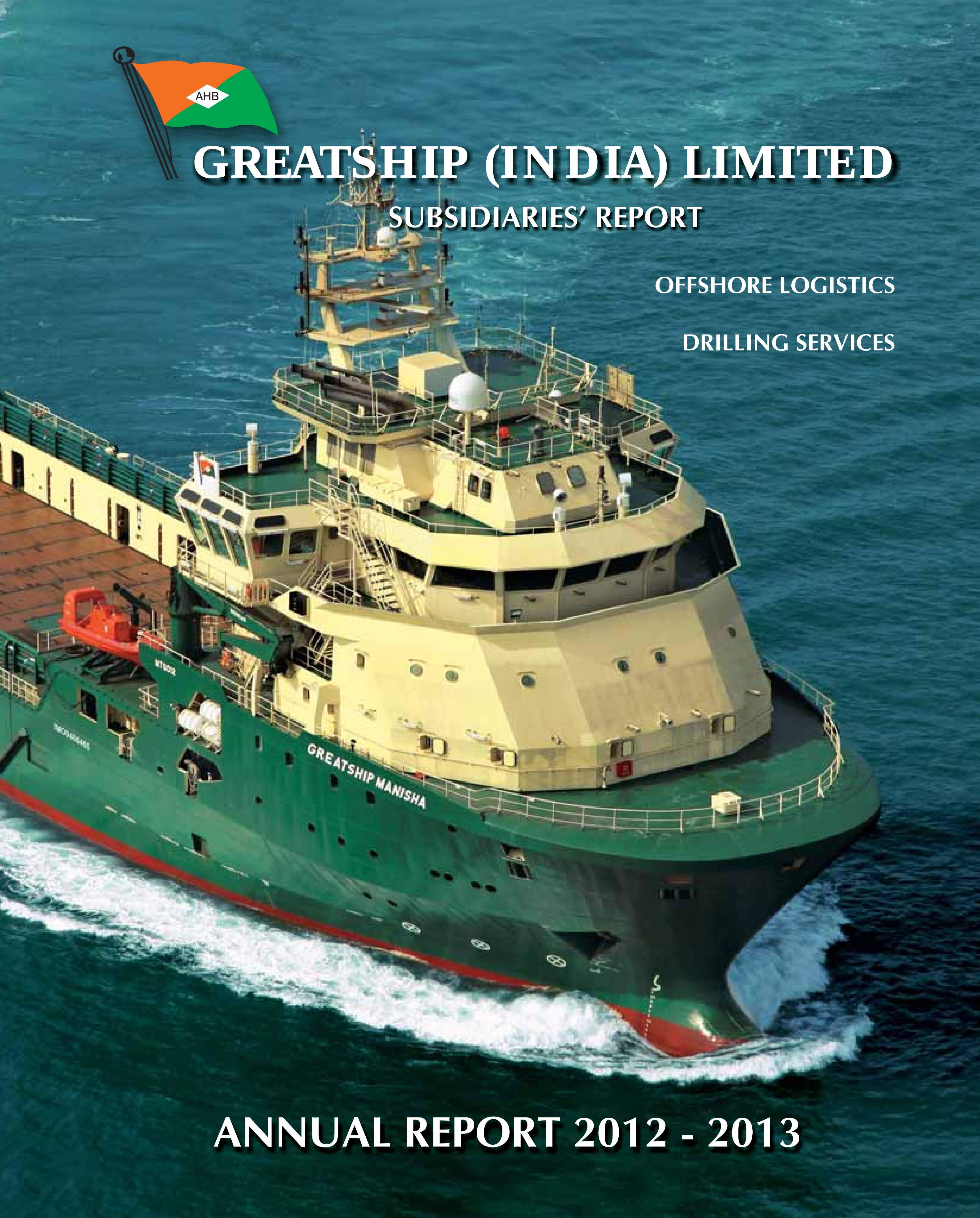
GREATSHIP (INDIA) LIMITED

SUBSIDIARIES' REPORT

OFFSHORE LOGISTICS

DRILLING SERVICES



ANNUAL REPORT 2012 - 2013


GREATSHIP MANISHA
SINGAPORE

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GREATSHIP GLOBAL HOLDINGS LIMITED

A Subsidiary Company

DIRECTORS	Marie Cindhia Véronique Magny-Antoine Marie-Claude Priscille Koenig Pradyumna Raghunath Naware Alok Mahajan Shameel Rumjaun (Alternate to Marie Cindhia Véronique Magny-Antoine) Amit Gupta (Alternate to Marie-Claude Priscille Koenig)
REGISTERED OFFICE	Abax Corporate Services Ltd 6th Floor, Tower A 1, CyberCity Ebène Mauritius
REGISTRATION NUMBER	071503C1/GBL
AUDITORS	UHY Heeralall 4th Floor, TN Tower 13, St Georges Street Port-Louis Mauritius
SECRETARY	Abax Corporate Services Ltd 6th Floor, Tower A 1, CyberCity Ebène Mauritius

Directors' Report

The directors are pleased to present their report and the audited financial statements of Greatship Global Holdings Ltd (the "Company") for the year ended 31 March 2013.

PRINCIPAL ACTIVITY

The principal activity of the Company is to invest in companies owning and operating offshore vessels and drilling units.

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 March 2013 is USD 16,835 (₹ 913,972/-) (31 March 2012 - USD 4,357) (₹ 221,684/-).

The directors do not recommend the payment of a dividend (2012: Nil).

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards, as modified by the exemption provided by the Companies Act 2001 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By Order of the Board

CORPORATE SECRETARY
Abax Corporate Services Ltd

Date: 26 April 2013

Secretary's Certificate

TO THE MEMBERS OF GREATSHIP GLOBAL HOLDINGS LIMITED

UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT, 2001

We confirm, as Secretary of the Company, that based on records and information made available to us by the directors and shareholder of the Company, the Company has filed with the Registrar of Companies, for the financial year ended 31 March 2013, all such returns as are required of the Company under the Companies Act 2001.

ABAX CORPORATE SERVICES LTD

CORPORATE SECRETARY

Date: 26 April 2013

Auditors' Report

TO THE MEMBER OF GREATSHIP GLOBAL HOLDINGS LTD

Report on the Financial Statements

1. We have audited the financial statements of Greatship Global Holdings Ltd (the "Company") which comprise the statement of financial position at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion, the financial statements give a true and fair view of the financial position of the Company a t 31 March 2013 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Companies Act 2001 for companies holding a category 1 Global Business Licence and comply with theCompanies Act 2001.

Report on Other Legal and Regulatory Requirements

7. The companies Act, 2001 requires that in carrying out our audit we consider and report to you on the following matters.
   We confirm that:
   (a) we have no relationship with or interests in the Company other than in our capacity as auditors;
   (b) we have obtained all the information and explanations we have required; and
   (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other matters

8. This report, including the opinion, has been prepared for and only for the Company's member, as a body, in accordance with Section 205 of the Companies Act 2001 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

UHY Heeralall

Nirmal Heeralall, licensed by FRC
Signing partner
Date: 26 April 2013

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2013

	2013 US $	2013 ₹	2012 US $	2012 ₹
Income				
Interest on loan (Note 11 (ii))	**1,815,622**	**98,570,118**	**1,891,189**	**96,223,696**
Expenses				
Secretarial and administration fees	11,410	619,449	15,240	775,411
Accountancy fees	8,160	443,006	7,700	391,776
Audit fees	16,100	874,069	11,730	596,822
Tax fees	1,240	67,320	1,100	55,968
Directors' fees	1,715	93,107	1,615	82,171
Bank charges	3,920	212,817	1,595	81,154
Licence fees	1,943	105,485	1,738	88,429
Interest expense (Note 11(i))	1,787,969	97,068,837	1,854,828	94,373,649
	1,832,457	**99,484,090**	**1,895,546**	**96,445,380**
Loss before tax	**(16,835)**	**(913,972)**	**(4,357)**	**(221,684)**
Income tax expense (Note 10)	-	-	-	-
Loss for the year	**(16,835)**	**(913,972)**	**(4,357)**	**(221,684)**
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	**(16,835)**	**(913,972)**	**(4,357)**	**(221,684)**

The notes form an integral part of these financial statements

Statement of Financial Position

AS AT 31 MARCH 2013

	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS				
Non current assets				
Investment in subsidiaries (Note 4)	222,001,410	12,052,456,549	222,001,410	11,295,431,741
Loan receivable (Note 5)	-	-	71,500,000	3,637,920,000
	222,001,410	**12,052,456,549**	**293,501,410**	**14,933,351,741**
Current assets				
Receivables (Note 6)	1,462	79,372	1,280	65,126
Loan receivable (Note 5)	13,000,000	705,770,000	-	-
Cash at bank	36,235	1,967,198	52,117	2,651,713
	13,037,697	**707,816,570**	53,397	2,716,839
Total assets	**235,039,107**	**12,760,273,119**	**293,554,807**	**14,936,068,580**
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 7)	222,201,774	12,063,334,310	222,201,774	11,305,626,261
Accumulated losses	(174,552)	(9,476,428)	(157,717)	(8,024,641)
Total equity	**222,027,222**	**12,053,857,882**	**222,044,057**	**11,297,601,620**
Non current liabilities				
Borrowings (Note 8)	**-**	**-**	**71,500,000**	**3,637,920,000**
Current liabilities				
Payables (Note 9)	11,885	645,237	10,750	546,960
Borrowings (Note 8)	13,000,000	705,770,000	-	-
	13,011,885	**706,415,237**	**10,750**	**546,960**
Total equity and liabilities	**235,039,107**	**12,760,273,119**	**293,554,807**	**14,936,068,580**

Approved by the Board of Directors and authorised for issue on and signed on its behalf by :

Véronique Magny-Antoine } DIRECTORS
Priscille Koenig }

The notes form an integral part of these financial statements

Statement of Changes In Equity

FOR THE YEAR ENDED 31 MARCH 2013

	Stated capital		Accumulated losses		Total	
	US $	₹	US $	₹	US $	₹
At 01 April 2011	222,201,774	9,907,977,103	(153,360)	(6,838,322)	222,048,414	9,901,138,780
Issued during the year	-	-	-	-	-	-
Foreign Translation Difference	-	1,397,649,158	-	(964,635)	-	1,396,684,523
Total Comprehensive income	-	-	(4,357)	(221,684)	(4,357)	(221,684)
At 31 March 2012	222,201,774	11,305,626,261	(157,717)	(8,024,641)	222,044,057	11,297,601,620
At 01 April 2012	222,201,774	11,305,626,261	(157,717)	(8,024,641)	222,044,057	11,297,601,620
Issued during the year	-	-	-	-	-	-
Foreign Translation Difference	-	757,708,049	-	(537,815)	-	757,170,234
Total Comprehensive income	-	-	(16,835)	(913,972)	(16,835)	(913,972)
At 31 March 2013	**222,201,774**	**12,063,334,310**	**(174,552)**	**(9,476,428)**	**222,027,222**	**12,053,857,882**

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2013

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Cash flows from operating activities				
Net loss before tax	(16,835)	(913,972)	(4,357)	(221,684)
Adjustment for:				
Interest income	(1,815,622)	(98,570,118)	(1,891,189)	(96,223,696)
Interest expense	1,787,969	97,068,837	1,854,828	94,373,649
Increase in prepayments	(182)	(9,881)	(37)	(1,883)
Increase / (Decrease) in accruals	1,135	61,619	(4,175)	(212,424)
Net cash used in operating activities	**(43,535)**	**(2,363,515)**	**(44,930)**	**(2,286,038)**
Cash flows from investing activities				
Loan advanced to Subsidiaries	-	-	(31,500,000)	(1,602,720,000)
Repayment of loan from subsidiaries	58,500,000	3,175,965,000	-	-
Interest received	1,815,622	98,570,118	2,040,762	103,833,971
Net cash generated from / (used in) investing activities	**60,315,622**	**3,274,535,118**	**(29,459,238)**	**(1,498,886,029)**
Cash flows from financing activities				
Loan received from parent company	-	-	31,500,000	1,602,720,000
Loan paid to parent company	(58,500,000)	(3,175,965,000)	-	-
Interest paid	(1,787,969)	(97,068,837)	(2,008,608)	(102,197,975)
Net cash (used in) / generated from financing activities	**(60,287,969)**	**(3,273,033,837)**	**29,491,392**	**1,500,522,025**
Net decrease in cash and cash equivalents	(15,882)	(862,234)	(12,776)	(650,043)
Foreign Translation Difference		177,719		408,177
Cash and cash equivalents at beginning of year	52,117	2,651,713	64,893	2,893,579
Cash and cash equivalents at end of year	**36,235**	**1,967,198**	**52,117**	**2,651,713**

The notes form an integral part of these financial statements.

Notes to the Financial Statements

31 MARCH 2013

1 GENERAL INFORMATION

The Company was incorporated on 30 May 2007 under the Companies Act 2001 as a private company limited by shares and holds a Category 1 Global Business licence under the Financial Services Act 2007. The principal activity of the Company is to invest in companies which own and operate offshore vessels and drilling units. Its registered office is at Abax Corporate Services Ltd, 6th Floor, Tower A, 1 CyberCity, Ebene, Mauritius.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The financial statements have been prepared in accordance with and in compliance with International Financial Reporting Standards as modified by the exemption from consolidation in the Companies Act 2001 ("IFRS as modified by the Companies Act 2001") for companies holding a Category 1 Global Business Licence. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS as modified by the Companies Act 2001 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. At 31 March 2013, there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

New and amended standards adopted by the Company

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 April 2012 that would be expected to have a material impact on the Company.

New standards, amendments and interpretations issued but not yet effective for the financial year beginning 1 April 2012 and not early adopted

IAS 1 - Presentation of items in Other Comprehensive Income-Amendment to IAS 1

Amendment to IAS 1, 'Presentation of Financial Statements' regarding other comprehensive income is effective for accounting period beginning on or after 1 July 2012. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

IAS 27 – Separate Financial Statements (as revised in 2011)

IAS 27 (revised 2011) includes the requirements relating to separate financial statements following the issue of IFRS 10, 11 and 12. The standard has been renamed and now deals solely with separate financial statements. The existing guidance and disclosure requirements for separate financial statements are unchanged and the standard is effective for accounting period beginning on or after 1 January 2013.

IFRS 9 – Financial instruments (effective for annual periods beginning on or after 01 January 2015)

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. Issued in November 2009 and October 2010, it replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the statement of comprehensive income, unless this creates an accounting mismatch. The directors are yet to assess IFRS 9's full impact and intend to adopt IFRS 9 no later than the accounting period beginning 1 January 2015. The directors will also consider the impact of the remaining phases of IFRS 9 when completed by the IASB.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Foreign currency translation

- *Functional and presentation currency*

  Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in United States Dollar ("USD") which is the Company's functional and presentation currency. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

- *Transactions and balances*

  Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

Current and deferred income tax

The tax expense for the year comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferredincome tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and where the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Investment in subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity.

Investment in subsidiaries is shown at cost in the Company's accounts. Where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of the investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. Details of the Company's subsidiaries are shown in note 4.

Consolidated financial statements

The Company owns 100% and 84.82% of the issued share capital of Greatship Global Offshore Services Pte Ltd and Greatship Global Energy Services Pte Ltd respectively, which are both incorporated in Singapore. The Company itself being a parent is required to prepare consolidated financial statements under International Accounting Standards ("IAS"27), "Consolidated and Separate Financial Statements". The Company has taken advantage of the exemption provided by the Companies Act 2001 allowing a wholly or virtually owned parent company holding Category 1 Global Business Licence not to present consolidated financial statements. These financial statements are of the Company only and do not consolidate the result of its subsidiaries. Greatship (India) Limited, the parent company, prepares consolidated financial statements under Indian GAAP. The consolidated financial statements are available for public use at the registered office address of the holding company, Ocean House, 134/A, Dr Annie Besant Road, Worli, Mumbai 400 018, India.

Financial instruments

Financial instruments including loan and receivables are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments carried on the statement of financial position include loan receivable, cash and cash equivalents, borrowings and payables. The particular recognition methods adopted are disclosed below:

Loan and receivables

Loans and receivables are financial assets with fixed or predeterminable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loan and receivables comprises of loan receivable and cash and cash equivalents.

Cash and cash equivalents

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

Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss (if any). An impairment is recognised when the carrying amount of an asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairment losses (if any) are recognised as an expense in the statement of comprehensive income.

Impairment of financial assets

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired.

Assets carried at amortised cost

If there is objective evidence that an impairment loss on assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in profit or loss.

Provisions

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

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Dividend income is recognised when the Company's right to receive payment is established and is recorded gross of any withholding taxes.

Interest income is recognised on accrual basis unless collectability is in doubt.

Expense recognition

Expenses are accounted for in the profit or loss on the accruals basis.

Share capital

Ordinary shares are classified as equity.

3 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed as follows:

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's future cash flows or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rate. The company has no significant exposure to foreign exchange risk as it does not have any assets or liabilities which are denominated in foreign currencies.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The only significant bearing financial assets and liabilities held by the Company are loan receivable from its subsidiary and a borrowing from its parent company. Interest income and the interest expense may fluctuate in amount, in particular due to changes in market interest rates.

Sensitivity analysis

The Company's interest rate risk arises from interest receivable from its subsidiary and on interest payable to its parent company which is at the rate of LIBOR plus 3% and LIBOR plus 2.9% respectively. Fluctuations in market interest rates will not have a significant impact on the post tax profit and equity of the Company since any increase / decrease in interest income due to fluctuation of the rate of LIBOR will be offset by an equivalent increase / decrease in interest expense.

(iii) Price risk

Equity price risk is the risk of unfavorable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of cash and cash equivalents and loan receivable from related parties, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. The risk is minimal on the loan receivable as it is with related parties. Cash transactions are limited to high credit quality financial institutions. There was no concentration of credit risk as at the reporting date.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves, through funding from its holding company, to meet its obligations as they fall due. The Company is therefore not exposed to liquidity risk. All financial liabilities mature within one year.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2013 based on contractual undiscounted payments:

	More than one year		Within one year		Total	
2013	**US $**	**₹**	**US $**	**₹**	**US $**	**₹**
Borrowings	-	-	13,000,000	705,770,000	13,000,000	705,770,000
Trade and other payables	-	-	11,885	645,237	11,885	645,237
At 31 March	**-**	**-**	**13,011,885**	**706,415,237**	**13,011,885**	**706,415,237**

2012	More than one year US $	More than one year ₹	Within one year US $	Within one year ₹	Total US $	Total ₹
Borrowings	71,500,000	3,637,920,000	-	-	71,500,000	3,637,920,000
Trade and other payables	-	-	10,750	546,960	10,750	546,960
At 31 March	**71,500,000**	**3,637,920,000**	**10,750**	**546,960**	**71,510,750**	**3,638,466,960**

Fair values

Except where otherwise stated, the carrying amounts of the Company's financial assets and liabilities approximate their fair value.

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages and adjusts its capital structure in the light of changes in economic conditions. To maintain or adjust its capital structure, the Company may rely on borrowings from its parent company or issue new shares.

4 INVESTMENT IN SUBSIDIARIES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Unquoted at cost :				
At beginning	222,001,410	11,295,431,741	222,001,410	9,899,042,872
Foreign Translation Difference	-	757,024,808	-	1,396,388,869
At end	**222,001,410**	**12,052,456,549**	**222,001,410**	**11,295,431,741**

Details pertaining to the investment in subsidiaries at 31 March 2013 are as follows:

Name	Business activity	Country of incorporation	Effective % holding	Cost US $	Cost ₹
GGOS	Operate offshore supply vessels	Singapore	100.00%	121,101,378	6,574,593,812
GGES	Drilling	Singapore	84.82%	100,900,032	5,477,862,737

The directors have reviewed the operations of the above companies and have not identified any indication of impairment. Consequently, no impairment has been recorded during the year.

5 LOAN RECEIVABLE

	2013 US $	2013 ₹	2012 US $	2012 ₹
Loan to subsidiary	13,000,000	705770,000	71,500,000	3,637,920,000

The terms and conditions in respect of the loan receivable from the subsidiaries have been disclosed in Note 11.

6 RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Prepayments	1,462	79,372	1,280	65,126

7 STATED CAPITAL

2013	2013 Number	2012 Number	2013 US $	2013 ₹	2012 US $	2012 ₹
Issued capital						
Ordinary shares of no par value issued and fully paid						
At start	222,201,774	222,201,774	222,201,774	11,305,626,261	222,201,774	9,907,977,103
Foreign translation Difference	-	-	-	757,708,049	-	1,397,649,158
At end	**222,201,774**	**222,201,774**	**222,201,774**	**12,063,334,310**	**222,201,774**	**11,305,626,261**

8 BORROWINGS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Loan from parent company	13,000,000	705,770,000	71,500,000	3,637,920,000

The terms and conditions in respect of the loan from the parent company have been disclosed in Note 11.

9 PAYABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Accruals	11,885	645,237	10,750	546,960
	11,885	**645,237**	**10,750**	**546,960**

10 INCOME TAX

The Company is subject to income tax in Mauritius at the rate of 15%. However, the Company is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax payable in respect of its foreign source income, thereby giving an effective tax rate to 3%. Gains or profit on sale of units of securities by a Company holding a Category 1 Global Business Licence under the Financial Services Act 2007 are exempt in Mauritius.

The foregoing is based on current interpretation and practice and is subject to any future changes in the Mauritian tax laws. At 31 March 2013, the Company had accumulated tax losses of USD 147,693/- (₹ 8,018,253/-) (31 March 2012 - USD 152,478) (₹ 7,758,081/-).

The tax losses are available for offset against future taxable profit of the Company as follow:

	US $	₹
Up to the year ending:		
31 March 2014	(36,594)	(1,986,688)
31 March 2015	(39,148)	(2,125,345)
31 March 2016	(50,759)	(2,755,706)
31 March 2017	(4,357)	(236,542)
31 March 2018	(16,835)	(913,972)
	(147,693)	**(8,018,253)**

Deferred taxation

No deferred tax asset has been recognised as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. The deferred tax balance at 31 March 2013 arising from accumulated tax losses amounted to USD 4,431 (₹ 240,559/-) (31 March 2012 – USD 4,574) (₹ 232,725/-).

Tax reconciliation

A reconciliation between the accounting loss as adjusted for tax purposes and the tax charge is as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Net loss for the year before taxation	(16,835)	(913,972)	(4,357)	(221,684)
Tax @ 15%	**(2,525)**	**(137,082)**	**(654)**	**(33,276)**
Unutilised tax loss	2,525	137,082	654	33,276
Income tax charge	-	-	-	-

11 RELATED PARTY DISCLOSURES

During the year under review, the company transacted with related parties. Details of the nature, volume of transactions and balances with the related parties are as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
(i) Amount due to parent company:				
Greatship (India) Limited:				
At start	71,500,000	3,637,920,000	40,153,780	1,790,457,050
Loan advanced during the year	-	-	31,500,000	1,602,720,000
Loan repaid during the year	(58,500,000)	(3,175,965,000)	-	-
Interest expense	1,787,969	97,068,837	1,854,828	94,373,649
Interest paid during the year	(1,787,969)	(97,068,837)	(2,008,608)	(102,197,975)
Foreign Translation Difference	-	243,815,000	-	252,567,276
At end	**13,000,000**	**705,770,000**	**71,500,000**	**3,637,920,000**

The loan is unsecured, repayable by instalments of 25% each year commencing three years after the first drawdown (22 February 2011) with early repayments possible. The Company has the option of early repayment and since USD 58,500,000, (Rs. 3,175,965,000) has been repaid out of total loan advanced of USD 71,500,000, (₹ 3,881,735,000) the loan has been reclassified as current. Loan payable carries interest at LIBOR plus 2.9% per annum and interest is payable annually.

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
(ii) Amount receivable from Subsidiaries:				
Greatship Global Energy Services Pte Ltd:				
At start	58,000,000	2,951,040,000	40,149,573	1,790,269,490
Loan advanced during the year	-	-	18,000,000	915,840,000
Loan repaid during the year	(45,000,000)	(2,443,050,000)	-	-
Interest income	1,678,090	91,103,506	1,811,502	92,169,222
Interest received during the year	(1,678,090)	(91,103,506)	(1,961,075)	(99,779,496)
Foreign Translation Difference	-	197,780,000	-	252,540,784
At end	**13,000,000**	**705,770,000**	**58,000,000**	**2,951,040,000**
Greatship Global Offshore Services Pte Ltd:				
At start	13,500,000	686,880,000	-	-
Loan advanced during the year	-	-	13,500,000	686,880,000
Loan repaid during the year	(13,500,000)	(686,880,000)	-	-
Interest income	137,532	7,466,612	79,687	4,054,475
Interest received during the year	(137,532)	(7,466,612)	(79,687)	(4,054,475)
At end	**-**	**-**	**13,500,000**	**686,880,000**
Total loan receivable from subsidiaries	**13,000,000**	**705,770,000**	**71,500,000**	**3,637,920,000**
Total interest income for the year	**1,815,622**	**98,570,118**	**1,891,189**	**96,223,696**

The loans receivable from the above related parties are unsecured, repayable by instalments of 25% each year commencing three years after the first drawdown with early repayments possible. The Company has the option of early repayment and since USD 58,500,000, (₹ 3,175,965,000) has been paid out of total loan advanced of USD 71,500,000, (₹ 3,881,735,000) the loan has been reclassified as current. Loan receivable carries interest at LIBOR plus 3% per annum and interest is payable annually.

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
(iii) Remuneration paid to key management personnel:				
Directors' fees	**1,715**	**93,107**	**1,615**	**82,171**

12 PARENT AND ULTIMATE PARENT

The directors consider Greatship (India) Limited and The Great Eastern Shipping Co Ltd, which are incorporated in India, as the Company's parent and ultimate parent respectively.

GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS	Alok Mahajan, Managing Director Naware Pradyumna Raghunath Jaya Prakash Kuan Chee Hoong
REGISTERED OFFICE	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER	200708009M
AUDITOR	Shanker Iyer & Co.
COMPANY SECRETARIES	Cheng Lian Siang Pathima Muneera Azmi

Directors Report

The directors present their report to the member together with the audited financial statements of the group and of the company for the financial year ended 31 March 2013.

DIRECTORS

The directors of the company in office at the date of this report are:

Alok Mahajan Managing Director

Naware Pradyumna Raghunath

Jaya Prakash

Kuan Chee Hoong

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS INTEREST IN SHARES AND DEBENTURES

According to the register of directors shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Chapter 50, none of the directors holding office at the end of the financial year had any interest in the share capital of the company or any related corporations except as detailed below:

	No. of ordinary shares	
	As at 01.04.2012	As at 31.03.2013
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Alok Mahajan	732	732
Naware Pradyumna Raghunath	2,952	2,952

Mr. Alok Mahajan and Mr. Naware Pradyumna Raghunath have been granted Employee Stock Options by Greatship (India) Limited (Intermediate Holding Company).

None of the directors holding office at the end of the financial year had any interest in the debentures of the company or its related corporations.

DIRECTORS CONTRACTUAL BENEFITS

Since the end of previous financial year, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for Mr. Alok Mahajan and Mr. Naware Pradyumna Rughunath, who have both encashed in part the Employee stock Options granted to them by Greatship (India) Limited (Intermediate Holding company) and except for the director s remuneration as disclosed in the financial statements.

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

Alok Mahajan
Managing Director

Naware Pradyumna Raghunath
Director

22 April 2013

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying consolidated financial statements of the group and the financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2013 and of the results, and changes in equity of the group and of the company and cash flows of the group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors authorised these financial statements for issue on 22 April 2013.

On behalf of the Board

Alok Mahajan
Managing Director

Naware Pradyumna Raghunath
Director

22 April 2013

Independent Auditor's Report

TO THE MEMBER OF GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD. (the company) and its subsidiaries (the group), which comprise the statements of financial position of the group and of the company as at 31 March 2013, and the statements of comprehensive income, and statements of changes in equity of the group and of the company and consolidated statement of cash flows of the group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management s Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter. 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit or loss accounts and balance sheets and to maintain accountability of assets.

