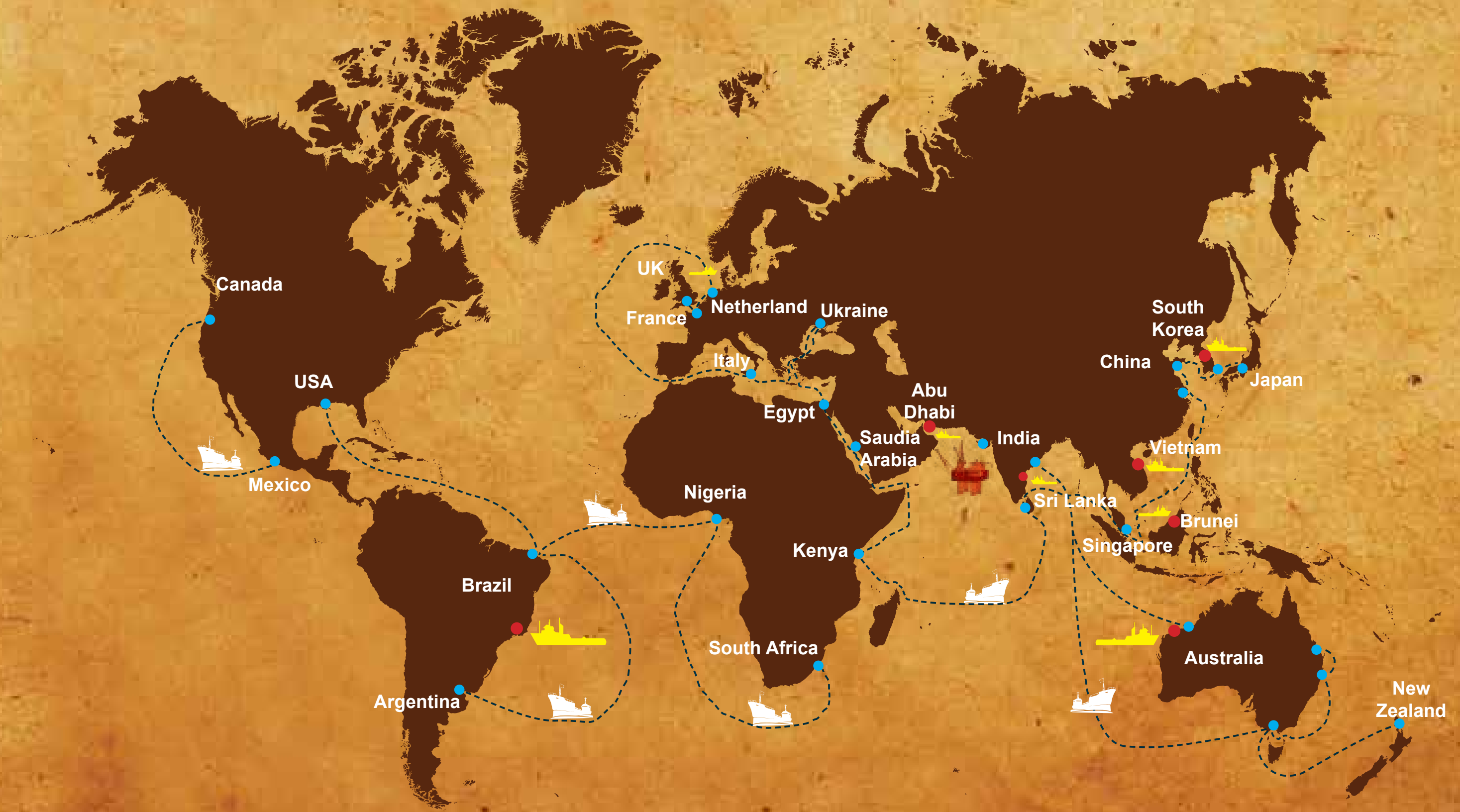
THE GREAT EASTERN SHIPPING COMPANY LIMITED

64th

ANNUAL REPORT 2011-12

(SUBSIDIARIES' REPORTS)



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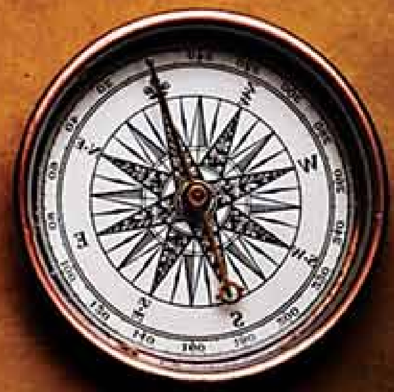

Vessels Offshore Boats Rigs

THE GREAT EASTERN SHIPPING COMPANY LIMITED

Reports of Subsidiary Companies

Contents

THE GREAT EASTERN SHIPPING CO LONDON LTD.

A Subsidiary Company

DIRECTORS:	B. K. Sheth M. J. Brace P. B. Kerr-Dineen
SECRETARY:	M J Brace
REGISTERED OFFICE:	The Galleries Charters Road Sunningdale Ascot Berkshire SL5 9QJ
REGISTERED NUMBER:	01877474 (England and Wales)
SENIOR STATUTORY AUDITOR:	Dawn O'Leary CA
AUDITORS:	Davis Burton Sellek Chartered Accountants Statutory Auditors The Galleries Charters Road Sunningdale Berkshire SL5 9QJ
BANKERS:	Bank of Baroda 32 City Road London EC1Y 2BD
BANKERS:	Royal Bank of Scotland plc Shipping Business Centre 5-10 Great Tower Street London EC3P 3HX

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report with the financial statements of the company for the year ended 31 March 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of shipping. The company did not actively trade in the period.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements. The company did not receive an income from its principal activity but continued to invest funds on short term deposit.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2012.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

B.K Sheth

M J Brace

P.B Kerr-Dineen

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;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 be proposed for re-appointment at the forthcoming Annual General Meeting.

On Behalf Of The Board:

M.J. Brace - Secretary
Date: 1 May, 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF THE GREAT EASTERN SHIPPING CO LONDON LTD.

We have audited the financial statements of The Great Eastern Shipping Co London Ltd for the year ended 31 March 2012 on pages five 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 financial statements 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 2012 and of its loss 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: 2/5/2012

The notes form part of these financial statements.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	Notes	2012 US$	2012 INR	2011 US$	2011 INR
TURNOVER		**-**	**-**	-	-
Administrative expenses		**45,592**	**2,319,721**	45,701	2,037,807
OPERATING LOSS	3	**(45,592)**	**(2,319,721)**	(45,701)	(2,037,807)
Interest receivable and similar income		**15,993**	**813,724**	20,254	903,126
		(29,599)	**(1,505,997)**	(25,447)	(1,134,681)
Amounts written off investments	4	**-**	**-**	(509,624)	(22,724,134)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(29,599)**	**(1,505,997)**	(535,071)	(23,858,815)
Tax on loss on ordinary activities	5	**-**	**-**	-	-
		(29,599)	**(1,505,997)**	(535,071)	(23,858,815)
Movement on currency conversion (dollar to rupee)		**-**	**8,023,976**	-	(543,223)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		**$(29,599)**	**6,517,979**	$(535,071)	(24,402,038)

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 losses for the current year and the previous year.

The notes form part of these financial statements.

BALANCE SHEET 31 MARCH 2012

	Notes	**2012 US$**	**2012 INR**	2011 US$	2011 INR
CURRENT ASSETS:					
Cash at bank		**1,250,873**	**63,644,418**	1,282,176	57,172,228
CREDITORS:					
Amounts falling due within one year	6	**4,800**	**244,224**	6,504	290,013
NET CURRENT ASSETS:		**1,246,073**	**63,400,194**	1,275,672	56,882,215
TOTAL ASSETS LESS CURRENT LIABILITIES		**$1,246,073**	**63,400,194**	$1,275,672	56,882,215
CAPITAL AND RESERVES:					
Called up share capital	7	**301,600**	**13,195,000**	301,600	13,195,000
Profit and loss account	8	**944,473**	**50,205,194**	974,072	43,687,215
SHAREHOLDERS' FUNDS:	13	**$1,246,073**	**63,400,194**	$1,275,672	56,882,215

The financial statements were approved by the Board of Directors on 1/5/12 and were signed on its behalf by:

B.K. Sheth

Director

The notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	Notes	**2012** **US$**	**2012** **INR**	2011 US$	2011 INR
Net cash outflow from operating activities	1	**(47,296)**	**(2,365,510)**	(43,697)	(1,949,799)
Returns on investments and servicing of finance	2	**15,993**	**8,837,700**	20,254	359,903
Taxation		**-**	**-**	6,537	293,446
Capital expenditure and financial investment	2	**-**	**-**	(509,624)	(22,724,134)
Increase/(Decrease) in cash in the period		**$(31,303)**	**6,472,190**	$(526,530)	(24,020,584)

	Notes	**2012** **US$**	**2012** **INR**	2011 US$	2011 INR
Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		**(31,303)**	**6,472,190**	(526,530)	(24,020,584)
Change in net funds resulting from cash flows		**(31,303)**	**6,472,190**	(526,530)	(24,020,584)
Movement in net funds in the period		**(31,303)**	**6,472,190**	(526,530)	(24,020,584)
Net funds at 1 April		**1,282,176**	**57,172,228**	1,808,706	81,192,812
Net funds 31 March		**$1,250,873**	**63,644,418**	$1,282,176	57,172,228

The notes form part of these financial statements.

