mailing address for prompt service from your Company.

The request for updation of correspondence / mailing address may please be sent to the Company or to the Company's Registrar & Share Transfer Agent, TSR Darashaw Limited at the following address.

Company

Great Offshore Limited

Secretarial Department
Energy House, 81, Dr. D. N. Road,
Mumbai – 400 001
Ph. No.: (022) 6635 2222
Fax No.: (022) 2267 3993

Registrar & Share Transfer Agents

TSR Darashaw Limited

(Unit: Great Offshore Limited)
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011
Tel. No.: (022) 6656 8484
Fax No.: (022) 6656 8496



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ANNEXURE TO NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956 ("the Act")

The following Explanatory Statement relating to Special Business at Item Nos. 7 and 8 of the accompanying Notice set out all material facts as required under Section 173 of the Act.

Item No. 7

Shri Chetan D. Mehra was appointed as an Additional Director by the Board of Directors at its meeting held on February 2, 2010. Shri Chetan D. Mehra hold office of Director upto the date of the ensuing Annual General Meeting in terms of Section 260 of the Act read with Article 148 of the Articles of Association of your Company.

Your Company has received notice under Section 257 of the Act together with requisite deposit, from member signifying his / her intention to propose Shri Chetan D. Mehra as candidate to the office of Director of the Company as a Director whose period of office shall not be liable to determination by retirement of Director by rotation.

None of the Directors of the Company other than Shri Chetan D. Mehra and Shri Prakash Chandra Kapoor are concerned or interested in the resolution of his appointment.

Your Directors commend the passing of the resolution at Item No. 7 of the accompanying Notice.

Item No.8

The Company had on October 5, 2007 issued US\$ 42,000,000 7.25% Unsecured Foreign Currency Convertible Bonds due 2012 ('FCCBs'). The Ministry of Finance, Government of India, has issued a Press Note on February 15, 2010, whereby companies which had issued Foreign Currency Convertible Bonds prior to November 27, 2008 have been permitted to revise the conversion price of such foreign currency convertible bonds in accordance with the pricing norms introduced on November 27, 2008.

Pursuant to the aforesaid press notes, the Company proposes to revise the conversion price, the floor price and / or the fixed exchange rate taking into account for translating the principal amount of the FCCBs from US Dollars into Indian Rupees of one or all of the FCCBs including, if required, by amending the terms and conditions of the FCCBs, as it would be beneficial for the Company.

The proposed transaction will help the Company in aligning its capital structure across all debt holders, in having the flexibility to combat the medium term challenges in its business environment, in removing the threat of acceleration on all its debt facilities or reducing the debt liability and in having a significant cash net savings. This would also provide the Company necessary financial flexibility in the current business environment. One of the conditions as set out in the Press Note for revision of the conversion prices of the FCCBs is that the shareholders of the Company must pass a resolution to this effect.

The shareholders at the Annual General Meeting held on August 29, 2007 have already approved under Section 81(1A) of the Companies Act, 1956, as amended, further issuance of equity shares and / or FCCBs and / or GDR and / or IDR and / or FCD and / or such other equity linked instruments and / or any other instruments and / or combination of instruments to the extent of Rs.350 Crores. The Company confirms that any issuance of equity shares pursuant to the reduction and possible conversion will be within such thresholds already approved by the shareholders of the Company.

Further, the Board of Directors to be authorised to do all such acts, deeds, matters and things as it may in its, absolute discretion deem necessary, proper or desirable for the proposed transaction.

None of the Directors of the Company are in any way deemed to be concerned or interested in the said Resolution.

Your Directors commend the passing of the special resolution at Item No. 8 of the accompanying Notice.

By Order of the Board
For **Great Offshore Limited**

R. Narayanan
Chief Compliance Officer
& Company Secretary

Mumbai
June 23, 2010

Registered Office:

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



GREAT OFFSHORE

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting herewith the Fifth Annual Report and Audited Accounts of the Company for the year ended March 31, 2010.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2009-10	2008-09
Total Income	1,01,349	95,282
Total Expenditure	82,127	71,692
Profit before tax	19,222	23,590
Less / Add: Provision for Tax		
i. Current	760	2,459
ii. Deferred	940	(129)
iii. Fringe Benefit Tax	-	150
iv. Prior years	60	-
Profit for the year after tax	17,462	21,110
Add: Write back of Proposed dividend on bought back	-	44
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961	4,000	4,000
Add: Surplus brought forward from previous year	13,760	16,868
Amount available for appropriation	27,222	34,022
Appropriation		
i. Transfer to Capital Redemption Reserve	-	15,098
ii. Transfer to General Reserve	2,000	2,500
iii. Preference Share Dividend	-	1,349
iv. Proposed Dividend on Equity Shares	931	928
vi. Tax on Dividend	-	387
Balance Carried Forward	24,291	13,760

During the financial year 2009-10, the Company (on a standalone basis) recorded a total income of Rs. 101,349 lakhs, a rise of 6.37% and earned a PBIDT of Rs.43,262 lakhs.

DIVIDEND

Your Directors are pleased to recommend a dividend of Rs.2.50 per equity share for the financial year 2009-10 aggregating an outflow of Rs. 931 lakhs, subject to the approval of the shareholders at the ensuing Annual General Meeting.

SHARE CAPITAL

During the year under review, the Company on October 31, 2009 issued and allotted 91,017 equity shares on part conversion of 7.25% Foreign Currency Convertible Bonds aggregating to USD 2,000,000 at pre-determined fixed conversion price of Rs.875/- per share.

FINANCE & ACCOUNTS

The observations made by the Auditors in their Report have been clarified in the relevant notes forming part of the Accounts, which are self explanatory.



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CORPORATE DEVELOPMENT

During the year under review, SBI Capital Markets Ltd. on behalf of Natural Power Ventures Pvt. Ltd. (the Acquirer) alongwith Bharati Shipyard Ltd. and Dhanshree Properties Pvt. Ltd. (together referred to as the Persons Acting in Concert with the Acquirer) (collectively hereinafter referred to as “BSL Group”) and Kotak Mahindra Capital Company Ltd. on behalf of Eleventh Land Developers Pvt. Ltd. (Acquirer) alongwith ABG Shipyard Ltd (referred to as the Person Acting in Concert with the Acquirer) (collectively hereinafter referred to as “ABG Group”) made a public announcements (the open offers) for acquisition of equity shares of your Company and final offer price was Rs.590/- per share (BSL Group) and Rs.520/- per share (ABG Group).

Both the aforesaid offers opened on December 3, 2009 and closed on December 22, 2009. BSL Group acquired 78,26,788 equity shares (21.02% of paid up capital) and ABG Group acquired 56,54,889 equity shares (15.19% of paid-up share capital) under their respective Open Offers.

As on March 31, 2010, BSL Group holds 1,83,14,352 equity shares (49.19% of paid-up share capital) and as on date of approving this Report BSL Group holds 1,85,14,352 equity shares (49.73% of paid-up share capital).

PERFORMANCE OF SUBSIDIARY COMPANIES

Domestic

Deep Water Services (India) Limited

During the financial year 2009-10, the Company earned a total income of Rs.14,079.53 lakhs (previous year: Rs. 13,357.16 lakhs) and profit after tax Rs.5,409.47 lakhs (previous year: Rs.4,700.34 lakhs).

During the year, the rig ‘Badrinath’ was in operation and successfully drilled two wells namely, “D-18-G” and “D-18-I” in Mumbai High. Presently, the rig is operating at location “B-100-D” in Mumbai High.

KEI-RSOS Maritime Limited

During the financial year 2009-10, the Company earned a total income of Rs.6,367.04 lakhs (previous year: Rs.6,013.86 lakhs) and incurred a loss of Rs.1,645.73 lakhs (previous year: profit after tax Rs.678.91 lakhs).

Year 2009-10 had been an encouraging year for KEI-RSOS Maritime Limited (KEI-RSOS). KEI-RSOS has continued its effort to drive its growth and added new area of business such as offshore security etc. apart from the consolidation of its expertise in Single Point Mooring (SPM) operations and maintainance. The Company has served two new customers, namely Simplex Infrastructure Ltd. and Geostar Surveys India Ltd.

KEI-RSOS has been effectively carrying out the on-going contracts, namely, marine operations at the Gangavaram port of Gangavaram Port Ltd.; Marine terminal at Cuddalore port of Chemplast Sanmar Ltd. and SPM Terminal Operations at the Tirukadaiyur of PPN Power Generating Co. Pvt. Ltd. In addition, the on-going contract for SPM Terminal Operation at Ravva Oil & Gas Field of Cairn Energy Pte. Ltd. has been renewed for a period of 3 years and SPM Terminal Operations at Kochi of Bharat Petroleum Corporation Ltd. (BPCL) has been renewed for a period of 5 years. KEI-RSOS has effectively operating the two existing contracts i.e. River Security Patrolling Boat and Offshore Security Patrolling Boat with Reliance Industries Ltd. The said contracts are for a period of next three years.

Rajamahendri Shipping and Oil Field Services Limited

During the financial year 2009-10, the Company earned a total income of Rs.235.61 lakhs (previous year: Rs.491.26 lakhs) and profit after tax Rs.58.82 lakhs (previous year: Rs.215.50 lakhs).

During the financial year 2009-10, the Company has completed the painting contract assigned by the Reliance Industries Ltd. (RIL) of Rs.275 lakhs. The Company bagged the contract of storage of the Single Point Mooring buoy from Cairn Energy Pte. Ltd. at Pondicherry.

The vessels, “Noor” and “Josh” were under charter with KEI-RSOS Maritime Ltd. on contract based need of KEI-RSOS Maritime Ltd.

Foreign

Great Offshore Fujairah LLC - FZC

During the financial year 2009-10, the Company incurred a loss of USD 13,440 against loss of USD 12,985 of previous year. The loss was mainly due to the administration and other expenses, which amounted to USD 13,603.



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Great Offshore (International) Limited

During the financial year 2009-10, the Company incurred a loss of USD 2,691,148 against profit of USD 3,113,354 of previous year. The loss was mainly due to the administration and other expenses, which amounted to USD 2,579,044.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in presenting herewith the Consolidated Financial Statements in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India, which forms part of the Annual Report and Accounts.

The Audited Consolidated Financial Statements together with the Auditors' Report thereon forms part of the Annual Report for the financial year 2009-10. Consolidated income from operations at Rs.1,16,564 lakhs a growth of 7.82% as compared to Rs.1,08,105 lakhs of previous year. The financial year ended March 31, 2010 registered a consolidated profit after tax of Rs. 20,103 lakhs (previous year Rs.27,507 lakhs) on a total income of Rs.1,17,265 lakhs. (previous year Rs.1,14,141 lakhs)

DIRECTORS

Shri Keki M. Elavia, Shri Kaushal Raj Sachar, Shri Kaiwan Kalyaniwalla and Shri Percy A. Doctor were appointed on September 15, 2009 in the casual vacancy caused by resignation of Shri Rajiv K. Luthra on November 20, 2008, Shri Shailesh V. Haribhakti on May 4, 2009, Shri Vijay Kantilal Sheth on May 30, 2009 and Shri Suresh Balasubramaniam on May 4, 2009 respectively. Shri Percy A. Doctor ceased as Director with effect from September 24, 2009.

Shri Keki M. Elavia, Shri Kaushal Raj Sachar and Shri Kaiwan Kalyaniwalla are due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for re-appointment.

Shri Prakash Chandra Kapoor, Shri Vijay Kumar and Shri Chetan D. Mehra were appointed as Additional Directors of your Company with effect from February 2, 2010. Further, Shri Prakash Chandra Kapoor and Shri Vijay Kumar were appointed as Executive Directors of the Company with effect from May 1, 2010 pursuant to Special Resolution passed by the members through Postal Ballot, result of which was declared by the Chairman on April 29, 2010.

As provided under Section 260 of the Companies Act, 1956, Shri Chetan D. Mehra holds office up to the date of the ensuing Annual General Meeting of the Company. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as a Director not liable to determination by retirement of Directors by rotation on the Board of your Company.

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 have been followed (along with proper explanation relating to material departures) and that there are no material departures;
- ii. they have selected the such 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. they 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 your Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION

1. Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of the employees shall be provided as annexure to Directors' Report. However, as provided under Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report, excluding the aforesaid particulars, is being sent to all the members of the Company and others entitled thereto. Members desirous to receive the statement pursuant to Section 217 (2A), will be provided on receipt of written request from them.



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

Information as per Notification No. GSR 1029 dated 31.12.1988 regarding conservation of energy and technology absorption is not required to furnish as the Offshore Oilfield services industry is not covered by the schedule to the said rules.

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

- (a) Foreign Exchange earned and saved (on account of freight, charter hire earnings). : Rs.81,359 Lakhs
- (b) Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of vessels, interest payment. : Rs.52,973 Lakhs

3. The Company has been exempted by the Central Government vide their letter No.47/24/2010-CL-III dated February 24, 2010 under Section 212(8) of the Companies Act, 1956, from attaching a copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and the Report of the Auditors of the subsidiary companies. However, pursuant to Accounting Standard AS-21 issued by The Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company includes the financial information of the subsidiaries. A statement containing brief details of the subsidiaries is included in this Annual Report.

The Annual Accounts and other related information of the subsidiary companies are available for inspection at the Registered Office of the Company and that of said subsidiary companies on any working day between 11.00 a.m. to 2.00 p.m.

4. The Company has also been exempted by the Central Government vide their letter No.46/45/2010-CL-III dated April 15, 2010 under sub-section (4) of Section 211 of the Companies Act, 1956, from disclosing quantitative details in compliance of paras 4D (a),(b),(c) and (e) of Part-II, Schedule – VI to the Companies Act, 1956, as amended vide Notification No.GSR 494(E), dated 30th October, 1973.

Auditors

Kalyaniwalla & Mistry (Registration No. 104607W), the Statutory Auditors will retire at the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a Certificate from the Auditors to the effect that their re-appointment, if made, would be within the limits specified under section 224(1B) of the Companies Act, 1956 ('the Act') and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Act. Your Board recommends their re-appointment.

Corporate Governance Report and Management Discussion & Analysis Report

Your Company continues to be committed to good Corporate Governance aligned with the best practices. A separate Report on Corporate Governance alongwith the Auditors' Certificate on compliance with the Corporate Governance and Management Discussion & Analysis Report as stipulated in Clause 49 of the Listing Agreement executed with Stock Exchanges are annexed with this Annual Report.

Acknowledgements

Your Directors gratefully acknowledge the guidance and continued support received from the Government of India and its various agencies, including Ministry of Petroleum and Natural Gas, Ministry of Shipping, Directorate General of Shipping, Directorate General of Hydrocarbons, Directorate General of Civil Aviation, Port Trusts and Port authorities, Ministry of Finance, RBI, SEBI, Ministry of Corporate Affairs, Registrar of Companies, the Stock Exchanges and the Depositories.

Your Directors also wish to record their appreciation for their support and cooperation received from all stakeholders and counterparties of the Company, shareholders, business associates, agents, banks and financial institutions for their continued patronage.

Your Directors express their warm appreciation to all the employees for their dedicated services and contribution in achieving consistent growth for the Company.

For and on behalf of the Board of Directors

Mumbai
June 23, 2010

Keki M. Elavia
Chairman



GREAT OFFSHORE

MANAGEMENT DISCUSSION & ANALYSIS

Global oil & gas scenario

Oil and gas being fossil fuels with finite resource, consistency of future supply would depend on the current level of exploitation and future replenishment of potential area through new discoveries. It is widely known that new discoveries reported in the recent past are no match to the size and quantum of the existing fields. Currently the production of oil is at, or close to, maximum capacity of existing fields and efforts are underway to identify and bring on stream new hydrocarbon blocks. While large fields take many years to develop, a potential increase in envisaged hydrocarbon demand on the back of last year's slow paced Exploration & Production (E & P) activity would result in putting further pressure on commodity prices raising concerns on energy security.

The world is reconciled to the fact that new hydrocarbon discoveries will not only be easily accessible but also challenging for exploration and exploitation. This would result in huge costs of exploration and hence production. Thus use of sophisticated technology, high end vessels and more capital commitment would be required.

There exists no close substitute to the twin hydrocarbons – oil & gas a core feedstock to economic development of any nation.

As per *International Energy Agency Oil Market Report June 2010*, OECD countries registered a continuous declining trend in oil demand since 2006. The demand in 2008 dropped by 3.25% (around 1.6 million barrels/ day) as compared to 2007, while demand in 2009 at 45.5 million barrels/ day dropped by 4.41% (around 2.1 million barrels/ day) as compared to 2008. Contrary to the above, Non OECD countries registered a continuous increasing trend in oil demand since 2006. The demand in 2008 increased by 3.22% (around 1.2 million barrels/ day) as compared to 2007, while demand in 2009 at 39.3 million barrels/ day rose by 2.34% (around 0.90 million barrels/ day) as compared to 2008. In aggregate, there was a reduction of around 1.39% in global oil demand from 86 million barrels in 2008 to 84.8 million barrels in 2009.

OPEC responded to the fall in global demand by reducing its production in 2009 to 33.4 million barrels/ day i.e by 3.2 million barrels/ day (a reduction of 8.74%) from 38.4 million barrels/ day in 2008 with a view to stabilise the prices in the region of above USD 70s / barrel. This resulted not only in enhancement in OPECs spare capacity but also oil inventories.

The fall in global energy use in 2009 as a result of the aftermath of financial and economic crisis has seen a gradual upward trend with countries on the economic recovery path. Oil continued to hold its dominant share in the total energy pie with transportation sector accounting for major portion of increased oil demand.

In the oil and gas sector, most companies announced cutbacks in capital commitments as well as project delays and cancellations on the back of financial viability concerns. During CY 2009, an estimated reduction of over USD 90 billion (around 19%) in upstream oil and gas annual investment budgets was envisaged. Any prolonged downturn in investment would impact long lead time project execution thereby risking a shortfall in supply which could tantamount to surge in hydrocarbon prices. This would in turn act as a constraint on envisaged global economic growth in 2010.

E & P sector

Last year, post global economic and financial crisis energy sector like all other sections of businesses continued to be on the downturn. New investments in the E & P space got curbed, postponed and to some extent cancelled giving rise to adverse supply demand dynamics of available assets servicing the E & P sector. During the financial year 2009-10, despite a steady and consistent rise in oil prices depressed spot charter rates impacted earnings and with rising costs, operating margins came under pressure. The year witnessed additional challenges of a declining commodity demand and inadequate capital flows. The approach of participants in the sector became defensive with equipment manufacturers rolling back research and development budgets facing order cancellations due to continuing liquidity crunch. Asset prices corrected and provided backdrop for consolidation opportunities.