Auditor s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the group and the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the company as at 31 March 2013 and of its results and changes in equity of the group and of the company and cash flows of the group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

SHANKER IYER & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
22 April 2013

Statements of Financial Position

AS AT 31 MARCH 2013

Group	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS					
Current assets					
Cash and cash equivalents	4	50,568,991	2,745,390,521	18,607,713	946,760,437
Fixed deposit	5	15,000,000	814,350,000	-	-
Trade receivables	6	6,870,302	372,988,696	26,500,384	1,348,339,538
Other receivables	7	284,699	15,456,309	12,354,125	628,577,880
Inventories	8	329,911	17,910,868	785,988	39,991,070
Prepayments		153,671	8,342,799	175,189	8,913,616
		73,207,574	**3,974,439,193**	**58,423,399**	**2,972,582,541**
Non-current assets classified as held-for-sale	10	**-**	**-**	**9,628,263**	**489,886,021**
Non-current assets					
Property, plant and equipment	11	155,267,347	8,429,464,269	212,858,778	10,830,254,625
Capital project in progress	12	-	-	16,158,259	822,132,218
Other receivables	7	47,942	2,602,771	47,942	2,439,289
Loan to a related company	14	20,000,000	1,085,800,000	-	-
		175,315,289	**9,517,867,040**	**229,064,979**	**11,654,826,132**
Total assets		**248,522,863**	**13,492,306,233**	**297,116,641**	**15,117,294,694**
LIABILITIES					
Current liabilities					
Trade payables	15	2,975,174	161,522,196	17,199,894	875,130,607
Other payables	16	5,550,588	301,341,423	3,805,096	193,603,285
Derivative financial instrument payable	17	3,118,013	169,276,926	2,517,620	128,096,505
Finance lease	18	-	-	777,123	39,540,018
Deferred loss	19	-	-	(57,216)	(2,911,150)
Bank loans	20	11,670,449	633,588,676	15,273,042	777,092,377
Income tax payable		104,105	5,651,860	116,645	5,934,898
		23,418,329	**1,271,381,081**	**39,632,204**	**2,016,486,540**
Liabilities directly associated with non-current assets classified as held-for-sale	10	**-**	**-**	**4,496,791**	**228,796,726**
Non-current liabilities					
Finance lease	18	-	-	14,909,637	758,602,330
Deferred loss	19	-	-	(239,980)	(12,210,182)
Bank loans	20	87,374,413	4,743,556,882	114,793,500	5,840,693,280
Loan from immediate holding company	21	-	-	13,500,000	686,880,000
		87,374,413	**4,743,556,882**	**142,963,157**	**7,273,965,428**
Total liabilities		**110,792,742**	**6,014,937,963**	**187,092,152**	**9,519,248,694**
NET ASSETS		**137,730,121**	**7,477,368,270**	**110,024,489**	**5,598,046,000**
SHAREHOLDER'S EQUITY					
Share capital	22	121,060,224	6,572,359,561	121,060,224	6,159,544,197
Reserves	23	16,669,897	905,008,709	(11,035,735)	(561,498,197)
TOTAL EQUITY		**137,730,121**	**7,477,368,270**	**110,024,489**	**5,598,046,000**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Financial Position

AS AT 31 MARCH 2013

Company	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS					
Current assets					
Cash and cash equivalents	4	45,777,366	2,485,253,200	11,251,494	572,476,015
Fixed deposit	5	15,000,000	814,350,000	-	-
Trade receivables	6	9,553,020	518,633,456	19,317,773	982,888,290
Other receivables	7	149,889	8,137,474	9,775,717	497,388,481
Inventories	8	-	-	66,309	3,373,802
Loans to subsidiaries	9	-	-	12,500,000	636,000,000
Prepayments		110,324	5,989,490	112,823	5,740,434
		70,590,599	**3,832,363,620**	**53,024,116**	**2,697,867,022**
Non-current assets classified as held-for-sale	10	**-**	**-**	**9,628,263**	**489,886,021**
Non-current assets					
Property, plant and equipment	11	155,219,551	8,426,869,424	212,747,752	10,824,605,622
Capital project in progress	12	-	-	16,158,259	822,132,218
Investment in subsidiaries	13	110,000	5,971,900	3,110,100	158,241,888
Other receivables	7	47,942	2,602,771	47,942	2,439,289
Loan to a related company	14	20,000,000	1,085,800,000	-	-
		175,377,493	**9,521,244,095**	**232,064,053**	**11,807,419,017**
Total assets		**245,968,092**	**13,353,607,715**	**294,716,432**	**14,995,172,060**
LIABILITIES					
Current liabilities					
Trade payables	15	155,019	8,415,982	1,611,008	81,968,087
Other payables	16	2,790,478	151,495,051	2,726,126	138,705,291
Derivative financial instrument payable	17	3,118,013	169,276,926	2,517,620	128,096,505
Finance lease	18	-	-	777,123	39,540,018
Deferred loss	19	-	-	(57,216)	(2,911,150)
Bank loans	20	11,670,449	633,588,676	15,273,042	777,092,377
Income tax payable		67,074	3,641,447	13,200	671,616
		17,801,033	**966,418,082**	**22,860,903**	**1,163,162,744**
Liabilities directly associated with non-current assets classified as held-for-sale	10	**-**	**-**	**4,496,791**	**228,796,726**
Non-current liabilities					
Finance lease	18	-	-	14,909,637	758,602,330
Deferred loss	19	-	-	(239,980)	(12,210,182)
Bank loans	20	87,374,413	4,743,556,882	114,793,500	5,840,693,280
Loan from immediate holding company	21	-	-	13,500,000	686,880,000
		87,374,413	**4,743,556,882**	**142,963,157**	**7,273,965,428**
Total liabilities		**105,175,446**	**5,709,974,964**	**170,320,851**	**8,665,924,898**
NET ASSETS		**140,792,646**	**7,643,632,751**	**124,395,581**	**6,329,247,162**
SHAREHOLDER S EQUITY					
Share capital	22	121,060,224	6,572,359,561	121,060,224	6,159,544,197
Reserves	23	19,732,422	1,071,273,190	3,335,357	169,702,965
TOTAL EQUITY		**140,792,646**	**7,643,632,751**	**124,395,581**	**6,329,247,162**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Group	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
REVENUE					
Charter hire income		45,230,779	2,455,578,992	78,984,035	4,018,707,701
Other income	24	29,727,198	1,613,889,579	70,887	3,606,730
Total revenue		**74,957,977**	**4,069,468,571**	**79,054,922**	**4,022,314,431**
COSTS AND EXPENSES					
Charter hire expenses	25	19,532,440	1,060,416,167	56,526,972	2,876,092,334
Employee benefit expenses	26	3,861,699	209,651,639	6,125,838	311,682,638
Depreciation of property, plant and equipment	11	9,066,445	492,217,299	9,904,983	503,965,535
Other operating expenses	27	2,516,579	136,625,074	5,641,422	287,035,551
Finance costs	28	5,430,604	294,827,491	5,590,829	284,461,380
Impairment loss on non-current assets classified as held-for-sale	10	4,775,723	259,274,002	4,200,000	213,696,000
Impairment loss on property, plant and equipment	11	1,096,080	59,506,183	-	-
Total costs and expenses		**46,279,570**	**2,512,517,855**	**87,990,044**	**4,476,933,438**
Profit/(loss) before income tax		28,678,407	1,556,950,716	(8,935,122)	(454,619,007)
Income tax expense	29	(372,383)	(20,216,673)	(145,715)	(7,413,979)
Net income/(loss)		**28,306,024**	**1,536,734,043**	**(9,080,837)**	**(462,032,986)**
Other comprehensive loss:					
De-recognition of fair value gain arising from forward currency contacts and interest rate swaps		2,517,621	136,681,644	867,846	44,156,005
Fair value loss arising from forward currency contracts		(3,118,013)	(169,276,926)	(2,517,621)	(128,096,557)
Other comprehensive loss for the year, net of tax		**(600,392)**	**(32,595,282)**	**(1,649,775)**	**(83,940,552)**
Total comprehensive income/(loss) for the year		**27,705,632**	**1,504,138,761**	**(10,730,612)**	**(545,973,538)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Company	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
REVENUE					
Charter hire income		20,450,920	1,110,280,447	28,359,085	1,442,910,245
Other income	24	29,617,427	1,607,930,112	135,013	6,869,461
Total revenue		**50,068,347**	**2,718,210,559**	**28,494,098**	**1,449,779,706**
COSTS AND EXPENSES					
Charter hire expenses	25	2,254,157	122,378,184	2,860,738	145,554,349
Employee benefit expenses	26	1,143,955	62,105,317	709,355	36,091,982
Depreciation of property, plant and equipment	11	9,026,787	490,064,266	9,869,451	502,157,667
Other operating expenses	27	999,372	54,255,906	1,981,576	100,822,586
Finance costs	28	5,430,604	294,827,491	5,590,829	284,461,380
Impairment loss on investment in subsidiary	13	3,000,100	162,875,429	-	-
Impairment loss on non-current assets classified as held-for-sale	10	4,775,723	259,274,002	4,200,000	213,696,000
Impairment loss on property, plant and equipment	11	1,096,080	59,506,183	-	-
Write off of loan to subsidiary	9	5,000,000	271,450,000	-	-
Total costs and expenses		**32,726,778**	**1,776,736,778**	**25,211,949**	**1,282,783,964**
Profit before income tax		17,341,569	941,473,781	3,282,149	166,995,742
Income tax expense	29	(344,112)	(18,681,840)	(7,438)	(378,445)
Net income		**16,997,457**	**922,791,941**	**3,274,711**	**166,617,297**
Other comprehensive loss:					
De-recognition of fair value gain arising from forward currency contacts and interest rate swaps		2,517,621	136,681,644	867,846	44,156,005
Fair value loss arising from forward currency contracts		(3,118,013)	(169,276,926)	(2,517,621)	(128,096,557)
Other comprehensive loss for the year, net of tax		**(600,392)**	**(32,595,282)**	**(1,649,775)**	**(83,940,552)**
Total comprehensive income for the year		**16,397,065**	**890,196,659**	**1,624,936**	**82,676,745**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statements of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

Group	Note	Share capital		Retained profits / (Accumulated losses)		Hedging reserve		Total	
		US $	₹	US $	₹	US $	₹	US $	₹
2013									
Balance as at 1 April 2012		121,060,224	6,159,544,197	(8,518,114)	(433,401,640)	(2,517,621)	(128,096,557)	110,024,489	5,598,046,000
Foreign translation difference		412,815,364	-	(29,046,768)	-	(8,585,087)	-	375,183,509	
Net income for the year		-	-	28,306,024	1,536,734,043	-	-	28,306,024	1,536,734,043
Other comprehensive loss for the year, net of tax:									
- De-recognition of fair value gain arising forward currency contracts and interest rate swaps	23	-	-	-	-	2,517,621	136,681,644	2,517,621	136,681,644
- Fair value loss arising forward currency contracts	23	-	-	-	-	(3,118,013)	(169,276,926)	(3,118,013)	(169,276,926)
Balance as at 31 March 2013		**121,060,224**	**6,572,359,561**	**19,787,910**	**1,074,285,635**	**(3,118,013)**	**(169,276,926)**	**137,730,121**	**7,477,368,270**

Group	Note	Share capital		Retained profits/ (Accumulated losses)		Hedging reserve		Total	
		US $	₹	US $	₹	US $	₹	US $	₹
2012									
Balance as at 1 April 2011		121,060,224	5,398,075,388	562,723	25,091,818	(867,846)	(38,697,253)	120,755,101	5,384,469,953
Foreign translation difference		761,468,809	-	3,539,528	-	(5,458,752)	-	759,549,585	
Net loss for the year		-	-	(9,080,837)	(462,032,986)	-	-	(9,080,837)	(462,032,986)
Other comprehensive loss for the year, net of tax:									
- De-recognition of fair value gain arising forward currency contracts and interest rate swaps	23	-	-	-	-	867,846	44,156,005	867,846	44,156,005
- Fair value loss arising forward currency contracts	23	-	-	-	-	(2,517,621)	(128,096,557)	(2,517,621)	(128,096,557)
Balance as at 31 March 2012		**121,060,224**	**6,159,544,197**	**(8,518,114)**	**(433,401,640)**	**(2,517,621)**	**(128,096,557)**	**110,024,489**	**5,598,046,000**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Company	Note	Share capital		Retained profits		Hedging reserve		Total	
		US $	₹	US $	₹	US $	₹	US $	₹
2013									
Balance as at 1 April 2012		121,060,224	6,159,544,197	5,852,978	297,799,522	(2,517,621)	(128,096,557)	124,395,581	6,329,247,162
Foreign translation difference		412,815,364	-	19,958,653	-	(8,585,087)	-	424,188,930	
Net income for the year		-	-	16,997,457	922,791,941	-	-	16,997,457	922,791,941
Other comprehensive loss for the year, net of tax:									
- De-recognition of fair value gain arising forward currency contracts and interest rate swaps	23	-	-	-	-	2,517,621	136,681,644	2,517,621	136,681,644
- Fair value loss arising forward currency contracts	23	-	-	-	-	(3,118,013)	(169,276,926)	(3,118,013)	(169,276,926)
Balance as at 31 March 2013		**121,060,224**	**6,572,359,561**	**22,850,435**	**1,240,550,116**	**(3,118,013)**	**(169,276,926)**	**140,792,646**	**7,643,632,751**

Company	Note	Share capital		Retained profits		Hedging reserve		Total	
		US $	₹	US $	₹	US $	₹	US $	₹
2012									
Balance as at 1 April 2011		121,060,224	5,398,075,388	2,578,267	114,964,925	(867,846)	(38,697,253)	122,770,645	5,474,343,060
Foreign translation difference		761,468,809	-	16,217,300	-	(5,458,752)	-	772,227,357	
Net income for the year		-	-	3,274,711	166,617,297	-	-	3,274,711	166,617,297
Other comprehensive loss for the year, net of tax:									
- De-recognition of fair value gain arising forward currency contracts and interest rate swaps	23	-	-	-	-	867,846	44,156,005	867,846	44,156,005
- Fair value loss arising forward currency contracts	23	-	-	-	-	(2,517,621)	(128,096,557)	(2,517,621)	(128,096,557)
Balance as at 31 March 2012		**121,060,224**	**6,159,544,197**	**5,852,978**	**297,799,522**	**(2,517,621)**	**(128,096,557)**	**124,395,581**	**6,329,247,162**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Consolidated Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash Flows From Operating Activities					
Profit/(Loss) before income tax		28,678,407	1,556,950,716	(8,935,122)	(454,619,007)
Adjustments for:					
Depreciation of property, plant and equipment	11	9,066,445	492,217,299	9,904,983	503,965,535
Impairment loss on non-current assets classified as held-for-sale	10	4,775,723	259,274,002	4,200,000	213,696,000
Impairment loss on property, plant and equipment	11	1,096,080	59,506,183	-	-
Provision for bad debts		-	-	57,434	2,922,242
Gain on cancellation of finance lease		(648,723)	(35,219,172)	-	-
(Gain)/Loss on cancellation of vessels construction contract net		(2,974,248)	(161,471,924)	1,289,160	65,592,460
Loss on sale of property, plant and equipment		39,905	2,166,442	76,395	3,886,978
Gain on disposal of motor vessels		(24,964,570)	(1,355,326,505)	-	-
Interest income		(546,081)	(29,646,737)	(55,518)	(2,824,756)
Finance costs	28	5,430,604	294,827,491	5,590,829	284,461,380
Realised deferred loss		297,196	16,134,771	57,107	2,905,604
Unrealised exchange gain		43,509	2,362,104	620,756	31,584,065
Cash flows from operations before changes in working capital		**20,294,247**	**1,101,774,670**	**12,806,024**	**651,570,501**

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Working capital changes, excluding changes relating to cash:					
Trade receivables		20,295,771	1,101,857,408	(15,602,738)	(839,658,111)
Trade payables		(14,327,786)	(777,855,502)	10,136,949	705,542,307
Inventories		456,077	24,760,420	(578,882)	(30,756,214)
Other receivables		12,226,522	663,777,879	(2,560,799)	(599,121,214)
Other payables		1,616,344	87,751,316	1,496,811	30,481,338
Cash generated from operations		**40,561,175**	**2,202,066,191**	**5,697,365**	**(81,941,393)**
Interest received		3,370,440	182,981,188	55,518	2,824,756
Interest paid		(5,772,273)	(313,376,701)	(5,861,268)	(298,221,316)
Income tax paid		(413,283)	(22,437,134)	(91,160)	(4,638,221)
Net cash generated from/(used in) operating activities		**37,746,059**	**2,049,233,544**	**(199,545)**	**(381,976,174)**
Cash Flows From Investing Activities					
Purchase of property, plant and equipment		(67,302,421)	(3,653,848,436)	(38,657,321)	(1,966,884,492)
Proceeds from disposal of vessel under construction		156,170,000	8,478,469,300	11,587,028	589,547,985
Proceeds from sale of property, plant and equipment		-	-	4,640	236,083
Addition to capital project in progress		-	-	(12,948,666)	(658,828,126)
Loans to a related company		(20,000,000)	(1,085,800,000)	-	-
Placement of fixed deposit		(15,000,000)	(814,350,000)	-	-
Net cash generated from/(used in) investing activities		**53,867,579**	**2,924,470,864**	**(40,014,319)**	**(2,035,928,550)**
Cash Flows From Financing Activities					
Proceeds from drawdown of bank loans		28,560,000	1,550,522,400	25,000,000	1,272,000,000
Repayment of bank loans		(59,281,783)	(3,218,407,999)	(12,828,916)	(652,735,246)
Repayment of finance leases		(15,038,037)	(816,415,029)	(1,141,431)	(47,773,312)
(Repayment to) / Proceed from intercompany loan		(13,500,000)	(732,915,000)	13,500,000	686,880,000
Withdrawal/(placement) of a pledged fixed deposit		1,577,212	85,626,839	(1,994,212)	(101,465,506)
Net cash (used in)/generated from financing activities		**(57,682,608)**	**(3,131,588,789)**	**22,535,441**	**1,156,905,936**
Net increase/(decrease) in cash and cash equivalents		33,931,030	1,842,115,619	(17,678,423)	(1,260,998,788)
Foreign translation difference		-	56,652,038	-	578,915,763
Currency translation adjustment relating to cash and cash equivalents		(392,540)	(21,310,997)	(270,101)	(13,742,739)
Cash and cash equivalents at the beginning of the year		16,613,501	845,294,931	34,562,025	1,541,120,695
Cash and cash equivalents at the end of the year	4	**50,151,991**	**2,722,751,591**	**16,613,501**	**845,294,931**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Global Offshore Services Pte. Ltd. (Company Registration No. 200708009M) is domiciled in Labuan, Malaysia. The company s registered office is at 15 Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089316.

The company is providing offshore oilfield services with the principal activity of owning and operating offshore supply of vessels. The company is also currently involved in activities relating to the construction of vessels. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

The financial statements of the group and of the company as at 31 March 2013 and for the year then ended were authorised and approved by the Board of Directors for issuance on 22 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The audited consolidated financial statements are prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to US$1 = ₹ 54.29 (2012: US$1 = ₹ 50.88) and rounded up to the nearest Indian rupee.

Except as disclosed in the preceding paragraph, the consolidated financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The consolidated financial statements, which are expressed in United States dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the group has adopted all the new and revised FRSs and Interpretations of FRS (INT FRS) that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

At the date of authorisation of these financial statements, the group has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial year. The group and company expect the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) Group accounting

(i) Subsidiaries

(a) Consolidation

Subsidiaries are entities (including special purpose entities) over which the group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

(b) Acquisition of business

The acquisition method of accounting is used to account for business combinations by the group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest s proportionate share of the acquiree s net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. The excess of fair value of the net assets acquired over the consideration transferred is recorded as negative goodwill in profit or loss on the date of acquisition.

(c) Disposals of subsidiary or business

When a change in the company s ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill, are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

(d) Goodwill

Goodwill represents the excess of the cost of acquisition over the fair value of the group s interest in the identifiable assets, liabilities and contingent liabilities of the acquired subsidiaries at the date of acquisition.

Goodwill is measured at cost less accumulated impairment losses. Negative goodwill is recognised immediately in profit or loss.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(ii) Transactions with non-controlling interests

Changes in the company s ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the company.

c) Currency translation

Items included in the individual financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the group and the financial statements of the company are presented in the United States Dollars, which is the functional currency of the company.

In preparing the financial statements of the individual entity, monetary assets and liabilities in foreign currencies are translated into the functional currency at rates of exchange closely approximate to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For consolidation purposes, the assets and liabilities of the foreign subsidiaries are translated at the rate of exchange ruling at the end of the reporting period and profit or loss items are translated at the average rate. The effects of translation are taken directly to foreign currency translation reserves within equity. Such translation differences are recognised in the profit or loss in the year in which its subsidiary is disposed of.

d) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, call deposit and fixed deposits with maturity period of less than three months, which are subject to an insignificant risk of change in value. For the purpose of presentation in the consolidated statement of cash flows, the cash and cash equivalents is net of short term fixed deposit collateralised for bank guarantee.

e) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge - currency forwards

The group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to profit or loss immediately.

Cash flow hedge interest rate swaps

The company has entered into interest rate swaps that are cash flow hedges for the company s exposure to the interest rate on its borrowings. These contracts entitle the company to receive interest at floating rates on notional principal amounts and oblige the company to pay interest at fixed rates on the same notional principal amounts, thus allowing the company to raise borrowings at floating rates and swap them into fixed rate.

The fair value changes on the ineffective portion are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to profit or loss immediately.

f) Financial instruments

Financial assets and financial liabilities are recognised on the company s statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period.

It exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

g) Financial assets

(i) Classification

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss , loans and receivables , held to maturity investments and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of reporting period which are presented as non-current assets. Loans and receivables are presented as trade receivables , other receivables and cash and cash equivalents on the statements of financial position.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on transaction-date the date on which the group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(v) Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

h) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. Cost is ascertained on first-in, first-out basis for fuel oil. Stores and spares (other than fuel oil) delivered on board of the vessels are charged to profit or loss.

i) Property, plant and equipment

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

(iii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Computers	3 - 5 years
Office equipment, Furniture, fixture and renovation	1 - 5 years
Motor vessels	20 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the assets shall be fully depreciated over the shorter of the lease term and its useful life.

(iv) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(v) Disposals

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

j) Investments in subsidiaries

Unquoted equity investments in subsidiaries are carried at cost less accumulated impairment losses in the company s statement of financial position. On disposal of investment in subsidiary, the difference between the disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

k) Impairment of non-financial assets

Property, plant and equipment

Investments in subsidiaries

Property, plant and equipment and investments in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset s recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

l) Capital project in progress

Capital project in progress is stated at cost. Expenditure relating to the construction of a vessel is capitalised when incurred up to the completion of construction. No depreciation is provided on capital project in progress.

m) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method, as defined above.

The group derecognises financial liabilities when, and only when, the company s obligations are discharged, cancelled and expired.

n) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs accrued to finance the building of motor vessels are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to profit or loss over the period of borrowing using the effective interest method.

o) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

p) Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

q) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

Foreign tax is recognised in profit or loss on an accrual basis.

r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the company s activities are met as follows:

(i) Charter income is recognised on accrual basis over the period of the agreement;

(ii) Interest income is recognised using the effective interest rate; and

(iii) Unbilled revenue represents services completed in the year which are billed subsequent to the year end. Unbilled revenue is measured at fair value.

s) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined Contribution Plans

Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

u) Leases

Finance lease

Lease of assets where the group assumes substantially the risks and rewards of ownerships are classified as finance leases.

Assets held under finance leases are recognised as assets of the group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor (net of finance charges) is included in the statements of financial position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Gains or losses arising from sale and finance leaseback of motor vessel are deferred and amortised over the minimum lease terms.

Operating lease

Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment and are stated at cost less depreciated amounts and impairment loss (if any). Operating lease income is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as income in profit or loss when earned.

Company is the lessee

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

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

v) Government grants

Cash grants received from the government in relation to Small and Medium Enterprise (SME) cash grant are recognised as income when there is a reasonable assurance that the grant will be received.

w) Related parties

A related party is defined as follows:

(i) A person or a close member of that person s family is related to the company if that person:

(a) Has control or joint control over the company;

(b) Has significant influence over the company; or

(c) Is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(c) Both entities are joint ventures of the same third party;

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

x) Non-current assets classified as held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical accounting estimates, assumptions and judgements for preparation of financial statements:

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the company s accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Income taxes

Significant judgments are involved in determining the company s provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made.

(ii) Depreciation of property, plant and equipment

The group depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management s estimate of the periods that the group intends to derive future economic benefits from the use of the group s property, plant and equipment.

The residual values reflect management s estimated amount that the group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the group s property, plant and equipment as at the end of each reporting period were disclosed in Note 11 to the financial statements.

(iii) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(iv) Impairment of non-financial assets

Property, plant and equipment

Investment in subsidiaries

Property, plant and equipment and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset s recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

4. CASH AND CASH EQUIVALENTS

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash at bank	33,146,720	1,799,535,428	16,606,773	844,952,610
Cash on hand	11,058	600,339	6,728	342,321
Short-term fixed deposits	17,411,213	945,254,754	1,994,212	101,465,506
	50,568,991	**2,745,390,521**	**18,607,713**	**946,760,437**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash at bank	28,362,637	1,539,807,562	9,256,028	470,946,705
Cash on hand	3,516	190,884	1,254	63,804
Short-term fixed deposits	17,411,213	945,254,754	1,994,212	101,465,506
	45,777,366	**2,485,253,200**	**11,251,494**	**572,476,015**

Short term fixed deposits have maturity periods less than 3 months from value date with an interest rate ranging from 0.9% to 1.5% per annum.

For the purpose of the consolidated statement of cash flow, the year-end cash and cash equivalents comprise of the following:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash and cash equivalents	50,568,991	2,745,390,521	18,607,713	946,760,437
Less: Pledged short-term fixed deposit	(417,000)	(22,638,930)	(1,994,212)	(101,465,506)
Cash and cash equivalents per cash flow statement	**50,151,991**	**2,722,751,591**	**16,613,501**	**845,294,931**

In 2012, short-term fixed deposit amounting to US$1,994,212 (₹ 101,465,506) was held as collateral against performance bond payable to a supplier within the next twelve months.

In 2013, short-term fixed deposit amounting to US$417,000 (₹ 22,638,930) is held as a minimum balance for the loan account.

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Australian dollar	790,889	42,937,364	2,594,249	131,995,389
Singapore dollar	487,617	26,472,727	155,987	7,936,618
United States dollar	49,290,485	2,675,980,430	15,857,477	806,828,430
	50,568,991	**2,745,390,521**	**18,607,713**	**946,760,437**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollar	112,297	6,096,604	38,249	1,946,109
United States dollar	45,665,069	2,479,156,596	11,213,245	570,529,906
	45,777,366	**2,485,253,200**	**11,251,494**	**572,476,015**

5. FIXED DEPOSITS

Fixed deposits have maturity periods ranging from 6 to 12 months from the value date with an interest rate of 2.3% per annum. The carrying amounts of the fixed deposits approximate their fair values and were denominated in the United States Dollars.

6. TRADE RECEIVABLES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Third parties	5,701,916	309,557,020	25,316,219	1,288,089,223
GST recoverable	23,786	1,291,342	32,753	1,666,473
Intermediate holding company	1,144,600	62,140,334	1,151,412	58,583,842
	6,870,302	**372,988,696**	**26,500,384**	**1,348,339,538**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Third parties	-	-	1,102,351	56,087,619
GST recoverable	5,538	300,658	9,275	471,912
Subsidiary	9,547,482	518,332,798	18,206,147	926,328,759
	9,553,020	**518,633,456**	**19,317,773**	**982,888,290**

The amounts owing by subsidiary and intermediate holding company are unsecured, interest-free and are repayable within the next twelve months.

The carrying amounts of trade receivables approximate their fair values and are denominated in the following currencies:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Australian dollar	1,490	80,892	14,872,191	756,697,078
Singapore dollar	22,296	1,210,450	32,752	1,666,422
United States dollar	6,846,516	371,697,354	11,595,441	589,976,038
	6,870,302	**372,988,696**	**26,500,384**	**1,348,339,538**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollar	5,538	300,658	9,275	471,912
United States dollar	9,547,482	518,332,798	19,308,498	982,416,378
	9,553,020	**518,633,456**	**19,317,773**	**982,888,290**

7. OTHER RECEIVABLES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Current				
Deposits	45,663	2,479,044	150,246	7,644,516
Interest receivable	149,889	8,137,474	-	-
Other debtors	89,147	4,839,791	12,203,879	620,933,364
	284,699	**15,456,309**	**12,354,125**	**628,577,880**
Non-current				
Deposits	**47,942**	**2,602,771**	**47,942**	**2,439,289**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Current				
Interest receivable	149,889	8,137,474	-	-
Other debtors	-	-	9,775,717	497,388,481
	149,889	**8,137,474**	**9,775,717**	**497,388,481**
Non-current				
Deposits	**47,942**	**2,602,771**	**47,942**	**2,439,289**

As at 31 March 2012, other debtors includes amount recoverable from a third party amounting to approximately US$9,419,497 (₹ 479,264,007) relating to the termination of ship building contracts as disclosed in Note 12.

The carrying amounts of other receivables approximate their fair values and are denominated in the following currencies:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Australian dollar	7,771	421,888	1,006,857	51,228,884
Euro	4,266	231,601	-	-
Indian rupee	53,622	2,911,138	-	-
Singapore dollar	76,918	4,175,878	48,941	2,490,118
United States dollar	190,064	10,318,575	11,346,269	577,298,167
	332,641	**18,059,080**	**12,402,067**	**631,017,169**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollar	47,942	2,602,771	47,942	2,439,289
United States dollar	149,889	8,137,474	9,775,717	497,388,481
	197,831	**10,740,245**	**9,823,659**	**499,827,770**

8. INVENTORIES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Bunkers on board, at cost	**329,911**	**17,910,868**	**785,988**	**39,991,070**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Bunkers on board, at cost	**-**	**-**	**66,309**	**3,373,802**

9. LOANS TO SUBSIDIARIES

In 2012, loans to subsidiaries were unsecured and interest-free. During the current financial year, US$7.5 million (approximate to ₹ 407.2 million) of the balance was repaid and the remaining US$5.0 million (approximate to ₹ 271.5 million) was written-off.

The carrying amounts of loans to subsidiaries approximated their fair values due to their short-term nature and were denominated in United States Dollars.

10. NON-CURRENT ASSETS CLASSIFIED AS HELD-FOR-SALE

Subsequent to the termination of ship building contracts in financial year of 31 March 2012 to the two vessels under construction as disclosed in Note 12 to the financial statements, the related equipments designed for the said vessels were reclassified to non-current assets classified as held-for-sale.