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2012	**2012**	2011	2011
	US$	**INR**	US$	INR
Operating loss	**(45,592)**	**(2,319,721)**	(45,701)	(2,037,807)
Increase/(Decrease) in creditors	**(1,704)**	**(45,789)**	2,004	88,008
Net cash outflow from operating activities	**$(47,296)**	**(2,365,510)**	$(43,697)	(1,949,799)

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012	**2012**	2011	2011
	US$	**INR**	US$	INR
Returns on investments and servicing of finance				
Interest received	**16,258**	**827,207**	18,066	805,563
Foreign exchange gains/(losses)	**(265)**	**8,010,493**	2,188	(445,660)
Net cash inflow for returns on investments and servicing of finance	**$15,993**	**8,837,700**	$20,254	359,903
Capital expenditure and financial investment				
Purchase of fixed asset investments	**-**	**-**	(509,624)	(22,724,134)
Net cash outflow for capital expenditure and financial investment	**-**	**-**	$(509,624)	(22,724,134)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.11	Cash Flow	**At 31.3.12**
	$	$	**$**
Net Cash:			
Cash at bank	1,282,176	(31,303)	**1,250,873**
	1,282,176	(31,303)	**1,250,873**
Total	$1,282,176	$(31,303)	**$1,250,873**

	At 1.4.11	Cash Flow	**At 31.3.12**
	INR	INR	**INR**
Net Cash:			
Cash at bank	57,172,228	6,472,190	**63,644,418**
	57,172,228	6,472,190	**63,644,418**
Total	57,172,228	6,472,190	**63,644,418**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Deferred tax

No provision for deferred tax is required.

Foreign currencies

The financial statements are stated in US dollars and in Indian rupees.

Assets and liabilities denominated in other currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Income and expenditure transactions in other currencies are translated into US dollars at an average rate for the year.

The Indian rupee equivalent figures are converted from U.S. dollars at the year-end exchange rate for assets and liabilities, and at the average rate for the year for income and expenditure.

Exchange differences are taken to the profit and loss account for the year.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. STAFF COSTS

There were no staff costs for the years ended 31 March 2012 or 31 March 2011.

The average monthly number of employees during the year was as follows:

	2012	2011
Directors	**3**	3

3. OPERATING LOSS

The operating loss is stated after charging:

	2012 US$	**2012 INR**	2011 US$	2011 INR
Operating leases	**2,678**	**136,256**	2,513	112,055
Auditors' remuneration	**4,800**	**244,224**	4,500	200,655
Non-audit tax and consultancy fees	**14,063**	**715,525**	13,950	622,030
Directors' remuneration	**-**	**-**	-	-

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2012 US$	**2012 INR**	2011 US$	2011 INR
Container shipping investment	**-**	**-**	$509,624	22,724,134

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the year ended 31 March 2011.

Factors affecting the tax credit

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2012 US$	**2012 INR**	2011 US$	2011 INR
Loss on ordinary activities before tax	**(29,599)**	**(1,505,997)**	(535,071)	(23,858,815)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	**(7,696)**	**(391,572)**	(149,820)	(6,680,474)
Effects of:				
Impairment charges not eligible for current tax relief	**-**	**-**	142,694	6,362,725
Losses carried forward	**7,696**	**391,572**	7,126	317,749
Current tax charge	**-**	**-**	-	-

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 US$	**2012 INR**	2011 US$	2011 INR
Accrued expenses	**$4,800**	**244,224**	$6,504	290,013

7. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	**Class:**	**Nominal Value:**	**2012 US$**	**2012 INR**	2011 US$	2011 INR
16,000	Ordinary	£10	**301,600**	**13,195,000**	301,600	13,195,000

8. RESERVES

	2012 US$	**2012 INR**
PROFIT AND LOSS ACCOUNT		
At 1 April 2011	**974,072**	**43,687,215**
Profit/(Deficit) for the year	**(29,599)**	**6,517,979**
At 31 March 2012	**944,473**	**50,205,194**

9. ULTIMATE PARENT COMPANY

The ultimate parent company is The Great Eastern Shipping Company Ltd, a company incorporated in India.

10. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2012.

11. RELATED PARTY DISCLOSURES

There were no financial transactions with related parties during the year other than transactions with entities forming part of The Great Eastern Shipping Group. Group financial statements in which those entities are included are publicly available.

12. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is The Great Eastern Shipping Company Ltd

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2012	**2012**	2011	2011
	US$	**INR**	US$	INR
Profit/(Loss) for the financial year	**(29,599)**	**6,517,979**	(535,071)	(24,402,038)
Net increase/(decrease) of shareholders' funds	**(29,599)**	**6,517,979**	(535,071)	(24,402,038)
Opening shareholders' funds	**1,275,672**	**56,882,215**	1,810,743	81,284,253
Closing shareholder's funds	**$1,246,073**	**63,400,194**	$1,275,672	56,882,215

THE GREATSHIP (SINGAPORE) PTE. LTD.

A Subsidiary Company

DIRECTORS	Jaya Prakash	
	Shivakumar Gomathinayagam	
	Jayesh Madhusudan Trivedi	(Appointed on 18 January 2012)
	Naware Pradyumna Raghunath	(Resigned on 18 January 2012)
COMPANY SECRETARY	Cheng Lian Siang	
REGISTERED OFFICE	15 Hoe Chiang Road #06-03 Tower 15 Singapore 089316	
INDEPENDENT AUDITOR	Shanker Iyer & Co.	

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 2012.

DIRECTORS

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

Jaya Prakash

Shivakumar Gomathinayagam

Jayesh Madhusudan Trivedi (Appointed on 18 January 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 was 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' INTERESTS 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 of the company holding office at the end of the financial year had any interest in shares of the company and its related corporations except as detailed below:

	No. of ordinary shares	
	As at 01.04.2011	As at 31.03.2012
The Holding Company		
The Great Eastern Shipping Company Limited		
Naware Pradyumna Raghunath[a]	2,952	2,952
Shivakumar Gomathinayagam	57	57
Jayesh Madhusudan Trivedi	80	80

[a] Resigned as director on 18 January 2012

All of the above three directors have been granted Employee Stock Options by Greatship (India) Limited (a related corporation).

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 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 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

Jayesh Madhusudan Trivedi
Director

Shivakumar Gomathinayagam
Director

30 April 2012

STATEMENT BY DIRECTORS

In the opinion of the directors of THE GREATSHIP (SINGAPORE) PTE.LTD.,

(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 2012 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 30 April 2012.

On behalf of the Board

Jayesh Madhusudan Trivedi
Director

Shivakumar Gomathinayagam
Director

30 April 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THE GREATSHIP (SINGAPORE) PTE. LTD.

(Incorporated in Singapore)

Report on the Financial Statements

We have audited the accompanying financial statements of THE GREATSHIP (SINGAPORE) PTE. LTD. (the "company") as set out on pages 7 to 30, which comprise the statement of financial position as at 31 March 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

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 statement of comprehensive income and statement of financial position 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 2012 and of its results, changes in equity and cash flows of the company for the year ended on that date.

Other matter

The financial statements presented in Indian Rupees are not audited and were prepared solely for management purposes only. Hence, these financial statements should not be distributed to or used by other parties.

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
30 April 2012

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	2012 S$	2012 Rs.	2011 S$	2011 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**1,508,284**	**61,145,833**	1,488,392	52,570,005
Fixed deposits	5	**165,047**	**6,691,005**	160,556	5,670,838
Trade receivables	6	**113,826**	**4,614,506**	61,402	2,168,719
Other receivables	7	**63,748**	**2,584,344**	69,061	2,439,235
		1,850,905	**75,035,688**	1,779,411	62,848,797
Non-current asset					
Plant and equipment	8	**-**	**-**	-	-
		-	**-**	-	-
Total assets		**1,850,905**	**75,035,688**	1,779,411	62,848,797
LIABILITIES					
Current liabilities					
Trade payables	9	**38,326**	**1,553,736**	15,557	549,473
Other payables	10	**42,399**	**1,718,855**	41,694	1,472,632
Income tax payable		**2,200**	**89,188**	-	-
Total liabilities		**82,925**	**3,361,779**	57,251	2,022,105
NET ASSETS		**1,767,980**	**71,673,909**	1,722,160	60,826,692
SHAREHOLDER'S EQUITY					
Share capital	11	**500,000**	**13,075,000**	500,000	13,075,000
Retained profits		**1,267,980**	**58,598,909**	1,222,160	47,751,692
TOTAL EQUITY		**1,767,980**	**71,673,909**	1,722,160	60,826,692

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 2012

	Note	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Revenue					
Agency income		**159,650**	**6,472,211**	148,200	5,234,424
Disbursement income		**760,790**	**30,842,427**	875,852	30,935,093
Management fees		**113,441**	**4,598,898**	153,180	5,410,318
Other income	12	**49,607**	**2,011,068**	10,070	355,672
Total revenue		**1,083,488**	**43,924,604**	1,187,302	41,935,507
Expenses					
Disbursement expenses		**689,081**	**27,935,344**	793,723	28,034,296
Depreciation of plant and equipment	8	**-**	**-**	1,204	42,525
Employee benefit expenses		**245,939**	**9,970,367**	290,166	10,248,663
Other operating expenses	13	**101,069**	**4,097,337**	127,527	4,504,254
Total expenses		**1,036,089**	**42,003,048**	1,212,620	42,829,738
Profit/(loss) before income tax	14	**47,399**	**1,921,556**	(25,318)	(894,231)
Income tax expense	15	**(1,579)**	**(64,013)**	-	-
Total comprehensive income/(loss) for the year		**45,820**	**1,857,543**	(25,318)	(894,231)

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 2012

	Share capital		Retained profits		Total	
	S$	Rs.	S$	Rs.	S$	Rs.
2012						
Balance as at 1 April 2011	500,000	13,075,000	1,222,160	47,751,692	1,722,160	60,826,692
Foreign translation difference	-	-	-	8,989,674	-	8,989,674
Total comprehensive income for the year	-	-	45,820	1,857,543	45,820	1,857,543
Balance as at 31 March 2012	500,000	13,075,000	1,267,980	58,598,909	1,767,980	71,673,909
2011						
Balance as at 1 April 2010	500,000	13,075,000	1,247,478	42,949,197	1,747,478	56,024,197
Foreign translation difference	-	-	-	5,696,726	-	5,696,726
Total comprehensive loss for the year	-	-	(25,318)	(894,231)	(25,318)	(894,231)
Balance as at 31 March 2011	500,000	13,075,000	1,222,160	47,751,692	1,722,160	60,826,692