INDIA – E & P sector

India's economic performance in FY 2009-10 depicts that the recovery from the slowdown during the global financial crisis is underway. India's GDP growth in FY 2009-10 has beaten expectations by attaining 7.4% growth compared to 6.7% in the previous year.

During CY 2009, India recorded oil production in the region of 668,000 barrel / day while its natural gas production was around 108 million cubic metre/ day - *Ministry of Petroleum and Natural Gas*. While production from shallow offshore blocks are concentrated on the west coast of India, the newer discoveries predominantly gas have been from deep waters on East Coast of India- KG basin.



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During the year, with crude prices having recovered from their lows, India witnessed modest E&P activity. Global bids for chartering assets replacing the earlier asset charters as well as new requirements were floated and contracted. ONGC India's largest oil company while maintaining its production levels in FY 2009-10 at 60.93 million tonnes of oil equivalent (mtoe) recorded an aggregate reserve position (3P) of 1619 mtoe. During the year there were 21 new discoveries of which 11 were prospects and 10 pools. Reliance Industries Limited (RIL) cumulatively produced around 14.5 BCM of gas and 4.04 million barrels of oil from KG-D6. While Panna – K development is completed, Panna – L development plan approval is underway.

COMPANY PERFORMANCE

1. Drilling Activities

The Jack Up rig "Kedarnath" completed its 3 year charter with Oil and Natural Gas Corporation Ltd. (ONGC) operating on the west coast of India in April 2010. Post refurbishment, up gradation and modernisation "Kedarnath" would commence a 5 year firm charter with ONGC on the west coast of India. The Drill barge "Badrinath" under its contract with Deep Water Services (India) Ltd. (a wholly owned subsidiary of the Company) is also operating for ONGC. A Jack Up rig "Amarnath" was acquired during the year and is undergoing refurbishment and modernisation in UAE.

2. Offshore Logistics & Support Services

The aggregate tonnage of these assets registered a utilisation of around 76% as against 90% in the previous year due to a combination of factors viz. increase in dry docking days on bunching up of vessels, lack of availability of dry dock slot, technical downtime on equipment, lead time for spare shipment and procurement and idling for lack of spot fixtures. During the year, your Company continued to follow the strategy of optimizing deployment through a mix of long term and spot fixtures.

3. Engineering Services

Your company executed ahead of schedule (project completed in Q1 FY 2010-11) the lump-sum turnkey engineering contract awarded by ONGC to the tune of Rs. 23,400 lakhs. The contract scope involving carrying out pre-engineering survey, detailed design & engineering, procurement, onshore fabrication, transportation and offshore installation of barge bumpers, and riser protectors on 80 ONGC's offshore platforms was aimed at accomplishing ONGC's commitment to enhanced safety. The work was carried out at production/ process platforms in the western Indian oil & gas fields of Mumbai High, Bassein & Satellite and Neelam & Heera fields.

During the past year, your Company was awarded the contract for top side modification works on 13 well head platforms aggregating around Rs.340 lakhs. Your Company successfully executed the first part of the project during Q1 FY 2010-11.

4. Port and Terminal Services

The 12 harbour tugs continued their existing contracts with fresh renewals with ports recording an average utilisation of 93% as against 95% in the previous year.

Fleet Profile

As on March 31, 2010, the fleet of 47 owned vessels comprise 3 drilling units, 3 accommodation barge/ marine construction vessels, 28 diverse offshore support vessels, 12 harbour tugs and 1 floating dry dock.

During the year, the Company took delivery of:

1. 2009 built Harbour Tug - "Polaris"
2. 1994 built Accommodation Barge/ marine construction vessel - "Gal Installer"
3. 1982 built Anchor Handling Tug - "Bharati S"
4. 1994 built Platform Supply Vessel - "Malaviya Seven"
5. 1984 built Floating Dry dock - "Great Offshore FD1"
6. 300 feet 1983 built Jack Up Rig - "Amarnath"

New building contracts on order include a multi support vessel "V - 339" and a Jack up rig "V - 351". The rig, as per revised delivery schedule, is expected by Q4 FY 2010-11. The delivery of the multi support vessel is now expected to be during March 2012.



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Global Outlook

Economy:

As per *Global Economic Prospects Summer 2010 Report* by The World Bank the financial developments in Europe have had limited impact on the financial conditions in developing markets except drop in global equity markets. The concerns have been contained by the declaration of nearly USD 1 trillion aid package by the European Union, International Monetary Fund and the European Central Bank. As per the report, global GDP is projected to increase by 3.3% in 2010 & 2011 and by 3.5% in 2012. Almost half of this global growth is due to increased demand in developing countries. Developing countries growth is projected to pick up from an estimated 1.7% in 2009 to around 6% each in 2010, 2011 and 2012.

Asia's strong recovery continued in the first half of CY 2010 despite renewed tension in global financial markets. Economic activity has been sustained due to buoyancy in exports and strong domestic demand with pace and growth drivers differing substantially across the region.

Oil demand:

As per *IEA Oil Market Report June 2010*, Non – OECD oil demand in CY 2010 is expected to be 40.9 million barrels / day (a rise of 1.04% as compared to CY 2009) against OECD demand stagnating at 45.5 million barrels / day. Non OECD markets are expected to contribute 77% of incremental growth in oil demand with around 50% growth being derived from China and rest of Asia.

E & P Sector Outlook

Over the years India has made significant progress in domestic gas production largely contributed by the success of KG basin finds. Sustained efforts continue to be towards enhancement of domestic supplies from newly discovered fields. 8 rounds of New Exploration Licensing Policy (NELP) biddings have attracted international participation to the E & P sector. Under NELP VIII award of 33 blocks have been approved with an investment outlay of about USD 1.1 billion. India is relatively unexplored, the plan is to cover the sedimentary basin from present levels of 50% to 80% by 2012 and 100% coverage by 2015; Open Acreage Licensing regime providing further fillip.

ONGC has evolved a detailed plan for redevelopment of its existing shallow water fields to enhance its recovery potential with a capital outlay of around USD 2 billion. This would arrest production decline in the 1200 sqkm Mumbai High hydrocarbon reserve which has been the most performing filed cluster.

As per ONGC groups XI Plan outlay, an investment of around Rs. 71,795 crores is envisaged in domestic E & P activities. The amount slated for various growth initiatives both in the new as well as marginal fields is expected to achieve an oil production rate of 92,000 bopd and 16.5 mmcmd of gas. In 2010-11 the capital expenditure plans of ONGC are expected to be to the tune of Rs. 26,500 crores. New major additional oil producers are expected to produce around 28 MMT is expected in 2012-13 while new major additional gas producers are expected to produce around 72 mmcmd by 2012-13.

In order to secure crude oil supplies, strategic crude oil storage projects of 5.33 million metric tones are under construction at Visakhapatnam, Mangalore & Padur and expected to be in place by end CY 2012.

The Hydrocarbons Vision 2025 lays down the framework which would guide the Government of India's future policies relating to the hydrocarbons sector over the next 25 years. The aim of the report is to identify objectives and strategies to achieve energy security and self reliance through indigenous production, develop a globally competitive hydrocarbon sector through technology up gradation and capacity building.

Risks & concerns

Your Company's has an enterprise risk management policy in place for measuring and for developing strategies to manage risks. The Risk Committee on a quarterly basis collates the risks from operating departments and functions and post analysis benchmarks the same on the basis of consequences and occurrences. The Risk Committee periodically presents the same to the Board of Directors.

Business Risks:

1. Ageing Asset Profile

The average age of your Company's owned assets is old. During the year, your Company took delivery of 6 assets of which a 2009 newly built Harbour Tug, a 1994 built accommodation barge/ marine construction vessel and a platform supply vessel were acquired. The 1983 built Jack up rig has been acquired during Q4 FY 2009-10 with a view to partially address the age profile of the drilling assets.



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Additionally, your company has on order two new building assets a Jack Up rig (V - 351) as well as a Multi Support Vessel (V - 339) which on delivery would reduce the average age of the fleet.

2. Earnings Volatility

E & P companies charter your Company's assets for varied tenure. The aggregate earnings are dependent on level of freight rates prevalent at the time of entering into the charter contracts corresponding to the tenure. Your Company's management takes commercial decisions using business prudence relating to prevalent charter markets at the time of bidding for prospective charters.

While few of your Company's assets are on the spot trade, some assets on completion of previous term charters make themselves available for renewals/ new business contracts. Future deployment of these assets profitably is a function of market spot rates. With an objective of derisking volatility in earnings and sustaining cash flows, your Company, has simultaneously developed competencies in competitive bidding and execution of marine engineering and construction business on a turnkey basis.

3. Competition

India is expected to be a high potential zone for E & P activity. The policies and development plans of Indian E & P companies has been attracting international players to enter Indian markets competing with domestic players. While the domestic fleet is currently not sufficient to meet the requirements of Indian E & P industry, Indian companies have been expanding gradually to be able to meet the requirements of the Indian E & P companies. Such competition could result in flight of foreign flagged ships owned and operated by international players and result in impacting the earnings of your company. In order to derisk the same, your Company also operates few of its assets in the international market.

4. Experience Matrix

Indian crew and officers are a scare resource and highly valued for their competence globally. With international opportunities available from bigger companies there is continuous threat of losing experienced and competent sailing crew and officers to competition. Getting appropriate replacement in time to release the outgoing crew / officer poses a significant challenge. Your Company has identified this as a major challenge and is formulating strategies to curb the same.

5. Foreign exchange risk:

Your Company's earnings, in line with international practices denominated and paid in USD. This is naturally hedged to the extent of the liabilities and part of the expenses incurred for operations. Your Company follows a very conservative accounting policy AS30 with regard to the accounting of forex transactions.

6. Accident & incidents:

Your Company operates its vessels in challenging environments of EEZ and also while transiting across high seas during mobilisation/ demobilisation. There are risks associated with the operations which could be external and may / may not be under control by your Company. While your Company takes adequate precautions for training its personnel for operating the vessels it also reviews the insurance policies on a periodic basis.

7. Global economic developments:

Your Company's vessels are employed in a sector which is linked to developments in global economy. Financial crisis, exchange movements, political developments, prices of hydrocarbons etc. impact the charter markets and hence the earnings. This could also impact access to funds availability in a high capital intensive business. Predominantly of your Company's assets being deployed in the EEZ of India the probability of such impact is minimal.

8. Global warming & climate change:

Your Company operates in the oil and gas sector and role and intensity of oil consumption is under great debate. Reduction of CO₂ emission has been on top priority by nations worldwide. Your Company is in the process of considering evaluation of various options of addressing the same for their future acquisitions.

Quality, Health Safety and Environment

Your Company has been successfully operating its vessels and assets governed by stipulations of Integrated Management System duly certified by Det Norske Veritas. Periodic inspections and internal audits ensure adherence to the relevant codes of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.



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During the year under review, interim certification for Malaviya Seven, Bharati S, Gal Installer and Rig Amarnath and initial certification for Malaviya Nine, Malaviya Seven and Bharati S were done.

External SMC/ISPS audits were carried out for Malaviya One, Malaviya Two, Malaviya Three, Malaviya Four, Malaviya Five, Malaviya Six, Malaviya Ten, Malaviya Twelve, Malaviya Sixteen, Malaviya Eighteen, Malaviya Twenty, Malaviya Twenty Five, Malaviya Twenty Seven, Malaviya Twenty Nine, Malaviya Thirty, Gal Ross Sea, Gal Beaufort Sea, Gal Constructor, Rig Badrinath and Rig Kedarnath.

Integrated QHSE Culture in the engineering services activities and Safety Management processes have been revitalised in the drilling activities. ISPS Processes and Certifications are now in place for all the rigs.

Training

Statutory training requirements are being complied with on board of your Company's vessels. Furthermore, your Company has initiated steps in the organisation and provision of non-mandatory and value addition training programmes in-house as well as with the assistance of organisations like BIBBY, C-MAR Naval Maritime Academy, School of Synergic Studies, Synergistic Solutions and ISF. These include among others Dynamic Positioning Training, Helicopter Underwater Escape Training, H2S Training, Operation and Handling of Fast Rescue Craft, Upgradation of Technical Skills at Tolani- MRI, Training the Trainer etc.

Your Company is the sole provider of in-house simulator based training for its ship staff. Over 120 trainees have already undergone the Simulator Training. "Presently Simulator is under going up-gradation. On completion, simulator will facilitate training on all aspect of the offshore operations i.e. Anchor Handling, Towing, Crane handling in addition to Ship Handling (Manual, Joystick and D P).

It is very heartening news that provides sense of pride to Great Offshore that your Company was short listed for Training Category Awards by Safety At Seas International. This award is given in recognition of a training programme or event that demonstrate improved safe working practices or attitudes as a result of its implementation, either onshore or aboard-ship.

IT Initiatives

Your company has invested into the world class ERP product (SAP) to streamline its business process throughout the organization with integration to the Vessels, the Implementation of ERP was done with a clear focus of getting the desired MIS, automation of Process and to be prepared for IFRS.

The IT Team has met the regulatory compliances throughout the year by using all licensed software.

Insurance

Your Company has continuously evaluated the asset price and taken corrective action on an ongoing basis in maintaining adequate insurance coverage at commensurate premiums.

Your Company practices a continuous process of operational Risks analysis and secures a comprehensive range of insurances to protect against such Risks.

Human Resources and Industrial Relations

The Company lays emphasis on setting performance standards and goals for its employees aligned with Company's goals and rewards linked with performance achievement. The H R focus is constantly maintained to provide for changing needs of the business and growing expectations of all stakeholders. H R climate survey conducted during this year showed high percentage of motivated and engaged employees in the Company.

Internal Control System

Your Company has appropriate internal control systems for business processes with regard to efficiency of operations, financial reporting, compliance with applicable laws and regulations etc. All operating parameters are monitored and controlled by internal auditors, conducting regular audits and surprise checks to ensure that responsibilities are executed effectively. The Audit Committee of the Board of Directors reviews the adequacy and effectiveness of internal control systems from time to time and suggests improvements.

Cautionary Statement

This report could contain certain forward-looking statements that involve embedded risks and uncertainties. When using this report in any form or content the readers/users or interpreter are cautioned through this communication that the Company or its management team undertakes no obligation to publicly update or revise any forward looking statements. Actual results, performances or achievements could be at a variance from those expressed or implied in such forward looking statements, hence not to place undue reliance on these forward looking statements that could be valid only as on a date.



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CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Principles of Corporate Governance are based essentially on the existing legal and regulatory arrangements as well as the best prevailing practices followed by Corporate Sector. The framework of Corporate Governance was imbibed into the business since it emphasised on two important components, namely, long term prosperity of the Company and Governance of National, Human, Societal, Economic and Political genus. Since the Corporate Governance principles alongwith the global standards has become an important constituent to Corporate success, the practice of good Corporate Governance has become a necessary pre-requisite for any corporation to manage effectively in the globalised market scenario.

The detailed report on implementation of Corporate Governance Code by the Company as incorporated under Clause 49 of the Listing Agreement executed with the Stock Exchanges is set out below:

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has always believed in adopting the best practices of Corporate Governance with an aim to maximise the interest of the shareholders with those of the other stakeholders, customers, employees, investors, vendors, dealers, financiers, state and central government and society at large in order to achieve long-term sustained value while ensuring accountability in the exercise of corporates' financial, legal and contractual obligations.

The key to good Corporate Governance is in ensuring that the Company takes into account the interests of a wide range of constituencies as well as of the communities within which Company operate.

Today, even in the fiercely competitive business environment, the management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are fundamentals of Corporate Governance.

Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance contained in the Listing Agreement.

Corporate Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

Code of Conduct for Board Members and Senior Management

The Code of Conduct highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all directors and specified senior management personnel. The Code impresses upon directors and senior management personnel to uphold the interest of the Company and its stakeholders and to endeavour to fulfill all the fiduciary obligations towards them. Another important principle on which the Code is based is that the directors and senior management personnel shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code is available on the Company's website - www.greatoffshore.com.

The Company has received a declaration of compliance with the Code of Conduct from the Board of Directors and Senior Management Personnel. The declaration by the Executive Director affirming compliance of the Board of Directors and Senior Management Personnel to the Code of Conduct is annexed herewith.

Code of Conduct for Prevention of Insider Trading

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading' (the Code) with effect from October 26, 2006 pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is applicable to all Directors and such Designated Persons as defined in the Code.

Shri R. Narayanan, Chief Compliance Officer & Company Secretary has been appointed as Compliance Officer for monitoring adherence to the Regulations.



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BOARD OF DIRECTORS

As on March 31, 2010, the Company had eleven Directors. Of the eleven Directors, ten were Non-Executive Directors and seven were Independent Directors. The Chairman of the Board is Non-Executive Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreements executed with the Stock Exchanges.

None of the Directors on the Board, are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2010 have been made by all Directors.

During the year under review, eighteen Board Meetings were held. The dates on which the said Meetings were held are as follows:

April 9, 2009, April 30, 2009, May 30, 2009, July 2, 2009, July 29, 2009, August 17, 2009, August 26, 2009, September 15, 2009, September 23, 2009, September 25, 2009, October 31, 2009, December 1, 2009, December 28, 2009, January 30, 2010, February 2, 2010, February 19, 2010, March 6, 2010 and March 15, 2010.

The composition of the Board; number of directorships in other companies; memberships / chairmanships of the Committees in public limited companies other than your Company, private limited companies, foreign companies; attendance at Board Meetings held during the financial year under review & at the last Annual General Meeting; and their shareholding in the Company are as follows:

Name of the Director	Category	As on March 31, 2010			FY 2009-10 Attendance at		Share holding as on March 31, 2010
		No of other Directorships	Committee Positions #		Board Meeting	Last Annual General Meeting	
			Member	Chairman			
*Shri Keki M. Elavia (Chairman) DIN : 00003940	Non-Independent, Non-Executive	13	4	4	10	Yes	Nil
*^Shri Kaushal Raj Sachar (Deputy Chairman) DIN : 01421823	Independent, Non-Executive	1	-	-	11	Yes	Nil
**Shri Prakash Chandra Kapoor (Executive Director w.e.f. May 1, 2010) DIN : 00786682	Non-Independent, Non-Executive	24	2	-	1	N. A.	Nil
**Shri Vijay Kumar (Executive Director w.e.f. May 1, 2010) DIN : 00726561	Non-Independent, Non-Executive	16	-	-	4	N. A.	Nil
Shri Soli C. Engineer (Executive Director) DIN: 00149510	Non-Independent, Executive	7	-	-	11	Yes	418
Shri Chandan Bhattacharya DIN : 01341570	Independent, Non-Executive	9	2	3	14	No	Nil
Lt. Gen. Deepak Summanwar DIN : 02017830	Independent, Non-Executive	2	1	-	16	Yes	Nil



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Name of the Director	Category	As on March 31, 2010			FY 2009-10 Attendance at		Share holding as on March 31, 2010
		No of other Directorships	Committee Positions #		Board Meeting	Last Annual General Meeting	
			Member	Chairman			
Dr. Ram Nath Sharma DIN : 00054480	Independent, Non-Executive	2	-	-	17	Yes	Nil
Shri Vinesh Davda DIN : 00050175	Independent, Non-Executive	10	-	-	14	Yes	Nil
^Shri Kaiwan Kalyaniwala DIN : 00060776	Independent, Non-Executive	14	4	-	9	Yes	100
^^Shri Percy A. Doctor DIN : 02786324	Independent, Non-Executive	N.A.	N.A.	N.A.	2	N.A.	N.A.
***Shri Chetan D. Mehra DIN : 00022021	Independent, Non-Executive	30	-	-	4	N. A.	2

includes memberships of Audit Committee and Shareholders / Investor Grievance Committee only. The column 'Member' includes only membership of Audit committee and Shareholders / Investors Grievance Committee and not the Chairmanship.