(a) Details of the non-current assets classified as held-for-sale is as follows:

	Group and Company		Group and Company	
	2013 US $	2013 ₹	2012 US $	2012 ₹
Balance at the beginning of the year	9,628,263	489,886,021	-	-
Foreign translation difference	-	32,832,378	-	-
Transferred from capital project in progress (Note 12)	-	-	13,828,263	703,582,021
Disposal during the year	(4,852,540)	(263,444,397)	-	-
Impairment loss during the year	(4,775,723)	(259,274,002)	(4,200,000)	(213,696,000)
Balance at the end of the year	**-**	**-**	**9,628,263**	**489,886,021**

(b) Details of the liabilities directly associated with non-current asset held-for-sale is as follows:

	Group and Company		Group and Company	
	2013 US $	2013 ₹	2012 US $	2012 ₹
Accrued cost	-	-	4,496,791	228,796,726

11. PROPERTY, PLANT AND EQUIPMENT

Group	Computers		Office equipment, furniture, fixture and renovation		Motor vessels		Total	
	US $	₹	US $	₹	US $	₹	US $	₹
Cost								
At 1 April 2012	177,599	9,036,237	203,270	10,342,378	230,940,684	11,750,262,002	231,321,553	11,769,640,617
Foreign translation difference	-	605,613	-	693,150	-	787,507,732	-	788,806,495
Additions	1,813	98,428	-	-	614,154	33,342,421	615,967	33,440,849
Reclassified from capital project in progress (Note 12)	-	-	-	-	78,417,672	4,257,295,413	78,417,672	4,257,295,413
Disposal	-	-	-	-	(134,477,417)	(7,300,778,969)	(134,477,417)	(7,300,778,969)
Write off	(24,751)	(1,343,732)	(57,298)	(3,110,708)	-	-	(82,049)	(4,454,440)
At 31 March 2013	**154,661**	**8,396,546**	**145,972**	**7,924,820**	**175,495,093**	**9,527,628,599**	**175,795,726**	**9,543,949,965**
Accumulated depreciation								
At 1 April 2012	78,337	3,985,786	113,095	5,754,274	18,271,343	929,645,932	18,462,775	939,385,992
Foreign translation difference	-	267,131	-	385,653	-	62,305,279	-	62,958,063
Charge for the year	46,302	2,513,735	36,309	1,971,216	8,983,834	487,732,348	9,066,445	492,217,299
Disposal	-	-	-	-	(8,054,777)	(437,293,843)	(8,054,777)	(437,293,843)
Written off	(17,588)	(954,853)	(24,556)	(1,333,145)	-	-	(42,144)	(2,287,998)
At 31 March 2013	**107,051**	**5,811,799**	**124,848**	**6,777,998**	**19,200,400**	**1,042,389,716**	**19,432,299**	**1,054,979,513**
Impairment loss								
Impairment for the year	-	-	-	-	1,096,080	59,506,183	1,096,080	59,506,183
At 31 March 2013	**-**	**-**	**-**	**-**	**1,096,080**	**59,506,183**	**1,096,080**	**59,506,183**
Carrying amount								
At 31 March 2013	**47,610**	**2,584,747**	**21,124**	**1,146,822**	**155,198,613**	**8,425,732,700**	**155,267,347**	**8,429,464,269**

Group	Computers US $	Computers ₹	Office equipment, furniture, fixture and renovation US $	Office equipment, furniture, fixture and renovation ₹	Motor vessels US $	Motor vessels ₹	Total US $	Total ₹
Cost								
At 1 April 2011	80,384	3,584,322	160,659	7,163,785	189,708,091	8,459,083,778	189,949,134	8,469,831,885
Foreign translation difference	-	505,616	-	1,010,545	-	1,193,263,892	-	1,194,780,053
Additions	97,215	4,946,299	42,611	2,168,048	41,829,518	2,128,285,876	41,969,344	2,135,400,223
Reclassified to capital project in progress (Note 12)	-	-	-	-	(397,950)	(20,247,696)	(397,950)	(20,247,696)
Write off	-	-	-	-	(198,975)	(10,123,848)	(198,975)	(10,123,848)
At 31 March 2012	**177,599**	**9,036,237**	**203,270**	**10,342,378**	**230,940,684**	**11,750,262,002**	**231,321,553**	**11,769,640,617**
Accumulated depreciation								
At 1 April 2011	34,374	1,532,737	76,280	3,401,324	8,447,138	376,657,884	8,557,792	381,591,945
Foreign translation difference	-	216,212	-	479,802	-	53,132,498	-	53,828,512
Charge for the year	43,963	2,236,837	36,815	1,873,148	9,824,205	499,855,550	9,904,983	503,965,535
At 31 March 2012	**78,337**	**3,985,786**	**113,095**	**5,754,274**	**18,271,343**	**929,645,932**	**18,462,775**	**939,385,992**
Carrying amount								
At 31 March 2012	**99,262**	**5,050,451**	**90,175**	**4,588,104**	**212,669,341**	**10,820,616,070**	**212,858,778**	**10,830,254,625**

Company	Computers US $	Computers ₹	Office equipment, furniture, fixture and renovation US $	Office equipment, furniture, fixture and renovation ₹	Motor vessels US $	Motor vessels ₹	Total US $	Total ₹
Cost								
At 1 April 2012	68,405	3,480,446	158,585	8,068,805	230,940,684	11,750,262,002	231,167,674	11,761,811,253
Foreign translation difference	-	233,262	-	540,774	-	787,507,732	-	788,281,768
Additions	-	-	-	-	614,154	33,342,421	614,154	33,342,421
Reclassified from capital project in progress (Note 12)	-	-	-	-	78,417,672	4,257,295,413	78,417,672	4,257,295,413
Disposal	-	-	-	-	(134,477,417)	(7,300,778,969)	(134,477,417)	(7,300,778,969)
Write off	(24,751)	(1,343,732)	(26,836)	(1,456,926)	-	-	(51,587)	(2,800,658)
At 31 March 2013	**43,654**	**2,369,976**	**131,749**	**7,152,653**	**175,495,093**	**9,527,628,599**	**175,670,496**	**9,537,151,228**
Accumulated depreciation								
At 1 April 2012	41,792	2,126,377	106,787	5,433,322	18,271,343	929,645,932	18,419,922	937,205,631
Foreign translation difference	-	142,512	-	364,144	-	62,305,279	-	62,811,935
Charge for the year	11,519	625,366	31,434	1,706,552	8,983,834	487,732,348	9,026,787	490,064,266
Disposal	-	-	-	-	(8,054,777)	(437,293,843)	(8,054,777)	(437,293,843)
Written off	(17,588)	(954,853)	(19,479)	(1,057,515)	-	-	(37,067)	(2,012,368)
At 31 March 2013	**35,723**	**1,939,402**	**118,742**	**6,446,503**	**19,200,400**	**1,042,389,716**	**19,354,865**	**1,050,775,621**
Impairment loss								
Impairment for the year	-	-	-	-	1,096,080	59,506,183	1,096,080	59,506,183
At 31 March 2013	**-**	**-**	**-**	**-**	**1,096,080**	**59,506,183**	**1,096,080**	**59,506,183**
Carrying amount								
At 31 March 2013	**7,931**	**430,574**	**13,007**	**706,150**	**155,198,613**	**8,425,732,700**	**155,219,551**	**8,426,869,424**

Company	Computers US $	Computers ₹	Office equipment, furniture, fixture and renovation US $	Office equipment, furniture, fixture and renovation ₹	Motor vessels US $	Motor vessels ₹	Total US $	Total ₹
Cost								
At 1 April 2011	46,485	2,072,766	150,556	6,713,292	189,708,091	8,459,083,778	189,905,132	8,467,869,836
Foreign translation difference	-	292,390	-	946,997	-	1,193,263,892	-	1,194,503,279
Additions	21,920	1,115,290	8,029	408,516	41,829,518	2,128,285,876	41,859,467	2,129,809,682
Reclassified to capital project in progress (Note 12)	-	-	-	-	(397,950)	(20,247,696)	(397,950)	(20,247,696)

Company	Computers US $	Computers ₹	Office equipment, furniture, fixture and renovation US $	Office equipment, furniture, fixture and renovation ₹	Motor vessels US $	Motor vessels ₹	Total US $	Total ₹
Write off	-	-	-	-	(198,975)	(10,123,848)	(198,975)	(10,123,848)
At 31 March 2012	**68,405**	**3,480,446**	**158,585**	**8,068,805**	**230,940,684**	**11,750,262,002**	**231,167,674**	**11,761,811,253**
Accumulated depreciation								
At 1 April 2011	27,895	1,243,838	75,438	3,363,780	8,447,138	376,657,884	8,550,471	381,265,502
Foreign translation difference	-	175,460	-	474,504	-	53,132,498	-	53,782,462
Charge for the year	13,897	707,079	31,349	1,595,038	9,824,205	499,855,550	9,869,451	502,157,667
At 31 March 2012	**41,792**	**2,126,377**	**106,787**	**5,433,322**	**18,271,343**	**929,645,932**	**18,419,922**	**937,205,631**
Carrying amount								
At 31 March 2012	**26,613**	**1,354,069**	**51,798**	**2,635,483**	**212,669,341**	**10,820,616,070**	**212,747,752**	**10,824,605,622**

As at 31 March 2012, property, plant and equipment of the group and of the company includes motor vessel acquired under finance lease with net book value of US$16,167,949 (₹ 822,625,245). During the current financial year, the company paid in full the outstanding finance lease liabilities (Note 18).

Motor vessels included in property, plant and equipment of the group and of the company with a net book value of US$155,198,613 (₹ 8,425,732,700) {2012: US$195,699,472 (₹ 9,957,189,135)} are mortgaged in favour of banks or financial institutions for loans as disclosed in Note 20 to the financial statements.

12. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of vessels. The construction was completed in the last quarter of the current financial year and transferred to property, plant and equipment.

	Group and Company		Group and Company	
	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Balance at the beginning of the year	16,158,259	822,132,218	34,100,588	1,520,545,219
Foreign translation difference	-	55,099,663	-	214,492,698
Additions	62,259,413	3,380,063,532	12,550,716	638,580,430
Reclassified to property, plant and equipment (Note 11)	(78,417,672)	(4,257,295,413)	-	-
Reclassified from property, plant and equipment (Note 11)	-	-	397,950	20,247,696
Reclassified to non-current assets classified as held-for-sale (Note 10)	-	-	(13,828,263)	(703,582,021)
Disposals	-	-	(17,062,732)	(868,151,804)
Balance at the end of the year	**-**	**-**	**16,158,259**	**822,132,218**

In 2012, the group had terminated ship building contracts with third parties relating to the two vessels under construction.

13. INVESTMENT IN SUBSIDIARIES

	Company		Company	
	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Unquoted equity shares at cost				
At the beginning of the year	3,110,100	158,241,888	3,110,100	138,679,359
Foreign translation difference	-	10,605,441	-	19,562,529
Less: Impairment loss	(3,000,100)	(162,875,429)	-	-
At the end of the year	**110,000**	**5,971,900**	**3,110,100**	**158,241,888**

During the current financial year, an impairment loss of US$3,000,100 (₹ 162,875,429) was recognised to write down the carrying amount of the cost of investment in Greatship Subsea Solutions Singapore Pte. Ltd. to its recoverable amount.

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of equity held 2013	2012
Held by the company				
Greatship Subsea Solutions Singapore Pte. Ltd. ("GSS")	Singapore	Providing services related to subsea operation	100%	100%
Greatship Global Offshore Management Services Pte. Ltd.	Singapore	Providing ship management services	100%	100%
Held by GSS				
Greatship Subsea Solutions Australia Pty Ltd ("GSA") (Note 1)	Australia	Providing services related to subsea operation	100%	100%

Note 1 Subsequent to the year under review, the Board of Directors of Greatship Subsea Solutions Australia Pty Ltd has approved the proposal to make an application to the Australian Securities & Investment Commission to deregister Greatship Subsea Solutions Australia Pty Ltd.

14. LOAN TO A RELATED COMPANY

Loan to a related company is unsecured, bearing interest of Libor +2.9% and is repayable as per agreed terms.

The carrying amount of loan to a related company approximates its fair value due to its short-term nature and is denominated in United States dollars.

15. TRADE PAYABLES

Group	**2013 US $**	**2013 ₹**	2012 US $	2012 ₹
Third parties	2,975,174	161,522,196	15,109,894	768,791,407
Intermediate holding company	-	-	1,400,918	71,278,708
GST payable	-	-	689,082	35,060,492
	2,975,174	**161,522,196**	**17,199,894**	**875,130,607**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Third parties	**155,019**	**8,415,982**	**1,611,008**	**81,968,087**

The carrying amounts of trade payables approximate their fair values and are denominated in the following currencies:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Australian dollar	355,815	19,317,196	5,981,355	304,331,342
Indian rupee	122,352	6,642,490	-	-
Sterling pound	117,421	6,374,786	-	-
Singapore dollar	612,824	33,270,215	195,090	9,926,179
United States dollar	1,645,426	89,330,178	11,023,449	560,873,086
Others	121,336	6,587,331	-	-
	2,975,174	**161,522,196**	**17,199,894**	**875,130,607**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Sterling Pound	1,129	61,293	-	-
Singapore dollar	98,932	5,371,019	-	-
United States dollar	54,958	2,983,670	1,611,008	81,968,087
	155,019	**8,415,982**	**1,611,008**	**81,968,087**

16. OTHER PAYABLES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Third parties:				
Accruals of operating expenses	42,458	2,305,045	548,235	27,894,197
Accruals of employee benefits expense	788,554	42,810,597	777,172	39,542,512
Accrued interest	397,447	21,577,398	439,220	22,347,514
Withholding tax payable	-	-	46,256	2,353,505
Advance from customer	306,000	16,612,740	-	-
Deposit received from customer	2,000,000	108,580,000	-	-
Other creditors	2,016,129	109,455,643	1,994,213	101,465,557
	5,550,588	**301,341,423**	**3,805,096**	**193,603,285**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Third parties:				
Accruals of operating expenses	29,514	1,602,315	37,661	1,916,192
Accruals of employee benefits expense	369,304	20,049,514	208,776	10,622,523
Accrued interest	397,447	21,577,398	439,220	22,347,514
Withholding tax payable	-	-	46,256	2,353,505
Other creditors	1,994,213	108,265,824	1,994,213	101,465,557
	2,790,478	**151,495,051**	**2,726,126**	**138,705,291**

Deposit received from customer represents security deposit for charter hire of vessels.

As at 31 March 2013, other creditors of the group and the company include a performance bond payable to a supplier amounting to US$1,994,213 (₹ 108,265,824) (2012: US$1,994,213 (₹ 101,465,557).

The carrying amounts of other payables approximate their fair values and are denominated in the following currencies:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Australian dollar	83,639	4,540,761	880,471	44,798,364
Euro	-	-	3,254	165,564
Singapore dollar	769,291	41,764,808	441,684	22,472,882
United States dollar	4,697,658	255,035,854	2,479,687	126,166,475
	5,550,588	**301,341,423**	**3,805,096**	**193,603,285**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Euro	-	-	3,254	165,564
Singapore dollar	398,819	21,651,884	208,776	10,622,523
United States dollar	2,391,659	129,843,167	2,514,096	127,917,204
	2,790,478	**151,495,051**	**2,726,126**	**138,705,291**

17. DERIVATIVE FINANCIAL INSTRUMENTS PAYABLE

	Contract/ notional amount		Liability	
	2013 US $	2013 ₹	2012 US $	2012 ₹
Group and Company 2013				
Cash flow hedges				
- Interest rate swaps	**31,468,893**	**1,708,446,201**	**(3,118,013)**	**(169,276,926)**

	Contract/ notional amount		Liability	
	2013 US $	2013 ₹	2012 US $	2012 ₹
Group and Company 2012				
Cash flow hedges				
- Interest rate swaps	**62,265,478**	**3,168,067,521**	**(2,517,620)**	**(128,096,505)**

Period when the cash flows on cash flow hedges are expected to occur or affect profit or loss:

The interest rate swaps are entered to hedge floating quarterly interest payments on borrowings that will mature on 20 July 2020. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to profit or loss as part of interest expense over the period of the borrowings.

18. FINANCE LEASE

	Group and Company		Group and Company	
	2013 US $	2013 ₹	2012 US $	2012 ₹
Due within 1 year	-	-	2,374,280	120,803,366
Due within two to five years	-	-	8,760,945	445,756,882
Due over five years	-	-	12,934,445	658,104,560
	-	**-**	**24,069,670**	**1,224,664,808**
Finance charge allocated to future periods	-	-	(8,382,910)	(426,522,460)
Total	**-**	**-**	**15,686,760**	**798,142,348**
Representing finance lease liabilities:				
Current	-	-	777,123	39,540,018
Non-current	-	-	14,909,637	758,602,330
	-	**-**	**15,686,760**	**798,142,348**

In 2012, the finance lease has an effective interest rate of 10.3% per annum. The obligation under finance lease was secured by irrevocable and unconditional bareboat charter guarantee from the intermediate holding company, which was the Bareboat Charter Guarantor. During the current financial year, the company paid in full the outstanding finance lease liabilities.

19. DEFERRED LOSS

	Group and Company		Group and Company	
	2013 US $	2013 ₹	2012 US $	2012 ₹
Deferred loss	(297,196)	(15,121,332)	(354,303)	(15,798,370)
Foreign translation difference	-	(1,013,439)	-	(2,228,566)
Transfer to profit or loss (Note 27)	297,196	16,134,771	57,107	2,905,604
	-	**-**	**(297,196)**	**(15,121,332)**
Less : current portion	-	-	57,216	2,911,150
Non-current portion	**-**	**-**	**(239,980)**	**12,210,182**

In 2009, the company entered into another lease agreement whereby the company sold and leased back a motor vessel with net book value of US$18,599,691 (₹ 834,940,129). The loss arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from 10 September 2009. During the current financial year, the remaining finance lease liabilities relating to the said motor vessel was repaid in full and the above deferred loss balance charged to profit and loss.

In 2012, the holding company has guaranteed the repayment of these future lease obligations.

20. BANK LOAN

	Group and Company		Group and Company	
	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Loan	99,836,000	5,420,096,440	130,557,783	6,642,779,999
Unamortised facility fees	(791,138)	(42,950,882)	(491,241)	(24,994,342)
	99,044,862	**5,377,145,558**	**130,066,542**	**6,617,785,657**
Current	11,670,449	633,588,676	15,273,042	777,092,377
Non-current	87,374,413	4,743,556,882	114,793,500	5,840,693,280
	99,044,862	**5,377,145,558**	**130,066,542**	**6,617,785,657**

On 6 August 2008, the company entered into loan facility for up to US$136 million (₹ 7,383.4 million). The said loans are subject to interest ranging from 1.23% to 3.60% (2012: 1.25% to 3.08%) per annum and are repayable within the next eight financial years.

On 9 February 2012, the company obtained loans amounting to US$25 million (₹ 1,357.3 million) from a financial institution. The bank loan is subject to interest 3.79% (2012: 4.27%) per annum and is repayable within the next eight financial years.

On 27 August 2012, the company obtained loans amounting to US$10.36 million (₹ 562.4 million) from a financial institution. The bank loan is subject to interest Libor +2.65% per annum and is repayable within the next five financial years.

On 10 January 2013, the company obtained loans amounting to US$18.2 million (₹ 988.1 million) from a financial institution. The bank loan is subject to interest Libor +3.5% per annum and is repayable within the next seven financial years.

The above loans are secured as stated in the facility agreement entered into between the Company and the banks and financial institutions, with the following, among others:-

i) First priority mortgage on the respective financed vessel (Note 11);

ii) First priority assignment of insurances of the respective financed vessel;

iii) First priority pledge over Company s Earnings Account for the respective financed vessel; and

iv) Corporate guarantee from the intermediate holding company.

21. LOAN FROM IMMEDIATE HOLDING COMPANY

In 2012, loan from immediate holding company was non-trade, unsecured, subject to interest at a rate of Libor + 3% per annum and was repaid during the year.

The carrying amount of loan from immediate holding company was denominated in United States dollars.

22. SHARE CAPITAL

	Group and Company		Group and Company	
	2013	2012	**2013**	2012
	Number of ordinary shares		**US $**	US $
Issued				
At the beginning and end of the year	**121,060,224**	**121,060,224**	**121,060,224**	**121,060,224**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the company. All share rank equally with regards to the company s residual assets

23. RESERVES

Group	**2013 US $**	**2013 ₹**	2012 US $	2012 ₹
Hedging reserve				
At the beginning of the year	(2,517,621)	(128,096,557)	(867,846)	(38,697,253)
Foreign translation difference	-	(8,585,087)	-	(5,458,752)
De-recognition of fair value gain arising from derivative financial statements	2,517,621	136,681,644	867,846	44,156,005
Changes in fair value of interest rate swap	(3,118,013)	(169,276,926)	(2,517,621)	(128,096,557)
At the end of the year	**(3,118,013)**	**(169,276,926)**	**(2,517,621)**	**(128,096,557)**
(Accumulated losses) / Retained profits				
At the beginning of the year	(8,518,114)	(433,401,640)	562,723	25,091,818
Foreign translation difference	-	(29,046,768)	-	3,539,528
Profit/(loss) for the year	28,306,024	1,536,734,043	(9,080,837)	(462,032,986)
At the end of the year	**19,787,910**	**1,074,285,635**	**(8,518,114)**	**(433,401,640)**
Total reserves as at the end of the year	**16,669,897**	**905,008,709**	**(11,035,735)**	**(561,498,197)**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Hedging reserve				
At the beginning of the year	(2,517,621)	(128,096,557)	(867,846)	(38,697,253)
Foreign translation difference	-	(8,585,087)	-	(5,458,752)
De-recognition of fair value gain arising from derivative financial statements	2,517,621	136,681,644	867,846	44,156,005
Changes in fair value of interest rate swap	(3,118,013)	(169,276,926)	(2,517,621)	(128,096,557)
At the end of the year	**(3,118,013)**	**(169,276,926)**	**(2,517,621)**	**(128,096,557)**
Retained profits				
At the beginning of the year	5,852,978	297,799,522	2,578,267	114,964,925
Foreign translation difference	-	19,958,653	-	16,217,300
Profit for the year	16,997,457	922,791,941	3,274,711	166,617,297
At the end of the year	**22,850,435**	**1,240,550,116**	**5,852,978**	**297,799,522**
Total reserves as at the end of the year	**19,732,422**	**1,071,273,190**	**3,335,357**	**169,702,965**

24. OTHER INCOME

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Gain on cancellation of finance lease	648,723	35,219,172	-	-
Gain on cancellation of vessel contract	2,974,248	161,471,924	-	-
Gain on disposal of motor vessel	24,964,570	1,355,326,505	-	-
Gain on foreign exchange	58,943	3,200,015	-	-
Government grants	20,535	1,114,845	-	-
Insurance claim received	273,217	14,832,951	-	-
Interest on bank and fixed deposits	222,252	12,066,061	8,861	450,847
Interest on intercompany loan	323,829	17,580,676	-	-
Reimbursement of expenses	178,767	9,705,260	-	-
Miscellaneous income	62,114	3,372,170	62,026	3,155,883
	29,727,198	**1,613,889,579**	**70,887**	**3,606,730**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Gain on cancellation of finance lease	648,723	35,219,172	-	-
Gain on cancellation of vessel contract	2,974,248	161,471,924	-	-
Gain on disposal of motor vessel	24,964,570	1,355,326,505	-	-
Gain on foreign exchange	134,350	7,293,862	45,173	2,298,402
Government grants	20,535	1,114,845	-	-
Insurance claim received	128,549	6,978,925	-	-
Interest on bank and fixed deposits	183,572	9,966,124	8,861	450,847
Interest on intercompany loan	323,829	17,580,676	-	-
Reimbursement of expenses	178,767	9,705,260	73,144	3,721,567
Miscellaneous income	60,284	3,272,819	7,835	398,645
	29,617,427	**1,607,930,112**	**135,013**	**6,869,461**

25. CHARTER HIRE EXPENSES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Charter hire	1,109,935	60,258,371	6,660,925	338,907,864
Crew salary	5,219,349	283,358,457	7,132,305	362,891,678
Contract staff expenses	1,981,077	107,552,670	11,451,295	582,641,890
Dry dock expenses	116,361	6,317,239	-	-
Fuel and fresh water	1,279,901	69,485,825	1,862,841	94,781,350
Insurance	741,588	40,260,813	750,089	38,164,528
Technical management fees	959,301	52,080,451	6,355,912	323,388,802
Repairs and maintenance	5,800,989	314,935,693	15,044,710	765,474,844
Commission and brokerage	367,560	19,954,832	430,134	21,885,218
Manning and miscellaneous in-chartering	1,956,379	106,211,816	6,838,761	347,956,160
	19,532,440	**1,060,416,167**	**56,526,972**	**2,876,092,334**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Crew salary	286,554	15,557,017	444,792	22,631,017
Dry dock expenses	128,136	6,956,503	-	-
Fuel and fresh water	155,116	8,421,248	190,887	9,712,330
Insurance	708,329	38,455,181	605,352	30,800,310
Repairs and maintenance	807,211	43,823,485	975,153	49,615,785
Manning and miscellaneous in-chartering	168,811	9,164,750	644,554	32,794,907
	2,254,157	**122,378,184**	**2,860,738**	**145,554,349**

26. EMPLOYEE BENEFIT EXPENSES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Director s remuneration and bonus	541,419	29,393,638	224,400	11,417,472
Staff salaries and bonuses	2,958,607	160,622,774	5,431,225	276,340,728
Staff CPF contribution	90,240	4,899,130	106,188	5,402,845
Staff benefits	271,433	14,736,097	364,025	18,521,593
	3,861,699	**209,651,639**	**6,125,838**	**311,682,638**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Director s remuneration and bonus	541,419	29,393,638	224,400	11,417,472
Staff salaries and bonuses	461,878	25,075,357	430,112	21,884,099
Staff CPF contribution	9,343	507,231	16,921	860,940
Staff benefits	131,315	7,129,091	37,922	1,929,471
	1,143,955	**62,105,317**	**709,355**	**36,091,982**

27. OTHER OPERATING EXPENSES

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Amortisation of loss on sale and lease back (Note 19)	297,196	16,134,771	57,107	2,905,604
Bank charges	75,383	4,092,543	80,692	4,105,609
Director s fee	15,564	844,970	7,974	405,717
Professional fees	850,492	46,173,211	1,211,844	61,658,623
Office rental	337,693	18,333,353	528,215	26,875,579
Telephone	136,234	7,396,144	205,759	10,469,018
Travelling	180,175	9,781,701	613,521	31,215,949
Management expense	-	-	250,868	12,764,164
Write-off of property, plant and equipment	39,905	2,166,442	81,035	4,123,061
Rental lease cancellation	-	-	35,212	1,791,587
Membership expense	-	-	42,458	2,160,263
Loss on cancellation of vessel contracts net	-	-	1,289,160	65,592,460
Foreign exchange loss	-	-	710,963	36,173,797
Others	583,937	31,701,939	526,614	26,794,120
	2,516,579	**136,625,074**	**5,641,422**	**287,035,551**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Amortisation of loss on sale and lease back (Note 19)	297,196	16,134,771	57,107	2,905,604
Bank charges	9,148	496,645	14,220	723,514
Director's fee	10,202	553,867	7,974	405,717
Professional fees	157,065	8,527,059	288,821	14,695,212
Office rental	37,940	2,059,763	53,199	2,706,765
Telephone	43,211	2,345,925	48,231	2,453,994
Travelling	95,278	5,172,643	90,683	4,613,951
Write-off of property, plant and equipment	14,520	788,291	-	-
Loss on cancellation of vessel contracts – net	-	-	1,289,160	65,592,460
Others	334,812	18,176,942	132,181	6,725,369
	999,372	**54,255,906**	**1,981,576**	**100,822,586**

28. FINANCE COST

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Finance charges	808,938	43,917,244	168,255	8,560,814
Interest on finance leases	679,722	36,902,107	1,713,367	87,176,113
Interest rate swap payable to a related company	716,972	38,924,410	899,020	45,742,138
Interest on loans	3,224,972	175,083,730	2,810,187	142,982,315
	5,430,604	**294,827,491**	**5,590,829**	**284,461,380**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Finance charges	808,938	43,917,244	168,255	8,560,814
Interest on finance leases	679,722	36,902,107	1,713,367	87,176,113
Interest rate swap payable to a related company	716,972	38,924,410	899,020	45,742,138
Interest on loans	3,224,972	175,083,730	2,810,187	142,982,315
	5,430,604	**294,827,491**	**5,590,829**	**284,461,380**

29. INCOME TAX EXPENSE

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Current year tax provision	72,310	3,925,710	103,445	5,263,282
(Over)/Under provision in prior year	(26,144)	(1,419,358)	8,784	446,930
Foreign tax	326,217	17,710,321	33,486	1,703,767
	372,383	**20,216,673**	**145,715**	**7,413,979**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Current year tax provision	60,474	3,283,133	-	-
(Over)/Under provision in prior year	300	16,287	838	42,637
Foreign tax	283,338	15,382,420	6,600	335,808
	344,112	**18,681,840**	**7,438**	**378,445**

The current year income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2012: 17%) to profit before income tax as a result of the following differences:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Accounting (loss)/profit	28,678,407	1,556,950,716	(8,935,122)	(454,619,007)
Income tax expense/(benefit) at statutory rate	4,875,329	264,681,611	(1,518,970)	(77,285,194)
Tax loss/(benefit) at different rate in other countries	1,240,880	67,367,375	(1,230,009)	(62,582,858)
Exempt loss/(profit)	539,934	29,313,017	499,152	(1,049,451)
Unremitted branch profits not taxable	(2,866,776)	(155,637,269)	(557,965)	(28,389,259)
Non allowable items	(1,333,815)	(72,412,816)	(1,041,747)	(53,320,612)
Deferred tax assets not recognised	62,876	3,413,538	3,953,589	227,921,437
Utilisation of unabsorbed losses	(2,448,424)	(132,924,939)	-	-
Others	(4,294)	(233,121)	(605)	(30,781)
(Over)/Under provision in prior year	(26,144)	(1,419,358)	8,784	446,930
Foreign tax	332,817	18,068,635	33,486	1,703,767
	372,383	**20,216,673**	**145,715**	**7,413,979**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Accounting profit	17,341,569	941,473,781	3,282,149	166,995,741
Income tax expense at statutory rate	2,948,067	160,050,557	557,965	28,389,259
Exempt profit	(20,817)	(1,130,155)	-	-
Unremitted branch profits not taxable	(2,866,776)	(155,637,269)	(557,965)	(28,389,259)
Under provision in prior year	300	16,287	838	42,637
Foreign tax	283,338	15,382,420	6,600	335,808
	344,112	**18,681,840**	**7,438**	**378,445**

Interest on a fixed deposit placed with a UK bank was from fund generated from operations in Singapore and hence is taxable in Singapore upon remittance.

Profits from qualifying shipping activities will be exempted from income tax under the provision of Section 13A of the Singapore Income tax Act.

Foreign tax includes tax payable by Labuan branch under the Labuan Offshore Business Activity Tax Act 1990 (LOBATA) amounting to US$6,600 (₹ 358,314) [2012: US$6,600 (₹ 335,808)] which is computed based on RM20,000 (2012 : RM20,000) upon election made under Section 7(1) of said act.

One of the subsidiaries has unabsorbed tax losses of approximately US$Nil (2012: US$14,700,000). Future tax benefits arising from tax losses have not been recognised since there is no reasonable certainty of their recovery in future years.

30. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company s immediate holding company is Greatship Global Holdings Ltd., a company incorporated in the Republic of Mauritius which is the wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India and the company s intermediate holding company.

The company s ultimate holding company is The Great Eastern Shipping Co. Ltd., a company incorporated in India, which is the parent company of Greatship (India) Limited.

31. SIGNIFICANT RELATED PARTIES TRANSACTIONS

(a) *Related party transactions*

In addition to the related party information disclosed elsewhere in the financial statements, the company had transactions with the immediate holding company and related companies on terms agreed between them with respect to the following during the financial year.