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 2012

	Note	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Cash Flows From Operating Activities					
Profit/(loss) before income tax		**47,399**	**1,921,556**	(25,318)	(894,231)
Adjustments for:					
Depreciation of plant and equipment	8	**-**	**-**	1,204	42,525
Interest income	12	**(6,878)**	**(278,834)**	(6,542)	(231,063)
Cash flows before changes in working capital		**40,521**	**1,642,722**	(30,656)	(1,082,769)
Working capital changes, excluding changes relating to cash:					
Trade receivables		**(52,424)**	**(2,445,787)**	76,204	2,242,919
Other receivables		**5,313**	**(145,109)**	(74)	(266,406)
Trade payables		**22,769**	**1,004,263**	(7,180)	(179,470)
Other payables		**705**	**246,223**	(51,117)	(1,502,868)
Cash generated from/(used in) operations		**16,884**	**302,312**	(12,823)	(788,594)
Income tax refunded/(paid)		**621**	**25,175**	(19,742)	(594,033)
Interest received		**6,878**	**278,834**	6,542	231,063
Net cash generated from/(used in) operating activities		**24,383**	**606,321**	(26,023)	(1,151,564)
Cash Flows From Financing Activity					
(Placement)/repayment of fixed deposits		**(4,491)**	**(1,020,167)**	15,156	37,522
Net cash (used in)/generated from financing activity		**(4,491)**	**(1,020,167)**	15,156	37,522
Net increase/(decrease) in cash and cash equivalents		**19,892**	**(413,846)**	(10,867)	(1,189,086)
Translation exchange difference		**-**	**8,989,674**	-	5,692,823
Cash and cash equivalents at the beginning of the year		**1,488,392**	**52,570,005**	1,499,259	48,066,268
Cash and cash equivalents at the end of the year	4	**1,508,284**	**61,145,833**	1,488,392	52,570,005

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 2012

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

1. GENERAL INFORMATION

The Greatship (Singapore) Pte. Ltd. (Company Registration No.: 199401313D) is domiciled in Singapore. The company's principal place of business is at 15 Hoe Chiang Road, #06-03 Tower 15, Singapore 089316.

The principal activities of the company are those relating to shipping agents and brokers.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of The Greatship (Singapore) Pte. Ltd. as at 31 March 2012 and for the financial year then ended were authorised and approved by the board of directors for issuance on 30 April 2012.

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 S$1= Rs. 40.54 (2011: S$1= Rs. 35.32) and rounded up to the nearest rupee.

These 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 Singapore 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.

b) Currency translation

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 Singapore 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 Singapore 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 statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income 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) Plant and equipment

(i) Measurement

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

	Useful lives
Computers	2 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting date. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to 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 statement of comprehensive income when incurred.

(iv) Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

d) Financial assets

(i) Classification

The company classifies its financial assets as loans and receivables. 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", "fixed deposits" and "cash and cash equivalents" on the statement of financial position.

(ii) 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. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(iii) 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 statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(iv) Initial measurement

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

(v) *Subsequent measurement*

Loans and receivables are subsequently carried at amortised cost using the effective interest method, as defined above.

(vi) 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.

<u>Loans and receivables</u>

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 statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income 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) <u>Impairment of non-financial assets</u>

Plant and equipment

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 statement in comprehensive income. 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 statement of comprehensive income, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the statements of comprehensive income, a reversal of that impairment is also credited to the statement of comprehensive income.

f) <u>Cash and cash equivalents</u>

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and short-term fixed deposits with maturity period not more than three months.

g) <u>Trade and other payables</u>

Trade and other payables are initially measured at fair value, and subsequently carried 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.

h) <u>Provisions</u>

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 statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the changes arise.

i) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the business, net of goods and services tax, rebates and discounts.

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

(i) Agency income is recognised upon provision of agency services.

(ii) Disbursement income is recognised upon completion of services.

(iii) Management service fee is recognised upon completion of the services rendered.

(iv) Interest income arising from fixed deposits is recognised on time apportion basis.

j) Income taxes

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 statement of comprehensive income.

k) 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.

l) Operating lease

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 lesser) are recognised in the statement of comprehensive income on a straight line basis over the term of the relevant lease. Contingent rents are recognised as an expense in the statement of comprehensive income when increase.

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) Government grants

Jobs Credit Scheme/Inland Revenue Authority of Singapore ("IRAS") Small and Medium Enterprise ("SME") cash grant

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

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 and judgements that have most significant effect for preparation of financial statements:

(a) Income tax

Significant judgement is involved in determining the company's provision for income tax. 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 year in which such determination is made. At 31 March 2012, the carrying amounts of the company's current income tax payable are disclosed in the statement of financial position.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each of the 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.

4. CASH AND CASH EQUIVALENTS

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Cash in hand	**370**	**15,000**	220	7,770
Cash at bank	**1,022,855**	**41,466,541**	1,003,593	35,446,905
Short-term fixed deposits	**485,059**	**19,664,292**	484,579	17,115,330
	1,508,284	**61,145,833**	1,488,392	52,570,005

The carrying amounts of cash and cash equivalents approximate their fair values.

Short-term fixed deposits at the end of the reporting period have an average maturity of 3 months (2011: 3 months) from the value date with weighted average effective interest rate of 0.05% (2011: 0.15%) per annum.
The company's cash and cash equivalents are denominated in Singapore dollars.

5. FIXED DEPOSITS

Fixed deposits at the end of the reporting period have an average maturity of 1 year (2011: 1 year) from the value date. The fixed deposits earn a weighted average effective interest rate of 1.76 % (2011: 2.01%) per annum.

The fixed deposits approximate their fair values and are denominated in United States dollars.

6. TRADE RECEIVABLES

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Related company	**2,000**	**81,080**	9,348	330,171
Holding company	**110,553**	**4,481,819**	50,457	1,782,141
GST recoverable	**1,273**	**51,607**	1,597	56,407
	113,826	**4,614,506**	61,402	2,168,719

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 values.

The company's trade receivables are denominated in Singapore dollars.

7. OTHER RECEIVABLES

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Deposits	**61,476**	**2,492,237**	66,476	2,347,932
Prepayments	**1,021**	**41,391**	1,333	47,082
Other debtor	**1,251**	**50,716**	1,252	44,221
	63,748	**2,584,344**	69,061	2,439,235

The carrying amounts of other receivables approximate their fair values and are denominated in Singapore dollars.

Deposits include S$49,000 equivalent to Rs.1,986,460 (2011: S$54,000 equivalent to Rs.1,907,280) placed as collateral for crew system.

8. PLANT AND EQUIPMENT

	Computers	
	S$	Rs.
2012		
Cost		
At 1 April 2011	2,409	85,086
Foreign translation difference	-	12,575
At 31 March 2012	2,409	97,661
Accumulated depreciation		
At 1 April 2011	2,409	85,086
Foreign translation difference	-	12,575
At 31 March 2012	2,409	97,661
Net book value		
At 31 March 2012	-	-

8. PLANT AND EQUIPMENT (...contd)

	Computers S$	Rs.
2011		
Cost		
At 1 April 2010	2,409	77,244
Foreign translation difference	-	7,842
At 31 March 2011	2,409	85,086
Accumulated depreciation		
At 1 April 2010	1,205	38,622
Charge for the year	1,204	42,525
Foreign translation difference	-	3,939
At 31 March 2011	2,409	85,086
Net book value		
At 31 March 2011	-	-

9. TRADE PAYABLES

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Third party	**38,326**	**1,553,736**	15,557	549,473

Trade payables are recognised at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

The company's trade payables are denominated in Singapore dollars.

10. OTHER PAYABLES

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Accruals for operating expenses	**41,026**	**1,663,194**	40,321	1,424,138
Holding company	**1,373**	**55,661**	1,373	48,494
	42,399	**1,718,855**	41,694	1,472,632

The amount due to related company is unsecured, interest free and is repayable within the next twelve months.

The carrying amounts of other payables approximate their fair values and are denominated in Singapore dollars.

11. SHARE CAPITAL

	2012	2011	**2012**	**2012**	2011	2011
	Number of ordinary shares		**S$**	**Rs.**	S$	Rs
Issued						
At beginning and end of the year	**500,000**	500,000	**500,000**	**13,075,000**	500,000	13,075,000

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

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

12. OTHER INCOME

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Interest income	**6,878**	**278,874**	6,542	231,063
Government grant	**5,000**	**202,700**	1,350	47,682
Exchange gain	**1,354**	**54,891**	-	-
Discount received	**35,871**	**1,454,210**	-	-
Miscellaneous	**504**	**20,393**	2,178	76,927
	49,607	**2,011,068**	10,070	355,672

Government grants represent financial assistance received by the company from the Singapore Economic Development Board under the Innovation Development Scheme, Jobs Credit Scheme and Small and Medium Enterprise cash grant.

13. OTHER OPERATING EXPENSES

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Legal and professional fees	**20,066**	**813,476**	15,695	554,347
Office rental – operating lease	**24,946**	**1,011,311**	25,424	897,976
Printing and stationery (including operating lease)	**3,271**	**132,606**	2,656	93,810
Upkeep of motor vehicle	**16,080**	**651,883**	13,170	465,164
Others	**36,706**	**1,488,061**	70,582	2,492,957
	101,069	**4,097,337**	127,527	4,504,254

14. PROFIT/(LOSS) BEFORE INCOME TAX

Profit/(loss) before income tax is arrived at after charging:

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Director's fees	**3,500**	**141,890**	3,500	123,620
Staff CPF contribution	**15,781**	**639,762**	16,250	573,950

15. INCOME TAX EXPENSE

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Income tax				
- Current year provision	**2,200**	**89,188**	-	-
- Over provision in prior year	**(621)**	**(25,175)**	-	-
	1,579	**64,013**	-	-

The current year's income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate of 17% (2011: 17%) to the profit/(loss) before income tax as a result of the following differences:

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Accounting profit/(loss)	**47,399**	**1,921,556**	(25,318)	(894,231)
Income tax expense/(benefit) at applicable rate	**8,058**	**326,671**	(4,304)	(152,019)
Non-taxable items	**(1,250)**	**(50,675)**	(676)	(23,876)
Non-allowable items	**2,749**	**111,444**	5,021	177,343
Utilisation of deferred capital allowance	**(1,638)**	**(66,404)**	(41)	(1,448)
Exempt amount	**(5,872)**	**(238,051)**	-	-
Over provision in prior year	**(621)**	**(25,175)**	-	-
Others	**153**	**6,203**	-	-
	1,579	**64,013**	-	-

16. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate and ultimate holding company is The Great Eastern Shipping Company Limited, a company incorporated in India.