* Shri Keki M. Elavia appointed as Director to fill casual vacancy caused by resignation of Shri Rajiv K. Luthra and as Chairman of the Board w.e.f. September 15, 2009.

^^ Shri Kaushal Raj Sachar appointed as Director to fill casual vacancy caused by resignation of Shri Shailesh V. Haribhakti and as Deputy Chairman of the Board w.e.f. September 15, 2009.

^ Shri Kaiwan Kalyaniwalla appointed as Director to fill casual vacancy caused by resignation of Shri Vijay Kantilal Sheth w.e.f. September 15, 2009.

** Shri Prakash Chandra Kapoor and Shri Vijay Kumar appointed as an Additional Directors w.e.f. February 2, 2010 and as Directors & Executive Directors w.e.f. May 1, 2010.

^^ Shri Percy A. Doctor appointed as Director to fill casual vacancy caused by resignation of Shri Suresh Balasubramaniam w.e.f. September 15, 2009 and ceased w.e.f. September 24, 2009

*** Shri Chetan D. Mehra appointed as an Additional Director w.e.f. February 2, 2010 and become Non-Independent, Non-Executive with effect from May 1, 2010.

BOARD PROCEDURE

The Board meets atleast once a quarter to review the quarterly performance and the financial results of the Company. The Board Meetings are generally scheduled well in advance and the notice of Board Meeting is given in writing to Directors. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to Directors and only in exceptional cases, the same is tabled at the meeting. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman of the Meeting.

Information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

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

The Boards' role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Boards' approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, details of joint ventures, compliance with statutory / regulatory requirements, major accounting provisions and write-offs are considered by the Board.



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The Minutes of the Board Meetings are circulated in advance to all Directors and confirmed at subsequent Meeting. The Minutes of Audit Committee, Shareholders / Investors Grievance Committee and other Committees of the Board are on regular basis noted by the Board at its meeting.

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

COMMITTEES

A) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

During the year under review, five Audit Committee meetings were held. The dates on which the said meetings were held are as follows:

April 30, 2009, July 28, 2009, October 31, 2009, January 30, 2010 and March 15, 2010.

The composition of the Audit Committee and the details of meeting attended by its members are given below. All the members of the Company have adequate knowledge of Accounts, Audit, Finance etc.

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

Audit Committee meetings are also attended by Executive Director, Chief Compliance Officer & Company Secretary, General Manager – Corporate Accounts, MIS & Taxation, General Manager – Corporate Finance & Corporate Affairs, representatives of the Statutory Auditors, representatives of Internal Auditors and other executives as required. The Company Secretary acts as the Secretary to the Audit Committee.

Terms of Reference

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

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

INTERNAL AUDITORS

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

B) REMUNERATION COMMITTEE

The Board of Directors at its meeting held on March 6, 2010 constituted the Remuneration Committee.

During the year under review, two Remuneration Committee meetings were held on March 12, 2010 and March 26, 2010.



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The composition of the Remuneration Committee and the details of meeting attended by its members are given below.

Name	Category	Number of Meetings attended
Shri Kaushal Raj Sachar (Chairman)	Independent, Non-Executive	2
Lt. Gen. Deepak Summanwar	Independent, Non-Executive	2
Shri Vinesh Davda	Independent, Non-Executive	2
Shri Kaiwan Kalyaniwalla	Independent, Non-Executive	2
*Shri Chetan D. Mehra	Independent, Non-Executive	1

* Shri Chetan D. Mehra appointed as member w.e.f. March 15, 2010 and become Non-Independent, Non-Executive with effect from May 1, 2010.

Terms of Reference

- To determine the framework or broad policy for the remuneration of Executive Director / Whole-time Director / Managing Director and senior management i.e. General Managers and above.
- To approve the individual remuneration packages including pension rights, long-term incentives, share options and any compensation payments and conditions of employment for General Managers and above.
- To oversee the policy, design and management of the Company's ESOP schemes.
- To examine and approve such matters in the field of remuneration, contract terms and employment matters as the Board may delegate to it from time to time.

General Manager – Human Resource & Administration assist the Committee in formulating the policy on remuneration packages.

Remuneration Policy

The Company's remuneration strategy aims at attracting and retaining high caliber talent. The remuneration policy, therefore, is market led and takes into account the competitive circumstance of each business so as to attract and retain quality talent and leverage performance significantly.

The remuneration of the Managing / Whole-time / Executive Director(s) is decided by the Board of Directors on the recommendation of Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and/or commission, performance incentive (variable component) to its Managing / Whole-time / Executive Director(s).

The remuneration by way of commission to the Non-executive Directors is decided by the Board of Directors and distributed to them based on their contribution and attendance at the Board and Committee meetings.

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

Details of Remuneration for the financial year 2009-10 are as given below:

Non-executive Directors

(Rs. in Lakhs)

Name	Commission	Sitting Fees
Shri Keki M. Elavia	3.25	2.00
Shri Kaushal Raj Sachar	3.25	2.60
Shri Vijay Kumar	1.00	0.80
Shri Prakash Chandra Kapoor	1.00	0.20
Shri Chandan Bhattacharya	6.00	4.20
Dr. Ram Nath Sharma	6.00	4.20



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Name	Commission	Sitting Fees
Lt. Gen. Deepak Sumanwar	6.00	4.40
Shri Vinesh N. Davda	5.00	4.80
Shri Kaiwan Kalyaniwalla	3.25	2.20
Shri Chetan D. Mehra	1.00	1.00
Shri Percy A. Doctor	--	0.40

Executive / Whole-time Director

(Rs. in Lakhs)

Name of Director and period of appointment	Salary & Performance Incentive (as applicable)	Perquisites & Allowances	Commission	Contribution to Provident Fund and Superannuation Fund
Shri Soli C. Engineer Executive Director (with effect from July 29, 2009 for a period of five years.)	119.75	3.22	-	6.83
Shri Vijay Kantilal Sheth Vice Chairman cum Managing Director (from April 1, 2009 to May 30, 2009)	23.62	20.21	120	6.38

Note : Perquisites include provision of cars, telecommunication facilities, Leave encashment, Reimbursement of medical expenses for self and family, insurance cover, reimbursement of interest on housing loan subject to company rules, pension scheme subject to Company rules and club fees restricted to 2 (two) clubs.

Shareholding of Non-Executive Directors

As on March 31, 2010, 100 shares were held by Shri Kaiwan Kalyaniwalla and 2 shares were held by Shri Chetan D. Mehra.

C) SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

During the year under review, four Shareholders / Investors Grievance Committee were held on July 29, 2009, September 25, 2009, October 31, 2009 and January 30, 2010.

The composition of the Shareholders / Investors Grievance Committee and details of meeting attended by its members are given below:

Name	Category	Number of Meeting Attended
Lt. Gen. Deepak Summanwar (Chairman)	Independent, Non-Executive	4
Shri Chandan Bhattacharya	Independent, Non-Executive	3
Shri Vinesh Davda	Independent, Non-Executive	4

Terms of Reference

- Review the reports prepared & submitted by the Registrars & Share Transfer Agent of the Company.
- Periodically interact with the Registrars & Share Transfer Agent to ascertain and look into the quality of the Company's Shareholders / Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.
- Follow-up on the implementation of suggestions for improvement.
- Periodically report to the Board about serious concerns, if any.



GREAT OFFSHORE

During the year under review, 20 complaints were received from the shareholders and all of them were replied / resolved to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2010.

Shri R. Narayanan, Chief Compliance Officer & Company Secretary is the Compliance Officer. His address and contact details are as given below:

Address : Energy House, 81, Dr. D. N. Road, Mumbai - 400 001
 Phone : 022- 6635 2222
 Fax : 022- 2267 3993
 Email : r_narayanan@greatoffshore.com

In compliance with Clause 47(f) of the Listing Agreement, the Company has designated the following e-mail id for registering the complaints of the investors / shareholders.

investor_services@greatoffshore.com

SUBSIDIARIES

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

GENERAL MEETINGS

Location and Time of previous Annual General Meeting

General Meeting	Date	Time	Venue
4th Annual General Meeting	September 24, 2009	10.00 a.m.	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020
3rd Annual General Meeting	July 10, 2008	4.00 p.m.	
2nd Annual General Meeting	August 29, 2007	4:00 p.m.	Chavan Auditorium, Yashwantrao Chavan Pratishthan, Gen. Jagannathrao Bhonsle Marg, Mumbai – 400 021

All resolutions moved at the last Annual General Meeting held on September 24, 2009 were passed through Ballot papers by members / proxies attended the meeting. The following are the special resolutions passed at the previous Annual General Meetings:

Date of Annual General Meeting	No. of Special Resolutions	Summary
September 24, 2009	Nil	
July 10, 2008	Nil	
August 29, 2007	2	i. Issue of Foreign Currency Convertible Bonds (FCCBs) and Optionally Convertible Redeemable Preference Shares (OCRPS). ii. Increase the limit of investment of Foreign Institutional Investors (FIIs) upto 49% of the paid-up Equity Share Capital of the Company

Postal Ballot

No resolution was passed by postal ballot during the financial year 2009-10.

During the year under review, the Board of Directors at its meeting held on March 15, 2010 had considered and decided to pass the following resolutions through Postal Ballot as provided under Section 192(A) of the Companies Act, 1956 ("the Act"):

1. Special Resolution under Section 81(1A) of the Act, to authorise the Board for further issue of securities upto an amount not exceeding Rs.1750 crores in the form of equity shares, bonds or debentures or other securities;



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2. Reclassification of the Authorised Share Capital of the Company and amendment of the Capital Clause of the Memorandum of Association of the Company;
3. Special Resolution for appointment of Shri Prakash Chandra Kapoor as Director and as Executive Director of the Company;
4. Special Resolution for appointment of Shri Vijay Kumar as Director and as Executive Director of the Company.

Shri Ashish C. Bhatt, Practising Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and also to receive and scrutinize the completed Postal Ballot Forms from the members. All the above resolutions were declared by the Chairman of the Board on April 29, 2010 as duly passed by the requisite majority of the members of the Company voting by Postal Ballot.

DISCLOSURES

- a) There are no materially significant related party transactions i.e. transaction of the Company of material nature with its Promoters, Directors or the Management, their subsidiaries or relatives etc. that would have potential conflict with the interest of the Company at large.
- b) There has not been any non-compliance by the Company nor any penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets since the date of incorporation of the Company i. e. July 14, 2005.
- c) The Senior Management has made disclosures to the Board of Directors relating to all material financial and commercial transactions stating that they had no personal interest that could result in a conflict with the interest of the Company at large.
- d) The Company has complied with the mandatory requirement of the Clause 49 pertaining to Corporate Governance.
- e) The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure ID to the Clause 49 of the Listing Agreements with the Stock Exchanges:
 - i. The Company has adopted the Whistle Blower Policy with a view to provide a mechanism for employees of the Company to approach the Management to safeguard themselves against victimization. It is affirmed that no personnel has been denied access to the Audit Committee.
 - ii. The Company has set up the Remuneration Committee, details of which have been given earlier in this Report.

MEANS OF COMMUNICATION

- (i) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the proforma prescribed under Clause 41 of the Listing Agreements executed with the Stock Exchanges.
- (ii) The approved financial results are forthwith sent to the Stock Exchanges with the Press Release issued in connection with the results. The financial results are published in the leading national newspapers namely, The Economic Times and Financial Express. In addition, the same are published in local language (Marathi) newspaper namely, Maharashtra Times, within forty eight hours of approval thereof.
- (iii) The financial results, press releases and other updated news are also displayed on the Company's website www.greatoffshore.com.
- (iv) The above website of the Company contains a separate dedicated section 'Investors' where shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- (v) Management Discussion and Analysis Report forms part of the Annual Report, which is being sent to the shareholders of the Company.

GENERAL SHAREHOLDERS INFORMATION

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

Annual General Meeting

Please refer to the notice of Fifth Annual General Meeting for information regarding date, time and venue of the meeting, date of Book Closure and Dividend Payment Date.



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Financial Calendar for 2010 – 11 (tentative):

First quarterly results	:	July 2010, August 2010
Second quarterly results	:	October 2010, November 2010
Third quarterly results	:	January 2011, February 2011
Fourth Quarter & Annual results for the year ending on 31.03.2011	:	April 2011, May 2011

Listing on Stock Exchanges

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

Annual Listing Fees as prescribed have been paid to both the Stock Exchanges for the year 2010-2011.

Stock Code

Bombay Stock Exchange Limited – 532786

National Stock Exchange of India Limited – GTOFFSHORE

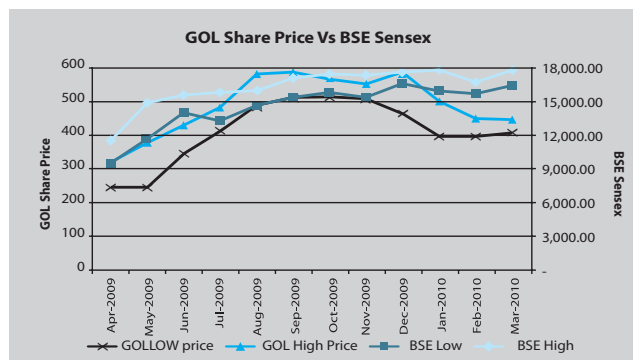
Demat ISIN No. - INE892H01017

Market Price Data

(i) The details of monthly High and Low market price of the shares during the year 2009-10 on BSE and NSE are as under:

Month	BSE		NSE	
	High (in Rs)	Low (in Rs)	High (in Rs)	Low (in Rs)
April 2009	316.95	244.00	316.70	244.00
May 2009	378.90	245.00	378.90	246.00
June 2009	429.00	346.00	429.85	345.10
July 2009	483.00	413.30	484.70	415.00
August 2009	582.90	482.90	582.90	484.00
September 2009	584.00	510.00	585.00	525.00
October 2009	570.00	509.00	585.00	505.00
November 2009	551.50	505.05	551.75	483.70
December 2009	584.00	462.10	583.00	463.35
January 2010	501.95	397.00	501.85	397.30
February 2010	449.80	395.75	448.80	391.00
March 2010	445.85	406.30	447.70	406.50

(ii) Performance of share price of the Company in comparison to BSE Sensex:



GOL : Great Offshore Limited

BSE : Bombay Stock Exchange Limited



GREAT OFFSHORE

Registrar & Share Transfer Agent

TSR Darashaw Limited

(Unit: Great Offshore Limited)

6-10 Haji Moosa Patrawala Industrial Estate,

20, Dr. E. Moses Road,

Mahalaxmi, Mumbai – 400 011

Ph. No.: (022) 6656 8484

Fax No.: (022) 6656 8496

E-mail: csg-unit@tsrdarashaw.com

Website: www.tsrdarashaw.com

Shareholder may submit documents or visit at above address between 10.00 a.m. to 3.30 p.m. (Monday to Friday except bank holidays).

Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Share Transfer Agent within a period of 10 days from the date of receipt thereof provided all the documents are in order. Shares under objection are returned within two weeks. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practising Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued and submitted to Stock Exchanges.

Distribution of shareholding as on March 31, 2010

No. of shares (range)	No. of Shareholders	% to total holders	No. of Shares (holding)	% to Total Shares
1 to 500	96,079	96.85	52,02,503	13.97
501 to 1000	1,777	1.79	12,79,232	3.44
1001 to 2000	723	0.73	10,23,927	2.75
2001 to 3000	244	0.24	6,02,155	1.62
3001 to 4000	107	0.11	3,75,653	1.01
4001 to 5000	83	0.08	3,73,938	1.00
5001 to 10000	97	0.10	6,88,736	1.85
10001 and above	95	0.10	2,76,85,817	74.36
Grand Total	99,205	100.00	3,72,31,961	100.00

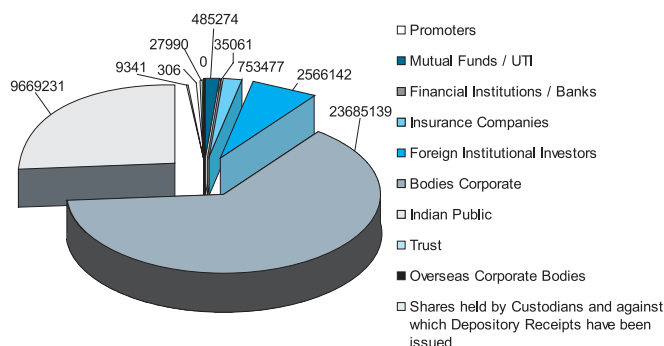
Categories of shareholders as on March 31, 2010

Category	No. of shares held	Percentage (%) of holding
Promoters	0	0
Mutual Funds / UTI	4,85,274	1.30
Financial Institutions / Banks	35,061	0.09
Insurance Companies	7,53,477	2.03
Foreign Institutional Investors	25,66,142	6.89
Bodies Corporate	2,36,85,139	63.62
Indian Public	96,69,231	25.97
Trust	9,341	0.02
Overseas Corporate Bodies	306	0.00
Shares held by Custodians and against which Depository Receipts have been issued	27,990	0.08
Grand Total	3,72,31,961	100.00



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Shareholding pattern as on March 31, 2010



Dematerialisation of Shares and Liquidity:

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

Equity shares of the Company representing 95.88% of the Company's paid-up equity shares capital are dematerialised as on March 31, 2010. The Company has entered into agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) whereby shareholders have an option to dematerialise their shares with either of the depositories.