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Charter hire and mobilisation income paid from intermediate holding company	8,718,281	473,315,475	3,514,968	178,841,572
Charter hire and mobilisation expense paid to intermediate holding company	991,130	53,808,448	-	-
Interest on loan paid to immediate holding company	137,532	7,466,612	79,687	4,054,475
Management fees charged by intermediate holding company	-	-	360,000	18,316,800
Reimbursement of costs paid to intermediate holding company	207,000	11,238,030	4,000,894	203,565,487
Reimbursement of expenses paid to:				
- Intermediate holding company	24,130	1,310,018	-	-
- Related company	-	-	5,598	284,826
Interest rate swap paid to a related company	716,972	38,924,410	899,020	45,742,138
Reimbursement of bunker costs from intermediate holding company	767,016	41,641,299	-	-
Interest income from related company	323,829	17,580,676	-	-
Sales of motor vessel to intermediate holding company	90,000,000	4,886,100,000	-	-
Reimbursement of bunker costs to intermediate holding company	103,471	5,617,441	-	-

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Reimbursement of costs received from intermediate holding company	-	-	8,353	425,001
Reimbursement of administrative expenses apportioned to intermediate holding company	-	-	189,601	9,646,899
Reimbursement of administrative expenses apportioned to a related company	201,323	10,929,826	44,580	2,268,230
Reimbursement of expenses from:				
- Intermediate holding company	3,014	163,630	-	-
- Related company	33,187	1,801,722	38,601	1,964,019
Loan from immediate holding company	-	-	13,500,000	686,880,000
Loans to related party	20,000,000	1,085,800,000	-	-

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Charter hire and mobilisation income paid from:				
- Intermediate holding company	680,400	36,938,916	374,893	19,074,556
- Subsidiary	20,749,951	1,126,514,840	22,035,478	1,121,165,121
Interest on loan paid to immediate holding company	137,532	7,466,612	79,687	4,054,475
Management fees charged by intermediate holding company	-	-	360,000	18,316,800
Management expenses paid to a subsidiary	1,583,019	85,942,102	1,411,700	71,827,296
Reimbursement of costs paid to intermediate holding company	207,000	11,238,030	4,000,894	203,565,487
Reimbursement of expenses charged to subsidiary	-	-	185,613	9,443,989
Reimbursement of expenses paid to related company	-	-	5,598	284,826
Operating expenses paid on behalf of subsidiary	120,707	6,553,183	-	-
Interest rate swap paid to a related company	716,972	38,924,410	899,020	45,742,138
Reimbursement of bunker costs from subsidiary	535,712	29,083,804	358,962	18,263,987
Interest income from related company	323,829	17,580,676	-	-
Sales of motor vessel to intermediate holding company	90,000,000	4,886,100,000	-	-
Reimbursement of bunker costs to subsidiary	142,594	7,741,428	-	-
Reimbursement of administrative expenses apportioned to a related company	200,929	10,908,435	-	-
Reimbursement of expenses from related company	33,187	1,801,722	-	-
Loan from immediate holding company	-	-	13,500,000	686,880,000
Loans to subsidiaries	-	-	12,500,000	636,000,000
Loans to related party	20,000,000	1,085,800,000	-	-

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group and of the company, directly or indirectly including any director (whether executive or otherwise) of the group and of the company.

The remuneration of key management personnel during the financial year is as follows:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Short-term benefits	958,567	52,040,602	1,001,258	50,944,007

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Short-term benefits	541,419	29,393,638	224,400	11,417,472

32. CAPITAL AND OPERATING LEASE COMMITMENT

(i) Operating lease commitments - where a company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Office lease				
Due within one year	233,548	12,679,321	284,729	14,487,011
Due in 2 to 5 years	84,338	4,578,710	283,667	14,432,977
Operating lease commitments	**317,886**	**17,258,031**	**568,396**	**28,919,988**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Office lease				
Due within one year	202,413	10,989,002	200,236	10,188,008
Due in 2 to 5 years	84,338	4,578,710	283,667	14,432,977
Operating lease commitments	**286,751**	**15,567,712**	**483,903**	**24,620,985**

Operating lease payments represent rentals payable by the group for office premises and charter hire. The leases have varying terms and renewal rights.

(ii) Operating lease commitments - where a company is a lessor

At the end of the reporting period, the future minimum lease receipts of the company under non-cancellable operating leases contracted but not recognised as receivables, are as follows:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Due within one year	23,990,504	1,302,444,462	11,845,750	602,711,760
Due within two to five years	6,475,000	351,527,750	5,180,000	263,558,400
	30,465,504	**1,653,972,212**	**17,025,750**	**866,270,160**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Due within one year	11,757,500	638,314,675	30,822,500	1,568,248,880
Due within two to five years	-	-	15,407,500	783,933,600
	11,757,500	**638,314,675**	**46,230,000**	**2,352,182,480**

(iii) Capital commitments

In 2012, the group had capital expenditure contracted for at the end of the reporting period but not recognised in the financial statements in respect to the completion of the construction of vessels amounting to approximately US$77 million (₹ 3,918 million).

33. FINANCIAL RISK MANAGEMENT

Financial risk factors

The group s activities expose it to market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The group s overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the group s financial performance.

(a) Market risk

(i) Foreign currency risk

The group is subject to various currency exposures, primarily with respect to the Australian dollar and Singapore dollar. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The group do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions, except for transaction in Euro which are being use for payment of capital project in progress.

The group s and the company s currency exposure to Australian dollar and Singapore dollar is as follows:

Group	AUD US $	AUD ₹	SGD US $	SGD ₹	Total US $	Total ₹
2013						
Financial assets						
Cash and cash equivalents	790,889	42,937,364	487,617	26,472,727	1,278,506	69,410,091
Trade receivables	1,490	80,892	22,296	1,210,450	23,786	1,291,342
Other receivables	7,771	421,888	76,918	4,175,878	84,689	4,597,766
	800,150	**43,440,144**	**586,831**	**31,859,055**	**1,386,981**	**75,299,199**

Group	AUD US $	AUD ₹	SGD US $	SGD ₹	Total US $	Total ₹
Financial liabilities						
Trade payables	(355,815)	(19,317,196)	(612,824)	(33,270,215)	(968,639)	(52,587,411)
Other payables	(83,639)	(4,540,761)	(769,291)	(41,764,808)	(852,930)	(46,305,569)
	(439,454)	**(23,857,957)**	**(1,382,115)**	**(75,035,023)**	**(1,821,569)**	**(98,892,980)**
Net currency exposure	**360,696**	**19,582,187**	**(795,284)**	**(43,175,968)**	**(434,588)**	**(23,593,781)**

Company	AUD US $	AUD ₹	SGD US $	SGD ₹	Total US $	Total ₹
2013						
Financial assets						
Cash and cash equivalents	-	-	112,297	6,096,604	112,297	6,096,604
Trade receivables	-	-	5,538	300,658	5,538	300,658
Other receivables	-	-	47,942	2,602,771	47,942	2,602,771
	-	**-**	**165,777**	**9,000,033**	**165,777**	**9,000,033**
Financial liabilities						
Trade payables	-	-	(98,932)	(5,371,019)	(98,932)	(5,371,019)
Other payables	-	-	(398,819)	(21,651,884)	(398,819)	(21,651,884)
	-	**-**	**(497,751)**	**(27,022,903)**	**(497,751)**	**(27,022,903)**
Net currency exposure	**-**	**-**	**(331,974)**	**(18,022,870)**	**(331,974)**	**(18,022,870)**

Group	AUD US $	AUD ₹	SGD US $	SGD ₹	Total US $	Total ₹
2012						
Financial assets						
Cash and cash equivalents	2,594,249	131,995,389	155,987	7,936,618	2,750,236	139,932,007
Trade receivables	14,872,191	756,697,078	32,752	1,666,422	14,904,943	758,363,500
Other receivables	1,006,857	51,228,884	48,941	2,490,118	1,055,798	53,719,002
	18,473,297	**939,921,351**	**237,680**	**12,093,158**	**18,710,977**	**952,014,509**
Financial liabilities						
Trade payables	(5,981,355)	(304,331,342)	(195,090)	(9,926,179)	(6,176,445)	(314,257,521)
Other payables	(880,471)	(44,798,364)	(441,684)	(22,472,882)	(1,322,155)	(67,271,246)
	(6,861,826)	**(349,129,706)**	**(636,774)**	**(32,399,061)**	**(7,498,600)**	**(381,528,767)**
Net currency exposure	**11,611,471**	**590,791,645**	**(399,094)**	**(20,305,903)**	**(11,212,377)**	**570,485,742**

Company	AUD US $	AUD ₹	SGD US $	SGD ₹	Total US $	Total ₹
2012						
Financial assets						
Cash and cash equivalents	-	-	38,249	1,946,109	38,249	1,946,109
Trade receivables	-	-	9,275	471,912	9,275	471,912
Other receivables	-	-	47,942	2,439,289	47,942	2,439,289
	-	**-**	**95,466**	**4,857,310**	**95,466**	**4,857,310**
Financial liabilities						
Other payables	-	-	(208,776)	(10,622,523)	(208,776)	(10,622,523)
	-	**-**	**(208,776)**	**(10,622,523)**	**(208,776)**	**(10,622,523)**
Net currency exposure	-	**-**	**(113,310)**	**(5,765,213)**	**(113,310)**	**(5,765,213)**

If the Singapore dollar and Australian dollar had strengthened/weakened by 1% and 1% (2012: 1% and 1%) against the United States dollar with all other variables including tax rate being held constant, the group s profit/(loss) after tax for the financial year would have been higher/lower as follows:

Group	**2013 US $**	**2013 ₹**	2012 US $	2012 ₹
Singapore dollar	(6,601)	(358,361)	(3,312)	(16,898)
Australian dollar	2,994	162,532	96,375	4,903,571

Company	**2013 US $**	**2013 ₹**	2012 US $	2012 ₹
Singapore dollar	(2,755)	(149,590)	(940)	(47,851)

(ii) *Interest rate risk*

The group generally borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 17 to the financial statements.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management s assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the group s profit for the year ended 31 March 2013 would increase/(decrease) by US$201,694 (₹ 10,949,967) {2012: US$144,734 (₹ 7,364,066)}. As impact of interest rate movement on loan outstanding on undelivered ship is capitalised, this is mainly attributable to the group s exposure to interest rates on its variable rate borrowings on delivered ships.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial asset of the company is trade receivables. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the group and of the company comprise 2 debtors and 1 debtor, respectively (2012: 2 debtors and 1 debtor, respectively) that individually represents 70% and 99%, respectively (2012: 70% and 94%, respectively) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

Group	**2013 US $**	**2013 ₹**	2012 US $	2012 ₹
By geographical areas				
India	1,144,600	62,140,334	1,881,789	95,745,424
Singapore	23,785	1,291,288	1,649,723	83,937,906
Malaysia	-	-	3,494,937	177,822,395
Australia	-	-	14,872,191	756,697,078
Brunei	3,279,981	178,070,169	-	-
Korea	-	-	247,080	12,571,430
Indonesia	-	-	1,676,578	85,304,289
Vietnam	-	-	2,678,086	136,161,016
Myanmar	908,424	49,318,339	-	-
Saudi Arabia	1,513,512	82,168,566	-	-
	6,870,302	**372,988,696**	**26,500,384**	**1,348,339,538**
By types of customers				
Non-related parties	5,725,702	310,848,362	25,348,972	1,289,755,696
Intermediate holding company	1,144,600	62,140,344	1,151,412	58,583,842
	6,870,302	**372,988,696**	**26,500,384**	**1,348,339,538**

Company	**2013 US $**	**2013 ₹**	2012 US $	2012 ₹
By geographical areas				
India	-	-	730,377	37,161,582
Singapore	9,553,020	518,633,456	18,587,396	945,726,708
	9,553,020	**518,633,456**	**19,317,773**	**982,888,290**
By types of customers				
Non-related parties	5,538	300,658	1,111,626	56,559,531
Subsidiary	9,547,482	518,332,798	18,206,147	926,328,759
	9,553,020	**518,633,456**	**19,317,773**	**982,888,290**

(i) *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are credit worthy debtors with good payment record with the company. Cash and cash equivalent that are neither past due nor impaired are placed with reputable financial institution with high credit values and no history of default. The company s trade receivables that are neither past due nor impaired include receivables amounting to US$ Nil {2012: US$5,287,085 (₹269,006,885)}.

(ii) *Financial assets that are past due and/ or impaired*

The ageing analysis for the trade receivables of the group as at year end is as follows:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Not due and due less than 30 days	5,660,390	307,302,573	23,680,544	1,204,866,079
Due from 30 to 90 days	1,038,500	56,380,165	2,819,840	143,473,459
Due more than 90 days	171,412	9,305,958	-	-
	6,870,302	**372,988,696**	**26,500,384**	**1,348,339,538**

The ageing analysis for the trade receivables of the company as at year end is as follows:

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Not due and due less than 30 days	1,865,538	101,280,058	764,410	38,893,181
Due from 30 to 90 days	3,445,236	187,041,863	18,553,363	943,995,109
Due more than 90 days	4,242,246	230,311,535	-	-
	9,553,020	**518,633,456**	**19,317,773**	**982,888,290**

(c) *Liquidity risk*

Liquidity risk refers to the risk in which the group may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the group s operations and mitigate effects of fluctuations in cash flows. The holding company also provides financial support to finance the group s operations as required.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the group and the company can be required to pay. The table represents interest and principal cash flows.

	On demand or within 1 year		Between 2 to 5 years		On demand or over 5 years		Total	
Group	US $	₹	US $	₹	US $	₹	US $	₹
2013								
Trade payables	2,975,174	161,522,196	-	-	-	-	2,975,174	161,522,196
Other payables	5,550,588	301,341,423	-	-	-	-	5,550,588	301,341,423
Bank loan	11,670,449	633,588,676	46,681,795	2,534,354,651	40,692,618	2,209,202,231	99,044,862	5,377,145,558
	20,196,211	**1,096,452,295**	**46,681,795**	**2,534,354,651**	**40,692,618**	**2,209,202,231**	**107,570,624**	**5,840,009,177**

Group	On demand or within 1 year		Between 2 to 5 years		On demand or over 5 years		Total	
	US $	₹	US $	₹	US $	₹	US $	₹
2012								
Trade payables	17,199,894	875,130,607	-	-	-	-	17,199,894	875,130,607
Other payables	3,805,096	193,603,285	-	-	-	-	3,805,096	193,603,285
Finance lease	777,123	39,540,018	3,170,432	161,311,580	11,739,205	597,290,750	15,686,760	798,142,348
Bank loan	15,273,042	777,092,377	30,434,345	1,548,499,474	84,359,155	4,292,193,806	130,066,542	6,617,785,657
	37,055,155	**1,885,366,287**	**33,604,777**	**1,709,811,054**	**96,098,360**	**4,889,484,556**	**166,758,292**	**8,484,661,897**

Company	On demand or within 1 year		Between 2 to 5 years		On demand or over 5 years		Total	
	US $	₹	US $	₹	US $	₹	US $	₹
2013								
Trade payables	155,019	8,415,982	-	-	-	-	155,019	8,415,982
Other payables	2,790,478	151,495,051	-	-	-	-	2,790,478	151,495,051
Bank loan	11,670,449	633,588,676	46,681,795	2,534,354,651	40,692,618	2,209,202,231	99,044,862	5,377,145,558
	14,615,946	**793,499,709**	**46,681,795**	**2,534,354,651**	**40,692,618**	**2,209,202,231**	**101,990,359**	**5,537,056,591**

Group	On demand or within 1 year		Between 2 to 5 years		On demand or over 5 years		Total	
	US $	₹	US $	₹	US $	₹	US $	₹
2012								
Trade payables	1,611,008	81,968,087	-	-	-	-	1,611,008	81,968,087
Other payables	2,726,126	138,705,901	-	-	-	-	2,726,126	138,705,901
Finance lease	777,123	39,540,018	3,170,432	161,311,580	11,739,205	597,290,750	15,686,760	798,142,348
Bank loan	15,273,042	777,092,377	30,434,345	1,548,499,474	84,359,155	4,292,193,806	130,066,542	6,617,785,657
	20,387,299	**1,037,306,383**	**33,604,777**	**1,709,811,054**	**96,098,360**	**4,889,484,556**	**150,090,436**	**7,636,601,993**

(d) *Fair Value measurement*

i) Fair value of financial instruments that are carried at fair value

The following table present assets and liabilities measured at fair value and classified by the level of the following fair value measurements hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Group and company	Level 2 US $	Level 2 ₹
2013		
Financial liability		
Derivative financial instruments	3,118,013	169,276,926

Group and company	Level 2 US $	Level 2 ₹
2012		
Financial liability		
Derivative financial instruments	2,517,620	128,096,505

The fair value of interest rate swaps is determined based on the information furnished by the financial institutions as at the end of the reporting period. These investment is included in Level 2.

ii) *Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value*

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and current portion of borrowings approximate their fair values.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or they fixed interest rates which approximates the market interest rate.

(e) Categories of financial instruments

The following table sets out the company s financial instruments as at the end of the reporting period:

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Financial assets				
Loans and receivables:				
Cash and cash equivalents	50,568,991	2,745,390,521	18,607,713	946,760,437
Fixed deposits	15,000,000	814,350,000	-	-
Trade receivables	6,870,302	372,988,696	26,500,384	1,348,339,538
Other receivables	332,641	18,059,080	12,402,067	631,017,169
Loan to a related company	20,000,000	1,085,800,000	-	-
	92,771,934	**5,036,588,297**	**57,510,164**	**2,926,117,144**
Financial liabilities				
Amortised cost:				
Trade payables	2,975,174	161,522,196	17,199,894	875,130,607
Other payables	5,550,588	301,341,423	3,805,096	193,603,284
Bank loans	99,044,862	5,377,145,558	130,066,542	6,617,785,657
Loans from immediate holding company	-	-	13,500,000	686,880,000
Fair value through profit or loss:				
Derivative financial instruments	3,118,013	169,276,926	2,517,620	128,096,505
	110,688,637	**6,009,286,103**	**167,089,152**	**8,501,496,053**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Financial assets				
Loans and receivables:				
Cash and cash equivalents	45,777,366	2,485,253,200	11,251,494	572,476,015
Fixed deposits	15,000,000	814,350,000	-	-
Trade receivables	9,553,020	518,633,456	19,317,773	982,888,290
Other receivables	197,831	10,740,245	9,823,659	499,827,770
Loans to subsidiaries	-	-	12,500,000	636,000,000
Loan to a related company	20,000,000	1,085,800,000	-	-
	90,528,217	**4,914,776,901**	**52,892,926**	**2,691,192,075**
Financial liabilities				
Amortised cost:				
Trade payables	155,019	8,415,982	1,611,008	81,968,087
Other payables	2,790,478	151,495,051	2,726,126	138,705,291
Bank loans	99,044,862	5,377,145,558	130,066,542	6,617,785,657
Loans from immediate holding company	-	-	13,500,000	686,880,000
Fair value through profit or loss:				
Derivative financial instruments	3,118,013	169,276,926	2,517,620	128,096,505
	105,108,372	**5,706,333,517**	**150,421,296**	**7,653,435,540**

34. CAPITAL RISK MANAGEMENT

The company s objectives when managing capital are to safeguard the company s ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital. The management sets the amount of capital in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of directors monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables, finance lease and loan less cash and cash equivalents. Total capital is calculated as equity plus net debt.

Group	2013 US $	2013 ₹	2012 US $	2012 ₹
Net debt	57,001,633	3,094,618,656	148,150,579	7,537,901,460
Total equity	137,730,121	7,477,368,270	110,024,489	5,598,046,000
Total capital	**194,731,754**	**10,571,986,926**	**258,175,068**	**13,135,947,460**
Gearing ratio	**0.29**	**0.29**	**0.57**	**0.57**

Company	2013 US $	2013 ₹	2012 US $	2012 ₹
Net debt	56,212,993	3,051,803,390	156,835,733	7,979,802,095
Total equity	140,792,646	7,643,632,751	124,395,581	6,329,247,162
Total capital	**197,005,639**	**10,695,436,141**	**281,231,314**	**14,309,049,257**
Gearing ratio	**0.29**	**0.29**	**0.56**	**0.56**

In order to maintain or achieve an optimal capital structure, the group may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Operating cash flows are used to maintain and expand the group, as well as to make routine outflows of tax and dividend payments.

The group is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2013 and 31 March 2012 as required in accordance with the covenants in the bank loans in Note 20.

35. SUBSEQUENT EVENT

A final dividend of US$ 8,500,000 (one - tier tax exempt) has been recommended by the Board of Directors at their meeting held on 22 April 2013 for approval of the shareholders at the forthcoming Annual General Meeting. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholder s equity as an appropriation of retained earnings in the year ending 31 March 2014.

36. STANDARD ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that are relevant to the company were issued but not yet effective.

Description	***Effective for annual periods beginning on or after***
Revised FRS 27 Separate Financial Statements	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

The company expects the adoption of the above standards will have no financial effect on the financial statements in the period of initial application.

GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS	Alok Mahajan, Executive director Naware Pradyumna Raghunath Jaya Prakash John David Peter Wells
REGISTERED OFFICE	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER	200615858G
AUDITORS	Shanker Iyer & Co.
COMPANY SECRETARIES	Cheng Lian Siang Pathima Muneera Azmi

Directors' Report

The directors present their report to the members together with the audited financial statements of the company for the financial year ended 31 March 2013.

DIRECTORS

The directors in office at the date of this report are:

Alok Mahajan Executive director
Naware Pradyumna Raghunath
Jaya Prakash
John David Peter Wells

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register of directors shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the share capital of the company or any related corporations except as detailed below:

	No. of ordinary shares	
	As at 01.04.2012	**As at 31.03.2013**
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Alok Mahajan	732	732
Naware Pradyumna Raghunath	2,952	2,952

Mr. Alok Mahajan and Mr. Naware Pradyumna Raghunath have been granted Employee Stock Options by Greatship (India) Limited (Intermediate Holding Company).

None of the directors holding office at the end of the financial year had any interest in the debentures of the company or its related corporations.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for Mr. Alok Mahajan and Mr. Naware Pradyumna Raghunath, who have both encashed in part the Employee Stock Options granted to them by Greatship (India) Limited (Intermediate Holding Company) and except for the director s remuneration as disclosed in the financial statements.

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

Alok Mahajan
Executive Director

Naware Pradyumna Raghunath
Director

19 April 2013

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its results, changes in equity and cash flows for the financial year then ended; and

(b) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors authorised these financial statements for issue on 19 April 2013.

On behalf of the Board

Alok Mahajan
Executive Director

Naware Pradyumna Raghunath
Director

19 April 2013

Independent Auditor's Report

TO THE MEMBERS OF GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD. (the company) which comprise the statement of financial position as at 31 March 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its results, changes in equity and cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

SHANKER IYER & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
19 April 2013

Statement of Financial Position

AS AT 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS					
Current assets					
Cash and cash equivalents	4	23,668,882	1,284,983,604	19,746,990	1,004,726,851
Trade receivables	5	3,907,249	212,124,548	3,979,304	202,466,988
Other receivables	6	1,323,643	71,860,578	1,703,574	86,677,845
		28,899,774	**1,568,968,730**	**25,429,868**	**1,293,871,684**
Non-current assets					
Property, plant and equipment	7	511,932,743	27,792,828,618	345,273,996	17,567,540,917
Capital project in progress	8	-	-	67,087,151	3,413,394,243
Deferred expenses		-	-	2,092,289	106,455,664
		511,932,743	**27,792,828,618**	**414,453,436**	**21,087,390,824**
Total assets		**540,832,517**	**29,361,797,348**	**439,883,304**	**22,381,262,508**
LIABILITIES					
Current liabilities					
Trade payables	9	55,732	3,025,690	163,510	8,319,389
Other payables	10	1,280,124	69,497,932	1,000,965	50,929,099
Derivative financial instruments payable	11	5,766,620	313,069,800	7,308,484	371,855,666
Borrowings	12	48,337,576	2,624,247,001	34,582,082	1,759,536,332
Income tax payable		13,011	706,367	2,724	138,597
		55,453,063	**3,010,546,790**	**43,057,765**	**2,190,779,083**
Non-current liability					
Borrowings	12	238,847,074	12,967,007,648	160,586,361	8,170,634,048
Loans from immediate holding company	13	13,000,000	705,770,000	58,000,000	2,951,040,000
Loan from a related company	14	20,000,000	1,085,800,000	-	-
		271,847,074	**14,758,577,648**	**218,586,361**	**11,121,674,048**
Total liabilities		**327,300,137**	**17,769,124,438**	**261,644,126**	**13,312,453,131**
NET ASSETS		**213,532,380**	**11,592,672,910**	**178,239,178**	**9,068,809,377**
SHAREHOLDERS' EQUITY					
Share capital	15	118,964,161	6,458,564,301	118,964,161	6,052,896,512
Reserves	16	94,568,219	5,134,108,609	59,275,017	3,015,912,865
TOTAL EQUITY		**213,532,380**	**11,592,672,910**	**178,239,178**	**9,068,809,377**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Revenue					
Charter hire income		61,439,949	3,335,574,832	68,202,270	3,470,131,498
Other income	17	136,615	7,416,828	43,964	2,236,888
Total revenue		**61,576,564**	**3,342,991,660**	**68,246,234**	**3,472,368,386**
Costs and expenses					
Charter hire expenses		11,305	613,748	510,000	25,948,800
Employee benefits expenses	18	195,250	10,600,123	113,687	5,784,395
Depreciation of property, plant and equipment	7	15,254,396	828,161,159	16,272,273	827,933,250
Other operating expenses	19	396,450	21,523,271	236,871	12,051,996
Finance costs	20	11,295,546	613,235,192	12,048,196	613,012,213
Total costs and expenses		**27,152,947**	**1,474,133,493**	**29,181,027**	**1,484,730,654**
Profit before income tax		34,423,617	1,868,858,167	39,065,207	1,987,637,732
Income tax expense	21	(10,288)	(558,535)	(2,724)	(138,597)
Net profit for the year		**34,413,329**	**1,868,299,632**	**39,062,483**	**1,987,499,135**
Other comprehensive income:					
De-recognition of fair value gain arising from derivative financial instruments		5,827,891	316,396,202	(2,792,553)	(142,085,096)
Fair value loss arising from derivative financial instruments		(4,948,018)	(268,627,897)	(242,785)	(12,352,901)
Other comprehensive income/(loss) for the year, net of tax		**879,873**	**47,768,305**	**(3,035,338)**	**(154,437,997)**
Total comprehensive income for the year		**35,293,202**	**1,916,067,937**	**36,027,145**	**1,833,061,138**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Changes In Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share capital		Hedging reserve		Retained profits		Total	
	US $	₹	US $	₹	US $	₹	US $	₹
2013								
Balance as at 1 April 2012	118,964,161	6,052,896,512	(5,827,891)	(296,523,094)	65,102,908	3,312,435,959	178,239,178	9,068,809,377
Foreign translation difference	-	405,667,789	-	(19,873,108)	-	222,000,915	-	607,795,596
Net profit for the year	-	-	-	-	34,413,329	1,868,299,632	34,413,329	1,868,299,632
Other comprehensive income for the year, net of tax:								
- De-recognition of fair value gain arising from derivative financial instruments	-	-	5,827,891	316,396,202	-	-	5,827,891	316,396,202
- Fair value loss arising from derivative financial instruments	-	-	(4,948,018)	(268,627,897)	-	-	(4,948,018)	(268,627,897)
Balance as at 31 March 2013	**118,964,161**	**6,458,564,301**	**(4,948,018)**	**(268,627,897)**	**99,516,237**	**5,402,736,506**	**213,532,380**	**11,592,672,910**
2012								
Balance as at 1 April 2011	118,964,161	5,304,611,939	(2,792,553)	(124,519,938)	26,040,425	1,161,142,550	142,212,033	6,341,234,551
Foreign translation difference	-	748,284,573	-	(17,565,159)	-	163,794,274	-	894,513,688
Net profit for the year	-	-	-	-	39,062,483	1,987,499,135	39,062,483	1,987,499,135
Other comprehensive income for the year, net of tax:								
- De-recognition of fair value gain arising from derivative financial instruments	-	-	(2,792,553)	(142,085,096)	-	-	(2,792,553)	(142,085,096)
- Fair value loss arising from derivative financial instruments	-	-	(242,785)	(12,352,901)	-	-	(242,785)	(12,352,901)
Balance as at 31 March 2012	**118,964,161**	**6,052,896,512**	**(5,827,891)**	**(296,523,094)**	**65,102,908**	**3,312,435,959**	**178,239,178**	**9,068,809,377**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash Flows From Operating Activities					
Profit before income tax		**34,423,617**	**1,868,858,167**	39,065,207	1,987,637,732
Adjustments for:					
Depreciation of property, plant and equipment	7	15,254,396	828,161,159	16,272,273	827,933,250
Interest income		(128,248)	(6,962,584)	(40,862)	(2,079,058)
Finance costs		11,295,546	613,235,192	12,048,196	613,012,213
Unrealised exchange gain		(247)	(13,410)	(12,542)	(638,137)
Cash flows before changes in working capital		**60,845,064**	**3,303,278,524**	67,332,272	3,425,866,000
Working capital changes, excluding changes relating to cash:					
Trade receivables		72,055	3,911,866	10,524,539	444,259,371
Other receivables		370,506	20,114,771	(1,703,574)	(86,677,845)
Trade payables		(107,778)	(5,851,268)	122,548	6,424,314
Other payables		36,125	1,961,226	(202,494)	(2,215,983)
Cash generated from operating activities		**61,215,972**	**3,323,415,119**	76,073,291	3,787,655,857
Finance costs paid		(11,136,070)	(604,577,240)	(13,992,006)	(711,913,265)
Interest received		137,673	7,474,267	40,862	2,079,058
Net cash generated from operating activities		**50,217,575**	**2,726,312,146**	62,122,147	3,077,821,650
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	7	-	-	(11,216)	(570,670)
Additions to capital project in progress	8	(114,825,992)	(6,233,903,106)	(34,768,178)	(1,972,291,237)
Net cash used in investing activities		**(114,825,992)**	**(6,233,903,106)**	(34,779,394)	(1,972,861,907)
Cash Flows From Financing Activities					
Draw-down of borrowings net of facility fees		129,000,000	7,003,410,000	-	-
Repayment of borrowings		(35,469,938)	(1,925,662,934)	(45,673,832)	(2,323,884,572)
(Repayment to) / Loans from immediate holding company		(45,000,000)	(2,443,050,000)	18,000,000	1,167,440,000
Loans from a related company		20,000,000	1,085,800,000	-	-
Net cash generated from / (used in) financing activities		**68,530,062**	**3,720,497,066**	**(27,673,832)**	**(1,156,444,572)**
Foreign currency translation difference		**-**	**67,337,237**	**-**	**160,851,694**
Net increase / (decrease) in cash and cash equivalents		**3,921,645**	**212,906,106**	**(331,079)**	**(51,484,829)**
Cash and cash equivalents at the beginning of the year		**19,746,990**	**1,004,726,851**	**20,065,527**	**894,721,849**
Effect of exchange rate changes		**247**	**13,410**	**12,542**	**638,137**
Cash and cash equivalents at the end of the year	4	**23,668,882**	**1,284,983,604**	**19,746,990**	**1,004,726,851**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Global Energy Services Pte. Ltd. (Company Registration No. 200615858G) is domiciled in Singapore with its principal place of business is at 15 Hoe Chiang Road, Tower Fifteen #06-03 Singapore 089316.