17. RELATED PARTY TRANSACTIONS

An entity or an individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year, the company had transactions with the holding company and other related company on terms agreed between them with respect to the following:

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
Holding Company				
Agency fees received/receivable	**159,650**	**6,472,211**	143,200	5,057,824
Disbursement income received/receivable	**750,605**	**30,429,527**	803,909	28,394,066
Related companies				
Agency fees received/receivable	**-**	**-**	5,000	176,600
Disbursement income received/receivable	**10,185**	**412,900**	71,943	2,541,027
Management fee earned received/receivable	**113,441**	**4,598,898**	153,180	5,410,318

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Reimbursement rental received/receivable	**20,000**	**810,800**	30,000	1,059,600
Rental paid/payable	**45,989**	**1,864,394**	56,466	1,994,379

18. OPERATING LEASE COMMITMENTS

At the end of the reporting period, the commitments in respect of operating lease are as follows:

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Due within one year	**2,496**	**101,188**	2,496	88,159
Due within two to five years	**6,032**	**244,537**	8,528	301,209
	8,528	**345,725**	11,024	389,368

The company has operating lease agreements for rental of copier machine.

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

The company's activities expose it to market risk (including foreign 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 exposed to a certain degree of foreign exchange risk arising from its transactions denominated United States dollars. However, the company does not use any hedging instruments to protect against the volatility associated with foreign currency transactions, other assets and liabilities created in the normal course of business.

The company's current exposure on United States dollars based on the information provided to key management is as follows:

	2012 S$	2012 Rs.	2011 S$	2011 Rs.
Financial assets				
Fixed deposits	**165,047**	**6,691,005**	160,556	5,670,838
Currency exposure on financial assets	**165,047**	**6,691,005**	160,556	5,670,838

At 31 March 2012, if the United States dollars had strengthened/weakened by 1% (2011: 9%) against the Singapore dollars with all other variables including tax rate being held constant, the company's profit for the financial year would have been higher/lower by approximately S$2,000 (equivalent to Rs. 81,080) (2011: S$15,000) (equivalents to Rs. 529,800) as a result of currency translation gains/losses on the remaining United States dollars denominated financial assets and liabilities.

ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates, except for the fixed deposits as disclosed in Note 4 and Note 5.

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 assets of the company are trade receivables, cash and cash equivalents and fixed deposits. The trade receivable balance as at 31 March 2012 is outstanding from related and holding companies (2011: related and holding companies) and there is no significant risk.

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 and the credit risk for trade receivables is geographically spread as follows:

	2012	**2012**	2011	2011
	S$	**Rs.**	S$	Rs.
By geographical areas				
India	**112,553**	**4,562,899**	59,805	2,112,313
Singapore	**1,273**	**51,607**	1,597	56,406
	113,826	**4,614,506**	61,402	2,168,719

As per the ageing analysis on the trade receivables of the company as at year end, the above balances are due within 30 days (2011: 30 days).

c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash. At the end of each reporting date, assets held by the company for managing liquidity risk include cash and cash equivalents as disclosed in Note 4.

The company manages its liquidity risk from the funds generated from its operation.

d) Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables, fixed deposits, trade payables and other payables approximate their fair values due to their short-term nature.

20. CAPITAL 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 and 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.

THE GREAT EASTERN CHARTERING LLC (FZC)

A Subsidiary Company

Directors	Tapas Icot Vijayakumar Suppiah Pillay Michael Brace
Senior Management	Suchismita Chatterjee General Manager
Registered Office	Executive Suite Y2-112 P.O. Box 9271 Sharjah U.A.E.
Registration Number	0962
Auditors	Bhel, Lad & Al Sayegh Chartered Accountants P.O. Box 25709 Dubai U.A.E.
Bankers	ABN Amro Bank Dubai U.A.E

REPORT OF THE DIRECTORS' FOR THE YEAR ENDED MARCH 31, 2012

The Directors are pleased to present their fifth report with the financial statements of the Company for the period from April 1, 2011 to March 31, 2012.

FINANCIAL HIGHLIGHTS

The results for the period for the financial year ended March 31, 2012 and the financial position of the Company are as shown in the annexed financial statements. The Company recorded profit of USD 769,848 for the year ended March 31, 2012.

BUSINESS

During the year, tanker earnings remained weak due to fleet expansion, disruption in Libya's crude oil supplies and closure of some US & EU refineries. Further, demand from the OECD countries too got negatively impacted on back of high crude oil prices. During the year, the world tanker fleet increased to 480.1 mn dwt, about 5% higher than at the beginning of FY 11-12. On the dry bulk side, FY 11-12 proved to be the year of record new building deliveries, which impacted the fleet utilization significantly. Increased Chinese coastal trade, prolonged port congestions and excessive scrapping augured well for some positive directions, but the relentless fleet addition overshadowed any improvement in the freight rates. Overall, the world dry bulk fleet increased to 632.3 million dwt at the end of FY 11-12, about 15% higher than at the beginning of the financial year.

Business activity during the period was focused on inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. During FY 11-12, the subsidiary inchartered and operated some tankers and dry bulk carriers for varying periods of time.

DIVIDEND

The Company paid a dividend of USD 5,000,000 for the period from April 1, 2011 to March 31, 2012 to the shareholders of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that:

1. in the preparation of the annual accounts, the applicable accounting standards had been followed.
2. the Directors had selected accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period.
3. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

Bhel, Lad & Al Sayegh, Chartered Accountants are proposed to be re-appointed as auditors of the Company for the year ended March 31, 2013. The shareholders approval will be required for the proposed re-appointment.

For and on behalf of the
Board of Directors

DIRECTOR

DATED: 24, April, 2012

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE GREAT EASTERN CHARTERING LLC (FZC)

We have examined the accompanying financial statements of The Great Eastern Chartering LLC (FZC) (the Company) for the year ended 31 March 2012, and other reconciliations and information {all collectively referred to as the "Fit For Consolidation" (FFC) Accounts}. These FFC Accounts are the responsibility of the Company's management. Our responsibility is to express an opinion on these FFC Accounts based on our audit.

These FFC Accounts have been prepared, on the basis of instructions received in this regard from the Directors of the Company, for the purpose of preparation of the consolidated financial statements by The Great Eastern Shipping Co. Ltd., India in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and comply with the Implementing Regulations of the Sharjah International Airport Free Zone Authority.

As requested by the Directors of the Company and solely for the purpose of expressing an audit opinion on the consolidated financial statements of The Great Eastern Shipping Co. Ltd., India, we report that the attached FFC Accounts are properly derived, in accordance with the instructions referred to above, from the Statutory Accounts of The Great Eastern Chartering LLC (FZC) audited by us for the year ended 31 March 2012.

BEHL, LAD & AL SAYEGH
Dubai, United Arab Emirates
24 April 2012

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31 MARCH 2012

	Note	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
Revenue	6	**16,499,881**	**839,513,945**	40,738,159	1,816,514,510
Direct expenses	7	**(17,245,727)**	**(877,462,589)**	(40,634,866)	(1,811,908,675)
Gross (loss)/profit		**(745,846)**	**(37,948,644)**	103,293	4,605,835
Other operating income	8	**366,213**	**18,632,917**	318,763	14,213,642
Depreciation	10	**(1,143)**	**(58,156)**	(7,141)	(318,417)
Other operating expenses	9	**(925,755)**	**(47,102,416)**	(1,294,724)	(57,731,745)
Reversal on prior years' provision for loss on onerous incharter hire contracts	20 (b)	**1,356,729**	**69,030,372**	1,100,479	49,070,359
Profit from operating activities		**50,198**	**2,554,073**	220,670	9,839,674
Impairment loss on investment	11 (a)	**-**	**-**	(866,146)	(38,621,450)
Interest income on bank deposits		**719,650**	**36,615,792**	679,340	30,291,771
Profit for the year		**769,848**	**39,169,865**	33,864	1,509,995
Other comprehensive income					
Foreign currency tranlation adjustment		**-**	**165,900,071**	-	(7,902,405)
Total comprehensive income for the year		**769,848**	**205,069,936**	33,864	(6,392,410)

The accompanying notes form an integral part of these financial statements.

The Independent Auditors' report is set forth on page 1.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
Non-current assets					
Property and equipment	10	**261**	**13,279**	1,031	45,973
Current assets					
Inventories	12	**-**	**-**	688,912	30,718,586
Trade and other receivables	13	**1,047,303**	**53,286,778**	6,894,263	307,415,188
Prepayments	14	**-**	**-**	263,299	11,740,502
Cash and cash equivalents	15	**2,051,206**	**104,365,361**	13,660,677	609,129,587
Fixed deposits with banks	16	**21,921,850**	**1,115,383,728**	10,324,088	460,351,084
Other current assets	17	**2,467**	**125,521**	1,221,900	54,484,521
		25,022,826	**1,273,161,388**	33,053,139	1,473,839,468
Total assets		**25,023,087**	**1,273,174,667**	33,054,170	1,473,885,441
Shareholders' equity					
Share capital	18	**40,869**	**2,079,415**	40,869	1,822,349
Statutory reserve		**20,435**	**1,039,733**	20,435	911,197
Foreign currency translation reserve		**-**	**251,234,096**	-	85,334,025
Retained earnings		**22,145,058**	**875,506,455**	26,375,210	1,090,736,589
		22,206,362	**1,129,859,699**	26,436,514	1,178,804,160
Current liabilities					
Trade and other payables	20	**2,816,725**	**143,314,968**	6,617,656	295,081,281
Total Shareholders' equity and liabilities		**25,023,087**	**1,273,174,667**	33,054,170	1,473,885,441

The accompanying notes form an integral part of these financial statements.

The Independent Auditors' report is set forth on page 1.

We confirm that we are responsible for these financial statements, including selecting the accounting policies and making the judgements underlying them. We confirm that we have made available all relevant accounting records and information for compilation.

Approved by the Director on 24 April 2012.