Status of Dematerialisation as on March 31, 2010

Particulars	No. of shares	% to Paid-up Capital	No. of Accounts
National Securities Depository Limited	34,378,155	92.34	58,827
Central Depository Services (India) Limited	1,319,052	3.54	14,634
Total Dematerialised	35,697,207	95.88	73,461
Physical	1,534,754	4.12	25,744
Grand Total	37,231,961	100.00	99,205

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

- 5,490 GDRs of the Company are outstanding as on March 31, 2010.
- USD 40,000,000 7.25% Unsecured Foreign Currency Convertible Bonds (FCCBs) due 2012 are outstanding as on March 31, 2010. The due date of maturity of the bonds is October 12, 2012. 18,20,343 representing 4.89% of paid-up share capital as on March 31, 2010 will be allotted on conversion of said outstanding FCCBs, if converted.

Plant Location

The Company has no plants.

Address of Correspondence for Shareholders / Investors

Company

Great Offshore Limited
 Secretarial Department
 Energy House,
 81, Dr. D. N. Road,
 Mumbai – 400 001
 Ph. No. : (022) 6635 2222
 Fax No.: (022) 2267 3993
 E-mail : investor_services@greatoffshore.com
 Website : www.greatoffshore.com

Registrar & Share Transfer Agent

TSR Darashaw Limited
 (Unit : Great Offshore Limited)
 6-10 Haji Moosa Patrawala Indl. Estate,
 20 Dr. E. Moses Road, Mahalaxmi,
 Mumbai – 400 011
 Ph. No.: (022) 6656 8484
 Fax No.: (022) 6656 8496
 E-mail : csg-unit@tsrdarashaw.com
 Website: www.tsrdarashaw.com



GREAT OFFSHORE

SECRETARIAL AUDIT FOR RECONCILIATION OF CAPITAL

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

COMPLIANCE CERTIFICATE OF THE AUDITORS

The Statutory Auditors have certified that the Company has complied with the provisions of Corporate Governance as stipulated in Clause 49 of the Listing Agreements with the Stock Exchanges and the same is annexed to the Directors' Report.

The Certificate from the Statutory Auditors will be sent to the Stock Exchanges alongwith the Annual Reports of the Company.

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

I, Soli C. Engineer, Executive Director, do hereby declare that to the best of my knowledge and belief all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2010.

Mumbai
June 23, 2010

Soli C. Engineer
Executive Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Great Offshore Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by Great Offshore Limited ('the Company') for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 the compliance of 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We 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

VINAYAK M. PADWAL
PARTNER
Membership No: F 49639
Firm Registration No: 104607W

Mumbai,
June 23, 2010



GREAT OFFSHORE

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

To,

The Board of Directors

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

We, **Soli C. Engineer**, Executive Director and **Shrirang Khadilkar**, General Manager – Corporate Accounts, MIS & Taxation of Great Offshore Limited, do hereby certify that:

- a. We have reviewed financial statements and the cash flow statement of the Company for the year 2009-2010 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated wherever applicable to the Auditors and the Audit committee:
 - i. significant changes in internal control over financial reporting, if any, during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Soli C. Engineer
Executive Director

Shrirang Khadilkar
General Manager – Corporate Accounts, MIS & Taxation

Mumbai,
June 23, 2010



GREAT OFFSHORE

FLEET

Fleet as on March 31, 2010 consist of :

Category	Total	Type		Vessel Name	Year of Built
DRILLING VESSELS	3		1	Badrinath	1973
			2	Kedarnath	1975
			3	* Amarnath	1983
OFFSHORE SUPPORT VESSELS	28	Platform Supply Vessels	1	Malaviya Sixteen	2002
			2	Malaviya Eighteen	2002
			3	Malaviya Nineteen	2004
			4	Malaviya Twenty	2004
			5	Malaviya Twenty Four	2005
			6	Malaviya Twenty Nine	2006
			7	Malaviya Thirty	2006
			8	* Malaviya Seven	1994
		Anchor Handling Tug cum Supply Vessels	1	Malaviya One	1983
			2	Malaviya Two	1983
			3	Malaviya Three	1984
			4	Malaviya Four	1984
			5	Malaviya Five	1982
			6	Malaviya Six	1981
			7	Malaviya Ten	1999
			8	Malaviya Twenty One	2005
			9	Malaviya Twenty Three	2007
			10	Malaviya Twenty Eight	2006
			11	Malaviya Thirty Four	1984
			12	Malaviya Nine	2008
		Fire Fighting Supply Vessels	1	Malaviya Twenty Five	2006
			2	Malaviya Twenty Seven	2006
		Multi Support Vessel	1	Malaviya Thirty Six	1987
		Anchor Handling Tugs	1	Gal Beaufort Sea	1982
			2	Gal Ross Sea	1982
			3	Sangita	1994
			4	* Bharati-S	1982
		Supply Vessel	1	Malaviya Twelve	1989
HARBOUR TUGS	12		1	Anasuya	1997
			2	Rishabh	1985
			3	Malini	1987
			4	Jyotsna S.	1989
			5	Kanti	1998
			6	Kumari Tarini	1998
			7	Sudhir Mulji	1998
			8	Vahbiz	1999
			9	Ananya	2000
			10	Purnima	2000
			11	Birsingha	2001
			12	* Polaris	2008
ACCOMMODATION BARGE	3		1	Gal Constructor	1978
			2	Malaviya Thirty Three	1978
			3	* Gal Installer	1994
FLOATING DRY DOCK	1		1	* Great Offshore FD-1	1984
TOTAL FLEET	47				

*Acquired during financial year 2009-10.



GREAT OFFSHORE

Report of the Auditors to the Members of Great Offshore Limited

1. We have audited the attached Balance Sheet of Great Offshore Limited as at March 31, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both 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, as amended by the Companies (Auditor's Report) Order, 2004, 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 in paragraph (3) 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 purposes 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, Profit and Loss Account and 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) Without qualifying our opinion, we draw attention to Note 17(a) of Schedule 19, Notes to Account. The Company has changed its accounting policy w.e.f. April 1, 2009 in respect of expenses incurred at the time of five yearly Special Surveys and/ or life enhancement programmes by which class certificates/ operating licenses are renewed and instead of charging the same to Profit and Loss Account have capitalised the same and will be depreciated over the period of five years. Accordingly, during the year ended March 31, 2010, the Company has capitalized Rs. 3989 lakhs and consequently profit for the year is higher by Rs. 3511 lakhs.
 - f) 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, 2010;
 - 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 for the year ended on that date.
5. On the basis of written representations received from the directors of the Company as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2010, 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

VINAYAK M. PADWAL

Partner

M. No. F49639

Firm Reg. No. 104607W

Mumbai, June 23, 2010



GREAT OFFSHORE

Annexure to the Auditors' Report

Referred to in paragraph 3 of our report of even date on the accounts of Great Offshore Limited for the year ended March 31, 2010:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge no material discrepancies were reported on such verification.
- (c) In our opinion, the fixed assets disposed off during the year were not substantial and do not affect the going concern assumption.
2. (a) The management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories as compared to the book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered 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 procedure commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets, and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Companies Act have been entered in the register required to be maintained under that section.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. 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 sections 58A and 58AA of the Companies Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system, which in our opinion is commensurate with the size and nature of its business.
8. As informed 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 the activities carried on by the Company.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Shore Staff Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities. We are informed that in respect of floating staff it is not possible to accurately ascertain the income tax on salaries (under section 192) of the employees. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination the balance, if any, is paid.
- (b) According to the books of account and records as produced and examined by us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty or cess which have not been deposited on account of any dispute, other than those stated below:

Name of the statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Tamilnadu General Sales Tax Act 1959	Tax u/s 3A of The Tamilnadu General Sales Tax Act, 1959	100.78	1995-96 and 1996-97	The Sales Tax Appellate Tribunal, Chennai



GREAT OFFSHORE

Name of the statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Karnataka Sales Tax Act, 1957	Tax u/s 5-C of the Act	170.71	1995-96 to 2001-02	Stay granted by Supreme Court
The Customs Act, 1962	Customs Duty	6.03 70.37	2007-08 2001-02	Deputy Commissioner CT - Hyderabad, Andhra Pradesh. Custom Excise and Gold (Control) Appellate Tribunal
The APVAT Act, 2005	VAT	96.53	2004-05 2005-06	APGST / SPVAT Malviya Nine-deemed Transfer of right to use
Central Excise and Customs Act	Service Tax	72.53	2002-03 to 2004-05	Superintendent of Central Excise
Income Tax Act, 1961	Income Tax	36.94	2006-07	CIT(Appeals)
West Bengal Sales Tax Act	Sales Tax	41.59	2001-02	The Commissioner of Commercial Taxes, Kolkatta

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the company has not defaulted in repayment of dues to a financial institution or bank or the debenture holders.
12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans 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 explanation given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi/ mutual benefit fund/ societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the Company.
16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans were applied by the Company for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the Company has not utilised any funds raised on short-term basis for long-term investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered under section 301 of the Companies Act.
19. According to the explanation given to us, securities have been created in respect of the debentures taken over by the Company pursuant to the Scheme of Arrangement.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants

VINAYAK M. PADWAL
Partner
M. No. F49639
Firm Reg. No. 104607W
Mumbai, June 23, 2010



GREAT OFFSHORE

Balance Sheet as at March 31, 2010

		Current Year Rs. Lakhs	Previous Year Rs. Lakhs
	Schedule		
SOURCES OF FUNDS :			
Shareholders' Funds :			
Capital	1	3723	3714
Reserves and Surplus	2	99228	65549
		102951	69263
Loan Funds :			
Secured Loans	3	202380	171952
Unsecured Loans	4	28756	22383
		231136	194335
Deferred tax liability (net)		249	-
TOTAL		334336	263598
APPLICATION OF FUNDS :			
Fixed Assets :	5		
Gross Block		250471	196518
Less : Depreciation		72125	58949
Net Block		178346	137569
Capital work in progress		116299	81828
		294645	219397
Investments	6	14647	14647
Deferred tax assets (net)		-	691
Current Assets, Loans and Advances :			
Inventories	7	961	530
Sundry Debtors	8	25021	24729
Cash and Bank balances	9	4619	22004
Loans and Advances	10	16224	7441
		46825	54704
Less : Current Liabilities and Provisions :			
Current Liabilities	11	20850	24239
Provisions	12	931	1602
		21781	25841
Net Current Assets		25044	28863
TOTAL		334336	263598
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

Shrirang V. Khadilkar
GM - Corporate Accounts, MIS & Taxation
R. Narayanan
Chief Compliance Officer & Company Secretary

For and on behalf of the Board

Keki M. Elavia
Chairman
Vijay Kumar
Executive Director
P.C. Kapoor
Executive Director

Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Mumbai, June 23, 2010

Mumbai, June 23, 2010



GREAT OFFSHORE

Profit And Loss Account For The Year Ended March 31, 2010

	Schedule	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
INCOME :			
Income from Operations	13	100740	89516
Other Income	14	609	5766
		<u>101349</u>	<u>95282</u>
EXPENDITURE :			
Operating Expenses	15	47660	44941
Administration and Other Expenses	16	10427	7869
Interest and Finance charges	17	10813	8856
Depreciation		13227	10026
		<u>82127</u>	<u>71692</u>
Profit before tax		<u>19222</u>	<u>23590</u>
Less : Provision for taxation			
- Current tax		760	2459
- Deferred tax		940	(129)
- Fringe Benefit Tax		-	150
- Prior years		60	-
Profit for the year after tax		<u>17462</u>	<u>21110</u>
Add : Write back of Proposed dividend on shares bought back		-	44
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961		4000	4000
		<u>13462</u>	<u>17154</u>
Add : Surplus brought forward from previous year		13760	16868
Amount available for appropriation		<u>27222</u>	<u>34022</u>
Appropriations:			
- Transfer to Capital Redemption Reserve		-	15098
- Transfer to General Reserve		2000	2500
- Preference Shares Dividend		-	1349
- Proposed Final Dividend			
- on Equity Shares		931	928
- Tax on Dividends		-	387
Balance Carried Forward		<u>24291</u>	<u>13760</u>
		<u>27222</u>	<u>34022</u>
Basic earnings per share (in Rs.)		<u>46.97</u>	<u>52.20</u>
Diluted earnings per share (in Rs.)		-	-
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

Vinayak M. Padwal

Partner

Shrirang V. Khadilkar

GM - Corporate Accounts, MIS & Taxation

R. Narayanan

Chief Compliance Officer & Company Secretary

For and on behalf of the Board

Keki M. Elavia

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Executive Director

P.C. Kapoor

Executive Director

Soli C. Engineer

Executive Director

Dr. Ram Nath Sharma

Director

Mumbai, June 23, 2010

Mumbai, June 23, 2010



GREAT OFFSHORE

Cash Flow Statement for the year ended March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX :	19222	23590
ADJUSTMENTS FOR :		
Depreciation	13227	10026
Interest earned	(75)	(355)
Interest expensed	10813	8856
Dividend received.	-	(124)
Profit on sale of sundry assets	(9)	(16)
Provision for doubtful debts (Net)	1	4
Foreign exchange	4638	(3303)
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES :	47817	38678
ADJUSTMENTS FOR :		
Trade & other receivables	(8256)	(7987)
Inventories	(431)	87
Trade payables	(3305)	5285
CASH GENERATED FROM OPERATIONS	35825	36063
Taxes paid	(2563)	(2866)
NET CASH FLOW FROM OPERATING ACTIVITIES :	33262	33197
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(88499)	(81416)
Sale of fixed assets	34	16
Purchase of investments	-	(43128)
Sale of investments	-	29812
Interest received	75	355
Dividend received	-	124
NET CASH USED IN INVESTING ACTIVITIES :	(88390)	(94237)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Redemption of Preference Shares	-	(15000)
Proceeds from borrowings	124289	148103
Repayments of borrowings	(71121)	(64737)
Equity Buy back	-	(5524)
Proceeds from issue of equity shares	9	
Premium on equity shares issued	787	
Interest paid	(10982)	(8754)
Dividend paid	(929)	(5202)
Tax on dividend	(158)	(892)
NET CASH FROM FINANCING ACTIVITIES :	41895	47994
Net increase / (decrease) in cash and cash equivalents :	(13233)	(13046)
Cash and cash equivalents as at beginning of period	18757	31803
Cash and cash equivalents as at end of period	5524	18757
Note :		
Cash and cash equivalent as on	March 31,2010	March 31,2009
Cash and bank balances	4619	22004
Effect of exchange rate changes [Loss/(gain)]	905	(3247)
Cash and cash equivalents as restated	5524	18757

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Vinayak M. Padwal
Partner

Shrirang V.Khadilkar
GM - Corporate Accounts, MIS & Taxation
R. Narayanan
Chief Compliance Officer & Company Secretary

For and on behalf of the Board

Keki M. Elavia
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Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Mumbai, June 23, 2010

Mumbai, June 23, 2010



GREAT OFFSHORE

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "1" : SHARE CAPITAL :		
AUTHORISED :		
50,000,000 (Previous Year 50,000,000) Equity Shares of Rs.10 each	5000	5000
1,500,000 (Previous Year 1,500,000) 10% Optionally Convertible Redeemable Cumulative Preference Shares of Rs. 1,000 each	15000	15000
	<u>20000</u>	<u>20000</u>
ISSUED :		
37,313,594 (Previous Year 37,222,577) Equity Shares of Rs.10 each	3731	3722
	<u>3731</u>	<u>3722</u>
SUBSCRIBED & PAID UP :		
37,231,961 (Previous Year 37,140,944) Equity Shares of Rs.10 each fully paid up.	3723	3714
	<u>3723</u>	<u>3714</u>
Notes:		
1. 38,068,481 Equity Shares are allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash.		
2. Paid-up Equity Share Capital is net of Calls in Arrears Rs. 0.08 lakh.		
3. The company has on October 31, 2009 allotted 91017 Equity shares of Rs.10/- each at a premium of Rs.865/- per share on part conversion of FCCBs aggregating to USD 2,000,000.		
SCHEDULE "2" : RESERVES AND SURPLUS :		
FOREIGN CURRENCY FLUCTUATION RESERVE		
As per last Balance Sheet	1000	1000
Add: Transfer from Profit & Loss A/c	-	-
	<u>1000</u>	<u>1000</u>
HEDGE RESERVE		
As per last Balance Sheet	(17500)	-
Add: Addition during the year	16361	(17500)
	<u>(1139)</u>	<u>(17500)</u>
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	15098	-
Add: Addition during the year	-	15098
	<u>15098</u>	<u>15098</u>
SECURITIES PREMIUM ACCOUNT :		
As per last Balance Sheet	-	2514
Add/Less : Premium on Share Buyback (Refer Note 3, Shedule 1)	787	(2514)
	<u>787</u>	<u>-</u>
TONNAGE TAX RESERVE ACCOUNT UNDER SECTION 115VT OF THE INCOME-TAX ACT, 1961 :		
As per last Balance Sheet	11850	7850
Add : Transfer from Profit and Loss Account	4000	4000
	<u>15850</u>	<u>11850</u>
GENERAL RESERVE :		
As per last Balance Sheet	41341	41753
Less : Premium on Share Buyback	-	(2912)
Add : Transfer from Profit and Loss Account	2000	2500
	<u>43341</u>	<u>41341</u>
PROFIT AND LOSS ACCOUNT	<u>24291</u>	<u>13760</u>
	<u>99228</u>	<u>65549</u>



GREAT OFFSHORE

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "3" : SECURED LOANS :		
TERM LOANS :		
- From Banks (Secured by mortgage of specific ships)	201613	171185
NON CONVERTIBLE DEBENTURES :		
Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each - (Refer Note 5)		
- 6.05 % redeemable on September 19, 2010.	767	767
	<u>202380</u>	<u>171952</u>
SCHEDULE "4" : UNSECURED LOANS :		
7.25 % Foreign Currency Convertible Bonds (due 2012)	17956	21302
Inter - Corporate borrowings		
From other Company	3500	81
From Subsidiary Company	7300	1000
	<u>28756</u>	<u>22383</u>

SCHEDULE "5" : FIXED ASSETS

Rs Lakhs

PARTICULARS	COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto March 31, 2009	For the year	Adjustments on assets sold	Upto March 31, 2010	As at March 31, 2010	As at March 31, 2009
Fleet	184447	19658	-	204105	47845	12892	-	60737	143368	136602
Plant & Machinery										
- Rigs & Barge	9070	34058	-	43128	9070	125	-	9195	33933	-
- Others	-	31	-	31	-	6	-	6	25	-
Ownership Flats & Office Premises	1669	-	-	1669	937	37	-	974	695	732
Furniture, Fixtures and Office Equipments	863	137	2	998	790	74	2	862	136	73
Vehicles	469	145	74	540	307	93	49	351	189	162
TOTAL	196518	54029	76	250471	58949	13227	51	72125	178346	137569
Previous Year Total	148876	47652	10	196518	48933	10026	10	58949	137569	
Capital Work in Progress									116299	81828
TOTAL									<u>294645</u>	<u>219397</u>