The company is providing offshore oilfield services with the principal activity of owning, chartering and operating mobile offshore drilling units. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the company for the year ended 31 March 2013 were authorised and approved by the Board of Directors for issuance on 19 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = ₹ 54.29 (2012: USD 1 = ₹ 50.88) and rounded up to the nearest rupee.

Except as disclosed in the preceding paragraph, the financial statements are prepared in accordance with Singapore Financial Reporting Standards (SFRS) as required by the Singapore Companies Act. The financial statements expressed in United States dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS (INT FRS) that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

At the date of authorisation of these financial statements, the company has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

As at 31 March 2013, the company is in a net current liabilities position of US$26,553,289 (₹ 1,441,578,060) [2012: US$17,627,897 (₹ 896,907,399)]. Notwithstanding the same, the financial statements have been prepared on a going concern basis as the company is able to generate funds from its own operating activities and the ultimate holding company has undertaken to provide financial support as and when required. The directors have reviewed the projected cash flows and business outlook of the company and are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances.

b) Currency translation

Items included in the financial statements of the company are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States Dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into United States Dollars at rates of exchange closely approximating to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

c) **Derivative financial instruments and hedging activities**

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge – currency forwards

The company has entered into currency forwards that qualify as cash flow hedges against highly probable forecast transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to profit or loss immediately.

Cash flow hedge – interest rate swaps

The company has entered into interest rate swaps that are cash flow hedges for the company s exposure to the interest rate on its borrowings. These contracts entitle the company to receive interest at floating rates on notional principal amounts and oblige the company to pay interest at fixed rates on the same notional principal amounts, thus allowing the company to raise borrowings at floating rates and swap them into fixed rate.

The fair value changes on the ineffective portion are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to profit or loss immediately.

d) **Financial instruments**

Financial assets and financial liabilities are recognised on the company s statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. It exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

e) **Financial assets**

(I) Classification

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss , loans and receivables , held to maturity investments and available-for-sale financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of reporting period which are presented as non-current assets. Loans and receivables are presented as trade receivables , other receivables and cash and cash equivalents on the statement of financial position.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on transaction-date the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount in the fair value reserve relating to that asset is transferred to profit or loss.

(iii) Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

(iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

f) Property, plant and equipment

(I) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve.

(ii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Rigs	30 years
Furniture and equipment	3 - 10 years
Computers	3 - 5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

g) Impairment of non-financial assets

Property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset s recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

h) Capital project in progress

Capital project in progress is stated at cost. Expenditure relating to the construction of rig is capitalised when incurred up to the completion of construction. No depreciation was provided on capital project in progress.

I) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method, as defined above.

The company derecognises financial liabilities when, and only when, the company s obligations are discharged, cancelled and expired.

j) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowing costs accrued to finance the building of rig are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to profit or loss over the period of borrowing using the effective interest method.

k) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

l) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

n) Operating lease

Company is the lessor

Assets leased out under operating leases are included in property, plant and equipment and are stated at cost less depreciated amounts and impairment loss (if any). Operating lease income is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as income in profit or loss when earned.

Company is the lessee

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

Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

o) **Government grants**

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income when there is reasonable assurance that the grant will be received.

p) **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the company s activities are met as follows:

(I) Charter hire income is recognised on an accrual basis over the period of the agreement.

(ii) Interest income is recognised on effective interest method.

q) **Income tax**

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when it affects neither the taxable profit nor the accounting profit at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(ii) based on the tax consequence that will follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

r) **Employee benefits**

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plan

Defined contribution plans are post-employment benefit plan under which the company pays fixed contributions into separate entities such as the Central Provident Fund (CPF) on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

s) Related parties

A related party is defined as follows:

(i) A person or a close member of that person s family is related to the company if that person:

(a) Has control or joint control over the company;

(b) Has significant influence over the company; or

(c) Is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the critical accounting estimates, assumptions and judgements for preparation of financial statements:

(a) Critical judgements in applying the entity s accounting policies

In the process of applying the company s accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The company depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management s estimate of the periods that the company intends to derive future economic benefits from the use of the company s property, plant and equipment. The residual values reflect management s estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company s property, plant and equipment as at the end of each reporting period were disclosed in Note 7 to the financial statements.

(ii) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(iii) Impairment of non-financial assets

Property, plant and equipment

Property, plant and equipment are tested for impairment when there is objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating units (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset s recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

4. CASH AND CASH EQUIVALENTS

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Cash at bank	21,349,215	1,159,048,882	14,743,524	750,150,501
Cash on hand	-	-	3,466	176,350
Short-term fixed deposits	2,319,667	125,934,722	5,000,000	254,400,000
	23,668,882	**1,284,983,604**	**19,746,990**	**1,004,726,851**

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	97,479	5,292,135	219,151	11,150,403
United States dollars	23,571,403	1,279,691,469	19,527,839	993,576,448
	23,668,882	**1,284,983,604**	**19,746,990**	**1,004,726,851**

Short-term fixed deposits at the end of the reporting period have an average maturity of 3 (2012: 2) months from the end of the financial year with effective interest rate ranging from 0.08% to 0.10% (2012: 2.61%).

5. TRADE RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
GST recoverable	3,218	174,705	4,013	204,182
Intermediate holding company	3,904,031	211,949,843	3,975,291	202,262,806
	3,907,249	**212,124,548**	**3,979,304**	**202,466,988**

Trade receivables are non-interest bearing and credit terms are in accordance with the contract or agreements with the customers.

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The amounts owing by intermediate holding company are unsecured, interest-free, and repayable on demand.

The carrying amounts of trade receivables approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	3,218	174,705	4,013	204,182
United States dollars	3,904,031	211,949,843	3,975,291	202,262,806
	3,907,249	**212,124,548**	**3,979,304**	**202,466,988**

6. OTHER RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Advance to suppliers	1,320,452	71,687,339	1,692,045	86,091,250
Refundable deposit	-	-	2,104	107,051
Accrued interest receivables	-	-	9,425	479,544
Prepayment	3,191	173,239	-	-
	1,323,643	**71,860,578**	**1,703,574**	**86,677,845**

The carrying amounts of other receivables approximate their fair values and denominated in United States dollars.

7. PROPERTY, PLANT AND EQUIPMENT

	Rigs		Furniture and Equipment		Computers		Total	
	US $	₹	US $	₹	US $	₹	US $	₹
2013								
Cost								
At 1 April 2012 [b]	356,436,313	18,135,479,605	15,055,064	766,001,656	11,216	570,670	371,502,593	18,902,051,931
Transferred from capital project in progress (Note 8)	172,729,982	9,377,510,723	9,147,083	496,595,136	36,078	1,958,675	181,913,143	9,876,064,534
Exchange realignement	-	1,215,447,828	-	51,337,769	-	38,246	-	1,266,823,843
At 31 March 2013	**529,166,295**	**28,728,438,156**	**24,202,147**	**1,313,934,561**	**47,294**	**2,567,591**	**553,415,736**	**30,044,940,308**
Accumulated depreciation								
At 1 April 2012	21,804,257	1,109,400,596	4,421,536	224,967,752	2,804	142,668	26,228,597	1,334,511,016
Charge for the year	13,456,295	730,542,256	1,791,356	97,252,717	6,745	366,186	15,254,396	828,161,159
Exchange realignement	-	74,352,516	-	15,077,438	-	9,561	-	89,439,515
At 31 March 2013	**35,260,552**	**1,914,295,368**	**6,212,892**	**337,297,907**	**9,549**	**518,415**	**41,482,993**	**2,252,111,690**
Net Book Value								
At 31 March 2013	**493,905,473**	**26,814,142,788**	**17,989,255**	**976,636,654**	**37,745**	**2,049,176**	**511,932,743**	**27,792,828,618**
2012								
Cost								
At 1 April 2011 [b]	371,491,377	16,564,800,500	-	-	-	-	371,491,377	16,564,800,500
Additions	-	-	-	-	11,216	570,670	11,216	570,670
Reclassification [a]	(15,055,064)	(766,001,656)	15,055,064	766,001,656	-	-	-	-
Exchange realignement	-	2,336,680,762	-	-	-	-	-	2,336,680,762
At 31 March 2012	**356,436,313**	**18,135,479,605**	**15,055,064**	**766,001,656**	**11,216**	**570,670**	**371,502,593**	**18,902,051,931**
Accumulated depreciation								
At 1 April 2011	9,956,324	443,952,487	-	-	-	-	9,956,324	443,952,487
Charge for the year	12,803,186	651,426,104	3,466,283	176,364,479	2,804	142,668	16,272,273	827,933,250
Reclassification [a]	(955,253)	(48,603,273)	955,253	48,603,273	-	-	-	-
Exchange realignement	-	(62,625,278)	-	-	-	-	-	(62,625,278)
At 31 March 2012	**21,804,257**	**1,109,400,596**	**4,421,536**	**224,967,752**	**2,804**	**142,668**	**26,228,597**	**1,334,511,015**
Net Book Value								
At 31 March 2012	**334,632,056**	**17,026,079,009**	**10,633,528**	**541,033,905**	**8,412**	**428,003**	**345,273,996**	**17,567,540,916**

a) Certain furniture and equipment in the rigs are reclassified from rigs to furniture and equipment for a more accurate presentation of category of assets.

b) This is mortgaged as security against loans as disclosed in note 12.

8. CAPITAL PROJECT IN PROGRESS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Balance at the beginning of the year	67,087,151	3,413,394,243	32,318,973	1,644,389,346
Exchange realignment	-	228,767,185	-	-
Additions	114,825,992	6,194,814,305	34,768,178	1,769,004,897
Transferred to property, plant and equipment (Note 7)	(181,913,143)	(9,836,975,733)	-	-
Balance at the end of the year	**-**	**-**	**67,087,151**	**3,413,394,243**

Capital project in progress represents the direct costs and other initial costs incurred towards construction of a new rig. The construction was completed in the last quarter of the current year and was transferred to property, plant and equipment.

9. TRADE PAYABLES

The carrying amounts of trade payables to third parties approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
United States dollars	16,153	876,946	163,510	8,319,389
Singapore dollars	1,751	95,062	-	-
Others	37,828	2,053,682	-	-
	55,732	**3,025,690**	**163,510**	**8,319,389**

10. OTHER PAYABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Accruals for operating expenses	82,858	4,498,361	45,195	2,299,522
Interest payables	1,197,266	64,999,571	954,232	48,551,324
Other creditors	-	-	1,538	78,253
	1,280,124	**69,497,932**	**1,000,965**	**50,929,099**

The carrying amounts of other payables approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	74,858	4,064,041	45,194	2,299,471
United States dollars	1,205,266	65,433,891	955,771	48,629,628
	1,280,124	**69,497,932**	**1,000,965**	**50,929,099**

11. DERIVATIVE FINANCIAL INSTRUMENTS PAYABLE

	Contract/notional amount		Fair values	
	US $	₹	US $	₹
31-03-2013				
Cash flow hedges				
- Interest rate swaps	251,755,070	13,667,782,750	(5,766,620)	(313,069,800)
31-03-2012				
Cash flow hedges				
- Interest rate swaps	209,212,438	10,644,728,845	(7,308,484)	(371,855,666)

The interest swaps are entered to hedge floating interest payments on borrowings that will mature on 30 September 2014, 15 October 2014, 17 November 2014 and 2 March 2016. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to profit or loss as part of interest expense over the period of the borrowings.

12. BORROWINGS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Loan I	69,976,967	3,799,049,538	93,446,906	4,754,578,577
Unamortised facility fees	(883,978)	(47,991,166)	(1,427,163)	(72,614,053)
	69,092,989	**3,751,058,373**	**92,019,743**	**4,681,964,524**
Loan II	92,500,000	5,021,825,000	104,500,000	5,316,960,000
Unamortised facility fees	(1,006,628)	(54,649,834)	(1,351,300)	(68,754,144)
	91,493,372	**4,967,175,166**	**103,148,700**	**5,248,205,856**
Loan III	129,000,000	7,003,410,000	-	-
Unamortised facility fees	(2,401,711)	(130,388,890)	-	-
	126,598,289	**6,873,021,110**	**-**	**-**
Total borrowings	**287,184,650**	**15,591,254,649**	**195,168,443**	**9,930,170,380**
Presented as:				
Current	48,337,576	2,624,247,001	34,582,082	1,759,536,332
Non-current	238,847,074	12,967,007,648	160,586,361	8,170,634,048
	287,184,650	**15,591,254,649**	**195,168,443**	**9,930,170,380**

The carrying amount of borrowings are denominated in United States dollars.

Loan I

As at 31 March 2013, the loan is subject to interest ranging from 3.55% to 5.05% (2012: 3.59% to 5.32%) per annum and is repayable within the next two financial years.

Loan II

As at 31 March 2013, the loan is subject to interest rate of 2.64% (2012: 2.66%) per annum and is repayable within the next three financial years.

Loan III

As at 31 March 2013, the loan is subject to interest rate of 2.56% per annum and is repayable within the next five financial years.

The above loans are secured as stated in the facility agreement entered into between the Company and the banks and financial institutions, with the following, among others:-

i) First priority mortgage on the respective financed Rig (Note 7);

ii) First priority assignment of all insurances of the respective financed Rig;

iii) First priority assignment of earnings and assignment of all other rights under the bareboat charter agreement between Company and the intermediate holding company in relation to the respective financed Rig;

iv) First priority pledge over Company s Earnings Account for the respective financed Rig;

v) Negative lien on the shares of the Company; and

vi) Corporate guarantee from the intermediate holding company

13. LOAN FROM IMMEDIATE HOLDING COMPANY

Loan from immediate holding company is non-trade, unsecured, is subject to interest at a rate of Libor + 3% (2012: Libor + 3%) per annum and repayable as per agreed terms.

The carrying amount of loan from immediate holding company is denominated in United States dollars.

14. LOAN FROM A RELATED COMPANY

Loan from a related company is non-trade, unsecured, is subject to interest at a rate of Libor + 2.9% per annum and repayable as per agreed terms.

The carrying amount of loan from a related company is denominated in United States dollars.

15. SHARE CAPITAL

	2013	2012	2013		2012	
	Number of shares		US $	₹	US $	₹
Issued At the beginning and end of the year	1,858,816	1,858,816	118,964,161	6,458,564,301	118,964,161	6,052,896,512

All issued ordinary shares are fully paid and have no par value.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meeting of the company. All shares rank equally with regard to the company s residual assets.

16. RESERVES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Hedging reserve				
At the beginning of the year	(5,827,891)	(296,523,094)	(2,792,553)	(124,519,938)
De-recognition of fair value gain arising from derivative financial instruments	5,827,891	316,396,202	(2,792,553)	(142,085,096)
Foreign currency translation difference	-	(19,873,108)	-	(17,565,159)
Changes in fair value of interest rate swaps	(4,948,018)	(268,627,897)	(242,785)	(12,352,901)
At the end of the year	**(4,948,018)**	**(268,627,897)**	**(5,827,891)**	**(296,523,094)**
Retained profits				
At the beginning of the year	65,102,908	3,312,435,959	26,040,425	1,161,142,550
Net profit for the year	34,413,329	1,868,299,632	39,062,483	1,987,499,135
Foreign currency translation difference	-	222,000,915	-	163,794,274
At the end of the year	**99,516,237**	**5,402,736,506**	**65,102,908**	**3,312,435,959**
Total reserves	**94,568,219**	**5,134,108,609**	**59,275,017**	**3,015,912,865**

17. OTHER INCOME

	2013 US $	2013 ₹	2012 US $	2012 ₹
Interest income	128,248	6,962,584	40,862	2,079,058
Foreign exchange gain	4,372	237,356	3,102	157,830
Others	3,995	216,888	-	-
	136,615	**7,416,828**	**43,964**	**2,236,888**

18. EMPLOYEE BENEFITS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Staff salaries	158,618	8,611,371	75,707	3,851,972
Staff – CPF contribution	17,054	925,862	9,926	505,035
Staff benefits	19,578	1,062,890	28,054	1,427,388
	195,250	**10,600,123**	**113,687**	**5,784,395**

19. OTHER OPERATING EXPENSES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Bank charges	21,211	1,151,545	7,995	406,786
Director's fees	20,202	1,096,767	15,974	812,757
Management fees	178,766	9,705,206	-	-
Professional fees	96,710	5,250,386	154,526	7,862,283
Travelling expenses	39,561	2,147,767	20,288	1,032,253
Others	40,000	2,171,600	38,088	1,937,917
	396,450	**21,523,271**	**236,871**	**12,051,996**

20. FINANCE COSTS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Finance charges (arrangement fees)	1,008,665	54,760,423	939,817	47,817,889
Interest on bank loans	10,286,881	558,474,769	11,108,379	565,194,324
	11,295,546	**613,235,192**	**12,048,196**	**613,012,213**

21. INCOME TAX EXPENSE

	2013 US $	2013 ₹	2012 US $	2012 ₹
Current year provision	10,288	558,535	2,724	138,597

The current year income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2012: 17%) to profit before income tax as a result of the following differences:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Accounting profit	34,423,617	1,868,858,167	39,065,207	1,987,637,732
Income tax expense at statutory rate	5,852,015	317,705,894	6,641,085	337,898,414
Utilisation of unabsorbed losses brought forward	-	-	(4,223)	-
Exempt income	(5,841,727)	(317,147,359)	(6,634,138)	(337,759,817)
	10,288	**558,535**	**2,724**	**138,597**

As at 31 March 2013, the company has unabsorbed tax losses of approximately US$ 68,000 (₹ 3,691,720) {2012: US$68,000 (₹ 3,459,840)}, available for offsetting against future taxable income of the company subject to there being no substantial change in the shareholders of the company and their shareholdings within the meaning of Section 37 of the Singapore Income Tax Act and agreement by the Inland Revenue Authority of Singapore.

Future tax benefits arising from excess of tax written down value over net book value of property, plant and equipment have not been recognised since there is no reasonable certainty of their recovery in the future years.

Charter hire income of the company is exempt from income tax under section 13A of Singapore income tax Act as income is derived from rigs operating outside the limits of the port of Singapore.

22. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company s immediate holding company is Greatship Global Holdings Ltd., a company incorporated in the Republic of Mauritius which is a wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India and the company s intermediate holding company.

The company s ultimate holding company is The Great Eastern Shipping Co. Ltd., a company incorporated in India, which is the parent company of Greatship (India) Limited.

23. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the company had transactions with the immediate and intermediate holding company and related companies on terms agreed between them with respect to the following during the financial year.

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Charter hire income from intermediate holding company	61,439,949	3,335,574,832	68,202,270	3,470,131,498
Loans from immediate holding company	-	-	18,000,000	915,840,000
Loans from a related company	20,000,000	1,085,800,000	-	-
Interest paid to intermediate holding company	(1,678,090)	(91,103,506)	(1,811,502)	(92,169,222)
Rental paid to a related company	(22,116)	(1,200,678)	10,700	544,416
Management fees to a related company	(178,766)	(9,705,206)	-	-
Repayment to immediate holding company	(45,000,000)	(2,443,050,000)	-	

	2013 US $	2013 ₹	2012 US $	2012 ₹
Swap received from a related company	716,972	38,924,410	-	-
Interest paid to a related company	(323,829)	(17,580,676)	-	-
Reimbursement of expense from a related company	(441)	21,390	-	-
Purchase of inventory from intermediate holding company	(3,853,566)	(209,210,098)	-	-
Sale of inventory to intermediate holding company	**5,870,181**	**318,692,126**	**-**	**-**

(b) Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly including any director (whether executive or otherwise) of the company.

Except as disclosed elsewhere in the financial statements, there is no compensation of key management personnel during the year.

24. OPERATING LEASE COMMITMENTS

(i) Operating lease commitments - where a company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Due within one year	-	-	42,500	2,162,400

Operating lease expenses recognised for the year as charter hire expenses is US$11,305 (₹ 613,749) (2012: US$510,000 (₹ 25,948,800).

Operating lease commitments represents rentals payable by the company for rental of a cementing unit on-board a rig. The leases have varying terms and renewal rights.

(ii) Operating lease commitments - where a company is a lessor

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

	2013 US $	2013 ₹	2012 US $	2012 ₹
Due within one year	66,162,425	3,591,958,053	57,391,877	2,920,098,702
Due within two to five years	96,277,610	5,226,911,447	64,230,975	3,268,072,008
	162,440,035	**8,818,869,500**	**121,622,852**	**6,188,170,710**

25. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company s activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The company s overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company s financial performance.

(a) Market risk

i) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The company does not use any hedging instruments to protect against the volatility associated with the foreign currency transactions, except for transaction in Singapore dollars which were used for payment of capital project in progress for the financial year ended 31 March 2013.

The company s currency exposure to Singapore dollars is as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Financial assets				
Cash and cash equivalents	97,479	5,292,135	219,151	11,150,403
Trade receivables	3,218	174,705	4,013	204,182
	100,697	5,466,840	223,164	11,354,585
Financial liabilities				
Trade payables	(1,751)	(95,062)	-	-
Other payables	(74,858)	(4,064,041)	(45,194)	(2,299,471)
	(76,609)	(4,159,103)	(45,194)	(2,299,471)
Net currency exposure	**24,088**	**1,307,737**	**177,970**	**9,055,114**

At 31 March 2013, an estimated 1% (2012: 1%) currency fluctuation in Singapore dollars against the United States Dollars, with all other variables including tax rate being held constant, the company s profit/(loss) after tax for the financial year would have been lower/higher by approximately US$240 (₹ 13,030) {2012: US$1,700 (₹ 86,496)} as result of currency translation.

ii) Interest rate risk

The company generally borrows at variable rates and generally uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 11 to the financial statements.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for derivatives instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management s assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the company s profit for the year ended 31 March 2013 would increase/decrease by US$175,687 (₹ 9,538,047) {2012: US$164,787 (₹ 8,384,363)}. As impact of interest rate movement on loan outstanding on undelivered rig is capitalised, this is mainly attributable to the company s exposure to interest rates on its variable rate borrowings on delivered rigs.

(b) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. The major class of financial asset of the company is trade receivables. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the company comprise 1 debtor (2012: 1 debtor) that individually represented 100% (2012: 99%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
By geographical area				
India	3,904,031	211,949,843	3,975,291	202,262,806
Singapore	3,218	174,705	4,013	204,182
	3,907,249	**212,124,548**	**3,979,304**	**202,466,988**
By type of customer				
Non-related party	3,218	174,705	4,013	204,182
Intermediate holding company	3,904,031	211,949,843	3,975,291	202,262,806
	3,907,249	**212,124,548**	**3,979,304**	**202,466,988**

(i) Financial assets that are neither past due nor impaired

The company s trade receivables that are neither past due nor impaired as at the end of the reporting period include receivables amounting to US$3,907,249 (₹ 212,124,548) [(2012: US$3,979,304 (₹ 202,466,988)].

(ii) Financial assets that are past due and/ or impaired

The ageing analysis for the trade receivables of the company as at year end is as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Due	-	-	-	-
Not due	3,907,249	212,124,548	3,979,304	202,466,988
	3,907,249	**212,124,548**	**3,979,304**	**202,466,988**

(c) Liquidity risk

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company s operations and mitigate effects of fluctuations in cash flows. The ultimate holding company also provides financial support to finance the company s operations as required.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The table represents interest and principal cash flows.

	Less than 1 year		Between 2 and 5 years	
	US $	₹	US $	₹
2013				
Trade payable	55,732	3,025,690	-	-
Other payables	1,280,124	69,497,932	-	-
Derivative financial instruments payable	5,766,620	313,069,800	-	-
Borrowings	48,337,576	2,624,247,001	238,847,074	12,967,007,648
Loans from immediate holding company	-	-	13,000,000	705,770,000
Loan from a related company	-	-	20,000,000	1,085,800,000
	55,440,052	**3,009,840,423**	**271,847,074**	**14,758,577,648**

	Less than 1 year		Between 2 and 5 years	
	US $	₹	US $	₹
2012				
Trade payable	163,510	8,319,389	-	-
Other payables	1,000,965	50,929,099	-	-
Derivative financial instruments payable	7,308,484	371,855,666	-	-
Borrowings	34,582,082	1,759,536,332	160,586,361	8,170,634,048
Loans from immediate holding company	-	-	58,000,000	2,951,040,000
	43,055,041	**2,190,640,486**	**218,586,361**	**11,121,674,048**

(d) Fair value measurement

i) Fair value of financial instruments that are carried at fair value

The following table present assets and liabilities measured at fair value and classified by the level of the following fair value measurements hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 2		Total	
	US $	₹	US $	₹
2013				
Financial liability				
Derivative financial instruments	5,766,620	313,069,800	5,766,620	313,069,800

	Level 2		Total	
	US $	₹	US $	₹
2012				
Financial liability				
Derivative financial instruments	7,308,484	371,855,666	7,308,484	371,855,666

The fair value of forward interest rates swaps is determined based on the information furnished by the financial institutions as at the end of the reporting period. These investments are included in Level 2.

ii) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, and current portion of borrowings approximate their fair values.

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period or they fixed interest rates which approximates the market interest rate.

(e) Categories of financial instruments

The following table sets out the company s financial instruments as at the end of the reporting period:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Financial assets				
Loans and receivables:				
Cash and cash equivalents	23,668,882	1,284,983,604	19,746,990	1,004,726,851
Trade receivables	3,907,249	212,124,548	3,979,304	202,466,988
Other receivables	1,323,643	71,860,578	1,703,574	86,677,845
Financial liabilities				
Amortised cost:				
Trade payables	55,732	3,025,690	163,510	8,319,389
Other payables	1,280,124	69,497,932	1,000,965	50,929,099
Borrowings	287,184,650	15,591,254,649	195,168,443	9,930,170,380
Loans from immediate holding company	13,000,000	705,770,000	58,000,000	2,951,040,000
Loan from a related company	20,000,000	1,085,800,000	-	-
Fair value through profit or loss				
Derivative financial instruments	5,766,620	313,069,800	7,308,484	371,855,666

26. CAPITAL RISK MANAGEMENT

The company s objectives when managing capital are to safeguard the company s ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital as well as loan from a bank. The management sets the amount of capital and debt in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of directors monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables, borrowings, loans from immediate holding company and loan from a related company less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2013 US $	2013 ₹	2012 US $	2012 ₹
Net debt	297,851,624	16,170,364,667	234,585,928	11,935,732,016
Total equity	213,532,380	11,592,672,910	178,239,178	9,068,809,377
Total capital	**511,384,004**	**27,763,037,577**	**412,825,106**	**21,004,541,393**
Gearing ratio	**0.58**	**0.58**	**0.57**	**0.57**

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Operating cash flows are used to maintain and expand the company, as well as to make routine outflows of tax and dividend payments.

The company is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2013 and 31 March 2012 as required in accordance with the covenants in the bank borrowings in Note 12.

27. STANDARD ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that is relevant to the company were issued but not yet effective.

Description	***Effective for annual periods beginning on or after***
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

The company expects the adoption of the above standards will have no financial effect on the financial statements in the period of initial application.

GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD.

A Subsidiary Company

Directors	Ravi Kanaiyalal Sheth, Chairman Alok Mahajan Naware Pradyumna Raghunath Tapley Christopher Hamilton Gowri Saminathan
Registered Office	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
Registration Number	201017020C
Auditors	Shanker Iyer & Co.
Company Secretaries	Cheng Lian Siang Pathima Muneera Azmi

Directors Report

The directors present their report to the member together with the audited financial statements of the company for the financial year ended 31 March 2013.

DIRECTORS

The directors of the company in office at the date of this report are:

Ravi Kanaiyalal Sheth, Chairman

Alok Mahajan

Naware Pradyumna Raghunath

Tapley Christopher Hamilton

Gowri Saminathan (Appointed on 13 August 2012)

During the financial year, Ms Seow Yoke Chan has resigned as a director from the Company with effective from 13 August 2012.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS INTEREST IN SHARES AND DEBENTURES

According to the register of directors shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the share capital of the company or any related corporations except as detailed below:

	No. of ordinary shares	
	As at 01.04.2012	As at 31.03.2013
Greatship (India) Limited (Intermediate holding company)		
Ravi Kanaiyalal Sheth	2,103,500	Nil
The Great Eastern Shipping Co. Ltd. (Ultimate holding company)		
Ravi Kanaiyalal Sheth	14,362,504	14,362,504
Alok Mahajan	732	732
Naware Pradyumna Raghunath	2,952	2,952

Mr. Alok Mahajan and Mr. Naware Pradyumna Raghunath have been granted Employee Stock Options by Greatship (India) Limited (Intermediate Holding Company).

None of the directors holding office at the end of the financial year had any interest in the debentures of the company or its related corporations.

DIRECTORS CONTRACTUAL BENEFITS

Since the end of the previous year, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for Mr. Alok Mahajan and Mr. Naware Pradyumna Raghunath, who have both encashed in part the Employee Stock Options granted to them by Greatship (India) Limited (Intermediate Holding Company).

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

Alok Mahajan
Director

Naware Pradyumna Raghunath
Director

19th April 2013

Statement by Directors

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its results, changes in equity and cash flows for the financial year ended 31 March 2013; and

(b) at the date of this statement, on the understanding that continuing financial support will be provided by its immediate holding company, there are reasonable grounds to believe that the company will be able to pay its debt as and when they fall due.

The board of directors authorised these financial statements for issue on 19 April 2013.

On behalf of the Board

Mr. Alok Mahajan
Director

Naware Pradyumna Raghunath
Director

19th April 2013

Independent Auditor s Report

TO THE MEMBER OF GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD. (the company) which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity s preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its results, changes in equity and cash flows for the financial year ended 31 March 2013.