For The Great Eastern Chartering LLC (FZC)

Director

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 MARCH 2012

	Share capital		Statutory reserve		Foreign currency translation reserve {Note 2 (d)}	Retained earnings		Total	
	USD	INR	USD	INR	INR	USD	INR	USD	INR
As at 31 March 2010	40,869	1,834,609	20,435	917,327	93,236,430	26,341,346	1,089,226,594	26,402,650	1,185,214,960
Profit for the year	-	-	-	-	-	33,864	1,509,995	33,864	1,509,995
Foreign currency translation adjustment	-	(12,260)	-	(6,130)	(7,902,405)	-	-	-	(7,920,795)
As at 31 March 2011	40,869	1,822,349	20,435	911,197	85,334,025	26,375,210	1,090,736,589	26,436,514	1,178,804,160
Profit for the year	-	-	-	-	-	769,848	39,169,865	769,848	39,169,865
Dividend paid (Note 19)	-	-	-	-	-	(5,000,000)	(254,400,000)	(5,000,000)	(254,400,000)
Foreign currency translation adjustment	-	257,066	-	128,536	165,900,071	-	-	-	166,285,673
As at 31 March 2012	**40,869**	**2,079,415**	**20,435**	**1,039,733**	**251,234,096**	**22,145,058**	**875,506,455**	**22,206,362**	**1,129,859,699**

The accompanying notes form an integral part of these financial statements.

The Independent Auditors' report is set forth on page 1.

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2012

	Note	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
Cash flows from operating activities					
Profit for the year		**769,848**	**39,169,865**	33,864	1,509,995
Adjustments for:					
Depreciation of property and equipment	10	**1,143**	**58,156**	7,141	318,417
Provision for doubtful debts	9	**475,909**	**24,214,250**	313,546	13,981,016
Reversal provision for doubtful debts written back	8	**(366,213)**	**(18,632,917)**	(318,763)	(14,213,642)
Impairment loss on investment	11 (a)	**-**	**-**	866,146	38,621,450
Reversal on prior years' provision for loss on onerous in-charter hire contracts	20 (b)	**(1,356,729)**	**(69,030,372)**	(1,100,479)	(49,070,359)
Interest income		**(719,650)**	**(36,615,792)**	(679,340)	(30,291,771)
Operating loss before changes in operating assets and liabilities		**(1,195,692)**	**(60,836,810)**	(877,885)	(39,144,894)
Decrease in inventories		**688,912**	**30,718,586**	485,683	22,008,983
Decrease/(increase) in trade and other receivables		**5,737,264**	**248,547,077**	(3,795,587)	(140,355,155)
Decrease in prepayments		**263,299**	**11,740,502**	1,017,980	45,776,112
Decrease/(increase) in other current assets		**1,219,433**	**54,359,000**	(226,145)	(9,785,079)
(Decrease)/increase in trade and other payables		**(2,444,202)**	**(82,735,941)**	2,690,339	118,453,877
Net cash from/(used in) operating activities (A)		**4,269,014**	**201,792,414**	(705,615)	(3,046,156)
Cash flows from investing activities					
Purchase of property and equipment		**(373)**	**(18,978)**	-	-
Investment in shares of SeaChange Maritime LLC		**-**	**-**	(866,146)	(38,621,450)
(Increase)/decrease in fixed deposits with banks (net)		**(10,878,112)**	**(618,416,852)**	3,035,796	139,170,307
Net cash (used in)/from investing activities (B)		**(10,878,485)**	**(618,435,830)**	2,169,650	100,548,857
Cash flows from financing activities					
Dividend paid		**(5,000,000)**	**(254,400,000)**	-	-
Net cash used in financing activities (C)		**(5,000,000)**	**(254,400,000)**	-	-
Net effect of foreign exchange translation (D)		**-**	**166,279,190**	-	(7,928,501)
Net (decrease)/increase in cash and cash equivalents (A+B+C+D)		**(11,609,471)**	**(504,764,226)**	1,464,035	61,622,327
Cash and cash equivalents at beginning of the year		**13,660,677**	**609,129,587**	12,196,642	547,507,260
Cash and cash equivalents at end of the year	15	**2,051,206**	**104,365,361**	13,660,677	609,129,587

The accompanying notes form an integral part of these financial statements.
The Independent Auditors' report is set forth on page 1.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2012

1 Legal status and business activities

a) **The Great Eastern Chartering LLC (FZC)** is a limited liability company incorporated on 1 November 2004 in the Sharjah Airport International Free Zone pursuant to Law No. 2 of 1995 of H. H. Sheikh Sultan Bin Mohammed Al Qassimi, Ruler of Sharjah. The registered office of the Company is at P.O. Box 9271, Sharjah, UAE.

b) The Parent company is The Great Eastern Shipping Co. Ltd., India. The registered office of the Parent company is Ocean House, 134-A, Dr. Annie Besant Road, Mumbai 400018.

c) The Company's principal activity is chartering of ships.

2 Significant accounting policies

a) Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of the Ministry of Corporate Affairs, Government of India.

b) Use of significant estimates, assumptions and judgements

The process of applying the Company's accounting policies for the preparation of financial statements in conformity with the International Financial Reporting Standards also requires the management to make certain assumptions for critical accounting estimates and exercise judgement that affect the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments as at the date of the reporting period.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving high degree of judgement of complexity or areas where assumptions and estimates are significant in applying accounting policies that have a bearing on the amounts recognized in the financial statements are lives of items of property and equipment, their residual values, write-down of the value of inventories, provision for doubtful trade receivables and advances, provision for contingencies or certain uncertainties.

At the end of each reporting period, management conducts an assessment of each of the assets referred-to above to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below it carrying amount, a provision is made and changes are reflected in the financial statements of the period of change and, if material their effects are disclosed in the financial statements. These are explained in the notes on the respective items of assets in the accounting policies.

c) Adoption of new and revised International Financial Reporting Standards

New and amended standards applicable from the current year but not currently relevant to the Company although they may affect the accounting for future transactions and events or and adopted by the Company or not applicable to the Company are as follows:

Changes that apply from 1 January 2011

- Amendment to IAS 24 - Related Party Disclosures
- Amendment to IFRIC 14, 'IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirement and Their Interaction

Annual improvements 2010

- Amendment to IAS 1 - Presentation of Financial Statements
- Amendment to IAS 34 - Interim Financial Reporting
- Amendment to IFRS 1 - First-time Adoption' - Interim information
- Amendment to IFRS 1 - First-time Adoption' - Deemed Cost Exemption

- Amendment to IFRS 1 - First-time Adoption' - Rate-regulated Entities
- Amendment to IFRS 7 - Financial Instruments: Disclosures - Nature and Extent of Risks Arising from Financial Instruments
- Amendment to IFRIC 13 - Customer Loyalty Programmes - Fair Value

Changes that apply from 1 July 2011

- Amendment to IFRS 1 - First-time Adoption - Exemption for Severe Hyperinflation and Removal of Fixed Dates
- Amendment to IFRS 7 - Financial Instruments: Disclosures' - Disclosures on Transfers of Financial Assets

Changes that apply from 1 January 2012

- Amendments to IAS 12 - Income Taxes - Deferred Tax Accounting for Investment Properties

Changes that apply from 1 January 2013

- IFRS 9 - Financial Instruments - Classification of Financial Assets and Financial Liabilities

d) Presentation currency

The functional currency of the Company is US Dollars (USD). However, these financial statements have also been expressed in Indian Rupees (INR) principally to meet the statutory filing requirements of the Parent company with the Ministry of Corporate Affairs, Government of India.

The figures have been rounded off to the nearest US Dollars and Indian Rupees.

The figures in USD have been converted into INR at the year-end rate of 1 USD = 50.88 INR for profit and loss items as well as for balances in the 'Statement of financial position' (previous year: 1 USD = 44.59 INR for profit and loss items as well as for balances in the 'Statement of financial position'). The differences arising are accounted through the 'Other comprehensive income' in the 'Foreign currency translation reserve' in the 'Statement of changes in equity'.

3 Summary of significant accounting policies

The significant accounting policies adopted and which have been consistently applied, are as follows:

a) Revenue

Revenue represents amount invoiced to customers for charter hire services and voyages completed during the year. Expenses/revenues relating to incomplete voyage are carried forward and income/loss is recognized on completion of voyage.

b) Leases

Leases under which substantially all the risks and rewards of ownership of the related asset remain with the lessor are classified as operating leases and the lease payments are charged to the statement of comprehensive income on a straight-line basis over the year of the lease.

c) Foreign currency transactions

Transactions in foreign currencies are translated into US Dollars at the rate of exchange ruling on the date of the transactions.

Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the end of the reporting period.

Gains or losses resulting from settlement of foreign currency transactions are taken to the 'Statement of comprehensive income' on net basis as either 'Foreign exchange gains' or 'Foreign exchange losses' and included in 'Finance income' or 'Finance costs' respectively.

d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. The cost less estimated residual value, where material, is depreciated using the straight-line method over estimated useful lives of five years for furniture, fixtures and office equipment and three years for computers.

An assessment of residual values is undertaken at each end of the reporting period and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains/losses on disposal are determined by reference to their carrying amount and are included in operating profit.

Impairment

At each end of the reporting period, management conducts an assessment of property and equipment to determine whether there are any indications that they may be impaired. In the absence of such indications, no further action is taken. If such indications do exist, an analysis of each asset is undertaken to determine its net recoverable amount and, if this is below its carrying amount, a provision is made.

e) Inventories

Bunkers on board at the year end are valued at cost or net realisable value, whichever is less. Cost is arrived at using First-in, First-out (FIFO) method and comprise invoice value plus landing charges.

Estimate for inventory write down and reversals

Management undertakes on an annual basis a review of the Company's inventory in order to assess the likely realization proceeds, taking into account purchase and replacement prices, technological changes, age, likely obsolescence, the rate at which goods are being sold and the physical damage to estimate the write-down required.

f) Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at the invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

g) Cash and cash equivalents

Cash and cash equivalents comprise cash, balances in bank current accounts and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit.

h) Statement of cash flows

Cash flows are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities. The cash flows from operating, investing and financing activities are segregated based on the nature of items.

i) Trade payables, provisions and accruals

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Company.