	Current Year Rs. lakhs	Previous Year Rs. lakhs
SCHEDULE "6" : INVESTMENTS		
Equity Shares : Unquoted		
Subsidiaries :		
1,50,000 Great Offshore Fujairah L.L.C. - FZC of US \$ 1 each	66	66
50,000 Deep Water Services (India) Ltd. of Rs. 10 each	5	5
3,00,000 Great Offshore (International) Ltd of US \$ 1 each	155	155
8,10,000 KEI RSOS Maritime Ltd of Rs.10 each	13863	13863
28,104 RSOS Limited of Rs,100 each	501	501
Joint Venture :		
5,20,000 United Helicharterers Pvt. Ltd.of Rs. 10 each	57	57
	<u>14647</u>	<u>14647</u>
SCHEDULE "7" : INVENTORIES :		
Fuel Oil (at cost)	961	530
	<u>961</u>	<u>530</u>



GREAT OFFSHORE

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "8" : SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding over six months :		
Considered good	6280	2878
Considered doubtful	794	546
	7074	3424
Other Debts :		
Considered good	18741	21851
	25815	25275
Less : Provision for doubtful debts	794	546
	25021	24729
SCHEDULE "9" : CASH AND BANK BALANCES		
Cash on hand	20	17
Balances with scheduled banks on :		
Current account	2533	8474
Balances with other banks :		
On call deposits with ABN AMRO Bank, London (Maximum Balance Rs. 15659 lakhs, Previous Year Rs.23261 lakhs)	2063	13512
On current account with ABN AMRO Bank, Dubai (Rs. 0.04 lakh, Previous Year Rs. 0.08 lakh) (Maximum Balance Rs. 2 lakhs, Previous Year Rs. 2 lakhs)	-	-
On current account with ABN AMRO Bank, Malaysia (Maximum Balance Rs. 11 lakhs, Previous Year Rs. 8 lakhs)	3	1
	2066	13513
	4619	22004
SCHEDULE "10" : LOANS AND ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	4301	4997
Advance to Subsidiary company	9003	1402
- The Great Offshore (Fujairah) L.L.C. (Maximum Balance Rs. 33 lakhs, Previous Year Rs. 38 lakhs)		-
- KEI - RSOS Maritime Ltd (Maximum Balance Rs. 5828 lakhs, Previous Year Rs. 1364 lakhs)		-
- Great Offshore (International) Ltd. (Maximum Balance Rs. 3142 lakhs, Previous Year Rs. Nil)		
Agents' current accounts	316	181
Advance payment of Income-tax & taxes deducted at source (Net of Provision for taxation)	2604	861
	16224	7441



GREAT OFFSHORE

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2010

	Current Year Rs. lakhs	Previous Year Rs. lakhs
SCHEDULE "11" : CURRENT LIABILITIES :		
Sundry Creditors		
Outstanding dues to Micro Enterprises and Small Enterprises	-	-
Dues of other creditors	<u>14559</u>	<u>19140</u>
	14559	19140
Advances from customers	1853	-
Other Liabilities	3299	3180
Interest accrued but not due on loans	1029	1199
Managerial Remuneration payable	-	720
Unclaimed Dividend	<u>110</u>	<u>-</u>
	20850	24239
SCHEDULE "12" : PROVISIONS		
Proposed Final Dividend on Equity Shares	931	928
Provision for Tax on Dividends	-	158
Provision for Retirement benefits	<u>-</u>	<u>516</u>
	931	1602
SCHEDULE "13" : INCOME FROM OPERATIONS		
Charter Hire (Gross)	88991	80895
[Income tax deducted at source Rs. 2003 lakhs, (Previous Year Rs. 2099 lakhs)]		
Contract Revenue (Gross)	11749	8621
[Income tax deducted at source Rs. 174 lakhs, (Previous Year Rs. 281 lakhs)]		
	<u>100740</u>	<u>89516</u>

Schedules Annexed to and forming part of the Profit And Loss Account for the year ended March 31, 2010

	Current Year Rs. lakhs	Previous Year Rs. lakhs
SCHEDULE "14" : OTHER INCOME		
Dividend on current investments		
- from subsidiary companies	-	-
- from others	-	124
Interest earned (Gross):		
- on call deposits	-	250
- others	<u>75</u>	<u>105</u>
(Income-tax deducted at source Rs. NIL, Previous Year Rs. Nil lakhs)	75	355
Gain on foreign currency transactions (net)	-	5054
Profit on sale of sundry assets (net)	9	16
Insurance claim/ Arbitration settlement	396	120
Miscellaneous Income	<u>129</u>	<u>97</u>
	609	5766



GREAT OFFSHORE

Schedules Annexed to and forming part of the Profit And Loss Account for the year ended March 31, 2010

	Current Year Rs. lakhs	Previous Year Rs. lakhs
SCHEDULE "15": OPERATING EXPENSES		
Fuel, Oil and Water	1634	2392
Port, Light and Canal Dues	257	261
Hire of chartered ships	1258	862
Outsourced Services	3421	3110
Brokerage and Commission	474	651
Wages, Bonus and Other Expenses - Floating Staff	14974	13464
Contribution to Provident and Other Funds - Floating Staff	126	229
Stores	1033	2110
Repairs & Maintenance - Fleet and Rigs	7597	10279
Insurance & Protection Club Indemnity Fees	1465	1259
Vessel Manning Expenses	1376	1296
Project Expenses	10006	6494
Sundry Operating Expenses	4039	2534
	<u>47660</u>	<u>44941</u>
SCHEDULE "16" : ADMINISTRATION & OTHER EXPENSES		
Salaries and allowances	2821	4014
Contribution to Provident and Other Funds	156	219
Staff Welfare Expenses	130	190
Rent	12	21
Insurance	94	39
Repairs and Maintenance		
- Buildings	13	5
- Others	<u>162</u>	<u>104</u>
	175	109
Property Taxes	7	52
Legal & Professional expenses	811	1887
Auditors' Remuneration	34	35
Provision for Doubtful Debts	249	114
Donations	3	7
Loss on foreign currency transactions (net)	4405	-
Other Expenses	1530	1182
	<u>10427</u>	<u>7869</u>
SCHEDULE "17": INTEREST & FINANCE CHARGES		
Interest on Fixed Loans	8104	7110
Other Loans	1414	1200
Finance charges	1295	546
	<u>10813</u>	<u>8856</u>



GREAT OFFSHORE

SCHEDULE "18":

SIGNIFICANT ACCOUNTING POLICIES:

(a) Accounting Convention :

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

(b) Use of Estimates:

The preparation of financial statements 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 year. 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. Cost includes expenses related to acquisition and financing costs on borrowings during construction period. Exchange differences on repayment are recognised in the Profit and Loss Account and year end translation of foreign currency liabilities relating to acquisition of assets are recognized in the Hedge Reserve.

(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 valued at cost on first in first out basis.

(f) Borrowing cost :

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

(g) Revenue recognition :

Charter hire earnings are recognized on accrual basis.

Revenue from long term turnkey offshore projects is recognized on the percentage of completion basis, based on costs incurred and the expected costs to completion.

(h) Operating expenses :

- (i) Operating expenses and standing charges are charged to revenue on accrual basis.
- (ii) Stores and spares delivered on board the ships and rigs are charged to revenue.

(i) Employee benefits:

(i) Short-term Employee benefits :

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

(ii) Post Employment Benefits :

Defined Contribution Plan

Retirement benefits in the Provident Fund, Family Pension Fund and Superannuation Scheme, which are defined contribution schemes, are charged to the Profit and Loss account of the year when the contributions accrue.



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Defined Benefit Plan

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

Other Long Term Benefits

Long term compensated absences & Pension benefits are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Profit and Loss account for the year as income or expense.

(j) Depreciation:

(i) Fleet :

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

(ii) Rigs :

Rigs are depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iii) Barge :

The Barge is depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iv) Properties :

Flats and Office premises are depreciated on the written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(v) Other Assets :

On the straight line method so as to write off the original cost of the asset over the estimated useful life as under:

Computers	-	3 years
Vehicles	-	4 years
Furniture & Fixtures, Office Equipment, etc	-	5 years

(k) Asset Impairment :

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

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

(l) Foreign Exchange Transactions :

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

(ii) The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealized exchange gains or losses on transaction foreign currency borrowing which qualify as effective hedge are recognized in the Hedge Reserve Account.



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- (iii) 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. Premium or discount on such forward exchange contracts is amortised as income or expenses over the life of the contracts.
- (iv) Exchange differences in respect of forward exchange contracts entered into by the Company to hedge foreign currency risk of firm commitments or highly probable forecast transactions are accounted for on settlement.
- (v) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.
- (vi) Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognized in the Profit and Loss account along with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

(m) Special Survey Expenses:

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed.

(n) Provision for Taxation:

Tax expense comprises of current, deferred tax and fringe benefit tax.

- (i) Provision for current income-tax and fringe benefit 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.

(o) 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.

(p) Segment Reporting:

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



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SCHEDULE "19":

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010

- Great Offshore Limited was incorporated on July 14, 2005 and the offshore services business of The Great Eastern Shipping Co. Ltd. was demerged and vested in the Company with effect from April 1, 2005 pursuant to a Scheme of Arrangement sanctioned by the Mumbai High Court. The Company specialises in providing offshore support solutions to the Exploration & Production Industry. In this segment the Company operates Drilling Rigs, Offshore Support Vessels and undertakes Marine Construction Projects and services.

2. Contingent Liabilities:

Rs. Lakhs

Sr. No.	Particulars	As on 31.3.2010	As on 31.3.2009
(i)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Company.	11613	14516
(ii)	Guarantees by bank given on behalf of a subsidiary company	991	1064
(iii)	Corporate guarantee given to Customs	583	583
(iv)	Claims not acknowledged by Company in respect of:		
	Customs Duty	76	70
	Income Tax matter in appeal	37	27
	Sales tax and Service tax demands on charter hire payments	265	265
	Possible obligation in respect of matters under arbitration	2700	1451
(v)	Letters of Credit outstanding	378	-

3. Share Capital:

On October 31, 2009 the Company has allotted 91,017 fully paid Equity Shares of Rs.10 each at a premium of Rs. 865/- per share on part conversion of FCCBs aggregating to USD 2,000,000. Consequently, the Issued, Subscribed and Paid up capital of the Company has increased by Rs.9.10 lakhs.

The allotment of 71,480 equity shares of the Company have been kept in abeyance in accordance with the section 206A of the Companies Act, 1956 till such time as the title of the bonafide holder of the shares is certified by the concerned Stock Exchange as per the orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992. An additional 10,153 (Previous Year 10,153) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

4. Reserves & Surplus :

Hedge Reserve

The Company has borrowings and the revenue streams in foreign currency, which provides an inherent hedge against foreign currency exchange rate fluctuations. Accordingly, the Company changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign currency borrowings by following an appropriate hedge accounting policy and applying the principle set out in AS-30 Financial Instruments: Recognition and Measurement. The objective of adopting Hedge Accounting is to ensure that gain or loss on the hedging instrument is recognized in the statement of Profit and Loss in the same period when Hedge items affects profit or loss. The Company has w.e.f. 1st April 2008 designated borrowings in foreign currency as Hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the current year, the net unrealized exchange difference on foreign currency borrowings aggregating to Rs.16361 lakhs has been recognized directly in Hedge Reserve. As a result, balance in the Hedge Reserve is Rs.1139 lakhs. (Previous Year Debit of Rs.17500 lakhs)



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5. Secured Loans:

The secured redeemable non convertible debentures have been taken over from The Great Eastern Shipping Co. Ltd. (G. E. Shipping) under a Scheme of Arrangement. The said debentures continue to be secured by mortgage of specified immovable properties & ships of G. E. Shipping and the Company is under an obligation to reimburse G. E. Shipping all repayments and interest in respect of the aforesaid debentures, before the respective due dates as per the terms of the Scheme.

6. Unsecured Loans :

The Company has 7.25% Unsecured Foreign Currency Convertible Bonds (FCCB) (due 2012) of US\$ 100,000 each aggregating to US \$ 40,000,000 listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The Bondholders may, as per the terms, convert the Bonds in whole or in part from time to time, at their option, during the period commencing 11th October, 2007 to 28th September, 2012 at a price of Rs. 875/- per share and YTM of 7.25% with a fixed rate of exchange on conversion of Rs. 39.82 = US\$ 1.00.

During the Year, as per The Bondholders request, the Company has converted FCCB aggregating to USD 2,000,000. As per the Mandatory Conversion Right embedded in the offer document, the Company has the option to convert the entire outstanding bonds on the terms and conditions agreed upon. In the event, the Bonds are not repurchased and cancelled; or converted; the Company will redeem the Bonds on the Maturity Date.

7. Fixed Assets:

Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for Rs.14841 Lakhs (Previous Year Rs. 26375 lakhs).

8. Investments:

On November 5 2008, the Company has acquired 100% equity shares of KEI-RSOS Maritime Limited and Rajamahendri Shipping & Oil Field Services Limited for a consideration of Rs.14705 lakhs and Rs.573 lakhs respectively subject to certain adjustments as per Share Purchase Agreement. Out of the above, the consideration paid till the Balance Sheet date amounted to Rs.13863 lakhs and Rs. 501 lakhs respectively.

9. Debts due from a subsidiary (considered good):

Rs. Lakhs

	As on 31.3.2010	As on 31.03.2009
Outstanding over six months	483	Nil
Other debts	999	1227

10. Loans to subsidiaries:

Rs. Lakhs

	As on 31.3.2010	As on 31.3.2009	Maximum balance outstanding	
	Current Year	Previous Year	Current Year	Previous Year
Great Offshore Fujairah L.L.C. – FZC	33	38	33	38
KEI-RSOS Maritime Ltd.	5827	1364	5827	1364
Great Offshore (International) Ltd.	3142	-	3142	-



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11. Loans from subsidiaries:

Rs. Lakhs

	As on 31.3.2010	As on 31.3.2009	Maximum balance outstanding	
	Current Year	Previous Year	Current Year	Previous Year
Deep Water Services (India) Ltd.	7300	1000	7300	1000

12. Deferred tax:

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

Deferred tax is accounted for in respect of the timing differences under the non-tonnage activity of the Company.

The breakup of net deferred tax assets / (liability) is as under:

Rs. Lakhs

	As on 31.3.2010	As on 31.3.2009
Deferred tax assets:		
Demerger Expenses	-	4
Provision for doubtful debts and advances (Net)	33	28
Difference between book and tax depreciation	-	659
	33	691
Deferred tax liabilities:		
Difference between book and tax depreciation	282	-
Net deferred tax assets/(Liability)	(249)	691

13. Current Liabilities:

According to information available to the Company regarding the status of the suppliers, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, amount overdue as on 31st March, 2010 to the Micro, Small and Medium enterprises on account of principal amount, together with interest for delayed payment under the Act, is Rs. Nil .

14. Provisions:

The Company has recognized the provisions given below in its accounts in respect of obligations arising from past events, the settlement of which are expected to result in an outflow embodying economic benefits.

Manning dues and related contributions to welfare funds was Rs. 251 lakhs as on 1st April, 2009, additions during the year was Rs.151 lakhs, (Previous Year Rs. 130 lakhs), reversed / paid during the year was Rs.113 lakhs (Previous Year Rs. 427 lakhs), hence balance as on 31st March, 2010 is Rs. 289 lakhs (Previous Year 251 lakhs).

Pool Payable Provision was recognised for amounts payable to a pool of charterers estimated on the basis of average pool earnings. Opening balance as on 1st April, 2009 was Rs. 1325 lakhs, additions during the year was Rs.1020 lakhs, (Previous Year Rs. 1937 lakhs), reversed / paid during the year was Rs.1916 lakhs (Previous Year Rs. 2466 lakhs), hence balance as on 31st March, 2010 is Rs.429 lakhs.



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15. The balances of debtors and creditors are subject to confirmation.

16. Profit and Loss Account:

(a) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

Rs. in Lakhs

		Current Year	Previous Year
Managerial Remuneration		334	1,185
Profit for the year before tax		19,222	23,590
Add : Managerial Remuneration		334	1,185
Provision for doubtful debts and advances		250	114
Depreciation as per books		13,227	10,026
		13,811	11,325
		33,033	34,915
Less : Depreciation U/S. 350 of the Companies Act, 1956		13,227	10,026
Managerial Remuneration			
Profit on sale of assets		9 (13,236)	16 (10,042)
Net profit for Section 198 of the Companies Act, 1956		19,797	24,873
5% of Net profit as computed	5%	990	1244
Commission to Non-executive Directors	1%	198	249
Total Managerial Remuneration		270	1097
Commission to Non-Whole time Directors		36	80
Total managerial remuneration (including commission and provision for retirement pension benefits and excluding sitting fees)		306	1177

(b) Managerial Remuneration:

Rs. Lakhs

	Current Year	Previous Year
(a) Salaries	134	176
(b) Contribution to Provident fund and Superannuation fund	13	38
(c) Perquisites	3	2
(d) Commission to Managing Director	120	720
(e) Commission to Non-Whole-time Directors	36	80
(f) Retirement Pension benefits	-	161
(g) Sitting fees	28	8
TOTAL	334	1185

Note: The above does not include contribution to Gratuity Fund and provision for retirement leave encashment benefit, except leave encashment of Mr. Vijay Sheth Rs.20 lakhs included in perquisites, which are actuarially determined or on overall basis and separate figures are not available for the managing director.