Emphasis of Matter

We draw attention to Note 4 to the financial statements. During the year ended 31 March 2013, the company incurred a net loss of US$3,249,939 (₹ 176,439,188) [2012: US$ 3,538,777 (₹ 180,052,974)] and as at that date, the company s current liabilities exceeded its current assets by US$ 3,899,262 (₹ 211,690,933) [(2012: US$ 8,048,310 (₹ 409,498,013)] and in a capital deficiency of US$ 3,493,734 (₹ 189,674,818) [(2012: US$ 243,795 (₹ 12,404,290)]. The financial statements have been prepared on a going concern basis as the immediate holding company has undertaken to provide continuing financial support until such time the company is able to operate on its own financial resources. In the event that there is no such financial support, the going concern basis would be invalid and provisions would have to be made for any losses on realisation of the company s assets and further cost which may arise. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

SHANKER IYER & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
19 April 2013

Statement of Financial Position

AS AT 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS					
Current assets					
Cash and cash equivalents	5	2,427,847	131,807,814	3,139,011	159,712,879
Trade receivables	6	6,851,285	371,956,263	18,387,138	935,537,581
Other receivables	7	21,113	1,146,225	1,800	91,584
Inventories	8	329,911	17,910,868	175,200	8,914,176
Prepayment		4,846	263,089	13,583	691,103
		9,635,002	**523,084,259**	**21,716,732**	**1,104,947,323**
Non-current assets					
Property, plant and equipment	9	2,553	138,602	4,465	227,179
Loans to a subsidiary	10	-	-	5,000,000	254,400,000
Investment in subsidiary	11	402,975	21,877,513	2,800,050	142,466,544
		405,528	**22,016,115**	**7,804,515**	**397,093,723**
Total assets		**10,040,530**	**545,100,374**	**29,521,247**	**1,502,041,046**
LIABILITIES					
Current liabilities					
Trade payables	12	11,056,060	600,233,497	21,687,880	1,103,479,334
Other payables	13	2,441,173	132,531,282	77,162	3,926,002
Loans from immediate holding company	14	-	-	8,000,000	407,040,000
Income tax payable		37,031	2,010,413	-	-
Total liabilities		**13,534,264**	**734,775,192**	**29,765,042**	**1,514,445,336**
NET LIABILITIES		**(3,493,734)**	**(189,674,818)**	**(243,795)**	**(12,404,290)**
SHAREHOLDER'S EQUITY					
Share capital	15	3,000,100	162,875,430	3,000,100	152,645,088
Accumulated losses		(6,493,834)	(352,550,248)	(3,243,895)	(165,049,378)
CAPITAL DEFICIENCY		**(3,493,734)**	**(189,674,818)**	**(243,795)**	**(12,404,290)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Revenue					
Charter hire income		32,321,238	1,754,720,011	35,651,797	1,813,963,431
Write-back of loan from immediate holding company		5,000,000	271,450,000	-	-
Write-back of trade payable to immediate holding company		1,705,762	92,605,819	-	-
Other income	16	85,702	4,652,762	265,901	13,529,043
Total revenue		**39,112,702**	**2,123,428,592**	**35,917,698**	**1,827,492,474**
Expenses					
Charter hire expenses	17	31,791,284	1,725,948,808	37,325,275	1,899,109,992
Employee benefit expenses	18	516,831	28,058,755	1,136,745	57,837,586
Depreciation of property, plant and equipment	9	1,912	103,802	1,269	64,567
Write-off of loan to subsidiary		5,000,000	271,450,000	-	-
Write-off of trade receivables from subsidiary		2,156,954	117,101,033	-	-
Impairment loss on investment in subsidiary	11	2,397,075	130,137,202	-	-
Other operating expenses	19	466,219	25,311,030	962,947	48,994,743
Total expenses		**42,330,275**	**2,298,110,630**	**39,426,236**	**2,006,006,888**
Loss before income tax		(3,217,573)	(174,682,038)	(3,508,538)	(178,514,414)
Income tax expense	20	(32,366)	(1,757,150)	(30,239)	(1,538,560)
Total comprehensive loss income for the year		**(3,249,939)**	**(176,439,188)**	**(3,538,777)**	**(180,052,974)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share capital		Accumulated losses		Total	
	US $	₹	US $	₹	US $	₹
2013						
Balance as at 1 April 2012	3,000,100	152,645,088	(3,243,895)	(165,049,378)	(243,795)	(12,404,290)
Foreign exchange translation difference	-	10,230,342	-	(11,061,682)	-	(831,340)
Total comprehensive loss for the year	-	-	(3,249,939)	(176,439,188)	(3,249,939)	(176,439,188)
Balance as at 31 March 2013	**3,000,100**	**162,875,430**	**(6,493,834)**	**(352,550,248)**	**(3,493,734)**	**(189,674,818)**
2012						
Balance as at 1 April 2011	3,000,100	133,774,459	294,882	13,148,790	3,294,982	146,923,249
Foreign exchange translation difference	-	18,870,629	-	1,854,806	-	20,725,435
Total comprehensive loss for the year	-	-	(3,538,777)	(180,052,974)	(3,538,777)	(180,052,974)
Balance as at 31 March 2012	**3,000,100**	**152,645,088**	**(3,243,895)**	**(165,049,378)**	**(243,795)**	**(12,404,290)**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash Flows From Operating Activities					
Loss before income tax		(3,217,573)	(174,682,038)	(3,508,538)	(178,514,414)
Adjustments for:					
Interest income		(75,188)	(4,081,957)	(265,901)	(13,529,043)
Depreciation of property, plant and equipment	9	1,912	103,802	1,269	64,567
Write-back of loan from immediate holding company		(5,000,000)	(271,450,000)	-	-
Write-back of trade payable to immediate holding company		(1,705,762)	(92,605,819)	-	-
Write-off of loan to subsidiary		5,000,000	271,450,000	-	-
Write-off of trade receivables from subsidiary		2,156,954	117,101,033	-	-
Impairment loss on investment in subsidiary		2,397,075	130,137,202	-	-
Loss on sale of property, plant and equipment	-	-	76,395	3,886,978	
Unrealised foreign exchange gain		(6,328)	(343,547)	(11,562)	(588,275)
Operating cash flows before changes in working capital		**(448,910)**	**(24,371,324)**	**(3,708,337)**	**(188,680,187)**
Changes in working capital, excluding changes relating to cash:					
Trade receivables		9,378,899	509,180,427	(12,910,408)	(656,881,559)
Other receivables		(19,313)	(1,048,503)	1,159	58,970
Prepayment		8,737	474,332	(7,949)	(404,445)
Inventories		(154,711)	(8,399,260)	(34,410)	(1,750,781)
Trade payables		(8,926,058)	(484,595,689)	19,951,379	1,015,126,164
Other payables		2,364,011	128,342,157	(1,413,486)	(71,918,168)
Cash generated from operating activities		**2,202,655**	**119,582,140**	**1,877,948**	**95,549, 994**
Income taxes refund/(paid)		4,665	253,263	(64,699)	(3,291,885)
Interest received		75,188	4,081,957	265,901	13,529,043
Net cash generated from operating activities		**2,282,508**	**123,917,360**	**2,079,150**	**105,787,152**
Cash Flows From Financing Activities					
Loans to a subsidiary	10	-	-	(3,000,000)	(152,640,000)
(Repayment to)/Loans from immediate holding company	14	(3,000,000)	(162,870,000)	2,000,000	101,760,000
Net cash used in financing activities		**(3,000,000)**	**(162,870,000)**	**(1,000,000)**	**(50,880,000)**
Cash Flows From Investing Activities					
Purchase of property, plant and equipment	9	-	-	(86,769)	(4,414,807)
Proceeds from sale of property, plant and equipment		-	-	4,640	236,083
Net cash used in investing activities		**-**	**-**	**(82,129)**	**(4,178,724)**
Net (decrease)/increase in cash and cash equivalents		(717,492)	(38,952,640)	997,021	50,728,428
Effect of exchange rate changes		6,328	343,547	11,562	588,275
Foreign exchange translation difference		-	10,704,027	-	13,400,391
Cash and cash equivalents at the beginning of the year		3,139,011	159,712,880	2,130,428	94,995,785
Cash and cash equivalents at the end of the year	5	**2,427,847**	**131,807,814**	**3,139,011**	**159,712,879**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Subsea Solutions Singapore Pte. Ltd. (Company Registration No. 201017020C) is domiciled in Singapore. The company's registered office and principal place of business is at 15 Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089316.

The principal activities of the company are those of providing offshore oilfield services.

The principal activities of its subsidiary are set out in Note 11 to the financial statements.

The financial statements of the company as at 31 March 2013 and for the financial year ended 31 March 2013 were authorised and approved by the Board of Directors for issuance on 19 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

a) *Basis of preparation*

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to US$1 = Rs.54.29 (2012: US$1 = Rs.50.88) and rounded up to the nearest rupee.

Except as disclosed in the preceding paragraph, the financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

These financial statements are separate financial statements of Greatship Subsea Solutions Singapore Pte. Ltd. The company avails the exemption as per FRS 27: Consolidated and Separate Financial Statements from the preparation of consolidated financial statements as the immediate holding company, Greatship Global Offshore Services Pte. Ltd., produces consolidated financial statements available for public use. The registered office of Greatship Global Offshore Services Pte. Ltd. is at 15 Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089316.

b) *Currency translation*

Items included in the financial statements of the company are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximate to those ruling at the end of the reporting period and transactions in foreign currencies during the financial year are translated at rates ruling on transaction dates. Non monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

c) Financial instruments

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. It exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

d) Financial assets

(I) Classification

Financial assets are classified into the following specified categories: financial assets "at fair value through profit orloss", "loans and receivables", "held to maturity investments" and "available-for-sale" financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of reporting period which are presented as non-current assets. Loans and receivables are presented as "trade receivables","other receivables", "loans to a subsidiary" and "cash and cash equivalents" on the statement of financial position

ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to the profit or loss.

(iii) Initial and subsequent measurement

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

(iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit or loss.

The allowance for impairment loss account is reduced through the profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

e) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. Cost is ascertained on first-in, first-out basis for fuel oil. Stores and spares (other than fuel oil) delivered on board the vessels are charged to profit or loss.

(f) Property, plant and equipment

(I) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Computers	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred.

(iv) Disposals

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss.

g) Investment in subsidiary

Unquoted equity investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in the profit or loss. On disposal of investment in subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the profit or loss.

h) Impairment of non-financial assets

Property, plant and equipment and investment in subsidiary

Property, plant and equipment and investment in subsidiary are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the profit or loss.

I) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost using the effective interest method, as defined above.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

j) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method, as defined above.

k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the company's activities are met as follows:

(i) Charter hire income is recognised on an accrual basis over the period of the agreement.

(ii) Interest income is recognised using the effective interest method.

l) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the profit or loss.

Foreign tax is recognised in the profit or loss on an accrual basis.

m) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

n) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

o) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

p) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account

q) Government grants

Inland Revenue Authority of Singapore (IRAS)
- Small and Medium Enterprise (SME) cash grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with

r) Operating lease

Company is the lessor

Operating lease income is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as income in the profit or loss when earned.

Company is the lessee

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

Payments made under operating leases (net of any incentives received from the lessors) are recognised in the profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the profit or loss when incurred.

s) Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the company if that person

(a) Has control or joint control over the company;

(b) Has significant influence over the company; or

(c) Is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of agroup of which the other entity is a member);

(c) Both entities are joint ventures of the same third party;

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (I) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the significant accounting estimates, assumptions and judgements for preparation of financial statements:

(a) Critical judgements in applying the entity s accounting policies

In the process of applying the company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) *Impairment of loans and receivables*

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(ii) *Income tax*

Judgement is involved in determining the company's provision for income taxes. The company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial period in which such determination is made. At 31 March 2013, the carrying amount of the company's current income tax payable is disclosed in the statement of financial position.

(iii) *Depreciation of property, plant and equipment*

The company depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's property, plant and equipment.

The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's property, plant and equipment as at the end of each reporting period were disclosed in Note 9 to the financial statements.

(iv) *Impairment of non-financial assets*

Property, plant and equipment and investment in subsidiary are tested for impairment whenever there is any objective evidence or indication that this asset may be impaired.

Determining whether the investment in subsidiary is impaired requires an estimation of value-in-use of the investment in subsidiary. The value-in-use calculation requires the management estimate the future cash flows and appropriate discount rate in order to calculate the present value of future cash flows. The management has evaluated such estimates and is confident that no allowance for impairment is necessary.

4. GOING CONCERN

During the year ended 31 March 2013, the company incurred a net loss of US$3,249,939 (₹176,439,188) (2012: US$3,538,777 (₹180,052,974) and as at that date, the company's current liabilities exceeded its current assets by US$3,899,262 (₹211,690,933) {2012: US$8,048,310 (₹409,498,013)} and in a capital deficiency of US$3,493,734 (₹189,674,818) {2012: US$243,795 (₹12,404,290)}. The directors have reviewed the projected cash flows and business outlook of the company and are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances. The financial statements have been prepared on a going concern basis as the immediate holding company has undertaken to provide continuing financial support until such time the company is able to operate on its own financial resources.

5. CASH AND CASH EQUIVALENTS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash at bank	2,425,685	131,690,439	3,136,657	159,593,108
Cash on hand	2,162	117,375	2,354	119,771
	2,427,847	**131,807,814**	**3,139,011**	**159,712,879**

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	221,906	12,047,277	92,881	4,725,785
United States dollars	2,205,941	119,760,537	3,046,130	154,987,094
	2,427,847	**131,807,814**	**3,139,011**	**159,712,879**

6. TRADE RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Third party	5,701,916	309,557,020	9,341,677	475,304,526
Intermediate holding company	1,144,600	62,140,334	1,151,412	58,583,842
Subsidiary	-	-	7,884,250	401,150,640
GST recoverable	4,769	258,909	9,799	498,573
	6,851,285	**371,956,263**	**18,387,138**	**935,537,581**

Trade receivables are non-interest bearing and credit terms are in accordance with the contract or agreements with the parties.

The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair value.

The amounts due from intermediate holding company are unsecured, interest-free and are repayable as per agreed terms.

In 2012, the amount due from subsidiary was unsecured, interest-free and US$2,156,954 (₹109,745,820) of the balance was waived and the remaining was repaid during the current financial year.

The carrying amounts of trade receivables approximate their fair value and are denominated as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	4,769	258,909	9,799	498,573
United States dollars	6,846,516	371,697,354	18,377,339	935,039,008
	6,851,285	**371,956,263**	**18,387,138**	**935,537,581**

7. OTHER RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Advances to employees	-	-	1,800	91,584
Advances to creditors	1,113	60,425	-	-
Refundable deposit	20,000	1,085,800	-	-
	21,113	**1,146,225**	**1,800**	**91,584**

The carrying amounts of other receivables approximate their fair value and are denominated in United States dollars.

8. INVENTORIES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Bunker, at cost	329,911	17,910,868	175,200	8,914,176

9. PROPERTY, PLANT AND EQUIPMENT

	Computers US $	Computers ₹
2013		
Cost		
At 1 April 2012	5,734	291,746
Additions	-	-
Foreign translation difference	-	19,553
At 31 March 2013	**5,734**	**311,299**
Accumulated depreciation		
At 1 April 2012	1,269	64,567
Charge for the year	1,912	103,802
Foreign translation difference	-	4,328
At 31 March 2013	**3,181**	**172,697**
Carrying amount		
At 31 March 2013	**2,553**	**138,602**

	Computers US $	Computers ₹
2012		
Cost		
At 1 April 2011	-	-
Additions	86,769	4,414,807
Write off	(81,035)	(4,123,061)
At 31 March 2012	**5,734**	**291,746**

	Computers US $	Computers ₹
Accumulated depreciation		
At 1 April 2011	-	-
Charge for the year	1,269	64,567
At 31 March 2012	**1,269**	**64,567**
Carrying amount		
At 31 March 2012	**4,465**	**227,179**

10. LOANS TO A SUBSIDIARY

In 2012, loans to a subsidiary was non-trade in nature, unsecured, bears interest at 6% per annum and fully written off during the current financial year.

The carrying amounts of loans to a subsidiary approximated their fair values and were denominated in United States dollars.

11. INVESTMENT IN SUBSIDIARY

	2013 US $	2013 ₹	2012 US $	2012 ₹
Unquoted equity shares at cost				
At beginning of the year	2,800,050	142,466,544	2,800,050	124,854,230
Impairment loss	(2,397,075)	(130,137,202)	-	-
Foreign translation difference	-	9,548,171	-	17,612,314
At end of the year	**402,975**	**21,877,513**	**2,800,050**	**142,466,544**

During the current financial year, an impairment loss of US $ 2,397,075 (₹ 130,137,202) was recognised to write down the carrying amount of the cost investment to its recoverable amount. The impairment loss was due to cessation of subsidiary's operation since. June 2012 and the intention of the directors of the subsidary to de-register the Subsidiary.

The details of the subsidiary are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of equity held
Greatship Subsea Solutions Australia Pty. Limited	Australia	Providing services related to subsea operation	100%

12. TRADE PAYABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Third parties	1,508,578	81,900,700	2,008,610	102,198,077
GST payable	-	-	72,205	3,673,790
Intermediate holding company	-	-	1,400,918	71,278,708
Immediate holding company	9,547,482	518,332,797	18,206,147	926,328,759
	11,056,060	**600,233,497**	**21,687,880**	**1,103,479,334**

The amounts due to immediate holding company are unsecured, interest-free and are repayable as per agreed terms.

In 2012, the amounts due to intermediate holding company were unsecured, interest-free and were repaid during the current financial year.

The carrying amounts of trade payables approximate their fair value and are denominated as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Indian rupee	62	3,366	-	-
Singapore dollars	4,169	226,335	39,186	1,993,784
United States dollars	11,051,829	600,003,796	21,648,694	1,101,485,550
	11,056,060	**600,233,497**	**21,687,880**	**1,103,479,334**

13. OTHER PAYABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Provision for employee benefits expense	128,378	6,969,642	68,360	3,478,157
Accruals for operating expenses	6,472	351,365	8,802	447,845
Advance from customer	306,000	16,612,740	-	-
Deposit received from customer	2,000,000	108,580,000	-	-
Other creditor	323	17,535	-	-
	2,441,173	**132,531,282**	**77,162**	**3,926,002**

Deposit received from customer represents security deposit for charter hire of vessels.

The carrying amounts of other payables approximate their fair value and are denominated as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	135,173	7,338,542	77,162	3,926,002
United States dollars	2,306,000	125,192,740	-	-
	2,441,173	**132,531,282**	**77,162**	**3,926,002**

14. LOANS FROM IMMEDIATE HOLDING COMPANY

In 2012, loans from immediate holding company were unsecured and interest-free. During the financial year, US$ 3,000,000 (₹ 162,870,000) of the balance was repaid and the remaining US$ 5,000,000 (₹ 271,450,000) was waived by the immediate holding company.

The carrying amount of loans from immediate holding company approximated their fair values and was denominated in United States dollars.

15. SHARE CAPITAL

	Number of ordinary shares	US $	₹
2013			
Issued			
At the beginning of the year	3,000,100	3,000,100	152,645,088
Foreign translation difference	-	-	10,230,342
At the end of the year	**3,000,100**	**3,000,100**	**162,875,430**

	Number of ordinary shares	US $	₹
2012			
Issued			
At the beginning of the year	3,000,100	3,000, 100	133,774,459
Foreign translation difference	-	-	18,870,629
At the end of the year	**3,000,100**	**3,000,100**	**152,645,088**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the company. All share rank equally with regards to the company's residual assets.

16. OTHER INCOME

	2013 US $	2013 ₹	2012 US $	2012 ₹
Interest Income	75,188	4,081,957	265,901	13,529,043
Exchange gain	4,589	249,137	-	-
Government grant	4,095	222,318	-	-
Miscellaneous income	1,830	99,350	-	-
	85,702	**4,652,762**	**265,901**	**13,529,043**

17. CHARTER HIRE EXPENSES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Charter hire	21,741,049	1,180,321,550	27,623,372	1,405,477,167
Crew salary	4,831,565	262,305,664	3,239,975	164,849,928
Commission and brokerage	367,560	19,954,832	430,134	21,885,218
Fuel and fresh water	429,941	23,341,497	766,328	38,990,769

	2013 US $	2013 ₹	2012 US $	2012 ₹
Technical management fees	-	-	169,713	8,634,998
Repairs and maintenance	3,168,728	172,030,243	3,978,596	202,430,964
Manning and miscellaneous in-chartering	1,252,441	67,995,022	1,117,157	56,840,948
	31,791,284	**1,725,948,808**	**37,325,275**	**1,899,109,992**

18. EMPLOYEE BENEFITS EXPENSES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Staff salaries and bonuses	442,554	24,026,257	1,080,220	54,961,594
Staff CPF contribution	16,255	882,484	21,419	1,089,799
Staff benefits	58,022	3,150,014	27,106	1,379,153
Staff training	-	-	8,000	407,040
	516,831	**28,058,755**	**1,136,745**	**57,837,586**

19. OTHER OPERATING EXPENSES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Membership fees	1,297	70,414	21,016	1,069,294
Office rental - recharged	27,087	1,470,553	136,074	6,923,445
Professional fees	369,889	20,081,274	406,101	20,662,419
Rental lease cancellation	-	-	35,212	1,791,587
Telephone expenses	9,557	518,850	35,359	1,799,066
Travelling expenses	16,834	913,918	187,231	9,526,313
Write-off of furniture and fixtures	-	-	81,035	4,123,060
Exchange loss	-	-	13,745	699,346
Others	41,555	2,256,021	47,174	2,400,213
	466,219	**25,311,030**	**962,947**	**48,994,743**

20. INCOME TAX EXPENSE

	2013 US $	2013 ₹	2012 US $	2012 ₹
Current year tax	5,236	284,262	-	-
(Over)/under provision from prior year	(22,349)	(1,213,327)	3,353	170,601
Foreign tax	49,479	2,686,215	26,886	1,367,959
	32,366	**1,757,150**	**30,239**	**1,538,560**

The current period's income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2012: 17%) to loss before income tax as a result of the following differences:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Accounting loss	**(3,217,573)**	**(174,682,038)**	**(3,508,538)**	**(178,514,414)**
Income tax benefit at statutory rate	(546,987)	(29,695,924)	(596,451)	(30,347,427)
Exempt income	560,751	30,443,172	519,778	26,446,305
Non-taxable income	(3,537)	(192,024)	-	-
Deferred tax asset not recognised	-	-	76,673	3,901,122
(Over)/Underprovision from prior year	(22,349)	(1,213,327)	3,353	170,601
Foreign tax	49,479	2,686,214	26,886	1,367,959
Others	(4,991)	(270,961)	-	-
	32,366	**1,757,150**	**30,239**	**1,538,560**

The company was awarded Maritime Sector Incentive- Approved International Shipping Enterprise Status on 1 April 2012 for a period of 10 years. Profits from qualifying shipping activities will be exempted from income tax under the provision of Section 13A and 13F of the Singapore Income Tax Act.

The company's permanent establishment in Australia has no provision for income tax in view of the loss during the current financial year.

21. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Greatship Global Offshore Services Pte. Ltd., a company incorporated in Singapore, which is a subsidiary of Greatship Global Holdings Ltd, a company incorporated in the Republic of Mauritius.

Greatship Global Holdings Ltd. is wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India, both are intermediate holding companies.

The ultimate holding company is The Great Eastern Shipping Co. Ltd., a company incorporated in India, which is the parent company of Greatship (India) Limited.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the company had transactions with the immediate holding company and related companies on terms agreed between them with respect to the following during the financial year.

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Charter hire income from:				
- Intermediate holding company	8,065,800	437,892,282	1,698,032	86,395,868
- Subsidiary	1,782,974	96,797,658	8,037,000	408,922,560

	2013 US $	2013 ₹	2012 US $	2012 ₹
Charter hire expenses paid to:				
- Intermediate holding company	1,019,049	55,324,170	5,587,894	284,312,047
- Immediate holding company	20,749,951	1,126,514,840	22,035,478	1,121,165,121
Reimbursement of bunker costs paid to:				
- Intermediate holding company	103,471	5,617,441	195,758	9,960,167
- Immediate holding company	66,313	3,600,133	358,962	18,263,987
- Subsidiary	193,236	10,490,782	-	-
- Related company	1,193,897	64,816,668	299,947	15,261,303
Reimbursement of bunker cost received from:				
- Intermediate holding company	390,043	21,175,434	198,380	10,093,574
- Immediate holding company	535,712	29,083,804	-	-
- Subsidiary	-	-	77,832	3,960,092
Reimbursement of expenses received from:				
- Intermediate holding company	3,014	163,630	5,731	291,593
- Immediate holding company	68,387	3,712,730	-	-
Reimbursement of expenses paid to:				
- Intermediate holding company	24,130	1,310,018	-	-
- Immediate holding company	28,983	1,573,487	144,778	7,366,305
- Subsidiary	144,668	7,854,026	-	-
- Related company	67,947	3,688,843	-	-
Interest on loans from a subsidiary	74,795	4,060,621	265,901	13,529,043
Debit notes raised for recovery of expenses by related company	11,022,063	598,387,800	6,180,881	314,483,225
Debit notes raised for recovery of expenses to immediate holding company	1,438,351	78,088,076	998,370	50,797,066
Apportionment of administrative expenses paid by:				
- Immediate holding company	-	-	70,979	3,611,412
- Subsidiary	-	-	44,580	2,268,230
Loans from immediate holding company	-	-	2,000,000	101,760,000
Loans to subsidiary	-	-	3,000,000	152,640,000
Professional fee paid to a director	321,135	17,434,419	304,528	15,494,385

(b) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly including any director (whether executive or otherwise) of the company.

Except as disclosed elsewhere in the financial statements, there is no other compensation of key management personnel during the year.

23. OPERATING LEASE COMMITMENT

(i) Operating lease commitments - where a company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities, are as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Due within one year	11,757,500	638,314,675	30,822,500	1,568,248,800
Due within two to five years	-	-	15,407,500	783,933,600
	11,757,500	**638,314,675**	**46,230,000**	**2,352,182,400**

Operating lease payments represent rentals payable by the company for charter hire. The leases have varying terms and renewal rights.

(ii) Operating lease commitments - where a company is a lessor

At the end of the reporting period, the future minimum lease receipts of the company under non-cancellable operating leases contracted but not recognised as receivables are as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Due within one year	23,990,504	1,302,444,462	11,845,750	602,711,760
Due within two to five years	6,475,000	351,527,750	5,180,000	263,558,400
	30,465,504	**1,653,972,212**	**17,025,750**	**866,270,160**

24. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

(a) Market risk

(i) Foreign currency risk

The company is subject to currency exposure with respect to the Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The company do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions.

The company's currency exposure to Singapore dollars is as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Financial asset				
Cash and cash equivalents	221,906	12,047,277	92,881	4,725,785
Trade receivables	4,769	258,909	9,799	498,573
	226,675	**12,306,186**	**102,680**	**5,224,358**
Financial liabilities				
Trade payables	(4,169)	(226,335)	(39,186)	(1,993,784)
Other Payables	(135,173)	(7,338,542)	(77,162)	(3,926,002)
	(139,342)	**(7,564,877)**	**(116,348)**	**(5,919,786)**
Net currency exposure	**87,333**	**4,741,309**	**(13,668)**	**(695,428)**

At 31 March 2013, an estimated 1% (2012: 1%) currency fluctuation in Singapore dollar respectively against the United States dollar, with all other variables including tax rate being held constant, the company's loss after tax for the financial year would have been lower/higher by approximately US$ 870 (₹ 47,232) [2012 : US$ 135 (₹ 6,869)] as result of currency translation.

(ii) Interest rate risks

In 2012, the company's exposure to interest rate risk arises from loans receivable from its subsidiary (Note 10).

The company's policy is to obtain the most favourable interest rates available. The company constantly reviews its debt portfolio and monitors changes in interest rate environment to ensure that interest payments are within acceptable levels.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are bank balances and trade receivables. For banks and financial institutions, deposits are placed with regulated banks. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The significant trade receivables of the company comprise 4 debtors (2012: 3 debtors) that represent 100% (2012: 100%) of the total receivables.

The ageing analysis for the trade receivables of the company as at end of the reporting period is as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Not due	4,602,874	249,890,030	8,185,017	416,453,665
Due for less than 30 days	1,038,500	56,380,165	4,071,206	207,142,961
Due for 31 to 180 days	1,209,911	65,686,068	3,546,759	180,459,098
Due for more than 180 days	-	-	2,584,156	131,481,857
	6,851,285	**371,956,263**	**18,387,138**	**935,537,581**

Financial assets that are neither past due nor impaired

The company s trade receivables that are neither past due nor impaired amounted to US$ 4,602,874 (₹ 249,890,029) {2012: US$ 8,185,017 (₹ 416,453,665)}.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

(c) Liquidity risk

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company s operations and mitigate effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table represents interest and principal cash flows.

	On demand or within 1 year			
	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Trade payables	11,056,060	600,233,497	21,687,880	1,103,479,334
Other payables	2,441,173	132,531,282	77,162	3,926,002
Loans from immediate holding company	-	-	8,000,000	407,040,000
	13,497,233	**732,764,779**	**29,765,042**	**1,514,445,336**

(d) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and loans from immediate holding company on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(e) Categories of financial instruments

The following table sets out the company s financial instruments as at the end of the reporting period:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Financial assets				
Loans and receivables:				
Cash and cash equivalents	2,427,847	131,807,814	3,139,011	159,712,879
Trade receivables	6,851,285	371,956,263	18,387,138	935,537,581
Other receivables	21,113	1,146,225	1,800	91,584
Financial liabilities				
Amortised cost:				
Trade payables	11,056,060	600,233,497	21,687,880	11,034,793,344
Other payables	2,441,173	132,531,282	77,162	3,926,002
Loans from immediate holding company	-	-	8,000,000	407,040,000

25. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital. The company has no external borrowings. The management sets the amount of capital in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Operating cash flows are used to maintain and expand the company, as well as to make routine outflows of tax and dividend payments.

The company is not subject to externally imposed capital requirements.

26. STANDARD ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that are relevant to the company was issued but not yet effective.

Description	***Effective for annual periods beginning on or after***
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

The company expects the adoption of the above standard will have no financial effect on the financial statements in the period of initial application.

GREATSHIP SUBSEA SOLUTIONS AUSTRALIA PTY LIMITED

A Subsidiary Company

DIRECTORS	Christopher Eastwell, Managing Director Alok Mahajan P. R. Naware Tapas Icot Christopher Tapley
REGISTERED OFFICE	40 Churchill Avenue Subiaco, WA 6008
REGISTERED NUMBER	ABN 74 145 824 835
AUDITORS	William Buck Audit (WA) Pty Ltd Level 3, South Shore Centre, 83 South Perth Esplande, South perth WA 6151

Directors' Report

Your directors have pleasure in presenting the third report on the Company for the year ended 31 March 2013 The Board of Directors at any time during, or since the end of the year are:

Mr Christopher Eastwell, Managing Director

Mr Alok Mahajan

Mr P. R. Naware

Mr. Tapas Icot

Mr. Christopher Tapley

Mr. Christopher Eastwell, Managing Director tendered his resignation on January 9, 2013. His resignation is being dealt with in accordance with the terms of his appointment.

Review of Operations

The Company was incorporated as a wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte Ltd. The Company was incorporated in 2010 with an intention to provide subsea services in Australia. For the year ended 31 March 2013, the Company recorded a profit of US $ 9,545,230 (₹ 518,210,536), after providing for income tax.

Significant Changes in the State of Affairs

During the period under review, the Company did not have any significant business operations. The Company stands dormant at the end of the year.