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

j) Derivative financial instruments

Future contracts under "SWAP" Agreements for Forward Freight and Bunker Rates in which the Company actively trades are classified as 'held-for-trading'. Changes in fair values of open contracts with reference to quoted market prices resulting into losses are recognised in the statement of comprehensive income.

k) Financial instruments

Financial assets and financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are de-recognised when, and only when, the contractual rights to receive cash flows expire or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities are de-recognised when, and only when, they are extinguished, cancelled or expired.

Current financial assets that have fixed or determinable payments and for which there is no active market, which comprise investment, trade and other receivables and other current assets are stated at cost or, if the impact is material, at amortised cost using the effective interest method, less any write down for impairment losses plus reversals of impairment losses. Impairment losses and reversals thereof are recognised in the statement of comprehensive income.

Critical assumptions in respect of doubtful debts

Management regularly undertakes a review of the amounts of receivables owed to the Company from third parties (refer Note 13) or from related parties (refer Note 21) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Current financial liabilities, which comprise trade and other payables are measured at cost or, if the impact is material, at amortised cost using the effective interest method.

4 Risk management

The Company's management focuses on the unpredictability of financial markets and continually seeks to identify its risks and minimize their impact by conducting and operating the business in a prudent manner. The Company's activities expose to a variety of financial risks such as credit, currency, interest rates and liquidity risks. The monitoring of the credit and currency risk, where relevant are explained in the notes on the related account balances, namely trade and other receivables {refer Note 13 (e) & (f)} and cash and bank (refer Notes 15 & 16). The management of interest rate risk and the liquidity risk are explained below.

Interest rate risks

Fixed deposits with banks are kept at fixed prevailing rates of interest and are therefore exposed to fair value interest rate risks.

Liquidity risk

Management continuously monitors its cash flows to determine its cash requirements and makes comparison with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

5 Capital management

Capital consists of share capital, statutory reserve and retained earnings which amounted to USD 22,206,362 or INR 1,129,859,699 as at the end of reporting period. The Company manages its capital with an objective to ensure that healthy capital ratios are maintained and adequate funds are available to it on an on-going basis to operate as a going concern and provide the Shareholder with reasonable rate of return under the prevailing economic conditions and the risks encountered.

		31 March 2012 USD	**31 March 2012 INR**	31 March 2011 USD	31 March 2011 INR
6	**Revenue**				
	Freight income	**10,978,466**	**558,584,350**	30,209,406	1,347,037,414
	Charter hire income	**5,329,214**	**271,150,408**	8,816,727	393,137,857
	Demurrage income	**192,201**	**9,779,187**	1,712,026	76,339,239
		16,499,881	**839,513,945**	40,738,159	1,816,514,510
7	**Direct expenses**				
	Charter hire expenses	**7,195,482**	**366,106,124**	21,193,181	945,003,941
	Bunker consumed	**668,138**	**33,994,861**	8,881,707	396,035,315
	Freight expenses	**8,235,411**	**419,017,712**	6,563,149	292,650,814
	Demurrage expenses	**320,846**	**16,324,644**	122,417	5,458,574
	Other direct expenses	**825,850**	**42,019,248**	3,874,412	172,760,031
		17,245,727	**877,462,589**	40,634,866	1,811,908,675
8	**Other operating income**				
	Excess provision of doubtful debts written back {Note 13 (d)}	**366,213**	**18,632,917**	318,763	14,213,642

		31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
9	**Other operating expenses**				
	Rent	**29,783**	**1,515,359**	38,867	1,733,080
	Loss on trading of derivative financial instruments	**-**	**-**	114,032	5,084,687
	Provision for doubtful debts {Note 13 (d)}	**475,909**	**24,214,250**	313,546	13,981,016
	Bad debts written off	**123,262**	**6,271,571**	-	-
	Other expenses	**296,801**	**15,101,236**	828,279	36,932,962
		925,755	**47,102,416**	1,294,724	57,731,745

10 Property and equipment

	Furniture, fixtures and office equipment USD	Furniture, fixtures and office equipment INR	Computers USD	Computers INR	Total USD	Total INR
Net book values						
As at 31 March 2012						
Cost	1,123	57,138	35,881	1,825,625	37,004	1,882,763
Accumulated depreciation	(862)	(43,859)	(35,881)	(1,825,625)	(36,743)	(1,869,484)
Net book value	**261**	**13,279**	**-**	**-**	**261**	**13,279**
As at 31 March 2011						
Cost	750	33,444	35,881	1,599,933	36,631	1,633,377
Accumulated depreciation	(718)	(32,016)	(34,882)	(1,555,388)	(35,600)	(1,587,404)
Net book value	32	1,428	999	44,545	1,031	45,973
Reconciliation of net book values						
As at 31 March 2010	61	2,739	8,111	364,103	8,172	366,842
Depreciation for the year	(29)	(1,293)	(7,112)	(317,124)	(7,141)	(318,417)
Foreign currency translation adjustment	-	(18)	-	(2,434)	-	(2,452)
As at 31 March 2011	32	1,428	999	44,545	1,031	45,973
Additions during the year	373	18,978	-	-	373	18,978
Depreciation for the year	(144)	(7,327)	(999)	(50,829)	(1,143)	(58,156)
Foreign currency translation adjustment	-	200	-	6,284	-	6,484
As at 31 March 2012	**261**	**13,279**	**-**	**-**	**261**	**13,279**

		31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
11	**Investment**				
	Investment in shares of SeaChange Maritime LLC, USA (368,000 units of USD 10.8696 each fully called-up and paid up)	**4,000,013**	**203,520,661**	4,000,013	178,360,580
	Less: Impairment loss on investment	**(4,000,013)**	**(203,520,661)**	(4,000,013)	(178,360,580)
	Net book value	-	-	-	-

a) The movements in impairment loss provision during the year were as follows:

	31 March 2012 USD	**31 March 2012 INR**	31 March 2011 USD	31 March 2011 INR
Opening balance	**(4,000,013)**	**178,360,580)**	(3,133,867)	(167,823,077)
Charge for the year (Page 2)	**-**	**-**	(866,146)	(38,621,450)
Foreign currency translation adjustment	**-**	**(25,160,081)**	-	28,083,947
Closing balance	**(4,000,013)**	**(203,520,661)**	(4,000,013)	(178,360,580)

b) A full provision has been made against the investment on the basis of the 'Net Asset Value' as at 31 December 2011 as assessed by the Board of Directors of the investee company.

	31 March 2012 USD	**31 March 2012 INR**	31 March 2011 USD	31 March 2011 INR
12 Inventories				
Bunker inventories	**-**	**-**	688,912	30,718,586
13 Trade and other receivables				
Trade receivables	**180,670**	**9,192,490**	4,313,703	192,348,017
Advances to suppliers	**865,679**	**44,045,748**	2,579,606	115,024,632
Deposits	**954**	**48,540**	954	42,539
	1,047,303	**53,286,778**	6,894,263	307,415,188

a) Trade receivables are net of provision for doubtful debts of USD 633,898 or INR 32,252,730 (previous year: USD 524,202 or INR 23,374,167).

b) Advances are net of provision for doubtful debts of USD 1,335,803 or INR 67,965,657 (previous year: USD 1,335,803 or INR 59,563,456).

c) The age analysis of trade receivables as at the end of the reporting period was as follows:

Less than six months	**180,670**	**9,192,490**	3,843,752	171,392,901
Six months to one year	**-**	**-**	111,728	4,981,952
More than one year	**-**	**-**	358,223	15,973,164
Total	**180,670**	**9,192,490**	4,313,703	192,348,017

d) The movements in provision for doubtful debts and advances during the year were as follows:

Opening balance	**1,860,005**	**82,937,623**	1,865,222	83,729,815
Charge for the year (Note 9)	**475,909**	**24,214,250**	313,546	13,981,016
Reversal on debt realization (Note 8)	**(366,213)**	**(18,632,917)**	(318,763)	(14,213,642)
Foreign currency translation adjustment	**-**	**11,699,431**	-	(559,566)
Closing balance	**1,969,701**	**100,218,387**	1,860,005	82,937,623
The closing balance comprises as follows:				
Provision against trade receivables	**633,898**	**32,252,730**	524,202	23,531,428
Provision against advance to suppliers	**1,335,803**	**67,965,657**	1,335,803	59,964,197
Foreign currency translation adjustment	**-**	**-**	-	(558,001)
	1,969,701	**100,218,387**	1,860,005	82,937,623

e) **Credit risk**

i) As per the credit policy of the Company, customers are extended credit period of up to 60 days on the basis of assessment of their creditworthiness judged by their conduct in the past, management's trade experience, their reputation of financial standing, market information and the market in which they operate. The management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and visits to the customers.

ii) At the end of the reporting period, the concentration of credit risk with respect to trade receivables was as follows:

Country	No. of customers 31 March 2012	2011	31 March 2012 %	31 March 2011 %
China	**1**	1	**13**	7
India	**1**	5	**87**	85
	2	6	**100**	92

iii) Advances have been paid to various suppliers of services and includes approximately 77% due from a supplier situated in the UK (previous year: 57%).

f) Currency risk

The Company sells services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US Dollars is fixed. At the end of the reporting period, there was no significant exchange rate risk as all the receivables are denominated in US Dollars or in UAE Dirham which has a fixed parity with the US Dollar.

	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
14 Prepayments				
Prepaid charter hire	**-**	**-**	263,299	11,740,502
15 Cash and cash equivalents				
Bank balances in:				
- Current accounts	**2,051,206**	**104,365,361**	2,116,275	94,364,702
- Term deposits	**-**	**-**	11,544,402	514,764,885
	2,051,206	**104,365,361**	13,660,677	609,129,587

The Company's bank accounts and deposits are placed with high credit quality financial institutions.

16 Fixed deposits with banks

The deposits are kept with high credit quality Indian banks situated in London, United Kingdom and Hong Kong and have maturities upto twelve months from the dates of deposits.