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17. Change in Accounting Policy :

- (a) The Company has changed its Accounting Policy with effect from 1st April, 2009 in respect of expenses incurred at the time of five yearly Special Surveys and / or life enhancement programmes by which Class certificates / Operating licenses are renewed and capitalized the expenses and the same will be depreciated over the period of five years. During the year ended 31st March 2010, the Company has capitalized Rs.3989 lakhs expenditure incurred on five yearly Special Surveys and consequently charge on Profit & Loss Account is lesser by Rs.3511 lakhs.
- (b) The Company has changed its accounting policy with regard to recognition of exchange difference arising on translation of foreign currency borrowing by following an appropriate hedge accounting policy and applying principles set out in Accounting Standard (AS) 30 – ‘Financial Instrument Recognition and Measurement’. The objective of adopting hedge accounting is to ensure that the gain or losses of the hedging instrument is recognized in statement of profit and loss in same period when the hedge affected profit or loss. The Company w.e.f. 1st April 2008 has designated borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the year, the net unrealized exchange difference on foreign currency borrowing aggregating to Rs. 16361 lakhs has been recognized directly in Hedge Reserve. As a result, balance in the Hedge Reserve is Rs.1139 lakhs. (Previous Year Debit of Rs.17500 lakhs)

18. Disclosure pursuant to Accounting Standard (AS) 15 (Revised) “Employee Benefits”:

- (a) Effective April 1, 2007 the Company adopted Accounting Standard 15 (Revised 2005) on “Employee Benefits” issued by ICAI.
- (b) The Company has recognised the following amounts in the Profit and Loss Account for the year :

A) Defined Contribution Plans:

(Rs.Lakhs)

	Current Year	Previous Year
Contribution to Employees Provident Fund	150.62	155.89
Contribution to Employees Superannuation Fund	72.20	73.17
Contribution to Employees Pension Scheme 1995	4.27	4.34
Contribution to Seamen’s Provident Fund	39.37	46.03
Contribution to Seamen’s Annuity Fund	121.61	127.30
Contribution to Seamen’s Gratuity Fund	22.86	183.39

B) Defined Benefit Plans:

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

Actuarial Assumptions for the year	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	8%	7.5%	8%	7.5%	-	7.5%
(b) Rate of Return on Plan Assets	8%	8%	-	-	-	-
(c) Salary Escalation rate	5%	5%	5%	5%	-	5%
(d) Mortality	LIC (1994-96) ULT					
(e) Withdrawal rate	-	-	-	-	-	-
(f) Expected average remaining service	8.11	5.39	10.97	17.1	-	-



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(i) Change in Benefit Obligation:

(Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	600.19	505.58	18.63	37.20	-	355.22
Interest Cost	41.72	37.15	1.01	2.79	-	26.64
Current Service Cost	83.84	58.91	52.51	75.89	-	-
Benefits Paid	(86.87)	(82.25)	(10.37)	-	-	-
Transfer from previous employer's	-	-	-	-	-	-
Provision for diminution in fair value of plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on obligations	(65.67)	80.80	(17.21)	(97.26)	-	134.55
Liability at the end of the year	573.21	600.19	44.56	18.63	-	516.41

(ii) Fair value of Plan Assets:

(Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year including adjustment in opening	523.25	510.71	-	-	-	-
Expected Return on Plan Assets	41.65	40.85	-	-	-	-
Employer's Contribution	81.72	-	-	-	-	-
Employees Contribution	-	-	-	-	-	-
Benefits Paid	(86.87)	-	-	-	-	-
Provision for diminution in fair value of plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	63.84	(33.08)	-	-	-	-
Fair Value of Plan Assets at the end of the year	623.59	518.48	-	-	-	-

(iii) Actual Return on Plan Assets:

(Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Expected Return on Plan Assets	41.65	40.85	-	-	-	-
Actuarial gain/(loss) on Plan Assets	63.84	(33.08)	-	-	-	-
Actual Return on Plan Assets	(22.19)	7.77	-	-	-	-



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(iv) Amount Recognised in the Balance Sheet:

(Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the year	573.25	600.19	44.56	18.63	-	516.41
Fair Value of Plan Assets at the end of the year	623.59	518.48	-	-	-	-
Difference	50.34	(81.71)	(44.56)	(18.63)	-	(516.41)
Unrecognised past service cost	-	-	-	-	-	-
Amount recognised in the Balance Sheet	50.34	(81.71)	(44.56)	(18.63)	-	(516.41)

(v) Expenses recognised in the Profit & Loss Account:

(Amount in Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	83.84	58.91	52.51	75.89	-	-
Interest Cost	41.76	37.16	1.01	2.79	-	26.64
Expected Return on Plan Assets	(41.65)	(40.86)	-	-	-	-
Net Actuarial Gain/(loss) to be recognised	(129.51)	113.88	(17.21)	(97.25)	-	135.55
Expenses recognised in Profit and Loss Account	(45.57)	169.09	36.30	(18.57)	-	161.19

(vi) 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.

(vii) 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 base salary.

Leave Encashment:

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed @ 30 days for employees. The Leave over and above 30 days is encashed and paid to employees in April every year. Benefit would be paid at the time of separation based on the last drawn basic salary.



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19. Auditors' Remuneration :

Rs. Lakhs

	Current Year	Previous Year
Audit Fees	18	18
In other capacities :		
- Tax Audit	2	2
- Taxation	5	5
- Certification and other services	9	10
Total	34	35

20. Hedging Contracts:

- Interest Rate Swap contracts payable at predetermined fixed rate vis-à-vis LIBOR relating to loans of USD 4.74 million (Previous Year USD 30 million).
- The Company uses interest rate swaps to hedge its exposure to foreign exchange and interest rate changes.
- Unhedged foreign currency exposure : as on 31st March 2010:

Amount in Foreign Currency in Lakhs

		Current Year	Previous Year
(i)	Loans liabilities and payables		
(a)	U S Dollars	1605	2580
(b)	Euros	1	3
(c)	Arab Emirates Dinars	9	8
(d)	Japanese Yens	232	64
(e)	Great Britain Pounds	3	31
(f)	Norwegian Kroners	5	8
(g)	Singapore Dollars	14	3
(h)	African Rands	-	2
(i)	Saudi Riyals	-	2
(ii)	Cash / Bank and Receivables		
(a)	U S Dollars	485	704
(b)	Euros	-	10
(c)	Arab Emirates Dinars	1	2
(d)	Japanese Yens	57	2
(e)	Great Britain Pounds	26	27
(f)	Singapore Dollars	3	1
(g)	Norwegian Kroners	1	1
(h)	African Rands	-	1

21. Segment Reporting:

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



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22. Related Party Disclosures :

(i) List of Related Parties

a) Parties where control exists :

Subsidiary Companies:

Great Offshore Fujairah L.L.C.- FZC

Deep Water Services (India) Ltd.

KEI – RSOS Maritime Ltd.

Rajamahendri Shipping and Oil Field Services Ltd.

Great Offshore (International) Ltd.

b) Other related parties with whom transactions have taken

Place during the year:

1. Joint Venture :

United Helicharterers Pvt. Ltd.

2. Key Management Personnel :

Mr.Vijay Kantilal Sheth - Vice Chairman cum Managing Director (upto 30-05-2009)

Mr.Soli C.Engineer – Executive Director (w.e.f.29-07-2009)

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

Allcargo Global Logistic Limited

Bharati Shipyard Limited

Indian National Shipowners Association

Indian Register of Shipping

Weizmann Forex Limited

22 (ii) Transactions with related parties for the period ended 31st March, 2010

Rs. Lakhs

Sr. No	Nature of Transaction	Subsidiary Companies		Joint Venture		Key Management Personnel		Enterprise over which Individuals/Directors exercise significant influence		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Income earned on Services rendered :										
	Deep Water Services (India) Ltd	3696	3618							3696	3618
	KEI - RSOS Maritime Ltd.	1625	459							1625	459
	Royalty received from :										
	United Helicharterers Pvt. Ltd.			14	14					14	14
2	Interest Income received from :										
	KEI -RSOS Maritime Ltd.		94								94
3	Reimbursement of Expenses received from :										
	Deep Water Services (India) Ltd	5	0							5	0
	Great Offshore (International) Ltd.		208								208



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Sr. No	Nature of Transaction	Subsidiary Companies		Joint Venture		Key Management Personnel		Enterprise over which Individuals/Directors exercise significant influence		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
4	Interest paid to :										
	Deep Water Service (India) Ltd.	428	16							428	16
	Allcargo Global Logistic Limited							71		71	
5	Subscription paid to :										
	Indian National Shipowners Association							14		14	
6	Contracted work :										
	Bharati Shipyard Limited							719		719	
7	Services:										
	Indian Registrar of Shipping							77		77	
	Weizmann Forece Limited							39		39	
8	Inchartered Vessel:										
	KEI-RSOS Maritime Limited	171								171	
9	Repayment of loan :										
	Deep Water Services (India) Ltd	1750	500							1750	500
	Allcargo Global Logistic Limited							5000		5000	
	Great Offshore (International) Ltd.		12930								12930
	KEI -RSOS Maritime Ltd.	743								743	
10	Purchase of Asset:										
	Great Offshore (International) Ltd.		39927								39927
11	Remuneration:										
	Mr.Vijay K.Sheth					170	1097			170	1097
	Mr.Soli Engineer					100				100	
12	Loan received from :										
	Deep Water Service (India) Ltd.	8050	1500							8050	1500
	Allcargo Global Logistic Limited							5000		5000	
	Bharati Shipyard Ltd.							3500		3500	
13	Loan Given to:		-								
	KEI -RSOS Maritime Ltd.	5206	1364							5206	1364
	Great Offshore (International) Ltd.	3142	12930							3142	12930
14	Outstanding balances as on 31.03.10										
	Loans & Advances (Receivables) :										
	KEI - RSOS Maritime Ltd.	5827	1364							5827	1364
	Great.Offshore (Fxujairah) LLC-FZC	33	38							33	38
	Great.Offshore (International) Ltd.	3142								3142	
	Loans & Advances (Payables) :										
	Deep Water Services India Ltd.	7300	1000							7300	1000
	Bharati Shipyard Ltd.							3500		3500	
	Interest Accrued & receivable										
	KEI - RSOS Maritime Ltd.	72	94							72	94
	Interest Payables :										
	Deep Water Services India Ltd.	411	16							411	16
	Receivables :										
	Deep Water Services (India) Ltd	313	1005							313	1005
	United Helicharterers Pvt Ltd			74	58					74	58
	KEI - RSOS Maritime Ltd. (Net)	1482	223							1482	223
15	Guarantees given :										
	Deep Water Services (India) Ltd	991	1064							991	1064



GREAT OFFSHORE

23. Interest in Joint Venture:

The Company has a joint venture interest in United Helicharters Pvt. Ltd. (a company incorporated in India) and its proportionate share in the assets, liabilities, income and expenses of the jointly controlled entity, based on the unaudited management accounts drawn up to 31 December, 2009, is as under :

Percentage of ownership interest as at 31st March 2010. – 26%

Rs. Lakhs

As at 31st December 2009		For the period ended 31st December 2009	
Assets	1134	Income	1247
Liability	934	Expenditure	1198

Rs. Lakhs

As at 31st March 2009		For the period ended 31st March 2009	
Assets	1116	Income	2078
Liability	948	Expenditure	2017

24. Basic and diluted earnings per share:

Rs. Lakhs

	Particulars	Current Year	Previous Year
(a)	Net Profit after tax for Equity Shareholders	17462	21110
(b)	Number of Equity Shares as on April 1, 2009	37140944	38118481
	Add : Shares allotted during the year	91017	1440
	Less : Shares bought back during the year	-	978,977
	Number of Equity Shares as on March 31, 2010	37231961	37140944
	Weighted average number of Equity Shares outstanding at the end of the year	37178847	37424441
(c)	Face value of Equity Share	Rs. 10	Rs. 10
(d)	Basic earnings per share	Rs. 46.97	Rs. 52.20

25. Information pursuant to para 4D of Part II of Schedule VI of the Companies Act, 1956 has not been given in view of exemption granted by Government of India, Ministry of Corporate Affairs vide order no.46/45/2010-CL-III dated April 15, 2010.

26. Previous Years figures have been regrouped wherever necessary to confirm to current year's classification.



GREAT OFFSHORE

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.

L 1 1 2 0 0 M H 2 0 0 5 P L C 1 5 4 7 9 3

State Code

1 1

Balance Sheet Date

3 1 - 0 3 - 2 0 1 0

II Capital Raised during the year :

Rs. Lakhs

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

III Position of Mobilisation and Deployment of Funds :

Rs. Lakhs

Total Liabilities

3 5 6 1 1 7

Total Assets

3 5 6 1 1 7

Sources of Funds :

Paid-up Capital

3 7 2 3

Reserves & Surplus

9 9 2 2 8

Secured Loans

2 0 2 3 8 0

Unsecured Loans

2 8 7 5 6

Deferred Taxation (Net)

2 4 9

Application of Funds :

Net Fixed Assets

2 9 4 6 4 5

Investments

1 4 6 4 7

Deferred Tax Assets

Net Current Assets

2 5 0 4 4

Misc Expenditure

N I L

Accumulated Losses

N I L

IV Performance of Company :

Rs. Lakhs

Turnover

1 0 1 3 4 9

Total Expenditure

8 2 1 2 7

Profit / (loss) Before Tax

1 9 2 2 2

Profit / (loss) After Tax

1 7 4 6 2

Earning Per Share

4 6 . 9 7

Dividend Rate (%)

2 5 . 0 0

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

Description

Item Code No.

Offshore

N . A .



GREAT OFFSHORE

Consolidated Auditors Report

Report of the auditors to the Board of Directors of Great Offshore Limited on Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Great Offshore Limited and its subsidiaries (the Group) as at March 31, 2010, and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, annexed thereto. These consolidated financial statements are the responsibility of Great Offshore Limited'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 generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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.
 - (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 23,495 lakhs as at March 31, 2010, total revenues of Rs.6603 lakhs and net cash inflows amounting to Rs. 391 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
 - (b) We did not audit the financial statements of the Company's joint venture, whose financial statements reflect the Group's share of total assets of Rs. 1134 lakhs as at March 31, 2010, the Group's share of total revenues of Rs. 1247 lakhs for the year ended on that date. These financial statements are for the year ended March 31, 2010 and our opinion, insofar as it relates to the amounts included in respect of the joint venture is based solely on the basis of the unaudited management accounts certified by the Management.
4. We report that the consolidated financial statements have been prepared by the management of Great Offshore Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.
5. Without qualifying our opinion, we draw attention to Note 12(a) of Schedule 19, Notes to Account. The Company has changed its accounting policy w.e.f. April 1, 2009 in respect of expenses incurred at the time of five yearly Special Surveys and/ or life enhancement programmes by which class certificates/ operating licenses are renewed and instead of charging the same to Profit and Loss Account have capitalised the same and will be depreciated over the period of five years. Accordingly, during the year ended March 31, 2010, the Company has capitalised Rs. 4480 lakhs and consequently profit for the year is higher by Rs. 4000 lakhs.
6. Subject to the matters referred to in paragraph 3 above, and based on our audit and on consideration of the reports of other auditors on separate financial statements and unaudited accounts certified by the management in respect of the Company's joint venture, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2010;
 - b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

VINAYAK M. PADWAL

Partner

M. No. F49639

Firm Reg. No. 104607W

Mumbai, June 23, 2010



GREAT OFFSHORE

Consolidated Balance Sheet as at March 31, 2010

		Current Year Rs. Lakhs	Previous Year Rs. Lakhs
	Schedule		
SOURCES OF FUNDS :			
Shareholders' Funds :			
Capital	1	3723	3714
Reserves and Surplus	2	107199	71034
		110922	74748
Loan Funds :			
Secured Loans	3	212874	183660
Unsecured Loans	4	21456	22578
		234330	206238
Deferred tax liability (net)		322	-
TOTAL		345574	280986
APPLICATION OF FUNDS :			
Fixed Assets :	5		
Gross Block		268508	210179
Less : Depreciation		74982	60947
Net Block		193526	149232
Capital work in progress		118429	87172
		311955	236404
Goodwill (on consolidation)		9367	9367
Deferred tax assets (net)		-	686
Current Assets, Loans and Advances :			
Inventories	6	1389	937
Sundry Debtors	7	28352	27857
Cash and Bank balances	8	10016	26711
Other Current assets	9	273	33
Loans and Advances	10	8632	7287
		48662	62825
Less : Current Liabilities and Provisions :			
Current Liabilities	11	23237	26659
Provisions	12	1173	1637
		24410	28296
Net Current Assets		24252	34529
TOTAL		345574	280986
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

Vinayak M. Padwal

Partner

Shrirang V. Khadilkar

GM - Corporate Accounts, MIS & Taxation

R. Narayanan

Chief Compliance Officer & Company Secretary

For and on behalf of the Board

Keki M. Elavia

Chairman

Vijay Kumar

Executive Director

P.C. Kapoor

Executive Director

Soli C. Engineer

Executive Director

Dr. Ram Nath Sharma

Director

Mumbai, June 23, 2010

Mumbai, June 23, 2010



GREAT OFFSHORE

Consolidated Profit And Loss Account for the year ended March 31, 2010

	Schedule	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
INCOME :			
Income from Operations	13	116564	108105
Other Income	14	701	6036
		<u>117265</u>	<u>114141</u>
EXPENDITURE :			
Operating Expenses	15	53960	51195
Administration and Other Expenses	16	12833	8611
Interest and Finance charges	17	11569	10651
Depreciation		14086	11477
		<u>92448</u>	<u>81934</u>
Profit before tax		<u>24817</u>	<u>32207</u>
Less : Provision for taxation			
- Current tax		3645	4674
- Fringe Benefit Tax		-	155
- Deferred tax		1009	(129)
- Prior years		60	-
		<u>4714</u>	<u>4700</u>
Profit for the year after tax		<u>20103</u>	<u>27507</u>
Add : Write back of Proposed dividend on shares bought back		-	44
		<u>20103</u>	<u>27551</u>
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961		4000	4205
		<u>16103</u>	<u>23346</u>
Add: Surplus brought forward from previous year		19204	16229
Amount available for appropriation		<u>35307</u>	<u>39575</u>
Appropriations:			
- Transfer to Capital Redemption Reserve		-	15098
- Transfer to General Reserve		3000	2500
- Transfer to Foreign Currency Translation Reserve		(113)	-
- Preference Shares Dividend		-	1349
- Proposed Final Dividend			
- on Equity Shares		931	928
- Tax on Dividends		155	387
Balance Carried Forward		<u>31334</u>	<u>19313</u>
		<u>35307</u>	<u>39575</u>
Basic earnings per share (in Rs.)		<u>54.07</u>	<u>69.29</u>
Diluted earnings per share (in Rs.)		-	-
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants

Vinayak M. Padwal
Partner

Shrirang V. Khadilkar
GM - Corporate Accounts, MIS & Taxation
R. Narayanan
Chief Compliance Officer & Company Secretary

For and on behalf of the Board

Keki M. Elavia
Chairman
Vijay Kumar
Executive Director
P.C. Kapoor
Executive Director

Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Mumbai, June 23, 2010

Mumbai, June 23, 2010



GREAT OFFSHORE

Consolidated Cash Flow Statement for the year ended March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX :	24817	32207
ADJUSTMENTS FOR :		
Depreciation	14086	11477
Depreciation of earlier Years write back	-	(142)
Interest earned	(155)	(326)
Interest expensed	11569	10651
Dividend received	-	(180)
Profit on sale of sundry assets	(9)	(16)
Provision for doubtful debts (Net)	1	4
Foreign exchange	4750	(3505)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	55059	50170
ADJUSTMENTS FOR :		
Trade & other receivables	(6957)	(11348)
Inventories	(452)	(25)
Trade payables	(5131)	6764
CASH GENERATED FROM OPERATIONS	42519	45561
Taxes paid	(5544)	(4730)
NET CASH FLOW FROM OPERATING ACTIVITIES :	36975	40831
B CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(89639)	(86765)
Sale of fixed assets	34	3,542
Purchase of investments	(6284)	(48276)
Sale of investments	-	35790
Interest received	174	421
Dividend received	-	180
NET CASH FROM / (USED IN) INVESTING ACTIVITIES :	(95715)	(95108)
C CASH FLOW FROM FINANCING ACTIVITIES :		
Redemption of Preference Shares	-	(15000)
Proceeds from borrowings	113322	190301
Repayments of borrowings	(54452)	(108102)
Equity Buy Back	-	(5524)
Proceeds from issue of equity shares	9	-
Premium on equity shares issued	787	-
Interest paid	(12167)	(10682)
Dividend paid	(928)	(5202)
Tax on dividend	(158)	(892)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES :	46413	44899
Net increase / (decrease) in cash and cash equivalents :	(12327)	(9378)
Cash and cash equivalents as at beginning of period	23302	32680
Cash and cash equivalents as at end of period	10975	23302
Note :		
Cash and cash equivalent as on	March 31,2010	March 31,2009
Cash and bank balances	10016	26711
Effect of exchange rate changes [Loss/(gain)]	959	(3409)
Cash and cash equivalents as restated	10975	23302

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Vinayak M. Padwal
Partner

Shrirang V.Khadilkar
GM - Corporate Accounts, MIS & Taxation
R. Narayanan
Chief Compliance Officer & Company Secretary

For and on behalf of the Board

Keki M. Elavia
Chairman
Vijay Kumar
Executive Director
P.C. Kapoor
Executive Director
Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Mumbai, June 23, 2010

Mumbai, June 23, 2010



GREAT OFFSHORE

Schedules Annexed to and forming part of the Consolidated Balance Sheet As At March 31, 2010

		Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "1" : SHARE CAPITAL			
AUTHORISED :			
50,000,000	(Previous Year 50,000,000) Equity Shares of Rs.10 each	5000	5000
1,500,000	(Previous Year 1,500,000) Cumulative Redeemable Preference Shares of Rs. 1,000 each	15000	15000
		<u>20000</u>	<u>20000</u>
ISSUED :			
37,313,594	(Previous Year 37,222,577) Equity Shares of Rs.10 each	3731	3722
		<u>3731</u>	<u>3722</u>
SUBSCRIBED & PAID UP :			
37,231,961	(Previous Year 37,140,944) Equity Shares of Rs.10 each fully paid up.	3723	3714
		<u>3723</u>	<u>3714</u>
Notes:			
1. 38,068,481 Equity Shares are allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash.			
2. Paid-up Equity Share Capital is net of Calls in Arrears Rs. 0.08 lakh.			
3. On October 31 the Company allotted 91017 Equity shares of Rs.10 /- each at a premium of Rs.865/- per share on part conversion of FCCBs aggregating to USD 2,000,000.			
SCHEDULE "2" : RESERVES AND SURPLUS			
FOREIGN CURRENCY FLUCTUATION RESERVE			
As per last Balance Sheet	1000		1000
Add: Transfer from Profit & Loss A/c	-		-
	<u>1000</u>		<u>1000</u>
SECURITIES PREMIUM ACCOUNT :			
As per last Balance Sheet	-		2514
Add : Premium on conversion of FCCBs	787		-
Less : Premium on Share Buyback	-		2514
(Refer Note 3 Shedule 1)	787		-
TONNAGE TAX RESERVE ACCOUNT UNDER SECTION 115VT OF THE INCOME-TAX ACT,1961 :			
As per last Balance Sheet	12055		7850
Add : Transfer from Profit and Loss Account	4000		4205
	<u>16055</u>		<u>12055</u>
FOREIGN CURRENCY TRANSLATION RESERVE	(130)		8
HEDGE RESERVE			
As per last Balance Sheet	(17785)		-
Add: Addition during the year	16499		(17785)
	<u>(1286)</u>		<u>(17785)</u>
CAPITAL REDEMPTION RESERVE			
As per last Balance Sheet	15098		-
Add: Addition during the year	-		15098
	<u>15098</u>		<u>15098</u>
GENERAL RESERVE :			
As per last Balance Sheet	41341		41753
Less : Premium on Share Buyback	-		(2912)
Add : Transfer from Profit and Loss Account	3000		2500
	<u>44341</u>		<u>41341</u>
PROFIT AND LOSS ACCOUNT	31245		19259
	<u>107110</u>		<u>70976</u>
Share of Joint Venture	89		58
	<u>107199</u>		<u>71034</u>



GREAT OFFSHORE

Schedules Annexed to and forming part of the Consolidated Balance Sheet As At March 31, 2010

Current Year
Rs. Lakhs

Previous Year
Rs. Lakhs

SCHEDULE "3" : SECURED LOANS

TERM LOANS :

- From Banks

212107 182893

(Secured by mortgage of specific ships)

NON CONVERTIBLE DEBENTURES :

Secured Redeemable Non-Convertible Debentures of

Rs. 1,00,00,000 each

- 6.05 % redeemable on September 19, 2010.

767 767

212874 183660

SCHEDULE "4" : UNSECURED LOANS

7.25 % Foreign Currency Convertible Bonds

From Companies

17956 21302

(Repayable within one year Rs.3500 lakh,

3500 81

previous year Rs. 81 lakh)

From Other than companies

- 1195

21456 22578

SCHEDULE "5": FIXED ASSETS CONSOLIDATED

Rs Lakhs

PARTICULARS	COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2009	Additions	Deductions	As at March 31, 2010	Upto March 31, 2010	For the year	Adjustments on assets sold	Upto March 31, 2009	As at March 31, 2010	As at March 31, 2009
Fleet	196987	23878	-	220865	48924	13707	-	62631	158234	148063
Plant & Machinery										
- Rigs & Barge	9070	34058	-	43128	9069	125	-	9194	33934	1
- Others	1014	44	-	1058	887	34	-	921	137	127
Ownership Flats & Office Premises	1681	-	-	1,681	938	38	-	976	705	743
Furniture, Fixtures and Office Equipments	916	140	2	1054	813	84	2	895	159	103
Vehicles	471	145	74	542	309	93	49	353	189	162
TOTAL	210139	58265	76	268328	60940	14081	51	74970	193358	149199
Previous Year Total	159659	91945	41465	210139	50688	11477	1225	60940	149199	
Share of Joint Venture	106	74	-	180	7	5	-	12	168	32
Previous Year Total	46	3	9	40	6	2	1	7	33	-
TOTAL	210245	58339	76	268508	60947	14086	51	74982	193526	-
Previous Year Total	159705	91948	41474	210179	50694	11479	1226	60947	-	149232
Capital Work in Progress									118429	87172
TOTAL									311955	236404

Current Year
Rs. Lakhs

Previous Year
Rs. Lakhs

SCHEDULE "6" : INVENTORIES

Fuel Oil (at cost)

1292 859

Share of Joint Venture

97 78

1389 937



GREAT OFFSHORE

Schedules Annexed to and forming part of the Consolidated Balance Sheet As At March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "7" : SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding over six months:		
Considered good	8400	2997
Considered doubtful	799	551
	<u>9199</u>	<u>3548</u>
Other Debts:		
Considered good	19516	24487
	<u>28715</u>	<u>28035</u>
Less : Provision for doubtful debts	799	551
	<u>27916</u>	<u>27484</u>
Share of Joint Venture	436	373
	<u>28352</u>	<u>27857</u>
SCHEDULE "8" : CASH AND BANK BALANCES		
Cash on hand	21	23
Balances with scheduled banks :		
On current account	3759	10926
Balances with other banks		
On call / deposit accounts	6085	15683
On term deposit account with ABN AMRO Bank, Dubai	-	16
On current account with ABN AMRO Bank, Dubai	10	1
	<u>9875</u>	<u>26649</u>
Share of Joint Venture	141	62
	<u>10016</u>	<u>26711</u>
SCHEDULE "9" : OTHER CURRENT ASSETS		
Interest accrued on investments and deposits	51	31
Share of Joint Venture	222	2
	<u>273</u>	<u>33</u>
SCHEDULE "10" : LOANS AND ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	4853	5590
Agents' current accounts	316	182
Advance payment of Income-tax & taxes deducted at source (Net of Provision for taxation)	3406	1307
	<u>8575</u>	<u>7079</u>
Share of Joint Venture	57	208
	<u>8632</u>	<u>7287</u>



GREAT OFFSHORE

Schedules Annexed to and forming part of the Consolidated Balance Sheet As At March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "11" : CURRENT LIABILITIES		
Sundry Creditors	-	-
Outstanding dues to Micro Enterprises and Small Enterprises	-	-
Dues of other creditors	15410	20246
Advances from customers	1853	-
Other Liabilities	4399	3820
Interest accrued but not due on loans	618	1183
Managerial Remuneration payable	-	720
Unclaimed Dividend	110	-
	<u>22390</u>	<u>25969</u>
Share of Joint Venture	847	690
	<u>23237</u>	<u>26659</u>
SCHEDULE "12" : PROVISIONS :		
Provision for taxation	-	23
(Net of Advance tax and taxes deducted at source)		
Proposed Final Dividend on Equity Shares	931	928
Provision for Tax on dividends	155	158
Provision for Retirement benefits	-	516
	<u>1086</u>	<u>1625</u>
Share of Joint Venture	87	12
	<u>1173</u>	<u>1637</u>

Schedules Annexed to and forming part of the Consolidated Profit And Loss Account for the year ended March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "13" : INCOME FROM OPERATIONS		
Charter Hire	103403	98181
[Income tax deducted at source Rs. 2003 lakhs, Previous Year Rs. 2099 lakhs]		
Contract Revenue (Gross)	11900	8492
[Income tax deducted at source Rs. 174 lakhs, (Previous Year Rs. 281 lakhs)]		
	<u>115303</u>	<u>106673</u>
Share of Joint Venture	1261	1432
	<u>116564</u>	<u>108105</u>
SCHEDULE "14" : OTHER INCOME		
Dividend on current investments	-	180
Interest earned (Gross):		
- on call deposits	-	292
- others	155	33
(Income-tax deducted at source Rs. Nil, Previous Year Rs. 1 lakh)	155	325
Gain on foreign currency transactions (net)	-	5174
Profit on sale of sundry assets (net)	9	16
Reversal of Provision on Arbitration settlement/ Insurance claim		
	<u>396</u>	<u>120</u>
Miscellaneous Income	141	261
	<u>701</u>	<u>6076</u>
Share of Joint Venture	-	(40)
	<u>701</u>	<u>6036</u>



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Schedules Annexed to and forming part of the Consolidated Profit And Loss Account for the year ended March 31, 2010

	Current Year Rs. Lakhs	Previous Year Rs. Lakhs
SCHEDULE "15": OPERATING EXPENSES		
Fuel, Oil and Water	3091	3720
Port, Light and Canal Dues	282	285
Hire of chartered vessels / helicopters	1675	771
Outsourced Services	3421	3110
Brokerage and Commission	475	788
Wages, Bonus and Other Expenses - Floating Staff	16947	14107
Contribution to Provident and Other Funds - Floating staff		
	126	229
Stores	1293	2510
Repairs and Maintenance - Fleet & Rigs	9021	11933
Insurance and Protection Indemnity Club Fees	1468	1337
Vessel Management Expenses	1381	1844
Project Expenses	10006	6519
Other Expenses	4102	2673
	53288	49826
Share of Joint Venture	672	1369
	53960	51195
SCHEDULE "16" : ADMINISTRATION & OTHER EXPENSES		
Salaries and allowances	2986	4109
Contribution to Provident and Other Funds	174	234
Staff Welfare Expenses	163	208
Rent	35	46
Insurance	189	50
Repairs and Maintenance		
- Buildings	15	5
- Others	193	106
	208	111
Property Taxes	7	52
Legal & Professional expenses	1992	2158
Auditors' Remuneration	42	41
Provision for Doubtful Debts	249	114
Donations	3	12
Other Expenses	1762	1460
Loss on foreign currency transactions (net)	4491	-
	12301	8595
Share of Joint Venture	532	16
	12833	8611
SCHEDULE "17": INTEREST & FINANCE CHARGES		
Interest on fixed loans	8774	8292
- Other Loans	1498	1200
Finance charges	1294	1157
	11566	10649
Share of Joint Venture	3	2
	11569	10651



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Schedule “18”: Significant Accounting Policies:

(a) Accounting Convention :

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

(b) Use of Estimates:

The preparation of financial statements 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 year. 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. Cost includes expenses related to acquisition and financing costs on borrowings during construction period. Exchange differences on repayment are recognised in the Profit and Loss Account and year end translation of foreign currency liabilities relating to acquisition of assets are recognised in the Hedge Reserve.

(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 valued at cost on first in first out basis.

(f) Borrowing cost:

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

(g) Revenue recognition:

Charter hire earnings are recognized on accrual basis.

Revenue from long term turnkey offshore projects is recognized on the percentage of completion basis, based on costs incurred and the expected costs to completion.

(h) Operating expenses:

- (i) Operating expenses and standing charges are charged to revenue on accrual basis.
- (ii) Stores and spares delivered on board the ships and rigs are charged to revenue.

(i) Employee benefits:

(i) Short-term Employee benefits:

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



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(ii) Post Employment Benefits:

Defined Contribution Plan

Retirement benefits in the Provident Fund, Family Pension Fund and Superannuation Scheme, which are defined contribution schemes, are charged to the Profit and Loss account of the year when the contributions accrue.

Defined Benefit Plan

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

Other Long Term Benefits

Long term compensated absences & Pension benefits are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Profit and Loss account for the year as income or expense.

(j) Depreciation:

(i) Fleet :

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

(ii) Rigs :

Rigs are depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iii) Barge :

The Barge is depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iv) Properties :

Flats and Office premises are depreciated on the written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(v) Other Assets :

On the straight line method so as to write off the original cost of the asset over the estimated useful life as under:

Computers	-	3 years
Vehicles	-	4 years
Furniture & Fixtures, Office Equipment, etc	-	5 years

(k) Asset Impairment:

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

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

(l) Foreign Exchange Transactions:

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



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gains and losses on foreign currency transactions is recognised in the Profit and Loss Account.

- (ii) The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealized exchange gains or losses on transaction foreign currency borrowing which qualify as effective hedge are recognized in the Hedge Reserve Account.
- (iii) 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. Premium or discount on such forward exchange contracts is amortised as income or expenses over the life of the contracts.
- (iv) Exchange differences in respect of forward exchange contracts entered into by the Company to hedge foreign currency risk of firm commitments or highly probable forecast transactions are accounted for on settlement.
- (v) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.
- (vi) Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognized in the Profit and Loss account along with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

(m) Special Survey Expenses:

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed.

(n) Provision for Taxation:

Tax expense comprises of current, deferred tax and fringe benefit tax.

- (i) Provision for current income-tax and fringe benefit 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.

(o) 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.

(p) Segment Reporting:

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



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Schedule “19”:

Notes to Consolidated Accounts for the year ended March 31, 2010

1. Basis of Consolidation:

- (a) The consolidated financial statements relate to Great Offshore Limited, the holding Company, and its wholly owned subsidiaries and its jointly controlled entity (collectively referred to as the Group). The consolidation of the financial statements of the Company with its subsidiaries has been prepared in accordance with the requirements of Accounting Standard (AS) 21 ‘Consolidated Financial Statements’ and the consolidation of its interest in joint ventures has been prepared in accordance with Accounting Standard (AS) 27 ‘Financial Reporting of Interests in Joint Ventures’. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated. The Group’s interest in the Joint Venture is accounted for using proportionate consolidation method. Separate line items are included to disclose the assets, liabilities, income and expenses of the jointly controlled entity.
- (b) In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the reporting date. Exchange gains / (losses) arising on conversion are recognized under Foreign Currency Translation Reserve.
- (c) In the consolidated financial statements, ‘Goodwill’ represents the excess of the cost to the Company of its investments in the subsidiaries over its share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investment is in excess of the cost of investment, it is recognized as ‘Capital Reserve’ in the consolidated financial statements.

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. year ended March 31, 2010. The financial statements of the jointly controlled entity are not available as of the reporting date and thus have been consolidated on basis of the unaudited management accounts drawn upto December 31, 2009.

3. Share Capital:

During the year, the Group on October 31, 2009 has allotted 91,017 Equity Shares of Rs.10 each at a premium of Rs. 865/- per share on part conversion of FCCBs aggregating to USD 2,000,000. Consequently, the Issued, Subscribed and Paid up capital of the Group has increased by Rs.9.10 lakhs.

The allotment of 71,480 equity shares of the Company have been kept in abeyance in accordance with the section 206A of the Companies Act, 1956 till such time as the title of the bonafide holder of the shares is certified by the concerned Stock Exchange as per the orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992. An additional 10,153 (Previous Year 10,153) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

4. Reserves & Surplus :

Hedge Reserve

The Group has borrowings and the revenue streams in foreign currency, which provides an inherent hedge against rates fluctuations. Accordingly, the Company changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign currency borrowings by following an appropriate hedge accounting policy and applying the principle set out in AS-30 Financial Instruments: Recognition and Measurement. The objective of adopting Hedge Accounting is to ensure that gain or loss on the hedging instrument is recognized in the statement of Profit and Loss in the same period when Hedge items affects profit or loss. The Group has w.e.f. 1st April 2008 designated borrowings in foreign currency as Hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the period, the net unrealized exchange difference of foreign currency borrowings aggregating to Rs.16499 lakhs has been recognized directly in Hedge Reserve. As a result, the balance in the Hedge Reserve is Rs. 1286 lakhs. (Previous Year Debit of Rs. 17785 lakhs).