Principal Activities

During the first quarter of the year under review, the Company conducted short term projects in the subsea space in Australia and for the balance period of the year under review, the Company did not have any operations.

Events Subsequent to the End of the Reporting Period

Subsequent to the end of the year under review, the Board of Directors of the Company have approved the proposal to make an application to the Australian Securities & Investments Commission to deregister the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid during the year and no recommendation is made as to the dividends.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of the option over unissued Shares.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

During the year under review, the Company had initiated legal proceedings to recover dues from one of its clients. The said legal proceedings were resolved and all dues were recovered by the Company during the year.

There are no legal proceedings pending at the end of the year to which the Company is a party

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out below

Signed in accordance with a resolution of the Board of Directors:

Mr. Christopher Eastwell
Director

Mr. Alok Mahajan
Director

Dated this 12 April 2013

Auditor s Independence

DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF GREATSHIP SUBSEA SOLUTIONS AUSTRALIA PTY LTD

I declare that, to the best of my knowledge and belief, during the financial year ended 31 March 2013 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck Audit (WA) Pty Ltd.
ABN 67 125 012 124
Registered Company Auditor No: 339150

Stephen K. Breihl
Director

Dated this 12th day of April, 2013

Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Revenue		13,123,696	712,485,456	45,045,631	2,291,921,702
Cost of sales		(8,942,040)	(485,463,352)	(48,508,979)	(2,468,136,831)
Gross profit/(loss)		**4,181,656**	**227,022,104**	**(3,463,348)**	**(176,215,129)**
Other Income / (expenses)	2	107,190	5,819,345	(727,229)	(37,001,426)
Marketing expenses		(3,463)	(188,006)	(63,373)	(3,224,420)
Administrative expenses		(1,822,311)	(98,933,264)	(4,941,757)	(251,436,589)
Waiver of Intercompany Loan		5,000,000	271,450,000	-	-
Waiver of trade payables to related company		2,156,953	117,100,978	-	-
Finance costs interest on loan from immediate holding company		(74,795)	(4,060,621)	(265,901)	(13,529,054)
Profit/(Loss) before income tax	3	**9,545,230**	**518,210,536**	**(9,461,608)**	**(481,406,618)**
Income tax expense	4	-	-	-	
Profit/(Loss) for the year		**9,545,230**	**518,210,536**	**(9,461,608)**	**(481,406,618)**
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year, attributable to members of the Company		**9,545,230**	**518,210,536**	**(9,461,608)**	**(481,406,618)**

The accompanying notes form part of these financial statements

Statement of Financial Position

AS AT 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS					
CURRENT ASSETS					
Cash at bank and on hand		790,889	42,937,364	2,727,175	138,758,641
Trade and other receivables	7	9,877	536,222	13,719,716	698,059,134
Inventories	6	-	-	544,479	27,703,095
Other current assets	8	-	-	190,503	9,692,813
TOTAL CURRENT ASSETS		**800,766**	**43,473,586**	**17,181,873**	**874,213,683**
NON-CURRENT ASSETS					
Plant and equipment	9	42,278	2,295,273	103,642	5,273,310
TOTAL NON-CURRENT ASSETS		**42,278**	**2,295,273**	**103,642**	**5,273,310**
TOTAL ASSETS		**843,044**	**45,768,859**	**17,285,515**	**879,486,993**
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10 & 11	440,070	23,891,346	21,427,770	1,090,244,914
TOTAL CURRENT LIABILITIES		**440,070**	**23,891,346**	**21,427,770**	**1,090,244,914**
NON-CURRENT LIABILITIES					
Borrowing	12	-	-	5,000,000	254,400,000
TOTAL NON-CURRENT LIABILITIES		**-**	**-**	**5,000,000**	**254,400,000**
TOTAL LIABILITIES		**440,070**	**23,891,346**	**26,427,770**	**1,344,644,914**
NET LIABILITIES		**402,974**	**21,877,513**	**(9,142,255)**	**(465,157,921)**
EQUITY					
Issued capital	13	2,800,050	152,014,715	2,800,050	142,466,544
Accumulated losses		(2,397,075)	(130,137,202)	(11,942,305)	(607,624,465)
TOTAL EQUITY		**402,975**	**21,877,513**	**(9,142,255)**	**(465,157,921)**

The accompanying notes form part of these financial statements

Statement of Changes in Equity

AS AT 31 MARCH 2013

	Ordinary Share Capital		Accumulated Losses		Total	
	US $	₹	US $	₹	US $	₹
Balance as on April 1, 2011	2,800,050	124,854,230	(2,480,697)	(110,614,280)	319,353	14,239,950
Foreign translation difference	-	17,612,315	-	(15,603,567)	-	2,008,747
Total comprehensive loss for the year	-	-	(9,461,608)	(481,406,618)	(9,461,608)	(481,406,618)
Balance as on March 31, 2012	**2,800,050**	**142,466,544**	**(11,942,305)**	**(607,624,465)**	**(9,142,255)**	**(465,157,921)**
Balance as on April 1, 2012	2,800,050	142,466,544	(11,942,305)	(607,624,465)	(9,142,255)	(465,157,921)
Foreign translation difference	-	9,548,171	-	(40,723,273)	-	(31,175,102)
Total comprehensive profit for the year	-	-	9,545,230	518,210,536	9,545,230	518,210,536
Balance as on March 31, 2013	**2,800,050**	**152,014,715**	**(2,397,075)**	**(130,137,202)**	**402,975**	**21,877,513**

The accompanying notes form part of these financial statements

Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2013

	2013 US $	2013 ₹	2012 US $	2012 ₹
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	30,285,277	1,644,187,688	33,246,765	1,691,595,403
Payments to suppliers and employees	(32,251,198)	(1,750,917,539)	(35,032,441)	(1,782,450,598)
Interest received	29,634	1,608,884	46,657	2,373,885
Net cash used in operating activities	**(1,936,286)**	**(105,120,967)**	**(1,739,019)**	**(88,481,310)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for plant and equipment	-	-	(100,052)	(5,090,646)
Net cash used in investing activities	**-**	**-**	**(100,052)**	**(5,090,646)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issuance	-	-	-	-
Proceeds from borrowing	-	-	3,000,000	152,640,000
Net cash provided by financing activities	**-**	**-**	**3,000,000**	**152,640,000**
Net (decrease)/increase in cash held	(1,936,286)	(105,120,967)	1,160,929	59,068,044
Foreign translation difference	-	9,299,690	-	9,851,688
Cash at bank and on hand at beginning of the year	2,727,175	138,758,641	1,566,246	69,838,909
Cash at bank and on hand at end of the year	**790,889**	**42,937,364**	**2,727,175**	**138,758,641**

The accompanying notes form part of these financial statements

Notes to the Financial Statements

FOR THE YEAR ENDED 31 MARCH 2013

Greatship Subsea Solutions Australia Pty Ltd (the Company) is a Company limited by shares, incorporated and domiciled in Australia. This financial report covers the Company as an individual entity

Note 1: Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

As explained in Note 1 (p), the Company has not undertaken any projects since June 2012 and subsequent to 31 March 2013, the company s Board of Directors has decided to de-register the Company. The financial statements have been prepared on a basis other than that of a going concern which includes, where appropriate, writing down the company s assets to net realisable value. Provision has also been made for any contractual commitments and liabilities that have become onerous as at 31 March 2013.

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The financial statements are presented in United States dollars (US$), which is the Company s functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated at foreign exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity otherwise the exchange difference is recognised in the statement of comprehensive income

(c) Plant & Equipment

Plant and equipment includes Computers, Computer software and Furniture and Fittings which are measured on the cost basis less depreciation and impairment losses.

The carrying amount of all fixed asset is reviewed annually by the director to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant & equipment is depreciated on a straight line basis over the asset s useful life. The useful lives for each class of depreciable assets are:

Class of Fixed Asset	
Computers & Computer Software	3 years
Furniture and fittings	5 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting period, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to he asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs .

(e) Financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

(f) Employee Benefits

Provision is made for the Company s liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(g) Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable and represent amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The Company recognises revenue when the amounts of revenue and related costs can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Company s activities are met as follows:

(1) Charter income is recognised over the lives of time charter agreements. At the periodend, revenue and costs in relation to the uncompleted portion of a voyage is deferred and recognised in the subsequent accounting period

(2) Interest income is recognised on time proportionate basis.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(k) Income Tax

The income tax expense (benefit) for the year would comprise of current income tax expense (benefit) and deferred tax expense (benefit). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority,

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are off-set where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(l) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. The directors are of the opinion that any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements.

(o) Inventories

Inventories are measured at the lower of cost and net realisable value. The costs are assigned on a weighted average basis.

(p) Going Concern

Since June 2012, the Company has not undertaken any projects due to reduced demand within the Australia subsea sector for the services offered by the company. As a result, the company ceased its operations, the vessel (Greatship Mamta) was returned to immediate holding company. As disclosed in Note 19, subsequent to 31 March 2013, the company s Board of Directors has approved the proposal to make an application to the Australia Securities & Investment Commission to de-register the Company.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued the following Accounting Standard which is mandatorily applicable for future reporting periods and is relevant to the company. The company has decided not to early adopt this Accounting Standard. The Company s assessment of this accounting standard is set out as below

AASB 2011-9: Amendments to Australian Accounting Standards - Presentation to Items of Other Comprehensive income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 1049] (applicable for annual reporting periods commencing on or after 1 July 2012.)

The main change arising from this Standard is the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently

The Standard affects presentation only and is therefore not expected to significantly impact the company.

(r) Adoption of New and Revised Accounting Standards

During the current year, the Company has adopted all of the new and revised Australian Accounting Standards and interpretations applicable to its operations which became mandatory. The adoption of the standards has not significantly impacted the recognition, measurement and disclosure of the transactions of the Company and its financial statements for the financial year ended 31 March 2013.

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 2: Other (Income) / Expenses				
Miscellaneous income	(144,668)	(7,854,026)	(1,043)	(53,068)
Foreign exchange Loss / (Gain)	75,766	4,113,336	774,929	39,428,400
Interest income on cash at bank	(38,288)	(2,078,655)	(46,657)	(2,373,906)
	(107,190)	**(5,819,345)**	**727,229**	**37,001,426**
Note 3: Pofit/(Loss) before Income Tax				
Loss before income tax includes the following specific expenses:				
Auditor s remuneration for auditing the financial statements	6,500	352,885	30,000	1,526,400
Depreciation charges of plant and equipment	35,979	1,953,300	33,091	1,683,670
Employee benefits expenses				
- accumulated contribution superannuation funds	77,456	4,205,086	514,963	26,201,317
Reversal of Bonus	(366,562)	(19,900,651)	-	-
Rental expenses on operating leases	183,322	9,952,551	271,555	13,816,718
Note 4: Income Tax				
The Company does not have any current income tax liabilities for the current financial year. The prima facie tax on profit/(loss) before income tax is reconciled to income tax as follows:				
Prima facie tax expense/(benefit) before income tax at 30%	2,863,569	155,463,161	(2,838,482)	(144,421,964)
Tax effect of non-deductible items	3,405,123	184,864,128	2,051,889	104,400,112
Tax effect of non-taxable items	(3,820,268)	(207,402,350)	(3,090,323)	(157,235,634)
Tax effect of (utilised)/unrecognised losses	(2,448,424)	(132,924,939)	3,876,916	197,257,486
Income tax expense	-	-	-	-

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policy of Note 1(k), are unutilised tax losses of $943,858. (₹ 51,242,051)

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 5: Key Management Personnel Compensation				
The total Remuneration entitlement to key personnel of the Company are as follows:				
Short Term employee benefits	417,148	22,646,965	418,564	21,296,536

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 6: Inventories				
Finished Goods / Consumables, at Cost	-	-	544,479	27,703,095
Note 7: Trade and Other Receivables				
Trade receivables third party	-	-	13,719,716	698,059,134
Other Receivables	9,877	536,222	-	-
	9,877	**536,222**	**13,719,716**	**698,059,134**

Credit risk

The Company has no residual credit risk.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount		Past due but Not Impaired (Days Overdue)				Within Initial Trade Terms	
			<30		>31			
As at 31 March 2013	**US $**	**₹**	**US $**	**₹**	**US $**	**₹**	**US $**	**₹**
Trade Receivables	-	-	-	-	-	-	-	-
Other Receivables	9,877	536,222	-	-	-	-	9,877	536,222
Total	**9,877**	**536,222**	**-**	**-**	**-**	**-**	**9,877**	**536,222**

	Gross Amount		Past due but Not Impaired (Days Overdue)				Within Initial Trade Terms	
			<30		>31			
As at 31 March 2012	US $	₹	US $	₹	US $	₹	US $	₹
Trade Receivables	13,719,716	698,059,134	3,340,563	169,967,830	126,563	6,439,526	10,252,590	521,651,779
Other Receivables	-	-	-	-	-	-	-	-
Total	**13,719,716**	**698,059,134**	**3,340,563**	**169,967,830**	**126,563**	**6,439,526**	**10,252,590**	**521,651,779**

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 8: Other Current Assets				
Deposits	-	-	132,967	6,765,361
Prepayments	-	-	57,536	2,927,407
	-	**-**	**190,503**	**9,692,813**

Note 9: Plant and Equipment

Movement in the carrying amounts of each class of plant and equipment for the financial year ended 31 March 2012 and financial year ended 31 March 2013 are as follows:

	Furniture & Fittings		Computers and Computer Software		Total	
	US $	₹	US $	₹	US $	₹
Cost						
Carrying amount at 1 April 2011	10,103	450,493	33,899	1,511,556	44,002	1,962,049
Additions during the year	34,582	1,759,532	65,470	3,331,114	100,052	5,090,646
Foreign translation difference	-	63,548	-	213,230	-	276,773
Balance at end of the year	44,685	2,273,573	99,369	5,055,900	144,054	7,329,473
Accumulated Depreciation						
Carrying amount at 1 April 2011	842	42,841	6,479	329,652	7,321	372,492
Depreciation charge for the year	5,466	278,110	27,625	1,405,560	33,091	1,683,670
Foreign translation difference	-	-	-	-	-	-
Balance at end of the year	6,308	320,951	34,104	1,735,212	40,412	2,056,163
Carrying amount at 31 March 2012	38,377	1,952,622	65,265	3,320,688	103,642	5,273,310
Cost						
Carrying amount at 01 April 2012	44,685	2,273,573	99,369	5,055,900	144,054	7,329,473
Write-off during the year	(30,462)	(1,653,782)	-	-	(30,462)	(1,653,782)
Foreign translation difference	-	152,376	-	338,848	-	491,224
Balance at end of the year	14,223	772,167	99,369	5,394,743	113,592	6,166,910
Accumulated Depreciation						
Carrying amount at 01 April 2012	6,308	320,951	34,104	1,735,212	33,933	2,056,163
Depreciation charge for the year	4,875	264,664	31,104	1,688,636	35,979	1,953,300
Write-off during the year	(5,077)	(275,630)	-	-	(5,077)	(275,630)
Foreign translation difference	-	21,510	-	116,294	-	137,804
Balance at end of the year	6,106	331,495	65,208	3,540,142	64,835	3,871,637
Carrying amount at 31 March 2013	8,117	440,672	34,161	1,854,601	42,278	2,295,273

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 10: Trade Payables				
Trade payables Entities subject to common control	-	-	14,404,996	732,926,196
Third Parties	440,070	23,891,346	6,058,971	308,280,442
	440,070	23,891,346	20,463,967	1,041,206,638

During the year, trade payables to a related company of US$ 2,156,953 (₹ 117,100,978) was waived off.

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 11: Other Payables				
Other accruals	-	-	963,803	49,038,276
Note 12: Borrowing				
Non-current loan from immediate holding company	-	-	5,000,000	254,400,000
During the year, the non-current loan from immediate holding company of US$5,000,000 (₹ 271,450,000) was waived off.				
Note 13: Share Capital				
a) Issued Capital: 2,800,050 fully paid ordinary shares	2,800,050	152,014,715	2,800,050	142,466,544

b) Capital Management

The Company s debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Company s capital by assessing the Company s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Company since the prior period The gearing ratios for the year ended 31 March 2013 and 31 March 2012 are as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Total Borrowings	-	-	5,000,000	254,400,000
Trade and other payables	440,070	23,891,346	21,427,770	1,090,244,914
Less Cash at bank and on hand	(790,889)	(42,937,364)	(2,727,175)	(138,758,641)
Net debt	(350,819)	(19,046,018)	23,700,595	1,205,886,273
Total Equity	402,975	21,877,513	(9,142,255)	(465,157,921)
Total Capital	**52,156**	**2,831,495**	14,558,341	740,728,352
	0%	0%	163%	163%

	2013 US $	2013 ₹	2012 US $	2012 ₹
Note 14: Operating Lease Commitments				
Non Cancellable Operating lease contracted for but not capitalised in the financial statements				

	2013 US $	2013 ₹	2012 US $	2012 ₹
Payable minimum lease payments:				
within 12 months	31,135	1,690,319	84,493	4,299,004
between 1 to 5 years	-	-	-	-
	31,135	**1,690,319**	84,493	4,299,004

The property lease is a non cancellable lease with a one-year term expiring on 15 July 2013 with rent payable monthly.

Note 15: Cash Flow Information

	2013 US $	2013 ₹	2012 US $	2012 ₹
Reconciliation of Cash Flow from Operations with profit/(loss) after Income Tax				
Profit/(loss) after income tax	9,545,230	518,210,536	(9,461,608)	(481,406,618)
Non-cash flows in loss - Depreciation	35,979	1,953,300	33,091	1,683,694
Waiver of intercompany loan	(5,000,000)	(271,450,000)	-	-
Changes in asset and liabilities				
(Increase) / decrease in trade and other receivables	13,709,839	744,307,159	(11,798,866)	(600,326,286)
(Increase) / decrease in other current assets	734,982	39,902,173	(577,972)	(29,407,240)
Increase / (decrease) in trade creditors	(20,962,316)	(1,138,044,135)	20,066,336	1,020,975,140
Net cash used in operating activities	**(1,936,286)**	**(105,120,967)**	**(1,739,019)**	**(88,481,310)**

Note 16: Events After Balance Sheet Date

At the date of this report, the directors are not aware of any material events not disclosed elsewhere in this report.

Note 17: Related Party Transactions

The Company s main related parties are as follows:

(a) Entities exercising control over the Company :

The immediate holding entity, which exercises control over the Company is Greatship Subsea Solutions Singapore Pte Ltd.

(b) Entity Subject to Common Control :

The entity subject to common control is Greatship Global Offshore Management Services Pte Ltd. which is a subsidiary of Greatship Global Offshore Services Pte Ltd, the Parent Company of Greatship Subsea Solutions Singapore Pte Ltd.

(c) Key management personnel :

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company is considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 5: Key Management Personnel Compensation.

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Reimbursement of Costs				
Entity subject to common control (Greatship Global Offshore Management Services Pte Ltd)	144,668	7,854,026	718,689	36,566,895
Purchase of goods and services				
Entity subject to common control (Greatship Global Offshore Management Services Pte Ltd)	3,050,619	165,618,106	17,139,971	872,081,717
Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	2,156,953	117,100,978	8,037,000	408,922,560
Loan advanced to the Company (including interest expense)				
Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	-	-	3,265,901	166,169,054

Note 18: Financial Risk Management

The Company's financial instruments consist primarily of deposits with banks, accounts receivable and payable and loans from immediate holding company. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Financial assets				
Cash at bank and on hand	790,889	42,937,364	2,727,175	138,758,641
Receivables	9,877	536,222	13,719,716	698,059,134
Total financial assets	**800,766**	**43,473,586**	**16,446,890**	**836,817,775**
Financial liabilities				
Financial liabilities at amortised cost:				
-trade and other payables	440,070	23,891,346	21,427,770	1,090,244,914
-borrowings	-	-	5,000,000	254,400,000
Total financial liabilities	**440,070**	**23,891,346**	**26,427,770**	**1,344,644,914**

Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and foreign currency risk.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the date of invoice.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Details with respect to credit risk of trade and other receivables are provided in Note 7. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 7.

Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk by obtaining financial support from its immediate holding company and by preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities as at 31 March 2013 and 31 March 2012.

	Within 1 year		1 to 5 years		Total	
As at 31 March 2013	**US $**	**₹**	**US $**	**₹**	**US $**	**₹**
Financial liabilities due for payment						
Trade and other payables	440,070	23,891,346	-	-	440,070	23,891,346
Loan from immediate holding company	-	-	-	-	-	-
Total expected outflows	**440,070**	**23,891,346**	**-**	**-**	**440,070**	**23,891,346**
Financial assets - cash flow realizable						
Cash at bank and on hand	790,889	42,937,364	-	-	790,889	42,937,364
Inventory	-	-	-	-	-	-
Trade and other receivables	9,877	536,222	-	-	9,877	536,222
Total anticipated inflows	**800,766**	**43,473,640**	**-**	**-**	**800,766**	**43,473,640**
Net (outflow)/inflow on financial instruments	**360,696**	**19,582,240**	**-**	**-**	**360,696**	**19,582,240**

As at 31 March 2012	Within 1 year US $	₹	1 to 5 years US $	₹	Total US $	₹
Financial liabilities due for payment						
Trade and other payables	21,427,770	1,090,244,914	-	-	21,427,770	1,090,244,914
Loan from immediate holding company	-	-	5,000,000	254,400,000	5,000,000	254,400,000
Total expected outflows	**21,427,770**	**1,090,244,914**	**5,000,000**	**254,400,000**	**26,427,770**	**1,344,644,914**
Financial assets - cash flow realizable						
Cash at bank and on hand	2,727,175	138,758,641	-	-	2,727,175	138,758,641
Trade and other receivables	13,719,716	698,059,134	-	-	13,719,716	698,059,134
Total anticipated inflows	**16,446,891**	**836,817,775**	**-**	**-**	**16,446,891**	**836,817,775**
Net (outflow)/inflow on financial instruments	**(4,980,879)**	**(253,427,139)**	**(5,000,000)**	**(254,400,000)**	**(9,980,879)**	**(507,827,139)**

Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(ii) Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the US$ functional currency of the Company. To manage the currency risk, management closely monitors the movement in foreign exchange rates.

The following table shows the foreign currency risk on the financial assets and financial liabilities of the Company s operations denominated in currencies other than the functional currency of the operations.

	Net Financial Assets/(Liabilities)					
As at 31 March 2013	AU $	₹	US $	₹	Total	₹
Financial assets						
Cash at bank and on hand	760,450	42,937,364	-	-	760,450	42,937,364
Trade and other receivables	9,440	536,222	-	-	9,440	536,222
	769,890	**43,473,586**	**-**	**-**	**769,890**	**43,473,586**
Financial liabilities						
Trade and other payables	440,070	23,891,346	-	-	440,070	23,891,346
Borrowing	-	-	-	-	-	-
	440,070	**23,891,346**	**-**	**-**	**440,070**	**23,891,346**
Net financial assets/(liabilities)	329,820	19,582,240	-	-	329,820	19,582,240
Add: Net non-financial assets	40,411	2,295,273	-	-	40,411	2,295,273
Net assets	**370,231**	**21,877,513**	**-**	**-**	**370,231**	**21,877,513**

Sensitivity Analysis

The following table illustrates sensitivity to the Company s exposure to changes in exchange rates and it indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the exchange rate that management considers to be reasonably possible. This sensitivity assumes that the movement in a particular variable is independent of other variables.

	Profit		Equity	
	US $	₹	US $	₹
+/- 2% in AUD/USD	+/-7,405	+/-402,017	+/-7,405	+/-402,017

Net Fair Values

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm s length transaction.

Note 19 : Events subsequent to the End of the Reporting Period

Subsequent to the end of the year under review, the Board of Directors of the Company have approved the proposal to make an application to the Australian Securities & Investments Commission to deregister the Company.

Note 20: Company Details

The registered office of the Company is:

40 Churchill Avenue

Subiaco, WA 6008

The principal place of business is:

27 Barker Street

Belmont WA 6104

Directors Declaration

In accordance with a resolution of the directors of Greatship Subsea Solutions Australia Pty Ltd, the directors of the Company declare that:

1. The financial statements and notes, as set out on pages 1 to 26, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   (b) give a true and fair view of the financial position as at 31 March 2013 and of the performance for the year ended on that date of the company

2. In the director s opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr. Christopher Eastwell
Director

Mr. Alok Mahajan
Director
Dated this 12 April 2013

Independent Auditor s Report

TO THE MEMBERS OF GREATSHIP SUBSEA SOLUTIONS AUSTRALIA PTY LTD

Report on the Financial Report

We have audited the accompanying financial report of Greatship Subsea Solutions Australia Pty Ltd (the Company), which comprises the statement of financial position as at 31 March 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards and that the financial statements have been prepared on the basis other than that of a going concern which includes, where appropriate, writing down the company s assets to the net realizable value.

Auditors Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor s judgement, including the assessment of the risk of material misstatement of financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity s preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

a) the financial report of Greatship Subsea Solutions Australia Pty Ltd is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the company s financial position as at 31st March 2013 and of its performance for the year ended on that date; and

   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

William Buck Audit (WA) Pty Ltd
ABN: 67 125 012 124
Registered Company Auditor No: 339150

Stephen K. Breihl
Director
Dated this 12th day of April, 2013.

GREATSHIP (UK) LIMITED

A Subsidiary Company

DIRECTORS	M J Brace A A Mahajan
REGISTERED OFFICE	The Galleries Charters Road Sunningdale Ascot Berkshire SL5 9QJ
REGISTERED NUMBER	07423610 (England and Wales)
AUDITORS	Davis Burton Sellek Chartered Accountants Statutory Auditors The Galleries Charters Road Sunningdale Berkshire SL5 9QJ

Report of the Directors

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report with the financial statements of the company for the year ended 31 March 2013.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operating offshore supply and support vessels.

REVIEW OF BUSINESS

The results for the year and the financial position of the Company are shown in the annexed financial statements. The Company recorded a profit of US$ 980,559 (₹ 53,234,548) for the year ended March 31, 2013 as compared to a loss of US$ 765,172 (₹ 38,931,951) for the previous year ended March 31, 2012.

During the year under review, the business operations of the Company settled down. The positive turnaround in the overall financial performance of the Company is broadly attributable to the high operating efficiency coupled with favourable exchange rate. The gross profit margin changed from -2.41% in the year ended March 31, 2012 to 5.62% for the year ended March 31, 2013.

The operation challenges like availability of local crew, unpredictable operational expenditures and contract specific issues will persist as the Company moves into the third year of operations.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2013.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2012 to the date of this report.

M J Brace
A A Mahajan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently;

make judgements and accounting estimates that are reasonable and prudent;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Davis Burton Sellek, will continue as the Auditors of the Company for the forth coming year.

On behalf of the Board

M J Brace - Director
Date : 29th April 2013

Report of the Independent Auditors

TO THE MEMBERS OF GREATSHIP (UK) LIMITED

We have audited the financial statements of Greatship (UK) Limited for the year ended 31 March 2013 on pages six to twelve. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or

the financial statements are not in agreement with the accounting records and returns; or

certain disclosures of directors' remuneration specified by law are not made; or

we have not received all the information and explanations we require for our audit.

Dawn O'Leary CA (Senior Statutory Auditor)
for and on behalf of Davis Burton Sellek
Chartered Accountants
Statutory Auditors
The Galleries
Charters Road, Sunningdale
Berkshire, SL5 9QJ

Date : 30th April 2013

Profit and Loss Account

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
TURNOVER		**23,275,739**	**1,263,639,870**	**19,874,025**	**1,011,190,392**
Cost of sales		21,968,409	1,192,664,925	20,353,398	1,035,580,890
GROSS PROFIT/(LOSS)		**1,307,330**	**70,974,946**	**(479,373)**	**(24,390,498)**
Administrative expenses		286,364	15,546,703	247,990	12,617,731
OPERATING PROFIT/(LOSS)	3	**1,020,966**	**55,428,243**	**(727,363)**	**(37,008,229)**
Interest payable and similar charges	4	40,407	2,193,696	37,809	1,923,722
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**980,559**	**53,234,548**	**(765,172)**	**(38,931,951)**
Tax on profit/(loss) on ordinary activities	5	-	-	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		**980,559**	**53,234,548**	**(765,172)**	**(38,931,951)**

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

Balance Sheet

31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
CURRENT ASSETS					
Debtors	6	5,536,218	300,561,275	6,015,117	306,049,153
Cash at bank		3,319,821	180,233,082	3,044,807	154,919,780
		8,856,039	**480,794,357**	**9,059,924**	**460,968,933**
CREDITORS					
Amounts falling due within one year	7	8,746,990	474,874,087	5,467,311	278,176,784
NET CURRENT ASSETS		**109,049**	**5,920,270**	**3,592,613**	**182,792,149**
TOTAL ASSETS LESS CURRENT LIABILITIES		109,049	5,920,270	3,592,613	182,792,149
CREDITORS					
Amounts falling due after more than one year	8	-	-	4,464,123	227,134,578
NET ASSETS/(LIABILITIES)		**109,049**	**5,920,270**	**(871,510)**	**(44,342,429)**
CAPITAL AND RESERVES					
Called up share capital	9	500,000	27,145,000	500,000	25,440,000
Profit and loss account	10	(390,951)	(21,224,730)	(1,371,510)	(69,782,429)
SHAREHOLDERS FUNDS	13	**109,049**	**5,920,270**	**(871,510)**	**(44,342,429)**

The financial statements were approved by the Board of Directors on 29th April 2013 and were signed on its behalf by:

M J Brace - Director

The notes form part of these financial statements

Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Net cash inflow from operating activities	1	315,421	17,124,206	1,582,651	80,525,283
Returns on investments and servicing of finance	2	(40,407)	(2,193,696)	(37,809)	(1,923,722)
Increase in cash in the period		**275,014**	**14,930,510**	**1,544,842**	**78,601,561**
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		275,014	14,930,510	1,544,842	78,601,561
Change in net funds resulting from cash flows		**275,014**	**14,930,510**	**1,544,842**	**78,601,561**
Movement in net funds in the period		275,014	14,930,510	1,544,842	78,601,561
Net funds at 1 April		3,044,807	154,919,780	1,499,965	76,318,219
Foreign currency translation difference		-	10,382,792	-	-
Net funds at 31 March		**3,319,821**	**180,233,082**	**3,044,807**	**154,919,780**

The notes form part of these financial statements

Notes to the Cash Flow Statement

FOR THE YEAR ENDED 31 MARCH 2013

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Operating profit/(loss)	1,020,966	55,428,244	(727,363)	(37,008,229)
Intercompany Balance	(298,884)	(16,226,412)	61,614	3,134,920
Decrease/(increase) in debtors	2,335,814	126,811,342	(6,015,117)	(306,049,153)
(Decrease)/increase in creditors	(2,742,475)	(148,888,968)	8,263,517	420,447,745
Net cash inflow from operating activities	**315,421**	**17,124,206**	**1,582,651**	**80,525,283**

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 US $	2013 ₹	2012 US $	2012 ₹
Returns on investments and servicing of finance Interest paid	(40,407)	(2,193,696)	(37,809)	(1,923,722)
Net cash outflow for returns on investments and servicing of finance	**(40,407)**	**(2,186,827)**	**(37,809)**	**(1,923,722)**

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.12 US $	At 1.4.12 ₹	Cash flow US $	Cash flow ₹	Foreign Currency Translation Difference	At 31.3.13 US $	At 31.3.13 ₹
Net cash:							
Cash at bank	3,044,807	154,919,780	275,014	14,930,510	10,382,792	3,319,821	180,233,082
Total	**3,044,807**	**154,919,780**	**275,014**	**14,930,510**	**10,382,792**	**3,319,821**	**180,233,082**

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Turnover comprises of the chartering and operating of offshore supply and support vessels to offshore oil industry clients.