	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
17 Other current assets				
Off-hire claims receivable	**2,467**	**125,521**	2,467	110,004
Amounts receivable on 'held-for-trading' derivative financial instruments	**-**	**-**	1,219,433	54,374,517
	2,467	**125,521**	1,221,900	54,484,521
18 Share capital				
Authorised, issued and paid up:				
1,500 shares of AED 100 each	**40,869**	**2,079,415**	40,869	1,822,349

19 Dividend

The dividend of USD 5,000,000 or INR 254,400,000 paid during the year represented a dividend per share of USD 3,333 or INR 169,600 (Page 5).

		31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
20	**Trade and other payables**				
	Trade payables	**1,668,283**	**84,882,239**	1,642,228	73,226,947
	Advances received from customers	**10,788**	**548,893**	134,839	6,012,471
	Voyages in-progress	**-**	**-**	827,592	36,902,327
	Accrued expenses	**1,137,654**	**57,883,836**	2,656,268	118,442,990
	Provision for loss on onerous in-charter hire contracts (refer Notes below)	**-**	**-**	1,356,729	60,496,546
		2,816,725	**143,314,968**	6,617,656	295,081,281

a) Provision for loss on onerous incharter hire contracts represents the recognition of losses established on a prudent basis in respect of unavoidable vessel charter-hire contracts entered into by the Company for future periods over the estimated future earnings from operations of the related vessels arising from severe decline in the charter-hire charges in the international freight market, which in the opinion of the management are of non-temporary nature.

b) The movements in provision for loss on onerous incharter hire contracts during the year were as follows:

	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
Opening balance	**1,356,729**	**60,496,546**	2,457,208	124,629,590
Reversal on previous years' provision (Page 2)	**(1,356,729)**	**(69,030,372)**	(1,100,479)	(49,070,359)
Foreign currency translation adjustment	**-**	**8,533,826**	-	(15,062,685)
Closing balance	**-**	**-**	1,356,729	60,496,546

21 Related parties

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and at terms which correspond to those on normal arm's length transaction with third parties. Related parties comprise the Parent company, companies under common ownership and/or common management control, Shareholders, Directors and fellow subsidiaries.

At the end of the reporting period, balances with related parties were as follows:

	31 March 2012 USD	31 March 2012 INR	31 March 2011 USD	31 March 2011 INR
Parent company				
Included in trade receivables (Note 13)	**157,070**	**7,991,722**	-	-
Fellow subsidiaries				
Included in trade payables (Note 20)	**1,489**	**75,760**	7,355	327,959
All the balances are unsecured and are expected to be settled in cash.				
Significant transactions with related parties during the year were as follows:				
Commercial management fees	**25,890**	**1,154,435**	31,521	1,405,521
Agency fees	**5,043**	**224,867**	3,725	166,098
Reimbursement of expenses	**-**	**-**	139,899	6,238,096

22 Fair values of financial instruments

The fair value of a financial instrument is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The fair value of the financial assets and financial liabilities which are required to be carried at cost or at amortised cost approximates to their carrying values.

23 Approval of financial statements

These financial statements were approved by the Director and authorized for issue on 24 April 2012.

For The Great Eastern Chartering LLC (FZC)

Director

GREATSHIP (INDIA) LIMITED

A Subsidiary Company

Directors	
Chairman	Mr. Bharat K. Sheth
Managing Director	Mr. Ravi K. Sheth
Executive Director	Mr. P. R. Naware
	Mr. Keki Mistry
	Mr. Berjis Desai
	Mr. Vineet Nayyar
	Mr. Shashank Singh
	Mr. Anil Singhvi
Registered Office	Ocean House 134/A, Dr. Annie Besant Road Worli, Mumbai – 400 018
Corporate Office	Indiabulls Finance Centre, Tower 3, 23rd Floor, Senapati Bapat Marg, Elphinstone Road (West) Mumbai 400 013
Corporate Identity Number	U 63090 MH 2002 PLC 136326
Auditors	Kalyaniwalla & Mistry Chartered Accountants Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai - 400 023
Company Secretary	Ms. Amisha Ghia
Web Site	www.greatshipglobal.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Tenth Annual Report for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

The Financial Highlights of the Company for the current year and previous year on a standalone and consolidated basis are as under:

PARTICULARS	STANDALONE		CONSOLIDATED	
	Current Year (Rupees in lacs)	Previous Year (Rupees in lacs)	Current Year (Rupees in lacs)	Previous Year (Rupees in lacs)
Total Revenue	86343	76854	123353	91457
Total Expenditure	67098	57128	76585	55427
Depreciation and amortisation expense	6669	5196	19119	11738
Impairment loss on non-current asset held for sale	--	--	1998	--
Profit before tax	**12576**	**14530**	**25651**	**24292**
Less: Provision of tax				
- Current tax	3600	2710	3671	2739
- Deferred Tax	(43)	(18)	(43)	(18)
Profit for the year after tax	**9019**	**11838**	**22023**	**21571**
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961	1000	2000	1000	2000
Add: Balance brought forward from previous year	17520	12113	29427	14287
Amount available for appropriation	**25539**	**21951**	**50450**	**33858**
Transfer to General Reserve	700	1200	700	1200
Interim Dividend on 7.5% Preference Shares	660	660	660	660
Proposed Dividend on 22.5% Preference Shares	1450	--	1450	--
Proposed Dividend on Equity Shares	2227	2118	2227	2118
Dividend distribution tax on equity and preference Dividends	704	453	704	453
Balance at the end of the year	**19798**	**17520**	**44709**	**29427**

Your Company has achieved a profit after tax this year of Rs. 9019 lacs (previous year Rs. 11838 lacs) on a stand-alone basis and consolidated net profit of Rs. 22023 lacs (previous year Rs. 21571 lacs). The group recorded consolidated total revenue of Rs. 123353 lacs as compared to Rs. 91457 lacs for the previous year. The highlights of the performance/operations of the Company are included in detail in the report on 'Management Discussion and Analysis' which is annexed as Annexure 1 to this Report.

DIVIDEND

Your directors recommend a dividend of Rs. 2 per share on equity shares. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be Rs. 2588 lacs including dividend distribution tax of Rs. 361 lacs. This represents a payout ratio of 28.70%.

During the year under review, an interim dividend of 7.5% was paid on the 8,80,00,000 Preference Shares of face value of Rs. 10 each in accordance with the terms of issue of the Preference Shares, for the financial year ending on March 31, 2012. The aggregate outgo on account of preference shares dividend was Rs. 767 lacs, including tax on dividend of Rs. 107 lacs.

Your directors recommend dividend of 22.50% on 6,06,24,000 Preference shares of face value of Rs. 10 each in accordance with the terms of issue of Preference Shares, for the period from the date of allotment up to March 31, 2012, aggregating to a total outgo of Rs. 1685 lacs, including dividend distribution tax of Rs. 235 lacs. The dividend will be paid after your approval at the ensuing Annual General Meeting. Thus, the total dividend for the year on Preference Shares would result in aggregate payout of Rs. 2452 lacs (including dividend distribution tax of Rs. 342 lacs)

SHARE CAPITAL

During the year under review, on December 9, 2011, 54,60,000 equity shares were allotted to The Great Eastern Shipping Co. Ltd. under rights issue for a price of Rs. 180 per share (face value of Rs. 10 each and premium of Rs. 170 each). The total paid up capital of the Company as on date is Rs. 259,96,95,000 comprising of 11,13,45,500 equity shares of Rs. 10 each and 14,86,24,000 preference shares of Rs. 10 each.

EMPLOYEE STOCK OPTIONS

The stock options granted to employees of the Company, parent company and subsidiaries are currently operated under five employee stock option schemes ("Schemes"). During the year under review, 2,05,900 stock options were granted to the employees of the Company and the Subsidiaries, making the total options outstanding as on March 31, 2012 to 16,55,600 (net of options cancelled/forfeited). In April 2012, 1,36,800 additional stock options were granted making the total options outstanding as on date to 17,92,400 (net of options cancelled/forfeited). The details of the Schemes are included in the Annexure 3 of this Report.

In March 2012, the Board approved the proposal of providing the option grantees an opportunity to encash their vested stock options as on March 31, 2012.

NEW OFFICE PREMISES

The Company is presently operating from 2 locations. During the year under review, the Company acquired new office premises on leave and licence basis at Indiabulls Finance Centre, Elphinstone Road. During FY 12-13, both corporate offices would shift to the new premises.

SUBSIDIARIES

The Company has 7 wholly owned subsidiaries as under (together referred to as 'Subsidiaries'):

a) Greatship Global Energy Services Pte. Ltd., Singapore

b) Greatship Global Offshore Services Pte. Ltd., Singapore

c) Greatship Global Holdings Ltd., Mauritius

d) Greatship Subsea Solutions Singapore Pte. Ltd., Singapore

e) Greatship Subsea Solutions Australia Pty. Limited, Australia

f) Greatship (UK) Limited, United Kingdom

g) Greatship Global Offshore Management Services Pte. Ltd., Singapore

During the year under review, Greatship DOF Subsea Projects Private Limited, Mumbai (GDOF) erstwhile wholly owned subsidiary of the Company was struck off from the Registrar of Companies vide the Fast Track Exit mode on 30.12.2011.

Your Company has till date invested Rs. 103780 lacs in its Subsidiaries. Subsidiaries of your Company are expected to make substantial contribution to the overall growth for the Group.

SUBSIDIARIES FINANCIAL STATEMENTS

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

Accordingly, copies of the balance sheets, profit and loss accounts, reports of the Board of Directors, reports of the Auditors, etc. of the subsidiary companies have not been attached to the Balance Sheet of your Company as at March 31, 2012. As per the terms of the said Circular, a statement containing brief financial details of the subsidiaries of the Company for the year ended March 31, 2012 is included in the Annual Report. The annual accounts of the Subsidiaries and the related detailed information shall be made available to shareholders of the Company seeking such information at any point of time. The annual accounts of the Subsidiaries are also available for inspection, during business hours, by any shareholders, at the head office of the Company and of the Subsidiary concerned.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared by the Company in accordance with the requirements of the accounting standards issued by the Institute of Chartered Accountants of India. In accordance with the above notification, audited consolidated financial statements of the Company and Subsidiaries duly audited by its statutory auditors form part of the Annual Report.