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5. The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	% of Holding
1.	Great Offshore Fujairah L.L.C. – FZC	U.A.E.	100%
2.	Deep Water Services (India) Ltd.	India	100%
3.	Great Offshore (International) Ltd.	Cayman Islands	100%
4.	KEI – RSOS Maritime Ltd.	India	100%
5.	Rajamahendri Shipping & Oil Field Services Ltd.	India	100%

6. The Group's interest in jointly controlled entity (incorporated Joint Venture) is:

Sr. No.	Name of the Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1.	United Helicharters Pvt. Ltd.	India	26%	26%

7. **Contingent Liabilities:**

Rs. Lakhs

Sr. No.	Particulars	As on 31.3.2010	As on 31.3.2009
(i)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Group.	13710	16410
(ii)	Show cause notice issued by Customs Authority for levy of custom duty.	3165	3165
(iii)	Corporate guarantee given to Banks	4669	6317
(iv)	Corporate guarantee given to Customs	583	583
(v)	Claims not acknowledged by Group in respect of :		
	Customs Duty on Tug / Vessels	235	229
	Income Tax matter in appeal	65	55
	Sales tax and Service tax demands on charter hire payments	690	690
	Possible obligation in respect of matters under arbitration	2700	1451
(vi)	Letters of Credit outstanding	378	—

8. **Fixed Assets:**

Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for Rs. 14841 Lakhs (Previous Year Rs. 28321 Lakhs).

9. **Deferred tax:**

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



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The break up of net deferred tax assets / (liability) is as under:

(Rs. Lakhs)

	As on 31.03.2010	As on 31.03.2009
Deferred tax Assets:		
Demerger Expenses	-	4
Provision for doubtful debts and advances (Net)	44	28
Difference between book and tax depreciation	12	751
	56	783
Deferred tax liabilities:		
Difference between book and tax depreciation	388	97
Net Deferred Tax Asset / (Liability)	(332)	686

10. Current Liabilities:

According to information available to the Group regarding the status of the suppliers, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, amount overdue as on 31st March, 2010 to the Micro, Small and Medium enterprises on account of principal amount, together with interest for delayed payment under the Act, is Rs. Nil (Previous Year Rs. Nil).

11. Provisions:

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

Manning dues and related contributions to welfare funds was Rs. 251 lakhs as on 1st April, 2009, addition during the year was Rs. 151 lakhs (Previous Year Rs. 130 lakhs), reversed / paid during the year was Rs. 113 lakhs (Previous Year Rs. 427 lakhs), hence balance as on 31st March 2010 is Rs.289 lakhs (Previous Year Rs 251 lakhs).

Pool Payable Provision was recognised for amounts payable to a pool of charterers estimated on the basis of average pool earnings. Opening balance as on 1st April, 2009 was Rs. 1325 lakhs, additions during the year was Rs.1020 lakhs, (Previous Year Rs. 1937 lakhs), reversed / paid during the year was Rs.1916 lakhs (Previous Year Rs. 2466 lakhs), hence balance as on 31st March 2010 is Rs.429 lakhs.

12. Change in Accounting Policy :

- The Company has changed its Accounting Policy with effect from 1st April, 2009 in respect of expenses incurred at the time of five yearly Special Surveys and / or life enhancement programmes by which Class certificates / Operating licenses are renewed and capitalized the said expenses. During the year ended 31st March 2010, the Company has capitalized Rs.4480 lakhs expenditure incurred on five yearly Special Surveys and charge on Profit & Loss Account is lesser by Rs.4000 lakhs.
- The Company has changed its accounting policy with regard to recognition of exchange difference arising on translation of foreign currency borrowing by following an appropriate hedge accounting policy and applying principles set out in Accounting Standard (AS) 30 – ‘Financial Instrument Recognition and Measurement’. The objective of adopting hedge accounting is to ensure that the gain or losses of the hedging instrument is recognized in statement of profit and loss in same period when the hedge affected profit or loss. The Company w.e.f. 1st April 2008 has designated borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the year, the net unrealized exchange difference in foreign currency borrowing aggregating to Rs. 16499 lakhs has been recognised directly in Hedge Reserve. As a result, balance in the Hedge Reserve is Rs. 1286 lakhs. (Previous Year Debit of Rs. 17785 lakhs).

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

- Effective April 1, 2007 the Company adopted Accounting Standard 15 (Revised 2005) on “Employee Benefits” issued by ICAI.



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

A) Defined Contribution Plans:

(Amount in Rs.Lakhs)

	Current Year	Previous Year
Contribution to Employees Provident Fund	150.62	155.89
Contribution to Employees Superannuation Fund	72.20	73.17
Contribution to Employees Pension Scheme 1995	4.27	4.34
Contribution to Seamen's Provident Fund	39.37	46.03
Contribution to Seamen's Annuity Fund	121.61	127.30
Contribution to Seamen's Gratuity Fund	22.86	183.39

B) Defined Benefit Plans:

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

Actuarial Assumptions for the year	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	8%	7.5%	8%	7.5%	-	7.5%
(b) Rate of Return on Plan Assets	8%	8%	-	-	-	-
(c) Salary Escalation rate	5%	5%	5%	5%	-	5%
(d) Mortality	LIC (1994-96) ULT					
(e) Withdrawal rate	-	-	-	-	-	-
(f) Expected average remaining service	8.11	5.39	10.97	17.1	-	-

(i) Change in Benefit Obligation:

(Amount in Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	600.19	505.58	18.63	37.20	-	355.22
Interest Cost	41.72	37.15	1.01	2.79	-	26.64
Current Service Cost	83.84	58.91	52.51	75.89	-	-
Benefits Paid	(86.87)	(82.25)	(10.37)	-	-	-
Transfer from previous employer's	-	-	-	-	-	-
Provision for diminution in fair value of plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on obligations	(65.67)	80.80	(17.21)	(97.26)	-	134.55
Liability at the end of the year	573.21	600.19	44.56	18.63	-	516.41



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(ii) Fair value of Plan Assets:

(Amount in Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year including adjustment in opening	523.25	510.71	-	-	-	-
Expected Return on Plan Assets	41.65	40.85	-	-	-	-
Employer's Contribution	81.72	-	-	-	-	-
Employees Contribution	-	-	-	-	-	-
Benefits Paid	(86.87)	-	-	-	-	-
Provision for diminution in fair value of plan assets	-	-	-	-	-	-
Actuarial gain/(loss) on Plan Assets	63.84	(33.08)	-	-	-	-
Fair Value of Plan Assets at the end of the year	623.59	518.48	-	-	-	-

(iii) Actual Return on Plan Assets:

(Amount in Rs. Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Expected Return on Plan Assets	41.65	40.85	-	-	-	-
Actuarial gain/(loss) on Plan Assets	63.84	(33.08)	-	-	-	-
Actual Return on Plan Assets	(22.19)	7.77	-	-	-	-

(iv) Amount Recognised in the Balance Sheet:

(Amount in Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the year	573.25	600.19	44.56	18.63	-	516.41
Fair Value of Plan Assets at the end of the year	623.59	518.48	-	-	-	-
Difference	50.34	(81.71)	(44.56)	(18.63)	-	(516.41)
Unrecognised past service cost	-	-	-	-	-	-
Amount recognised in the Balance Sheet	50.34	(81.71)	(44.56)	(18.63)	-	(516.41)

(v) Expenses recognised in the Profit & Loss Account:

(Amount in Rs.Lakhs)

	Gratuity		Leave Encashment		Pension	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	83.84	58.91	52.51	75.89	-	-
Interest Cost	41.76	37.16	1.01	2.79	-	26.64
Expected Return on Plan Assets	(41.65)	(40.86)	-	-	-	-
Net Actuarial Gain/(loss) to be recognised	(129.51)	113.88	(17.21)	(97.25)	-	135.55
Expenses recognised in Profit and Loss Account	(45.57)	169.09	36.30	(18.57)	-	161.19



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On 18th May 2010, The Gazette of India has notified an amendment to the Payment of Gratuity Act , 1972 effective 24th May 2010. In view of the same, an amount of Rs.27.67 lakhs has not been recognised

(vi) 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.

(vii) 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 base salary.

Leave Encashment:

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed @ 30 days for employees. The Leave over and above 30 days is encashed and paid to employees in April every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

14. Hedging Contracts:

- (a) Interest Rate Swap contracts payable at predetermined fixed rate vis-à-vis LIBOR relating to loans of USD 4.74 million (Previous Year USD 30 million).
- (b) The Company uses forward exchange contracts and interest rate swaps to hedge its exposure to foreign exchange and interest rate changes.
- (c) Unhedged foreign currency exposure : as on 31st March, 2010:

Amount in Foreign Currency in Lakhs

		Current Year	Previous Year
(i)	Loans liabilities and payables		
(a)	U S Dollars	1605	2580
(b)	Euros	1	3
(c)	Arab Emirates Dinars	9	8
(d)	Japanese Yens	232	64
(e)	Great Britain Pounds	3	31
(f)	Norwegian Kroners	5	8
(g)	Singapore Dollars	14	3
(h)	African Rands	-	3
(i)	Saudi Riyals	-	2
(ii)	Cash / Bank and Receivables		
(a)	U S Dollars	485	704
(b)	Euros	-	10
(c)	Arab Emirates Dinars	1	2
(d)	Japanese Yens	57	2
(e)	Great Britain Pounds	26	27
(f)	Singapore Dollars	3	1
(g)	Norwegian Kroners	1	1
(h)	African Rands	-	1



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15. Leases:

Rs. Lakhs

	Particulars	As on 31.3.2009*
(i)	The Group has taken office and residential facilities under cancellable operating lease agreements which are renewed in the normal course of business.	
	Total rental expenses under cancellable operating leases.	11
(ii)	The Group has taken helicopters under non-cancellable operating lease agreements.	
	Lease payments recognized in the statement of Profit and Loss Accounts.	811
	The total of minimum lease payments in respect of the above: -	
(a)	not later than one year	424
(b)	later than one year and not later than five years	406
(c)	later than five years	NIL
(iii)	General description of the leasing arrangements:	<p>Lease for office and residential facilities are on leave and license basis on a fixed monthly payment.</p> <p>Lease for helicopters are determined based on a fixed monthly charge and a variable charge on the basis of hours flown.</p>

*Information relates solely towards the Joint Venture entered into by the Group and is as per the last audited statements available.

16. Segment Reporting:

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

17. Related Party Disclosures:

(i) List of Related Parties:

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

1. Key Management Personnel :

Mr. Vijay K. Sheth - Vice Chairman cum Managing Director (upto 30-05-2009)

Mr.Soli C.Engineer – Executive Director (w.e.f.29-07-2009)

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

Allcargo Global Logistic Limited

Indian National Shipowners Association



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(ii) Transactions with related parties:

(As per statement attached)

18. Basic and diluted earnings per share:

Rs.Lakhs

	Particulars	Current Year	Previous Year
(a)	Net Profit after tax for Equity Shareholders	20,103	27,507
(b)	Number of Equity Shares as on April 1, 2009	37,140,944	38,118,481
	Add : Shares allotted during the year	91,017	1,440
	Less : Shares bought back during the year	-	978,977
	Number of Equity Shares as on March 31, 2010	37,231,961	37,140,944
	Weighted average number of Equity Shares outstanding at the end of the year	37,178,847	37,424,441
(c)	Face value of Equity Share	10.00	10.00
(d)	Basic earnings per share	54.07	69.29

19. Previous Years figures have been regrouped wherever necessary to conform to current year's classification.

17(ii) Transactions with related parties for the period ended 31st March 2010

Rs Lakhs

Sr. No	Nature of Transaction	Key Management Personnel		Enterprise over which Individuals/ Directors exercise significant influence		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Interest paid to :						
	Dr. Lelin Pinnamaneni	-	1	-	-	-	1
	Allcargo Global Logistic Limited	-	-	71	-	71	-
2	Subscription paid to :						
	Indian National Shipowners Association	-	-	14	-	14	-
3	Repayment of loan :						
	Allcargo Global Logistic Limited	-	-	5000	-	5000	-
4	Remuneration						
	Mr.Vijay K.Sheth	50	1,097	-	-	50	1097
	Mr.Soli Engineer	100	-	-	-	100	-
	Lt. JVV S Murty	-	11	-	-	-	11
	Smt. J Nagamani	-	6	-	-	-	6
5	Loan received from :						
	Allcargo Global Logistic Limited	-	-	5000	-	5000	-
	Bharati Shipyard Limited	-	-	3500	-	3500	-
6	Repayment of Services Received						
	Smt. J Nagamani	-	2	-	-	-	2
7	Corporate Guarantee Given to:						
	M/s. KEI-Rajamahendri Resorts (P) Ltd.,	-	-	-	1210	-	1210
8	Contracted Work						
	Bharati Shipyard Limited	-	-	719	-	719	-
9	Services						
	Indian Registrar of Shipping	-	-	77	-	77	-
	Weizmann Forex Limited	-	-	39	-	39	-
10	Outstanding balances as on 31.03.10						
	Loans & Advances (Payables) :						
	Bharati Shipyard Ltd.	-	-	3500	-	3500	-



GREAT OFFSHORE

Information of subsidiaries companies in terms of letter no.47/24/2010- CL- III dated February 24, 2010 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of the Companies Act , 1956.

Rs. In lakhs

	Name of Subsidiary	Great Offshore Fujairah LLC - FZC	Deepwater Services (India) Ltd	Great Offshore (International) Ltd	KEI - RSOS Maritime Ltd.	Rajamahendri Shipping and Oil Field Services Ltd.
a	Capital	67	5	135	81	28
b	Reserves	(88)	8,422	190	2,682	768
c	Total Assets	13	10,198	3,467	22,619	876
d	Total Liabilities	13	10,198	3,467	22,619	876
e	Investments (excluding investment in subsidiaries)	-	-	-	-	-
f	Turnover	0	14,080	(27)	6,367	236
g	Profit/(Loss) before taxation	(6)	8,289	(1,208)	(1,625)	96
h	Provision for taxation	-	2,880	-	20	37
i	Profit/(Loss) after taxation	(6)	5,409	(1,208)	(1,645)	59
j	Proposed Dividend	-	931	-	-	-



GREAT OFFSHORE

PERFORMANCE EXTRACT

(Rs. in Lakhs)

Financial Year	2005-06	2006-07	2007-08	2008-09	2009-10
Profit & Loss A/c					
Revenues	34,974	54,465	75,031	95,282	101,349
Earning Before Interest, Depreciation & Tax (EBIDT)	15,604	26,841	38,439	42,472	43,262
Interest	1,643	3,596	6,551	8,856	10,813
Depreciation	4,218	6,967	9,853	10,026	13,227
Profit Before Tax (PBT)	9,743	16,278	22,035	23,590	19,222
Provision for Taxation	563	2,136	1,714	2,480	1,760
Profit After Tax (PAT)	9,180	14,142	20,321	21,110	17,462
Balance Sheet					
What the Company owned					
Fixed Assets	78,026	128,866	139,007	219,397	294,645
Investments	128	128	1,331	14,647	14,647
Net Current Assets	10,881	7,733	40,911	28,863	25,044
Deferred Taxation (Net)	-	216	562	691	-
Capital Employed	89,035	136,943	181,811	263,598	334,336
[A] What the Company owed					
Loans	37,316	74,656	93,014	194,335	231,136
Deferred Taxation (Net)	118	-	-	-	249
Sub Total (A)	37,434	74,656	93,014	194,335	231,385
[B] Shareholders' Funds					
Equity Share Capital	5	3,812	3,812	3,714	3,723
Preference Share Capital	-	-	15,000	-	-
Share Capital Suspense Account	3,807	-	-	-	-
Reserves & Surplus	47,814	58,479	69,985	65,549	99,228
Misc. Expd. (to the extent not w/off)	(25)	(4)	-	-	-
Sub Total (B)	51,601	62,287	88,797	69,263	102,951
Capital Employed (A) + (B)	89,035	136,943	181,811	263,598	334,336
Return Ratios					
Earning Per Share (in Rs.)	24.09	37.10	53.31	52.20	46.97
Cash Earning Per Share (in Rs.)	35.16	55.38	79.16	83.20	82.54
Dividend Per Share (in Rs.)	5.10*	8.00	16.00	2.50	2.50
Dividend Payout Ratio (%)	24.17	24.59	35.11	5.14	5.32
Return on Average Networth (%)	17.78	24.83	29.86	29.51	20.28
Return on Average Capital Employed (%)	12.15	15.70	16.86	13.46	9.46

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

REVENUE STATEMENT (CONSOLIDATED)

(\$ million)

	2005-06 ^	2006-07 ^^	2007-08 ^^^	2008-09 ^^^^	2009-10 ^^^^^
Operating Income	87.81	128.43	184.63	236.81	244.68
Operating EBIDTA	37.27	59.83	95.52	118.55	105.94
Operating Margin %	42.10%	45.90%	47.10%	47.00%	43.30%
Other Income	0.70	1.97	13.73	12.75	1.47
Depreciation	10.15	15.67	24.39	25.14	29.57
Interest	3.92	7.97	16.93	23.33	24.28
PBT	23.20	36.18	54.20	70.07	52.09
PAT	21.94	32.08	49.91	59.78	42.20
Margin %	24.79%	24.60%	24.61%	23.95%	17.14%

Average Exchange rate (for the year)

^ \$: Rs.44.24

^^ \$: Rs.45.25

^^^ S : Rs.40.40

^^^^ \$: Rs.45.65

^^^^^ \$: Rs.47.64



GREAT OFFSHORE

ATTENDANCE SLIP

GREAT OFFSHORE LIMITED

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

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*	
------------	--

No. of Share(s) held	
----------------------	--

NAME

ADDRESS

I hereby record my presence at the Fifth Annual General Meeting of the Company held on Tuesday, August 10, 2010, at 11.30 a.m. at M. C. Ghia Hall, 2nd Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 001.

Signature of the shareholder or proxy

*Applicable for shareholders holding shares in Demat form.

..... TEAR HERE



GREAT OFFSHORE

PROXY FORM

GREAT OFFSHORE LIMITED

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

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

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

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

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

I/We

of being a member/members of Great Offshore Limited hereby appoint

..... ofor failing

him of

as my/our proxy to vote for me/us and on my/our behalf at the Fifth Annual General Meeting of the Company to be held on Tuesday, August 10, 2010 at 11.30 a.m. or at any adjournments thereof.

Signed this day of 2010

Place :

* Applicable for shareholders holding shares in Demat form.

Note : This Proxy form, in order to be effective, should be duly completed, stamped and signed and must be received at the Registered Office of the Company at Energy House, 81, Dr. D. N. Road, Mumbai - 400 001, not less than 48 hours before the meeting. The proxy need not be a member of the Company.

Affix
Revenue
Stamp of
Re. 1/-





GREAT OFFSHORE
Enterprise • Energy • Endurance

GREAT OFFSHORE LIMITED

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

Tel.: +91 22 6635 2222 Fax : +91 22 2262 0105 www.greatoffshore.com