Turnover is valued at a daily rate multiplied by the dates the offshore supply and support vessels were chartered and operated.

Revenue is recognised when the offshore vessels and associated services have been supplied. Revenue is accrued for the last six days of the financial period due to the billing cycle being to 25th of the month.

Deferred tax

No provision for deferred tax is required.

Foreign currencies

The financial statements are stated in U.S. dollars and INR equivalents.

Assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Going Concern

The parent company confirms that it will support the continuing operations of the subsidiary, which includes providing sufficient funding to the company to be able to pay its debts as and when they fall due for payment.

2. STAFF COSTS

All staff costs have been included within General & Administrative costs for the year ended 31st March 2013 and for the year ended 31st March 2012.

The average monthly number of employees during the year was as follows:

	2013	2012
Operational Staff	1	1

3. OPERATING PROFIT/(LOSS)

The operating profit (2012 opening loss) is stated after charging:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Auditors' remuneration	5,369	291,483	6,006	305,585
Auditors remuneration for non audit work	12,073	655,443	13,876	706,011
Directors' remuneration and other benefits etc	-	-	-	-

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Loan interest	40,407	2,193,696	37,809	1,923,722

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2013 nor for the year ended 31 March 2012.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 US $	2013 ₹	2012 US $	2012 ₹
Trade debtors	2,381,395	129,285,935	5,383,440	273,909,427
Amount owed by Parent Company	1,856,915	100,811,915	-	-
Accrued income	314,163	17,055,909	-	-
Prepayments	983,745	53,407,516	631,677	32,139,726
	5,536,218	**300,561,275**	**6,015,117**	**306,049,153**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 US $	2013 ₹	2012 US $	2012 ₹
Trade creditors	6,094,014	330,844,020	5,372,054	273,330,108
Amounts owed to Parent Company	2,619,645	142,220,527	61,614	3,134,920
Other creditors	33,331	1,809,540	33,643	1,711,756
	8,746,990	**474,874,087**	**5,467,311**	**278,176,784**

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 US $	2013 ₹	2012 US $	2012 ₹
Trade creditors	-	-	3,464,123	176,254,578
Amounts owed to Parent Company	-	-	1,000,000	50,880,000
	-	**-**	**4,464,123**	**227,134,578**

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 US $	2013 ₹	2012 US $	2012 ₹
500,000	Ordinary	$1	**500,000**	**27,145,000**	500,000	25,440,000

10. RESERVES

	PROFIT & LOSS ACCOUNT US $	PROFIT & LOSS ACCOUNT ₹
At 1 April 2012	(1,371,510)	(69,782,429)
Profit for the year	980,559	53,234,548
Foreign currency translation difference	-	(4,676,849)
At 31 March 2013	**(390,951)**	**(21,224,730)**

11. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 8 Related Party Disclosures, not to disclose related party transactions with wholly owned subsidiaries within the group.

12. CONTROLLING AND ULTIMATE CONTROLLING PARTY

The controlling party is Greatship (India) Limited, a company incorporated in India, by virtue of its controlling shareholding.

The ultimate controlling party is The Great Eastern Shipping Company Limited, a company incorporated in India.

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 US $	2013 ₹	2012 US $	2012 ₹
Profit/(loss) for the financial year	980,559	53,234,548	(765,172)	(38,931,951)
Net addition/(reduction) to shareholders' funds	980,559	53,234,548	(765,172)	(38,931,951)
Opening shareholders' funds	(871,510)	(44,342,429)	(106,338)	(4,741,611)
Foreign currency translation difference	-	(2,971,849)	-	331,133
Closing shareholders' funds	**109,049**	**5,920,270**	**(871,510)**	**(43,342,429)**

GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS	KSS Kowshik Alok Mahajan Gowri Saminathan
REGISTERED OFFICE	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER	201026128E
AUDITORS	Shanker Iyer & Co.
COMPANY SECRETARIES	Cheng Lian Siang Pathima Muneera Azmi

Directors' Report

The directors present their report to the member together with the audited financial statements of the company for the financial year ended 31 March 2013.

DIRECTORS

The directors of the company in office at the date of this report are:

KSS Kowshik

Alok Mahajan

Gowri Saminathan (Appointed on 13 August 2012)

During the financial year, Ms. Seow Yoke Chan has resigned as a director from the Company with effect from 13 August 2012.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the company a party to any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares in, or debentures of, the company or any other body corporate.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50, none of the directors holding office at the end of the financial year had any interest in the share capital of the company or any related corporations except as detailed below:

	No. of ordinary shares	
	As at 01.04.2012	**As at 31.03.2013**
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Alok Mahajan	732	732

Mr. KSS Kowshik and Mr. Alok Mahajan have been granted Employee Stock Options by Greatship (India) Limited (Intermediate Holding Company).

None of the directors holding office at the end of the financial period had any interest in the debentures of the company or its related corporations.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except for Mr. KSS Kowshik and Mr. Alok Mahajan, who have both encashed in part the Employee Stock Options granted to them by Greatship (India) Limited (Intermediate Holding Company).

SHARE OPTIONS

There were no share options granted during the financial year to subscribe for unissued shares of the company.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the company.

There were no unissued shares of the company under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, Messrs Shanker Iyer & Co., Certified Public Accountants, Singapore, have expressed their willingness to accept re-appointment.

On behalf of the Board

KSS Kowshik
Director

Alok Mahajan
Director

19 April 2013

Statement by Directors

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its results, changes in equity and cash flows for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors authorised these financial statements for issue on 19 April 2013.

On behalf of the directors

KSS Kowshik
Director

Alok Mahajan
Director

19 April 2013

Independent Auditor's Report

TO THE MEMBER OF GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD. (the "company") as set out on pages 7 to 38, which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2013 and of its results, changes in equity and cash flows for the financial year then ended.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

SHANKER IYER & CO.

PUBLIC ACCOUNTANTS AND

CERTIFIED PUBLIC ACCOUNTANTS

Singapore
19 April 2013

Statement of Financial Position

AS AT 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
ASSETS					
Current assets					
Cash and cash equivalent	4	1,572,889	85,392,144	1,490,033	75,812,879
Trade receivables	5	11,989	650,883	6,611,029	336,369,156
Other receivables	6	105,926	5,750,723	84,404	4,294,476
Prepayments		38,501	2,090,219	32,572	1,657,263
		1,729,305	**93,883,969**	**8,218,038**	**418,133,774**
Non-current asset					
Property, plant and equipment	7	2,965	160,970	2,919	148,519
Total assets		**1,732,270**	**94,044,939**	**8,220,957**	**418,282,293**
LIABILITIES					
Current liabilities					
Trade payables	8	955,762	51,888,319	2,571,067	130,815,889
Other payables	9	235,298	12,774,328	121,337	6,173,627
Loans from immediate holding company	10	-	-	4,500,000	228,960,000
Income tax payable		-	-	103,445	5,263,282
Total liabilities		**1,191,060**	**64,662,647**	**7,295,849**	**371,212,798**
NET ASSETS		**541,210**	**29,382,292**	**925,108**	**47,069,495**
SHAREHOLDER'S EQUITY					
Share capital	11	110,000	5,971,900	110,000	5,596,800
Retained profits		431,210	23,410,392	815,108	41,472,695
TOTAL EQUITY		**541,210**	**29,382,292**	**925,108**	**47,069,495**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Comprehensive Income

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Revenue					
Management income		13,418,885	728,511,267	23,231,298	1,182,008,442
Other income	12	-	-	39,029	1,985,796
Total revenue		**13,418,885**	**728,511,267**	**23,270,327**	**1,183,994,238**
Costs and expenses					
Cost of service	13	12,335,022	669,668,344	21,108,356	1,073,993,153
Employee benefits expenses	14	1,188,564	64,527,140	989,131	50,326,985
Depreciation of property, plant and equipment	7	1,767	95,930	1,172	59,631
Other operating expenses	15	277,430	15,061,675	418,793	21,308,188
Total costs and expenses		**13,802,783**	**749,353,089**	**22,517,452**	**1,145,687,957**
(Loss)/Profit before income tax		(383,898)	(20,841,822)	752,875	38,306,281
Income tax expense	16	-	-	(108,038)	(5,496,973)
Total comprehensive (loss)/ income for the year		**(383,898)**	**(20,841,822)**	**644,837**	**32,809,308**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Changes in Equity

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Share capital US $	Share capital ₹	Retained profits US $	Retained profits ₹	Total US $	Total ₹
2013						
Balance as at 1 April 2012	110,000	5,596,800	815,108	41,472,695	925,108	47,069,495
Foreign translation difference	-	375,100	-	2,779,519	-	3,154,619
Total comprehensive income for the year	-	-	(383,898)	(20,841,822)	(383,898)	(20,841,822)
Balance as at 31 March 2013	**110,000**	**5,971,900**	**431,210**	**23,410,392**	**541,210**	**29,382,292**

	Share capital US $	Share capital ₹	Retained profits US $	Retained profits ₹	Total US $	Total ₹
2012						
Balance as at 1 April 2011	110,000	4,904,900	170,271	7,592,384	280,271	12,497,284
Foreign translation difference	-	691,900	-	1,071,003	-	1,762,903
Total comprehensive income for the period	-	-	644,837	32,809,308	644,837	32,809,308
Balance as at 31 March 2012	**110,000**	**5,596,800**	**815,108**	**41,472,695**	**925,108**	**47,069,495**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of Cash Flows

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash Flows From Operating Activities					
(Loss)/Profit before income tax		(383,898)	(20,841,822)	752,875	38,306,280
Adjustment:					
Depreciation of property, plant and equipment	7	1,767	95,930	1,172	59,631
Unrealised foreign exchange gain		(220)	(11,944)	(4,172)	(212,271)
Cash flows before changes in working capital		**(382,351)**	**(20,757,836)**	**749,875**	**38,153,640**
Working capital changes, excluding changes relating to cash:					
Trade receivables		6,599,040	358,261,882	(5,185,043)	(263,814,988)
Other receivables		(21,522)	(1,168,429)	(83,404)	(4,243,596)
Prepayments		(5,929)	(321,885)	(32,572)	(1,657,263)
Trade payables		(1,615,305)	(87,694,908)	1,431,626	72,841,131
Other payables		113,961	6,186,943	51,506	2,620,625
Cash generated from/(used in) operations		**4,687,894**	**254,505,767**	**(3,068,012)**	**(156,100,451)**
Income tax paid		(103,445)	(5,616,029)	(15,830)	(805,430)
Net cash generated from/(used in) operating activities		**4,584,449**	**248,889,738**	**(3,083,842)**	**(156,905,881)**
Cash Flows From Investing Activity					
Purchase of property, plant and equipment	7	(1,813)	(98,428)	(4,091)	(208,150)
Net cash used in investing activity		**(1,813)**	**(98,428)**	**(4,091)**	**(208,150)**
Cash Flows From Financing Activity					
(Repayment to)/Loan from immediate holding company	10	(4,500,000)	(244,305,000)	3,500,000	178,080,000
Net cash (used in)/generated from financing activity		**(4,500,000)**	**(244,305,000)**	**3,500,000**	**178,080,000**
Net increase in cash and cash equivalents		82,636	4,486,310	412,067	20,965,969
Foreign currency translation difference		-	5,081,011	-	6,754,165
Translation differences relating to cash and cash equivalents		220	11,944	4,172	212,271
Cash and cash equivalents at the beginning of the year		1,490,033	75,812,879	1,073,794	47,880,474
Cash and cash equivalents at the end of the year	4	**1,572,889**	**85,392,144**	**1,490,033**	**75,812,879**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the Financial Statements

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Global Offshore Management Services Pte. Ltd. (Company Registration No.: 201026128E) is domiciled in Singapore. The company's principal place of business is at 15 Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089316.

The company is providing ship management services to its holding and related companies.

The financial statements of the company as at 31 March 2013 and for the financial year ended 31 March 2013 were authorised and approved by the Board of Directors for issuance on 19 April 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

a) *Basis of preparation*

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = ₹ 54.29 (2012: USD 1 = ₹ 50.88) and rounded up to the nearest rupee.

Except as disclosed in the preceding paragraph, the financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

At the date of authorisation of these financial statements, the company has not applied those FRSs and INT FRSs that have been issued but are effective only in next financial period. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) *Currency translation*

Items included in the financial statements of the company are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the company are presented in United States dollars, which is the functional currency of the company.

In preparing the financial statements of the company, monetary assets and liabilities in foreign currencies are translated into United States dollars at rates of exchange closely approximate to those ruling at the end of the reporting period and transactions in foreign currencies during the financial period are translated at rates ruling on transaction dates. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in the profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

c) *Financial instruments*

Financial assets and financial liabilities are recognised on the company's statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. It exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments.

d) Financial assets

(i) Classification

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "loans and receivables", "held to maturity investments" and "available-for-sale" financial assets. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of reporting period which are presented as non-current assets. Loans and receivables are presented as "cash and cash equivalents", "trade receivables" and "other receivables" on the statement of financial position.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on transaction-date – the date on which the company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to the profit or loss.

(iii) Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

(iv) Impairment

The company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence arises.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit or loss.

The allowance for impairment loss account is reduced through the profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

e) *Property, Plant and equipment*

(i) Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Computers	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the profit or loss when incurred.

(iv) Disposals

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss.

f) *Impairment of non-financial assets*

Property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss. An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the profit or loss.

g) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

h) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimation.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit or loss when the changes arise.

i) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit or loss over the period of the borrowings using the effective interest method.

j) Income tax

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred income tax liability is recognised for all taxable temporary differences.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period; and

(b) based on the tax consequence that will follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

k) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

l) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the company's activities are met as follows:

(i) Management income is recognised upon completion of the services rendered.

(ii) Interest income is recognised using the effective interest method.

m) Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the company pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made of the estimated liability for leave as a result of services rendered by employees up to the end of reporting period.

n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

o) Operating lease

The company leases office space under operating lease from immediate holding company.

Lease of office space where substantially all risks and rewards incidental to ownership are retained by the lessor is classified as operating lease. Payments made under operating lease (net of any incentives received from the lessor) is recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

p) Related parties

A related party is defined as follows:

(i) A person or a close member of that person's family is related to the company if that person:

(a) Has control or joint control over the company;

(b) Has significant influence over the company; or

(c) Is a member of the key management personnel of the company or of a parent of the company.

(ii) An entity is related to the company if any of the following conditions applies:

(a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(c) Both entities are joint ventures of the same third party;

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

(f) The entity is controlled or jointly controlled by a person identified in (i);

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The presentation of financial statements in conforming with FRS requires the use of certain critical accounting estimates, assumptions and judgements in applying the accounting policies. These estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the significant accounting estimates, assumptions and judgements for preparation of financial statements:

(a) Critical judgements in applying the entity's accounting policies

In the process of applying the company's accounting policies which are described in Note 2 above, management is of the opinion that there are no critical judgements involved, apart from those involving estimations that have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The company depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's property, plant and equipment.

The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's property, plant and equipment as at the end of each reporting period were disclosed in Note 7 to the financial statements.

(ii) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(iii) Income tax

Judgement is involved in determining the company's provision for income taxes. The company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provision in the financial period in which such determination is made. At 31 March 2013, the carrying amount of the company's current income tax payable is disclosed in the statement of financial position.

4. CASH AND CASH EQUIVALENTS

	Note	2013 US $	2013 ₹	2012 US $	2012 ₹
Cash at bank		1,567,600	85,105,004	1,487,317	75,674,689
Cash on hand		5,289	287,140	2,716	138,190
		1,572,889	**85,392,144**	**1,490,033**	**75,812,879**

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Singapore dollars	153,414	8,328,846	24,857	1,264,724
United States dollars	1,419,475	77,063,298	1,465,176	74,548,155
	1,572,889	**85,392,144**	**1,490,033**	**75,812,879**

5. TRADE RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Related companies	-	-	6,520,746	331,775,557
GST recoverable	11,989	650,883	90,283	4,593,599
	11,989	**650,883**	**6,611,029**	**336,369,156**

In 2012, the amounts due from related companies were unsecured, interest-free and were repaid during the current financial year.

The carrying values of trade receivables approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Australian dollars	-	-	76,605	3,897,662
Singapore dollars	11,989	650,883	13,678	695,937
United States dollars	-	-	6,520,746	331,775,557
	11,989	**650,883**	**6,611,029**	**336,369,156**

6. OTHER RECEIVABLES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Deposits	17,892	971,357	1,000	50,880
Advances to suppliers	86,864	4,715,847	76,324	3,883,365
Other debtors	1,170	63,519	7,080	360,231
	105,926	**5,750,723**	**84,404**	**4,294,476**

The carrying amounts of other receivables approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Euro	4,266	231,601	8,877	451,662
Indian rupees	53,622	2,911,138	16,355	832,142
Singapore dollars	28,976	1,573,108	29,983	1,525,535
United States dollars	19,062	1,034,876	29,189	1,485,137
	105,926	**5,750,723**	**84,404**	**4,294,476**

7. PROPERTY, PLANT AND EQUIPMENT

	Computers	
	US $	₹
2013		
Cost		
At 1 April 2012	4,091	208,150
Foreign translation difference	-	13,950
Additions	1,813	98,428
At 31 March 2013	**5,904**	**320,528**
Accumulated depreciation		
At 1 April 2012	1,172	59,631
Foreign translation difference	-	3,997
Charge for the year	1,767	95,930
At 31 March 2013	**2,939**	**159,558**
Carrying amount		
At 31 March 2013	**2,965**	**160,970**

	Computers	
	US $	₹
2012		
Cost		
At 1 April 2011	-	-
Additions	4,091	208,150
At 31 March 2012	**4,091**	**208,150**
Accumulated depreciation		
At 1 April 2011	-	-
Charge for the year	1,172	59,631
At 31 March 2012	**1,172**	**59,631**
Carrying amount		
At 31 March 2012	**2,919**	**148,519**

8. TRADE PAYABLES

	2013	**2013**	2012	2012
	US $	**₹**	US $	₹
Third parties	**955,762**	**51,888,319**	**2,571,067**	**130,815,889**

The carrying amounts of trade payables approximate their fair values and are denominated in the following currencies:

	2013	**2013**	2012	2012
	US $	**₹**	US $	₹
Australian dollars	-	-	2,115,673	107,645,442
British pounds	116,292	6,313,493	-	-
Indian rupees	122,290	6,639,124	7,947	404,343
Singapore dollars	509,723	27,672,862	97,331	4,952,201
United States dollars	86,121	4,675,509	346,197	17,614,504
Others	121,336	6,587,331	3,919	199,399
	955,762	**51,888,319**	**2,571,067**	**130,815,889**

9. OTHER PAYABLES

	2013	**2013**	2012	2012
	US $	**₹**	US $	₹
Provision for bonus	148,176	8,044,475	103,047	5,243,031
Provision for staff benefits	80,650	4,378,488	9,488	482,749
Accruals for operating expenses	6,472	351,365	8,802	447,847
	235,298	**12,774,328**	**121,337**	**6,173,627**

The carrying amounts of other payables approximate their fair values and are denominated in the following currencies:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Indian rupees	18,371	997,362	-	-
Singapore dollars	216,927	11,776,966	121,337	6,173,627
	235,298	**12,774,328**	**121,337**	**6,173,627**

10. LOANS FROM IMMEDIATE HOLDING COMPANY

In 2012, loans from immediate holding company were unsecured, interest-free and repaid during the current financial year.

The carrying amounts of the loans from immediate holding company approximated their fair value due to their short-term nature and were denominated in United States dollars.

11. SHARE CAPITAL

	2013 Number of ordinary shares	2012 Number of ordinary shares	2013 US $	2013 ₹	2012 US $	2012 ₹
Issued						
As at beginning of the year	110,000	110,000	110,000	5,596,800	110,000	4,904,900
Foreign translation difference	-	-	-	375,100	-	691,900
As at end of the year	**110,000**	**110,000**	**110,000**	**5,971,900**	**110,000**	**5,596,800**

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meetings of the company. All share rank equally with regards to the company's residual assets.

12. OTHER INCOME

	2013 US $	2013 ₹	2012 US $	2012 ₹
Exchange gain	-	-	32,538	1,655,534
Miscellaneous income	-	-	6,491	330,262
	-	**-**	**39,029**	**1,985,796**

13. COST OF SERVICE

	2013 US $	2013 ₹	2012 US $	2012 ₹
Crew salary	4,652,836	252,602,466	3,361,931	171,055,049
Contract staff expenses	1,981,077	107,552,670	11,451,559	582,655,322
Drydock expenses	116,361	6,317,239	-	-

	2013 US $	2013 ₹	2012 US $	2012 ₹
Fuel and fresh water	-	-	1,843	93,772
Repairs and maintenance	3,991,957	216,723,346	3,495,822	177,867,423
Manning and miscellaneous	1,592,791	86,472,623	2,797,201	142,321,587
	12,335,022	**669,668,344**	**21,108,356**	**1,073,993,153**

14. EMPLOYEE BENEFITS EXPENSES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Staff salaries and bonuses	1,011,252	54,900,872	875,448	44,542,794
Staff CPF contribution	64,642	3,509,414	67,848	3,452,106
Staff benefits	112,670	6,116,854	45,835	2,332,085
	1,188,564	**64,527,140**	**989,131**	**50,326,985**

15. OTHER OPERATING EXPENSES

	2013 US $	2013 ₹	2012 US $	2012 ₹
Bank charges	49,357	2,679,592	33,976	1,728,699
Management fees	-	-	73,144	3,721,567
Professional fees	18,955	1,029,067	50,261	2,557,280
Rental expenses	85,531	4,643,478	108,642	5,527,705
Telephone expenses	37,037	2,010,738	32,703	1,663,929
Travelling expenses	52,547	2,852,777	81,511	4,147,279
Others	34,003	1,846,023	38,556	1,961,729
	277,430	**15,061,675**	**418,793**	**21,308,188**

16. INCOME TAX EXPENSE

	2013 US $	2013 ₹	2012 US $	2012 ₹
Current year provision	-	-	103,445	5,263,281
Under provision in prior year	-	-	4,593	233,692
	-	**-**	**108,038**	**5,496,973**

The current year/period's income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2012: 17%) to profit before income tax as a result of the following differences:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Accounting (loss)/profit	(383,898)	(20,841,822)	752,875	38,306,281
Income tax (benefit)/ expense at statutory rate	(65,263)	(3,543,128)	127,989	6,512,080
Exempt income	-	-	(20,626)	(1,049,451)
Non-allowable/ (taxable) items	2,387	129,590	(3,313)	(168,565)
Deferred tax assets not recognised	62,876	3,413,538	-	-
Under provision in prior year	-	-	4,593	233,692
Others	-	-	(605)	(30,783)
	-	**-**	**108,038**	**5,496,973**

The company has unabsorbed tax losses amounting to approximately US$370,000 (₹ 20,087,300) (2012: Nil) available for offsetting against future taxable income of the company subject to agreement by the Inland Revenue Authority of Singapore and compliance with certain provisions of the tax legislation in Singapore.

Future tax benefits arising from tax losses have not been recognised since there is no reasonable certainty of their recovery in future periods.

17. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Greatship Global Offshore Services Pte. Ltd., a company incorporated in Singapore, which is a subsidiary of Greatship Global Holdings Ltd, a company incorporated in the Republic of Mauritius.

Greatship Global Holdings Ltd. is wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India.

The company's ultimate holding company is The Great Eastern Shipping Co. Ltd., a company incorporated in India, which is the parent company of Greatship (India) Limited.

18. SIGNIFICANT RELATED PARTY TRANSACTIONS

(a) *Related party transactions*

In addition to the related party information disclosed elsewhere in the financial statements, the company had transactions with the immediate holding company and related companies on terms agreed between them with respect to the following during the financial year.

	2013 US $	2013 ₹	2012 US $	2012 ₹
Management income received/receivable from related companies	13,418,885	728,511,267	21,819,598	1,110,181,146
Management income received/receivable from immediate holding company	-	-	1,411,700	71,827,296
Reimbursement of expenses paid/payable to immediate holding company	85,737	4,654,662	182,091	9,264,790

	2013 US $	2013 ₹	2012 US $	2012 ₹
Reimbursement of expenses paid/payable from immediate holding company	89,692	4,869,379	70,277	3,575,694
Operating expenses paid on behalf for related companies	1,262,238	68,526,901	685,476	34,877,019
Loan from immediate holding company	-	-	**3,500,000**	**178,080,000**

(b) *Key management personnel compensation*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly including any director (whether executive or otherwise) of the company.

Except as disclosed elsewhere in the financial statements, there is no other compensation of key management personnel during the year.

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the company's financial performance.

(a) *Market risk*

(i) *Foreign currency risk*

The company is subject to various currency exposures, primarily with respect to the Australian dollars and Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The company do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions.

The company's currency exposure to Australian dollars and Singapore dollars are as follows:

	AUD US $	AUD ₹	SGD US $	SGD ₹
2013				
Financial assets				
Cash and cash equivalents	-	-	153,414	8,328,846
Trade receivables	-	-	11,989	650,883
Other receivables	-	-	28,976	1,573,107
	-	-	**194,379**	**10,552,836**
Financial liabilities				
Trade payables	-	-	(509,723)	(27,672,862)
Other payables	-	-	(216,927)	(11,776,967)
	-	-	**(726,650)**	**(39,449,829)**
Net currency exposure	-	-	**(532,271)**	**(28,896,993)**

	AUD US $	AUD ₹	SGD US $	SGD ₹
2012				
Financial assets				
Cash and cash equivalents	-	-	24,857	1,264,724
Trade receivables	76,605	3,897,662	13,678	695,937
Other receivables	-	-	29,983	1,525,535
	76,605	**3,897,662**	**68,518**	**3,486,196**
Financial liabilities				
Trade payables	(2,115,673)	(107,645,442)	(97,331)	(4,952,201)
Other payables	-	-	(121,337)	(6,173,627)
	(2,115,673)	**(107,645,442)**	**(218,668)**	**(11,125,828)**
Net currency exposure	**(2,039,068)**	**(103,747,780)**	**(150,150)**	**(7,639,632)**

At 31 March 2013, an estimated 1% and 1% (2012: 1% and 1%) currency fluctuation in Australian dollars and Singapore dollars respectively against the United States dollar, with all other variables including tax rate being held constant, the company's profit after tax for the financial year/period would have been lower/higher as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
Australian dollars	-	-	20,400	1,038,000
Singapore dollars	**5,300**	**287,700**	**1,500**	**76,300**

ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial asset of the company is trade receivables. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the company comprise 1 (2012: 1) debtor that individually represents 100% (2012: 99%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2013 US $	**2013 ₹**	2012 US $	2012 ₹
By geographical areas				
Singapore	11,989	650,883	90,283	4,593,599
Australia	-	-	6,520,746	331,775,557
	11,989	**650,883**	**6,611,029**	**336,369,156**

	2013 US $	2013 ₹	2012 US $	2012 ₹
By types of customers				
Non-related parties	11,989	650,883	90,283	4,593,599
Related companies	-	-	6,520,746	331,775,557
	11,989	**650,883**	**6,611,029**	**336,369,156**

(i) Financial assets that are neither past due nor impaired

The company's trade receivables that are neither past due nor impaired as at the end of the reporting period include receivables amounting to US$11,989 (₹ 650,883) {2012: US$1,917,318 (₹ 97,553,140)}.

(ii) Financial assets that are past due and/or impaired

The ageing analysis for the trade receivables of the company as at year end is as follows:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Due less than 30 days	-	-	1,890,334	96,180,194
Due from 30 to 90 days	-	-	2,803,377	142,635,822
	-	**-**	**4,693,711**	**238,816,016**

(c) Liquidity risk

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table represents interest and principal cash flows.

	2013 US $	2013 ₹	2012 US $	2012 ₹
On demand or within 1 year				
Trade payables	955,762	51,888,319	2,571,067	130,815,889
Other payables	235,298	12,774,328	121,337	6,173,627
Loans from immediate holding company	-	-	4,500,000	228,960,000
	1,191,060	**64,662,647**	**7,192,404**	**365,949,516**

(d) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and loans from immediate holding company on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(e) Categories of financial instruments

The following table sets out the company's financial instruments as at the end of the reporting period:

	2013 US $	2013 ₹	2012 US $	2012 ₹
Financial assets				
Loans and receivables:				
Cash and cash equivalents	1,572,889	85,392,144	1,490,033	75,812,879
Trade receivables	11,989	650,883	6,611,029	336,369,156
Other receivables	105,926	5,750,723	84,404	4,294,476
Financial liabilities				
Amortised cost:				
Trade payables	955,762	51,888,319	2,571,067	130,815,889
Other payables	235,298	12,774,328	121,337	6,173,627
Loans from immediate holding company	-	-	4,500,000	228,960,000

20. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital. The company has no external borrowings. The management sets the amount of capital in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

In order to maintain or achieve an optimal capital structure, the company may adjust the amount of dividend payment, return capital to shareholder, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Operating cash flows are used to maintain and expand the company, as well as to make routine outflows of tax and dividend payments.

The company is not subject to externally imposed capital requirements.

21. STANDARD ISSUED BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the following FRS and amendments to FRS that are relevant to the company was issued but not yet effective.

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 32 Offsetting Financial Assets and Financial Liabilities	1 January 2014

The company expects the adoption of the above standard will have no financial effect on the financial statements in the period of initial application.

Greatship (India) Limited

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

Corporate Office
Indiabulls Finance Centre, Tower 3, 23rd Floor,
Senapati Bapat Marg, Elphinstone Road (West), Mumbai – 400 013, India.

www.greatshipglobal.com