

KALYANIWALLA & MISTRY (Regd.)

CHARTERED ACCOUNTANTS

Review Report to
The Board of Directors
The Great Eastern Shipping Company Limited,
Ocean House,
134/A, Dr. Annie Besant Road,
Mumbai 400 018.

Dear Sirs,

We have reviewed the accompanying statement of unaudited financial results of The Great Eastern Shipping Company Limited, for the quarter ended December 31, 2008. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on January 30, 2009. Our responsibility is to issue a report on these financial statements based on our review. The statement has been initialed by us for the identification purposes.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, *Engagements to Review Financial Statements* issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Without qualifying our opinion, we draw attention to Note-1 of the financial results regarding the adoption of the principles enunciated in Accounting Standard (AS) 30, 'Financial Instruments: Recognition and Measurement' in respect of hedge accounting and recognition and measurement of derivatives with effect from April 1, 2008. Consequently, the revaluation gain/(loss) on designated hedging instruments that qualify as effective hedges has been appropriately recorded in the hedging reserve account. Designated hedging instruments include foreign currency loan liabilities, currency, interest rate and bunker derivatives. Earlier the revaluation gain/(loss) on the foreign currency loan liabilities was recognised in the profit and loss account whereas the gain/(loss) on currency, interest rate and bunker derivatives was recognised on settlement. Consequent to designation of foreign currency loan liabilities as hedging instruments, the profit of the company for the quarter and nine months ended December 31, 2008 is higher by Rs.62.60 crores and Rs.252.18 crores respectively. Gain/(loss) on revaluation of ineffective hedge transactions and on settlement of hedge transactions is recognised in Profit and Loss account.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Viraf R. Mehta
Partner

Membership No. 32083
Mumbai, January 30, 2009