The consolidated net worth of the group for FY 12 was Rs. 245575 lacs as compared to Rs. 203157 lacs for FY 11.

DIRECTORS

Mr. Ravi K. Sheth, Managing Director and Mr. P.R. Naware, Executive Director whose term of office expired on November 6, 2011, were re-appointed as Managing Director and Executive Director for a period of five years w.e.f. November 7, 2011.

Mr. Anil Singhvi was appointed as Additional Director of the Company w.e.f February 4, 2012. He ceases to be a Director on the date of the 10th Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as Director on the Board.

Mr. Venkatraman Sheshashayee who was appointed as Additional Director of the Company w.e.f April 1, 2011, resigned from the Board w.e.f November 24, 2011. Mr. Rajiv Lall resigned from the Board w.e.f February 10, 2012. The Board places on record its appreciation for the valuable contribution by them during their tenure on the Board.

Mr. P.R. Naware and Mr. Vineet Nayyar retire by rotation and being eligible offer themselves for re-appointment. Proposals for their re-appointment have been included in the Notice of the Annual General Meeting for your approval.

In April 2012, the Board of Directors based on the recommendation of the Remuneration Committee, modified the terms of reappointment of Mr. Ravi K. Sheth, Managing Director, approving payment of remuneration to him for a period commencing from April 1, 2012 to November 6, 2016 on certain terms and conditions. The Board of Directors also approved modification of the terms of appointment of Mr. P.R. Naware, Executive Director by approving payment to him towards encashment of stock options in accordance with the Encashment Scheme of the Company.

The various details about the Board of Directors and its Committees are given in Annexure 2 to this Report.

DEBT FUND RAISING

Over last few financial years, the Company has been raising debt for its expansion programme. During the current financial year, the amount of debt went up from Rs. 65238 lacs at the end of FY 11 to Rs. 78299 lacs at the end of FY 12. The consolidated debt went up from Rs. 234028 lacs for FY 11 to Rs. 253302 lacs for FY 12. The gross debt:equity ratio as on March 31, 2012 was 0.38 on standalone basis and 1.03 on consolidated basis.

DIRECTORS' RESPONSIBILITY STATEMENT: –

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. they have selected accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
3. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. they have prepared the annual accounts on a going concern basis.

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

As per the Notification No. GSR 1029 dated December 31, 1988, the Company is not required to furnish information in relation to conservation of energy under Clause (e) of sub-section (1) of section 217 of the Act. The Company has no particulars to furnish in Form B as regards technology absorption.

The details of Foreign Exchange Earnings and Outgo are:

a)	Foreign Exchange earned and saved (on account of charter hire earnings, etc.)	Rs. 83856 lacs
b)	Foreign Exchange used (including operating expenses, capital repayment, down payment for acquisition of assets, interest payment, etc.)	Rs. 96022 lacs

PARTICULARS OF EMPLOYEES

Statement pursuant to Section 217(2A) of the Act, read with the Companies (Particulars of Employees) Rules, 1975, is annexed to this Report.

AUDITORS

Messrs Kalyaniwalla & Mistry, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The Company has received letter from them to the effect that their reappointment, if made, would be within the prescribed limits under section 224(1B) of the Act and that they are not disqualified for such reappointment within the meaning of section 226 of the Act.

APPRECIATION

Your Directors express their sincere thanks to the Government of India, Ministry of Shipping, Ministry of Petroleum & Natural Gas, Ministry of Finance, Directorate General of Shipping, Port Authorities, Mercantile Marine Department and various other authorities, all customers, charterers, partners, vendors, bankers, insurance companies, P&I Clubs, consultants and advisors for their support during this critical phase of the Company's growth and expansion. Your Directors also acknowledge and appreciate the significant contributions made by all the employees of the Company.

Your Directors look forward to the continued support, guidance and fellowship of various authorities and agencies in the years to come.

For and on behalf of the
Board of Directors

Bharat K. Sheth
Chairman

Mumbai, April 27, 2012

ANNEXURE 1

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PERFORMANCE

In FY 12, your Company recorded a total income of Rs. 86343 lacs (previous year Rs. 76854 lacs) on a standalone basis and Rs. 123352 lacs (previous year Rs. 91457 lacs) on consolidated basis. The Company earned a PBIDT of Rs. 26647 lacs (previous year Rs. 22760 lacs) on a standalone basis and Rs. 60523 lacs (previous year Rs. 45507 lacs) on consolidated basis.

OFFSHORE LOGISTICS

Market Trend and Analysis

FY12 saw an improvement in global markets in the offshore logistics space. This improvement though, was neither consistent across time nor uniform across geographies. The year began where the last one left off; with tentative employment prospects and utilisation issues across a wide gamut of markets. The improvement in market conditions came to fore in the second half of the year; most markedly in the last quarter.

The North Sea market turned out to be more positive than was anticipated at the start of the year. Charter rates touched 3 year highs during the "busy" summer season in many OSV categories while utilisation levels during the traditionally "weaker" winter markets exceeded those witnessed over the last couple of years.

The West African market started off the year tepidly but changing preferences towards more sophisticated dynamic positioning (DP) vessels manifested itself in tightness in availability of suitable units in the second half of the year. While older, non-DP units traditionally employed in this market languished, West Africa started to attract DP tonnage from outside the region at increasing rates.

The Middle Eastern market provided a smaller glimmer of hope in terms of demand; though not so much in rates for smaller AHTSVs as the market preference started migrating towards more modern vessels in this category. The North African / Mediterranean market was impacted by the market disruption arising out of civil unrests in the region.

The Company currently actively participates in the Brazilian, South East Asian and the Indian markets.

Brazil continued to be the dominant growth market for OSV tonnage, soaking up a significant number of vessels, with Petrobras alone taking in about 70-80 OSVs (offshore support vessels) on long term charters. The IOCs/ independents operating in Brazil, though with a relatively lesser appetite, added to the demand picture with several short term fixtures.

However, with the siren song of long term charters attracting a bevy of new owners to this market, the rising demand failed to translate into commensurate rise in rate levels. At the same time, operating costs continued to rise; rapidly so for items relating to local content, ensuring that margins continued to be under pressure and the business environment stayed challenging.

The South East Asian market for anchor handlers (AHTSVs) saw anaemic demand growth for small/medium size anchor handlers while the larger, higher-spec anchor handlers experienced a healthier demand and thus, better utilisation and rates. The increasing demand for PSVs in SE Asia, traditionally an AHTSV market, started translating into an improved PSV market second half of the year onwards.

India painted the most robust demand picture of the markets that we currently operate in, with multiple tenders from ONGC, BGEPIL and GSPC, and requirement from even smaller operators like Petrogas and AWEL. For the first time, ONGC tendered to charter in 150 T bollard pull AHTSVs. This can be considered as a precursor for increasing activity in the deep waters of East Coast of India. The one disappointing aspect of the Indian market turned out to be the lack of any requirements from RIL; though this could change in the coming year.

On the asset market front, secondhand transaction activity remained at subdued levels through the year. Ordering activity was more focused on PSVs as compared to AHTSVs, though there were signs of reviving interest in ordering larger AHTSVs by the end of the year. There was no definite trend in asset prices, though for the most part, the year ended with prices somewhat higher than at the start.

Company Performance

During FY12, the Company further consolidated its position in the Asian and Indian markets, increased penetration within the Australasian clientele and improved operational focus in Brazil. The year saw our clientele list include Total in Brunei, Woodside in Korea, Chevron in Brazil, TNK-BP in Vietnam and Murphy Oil in Malaysia while we continued to ably service our past clients in both domestic and global markets.

The year began with ten vessels of the Company's fleet of seventeen employed on longer term charters with the remaining seven operating under shorter term contracts of six months or less. The year ended with the fleet having grown to nineteen vessels with the deliveries of two 150-T anchor handlers. Twelve of these were on long term charters, with seven chartered out on shorter durations.

Fleet Changes

As on March 31, 2012, the operating fleet of the Company (including Subsidiaries) stood at nineteen vessels which includes four Platform Supply Vessels (PSVs), nine Anchor Handling Tug cum Supply Vessels (AHTSVs), three Multipurpose Platform Supply and Support Vessels (MPSSVs) and three ROV Support Vessels (ROVSVs). During the year under review, your Company (including subsidiaries) took delivery of the following vessels:

1. AHTSV 'Greatship Vidya' on Jan 06, 2012
2. AHTSV 'Greatship Vimla' on Feb 09, 2012

During the year, the Company's Singapore subsidiary, GGOS cancelled new building contracts of two Multi Purpose Support Vessels with Mazagon Dock Limited, Mumbai. The yard has disputed the cancellation of one Multi Purpose Support Vessel. The current order book of the Company (including Subsidiaries) consists of three ROV Support Vessels (ROVSVs) being constructed at Colombo Dockyards in Sri Lanka.

Outlook for Offshore Logistics Market

Against a backdrop of elevated oil prices and expectations of global E&P spend increase for a third year in a row, a sense of cautious optimism pervades the industry. However, the market performance is likely to vary by asset categories and region. The Brazilian market is once again likely to be the star performer in terms of headline demand, but challenges for operating within that market are likely to persist. South East Asia is currently experiencing improving market conditions for mid-size PSVs in particular, but the delivery overhang of PSVs expected to come out of Asian yards could cap any significant market recovery. The Indian market is expected to continue its active run with continuing tenders expected from ONGC and other operators such as GSPC, BGEPIL, and AWEL etc. As noted earlier, RIL could shake of its dormancy too and add to the activity in India.

Notwithstanding the global economic uncertainties, this optimism is tempered with a couple of other caveats. Firstly, the expectation for improvement during FY13 is more back ended, in line with the expected flow of drilling rig deliveries. Secondly, the Company's own long term chartered fleet that has been enjoying healthy rates contracted in a more rewarding market will come up for repricing during this year.

Thus, given the outlook for the market, the offshore logistics business looks forward to a consistent and positive performance in the coming year.

DRILLING SERVICES

Market Trend and Analysis

The benchmark Brent Oil price stayed comfortably above the US$ 100 / barrel mark for all of FY-12 driving positive sentiment in the E&P space. The resultant high exploration and development activity led to increasing utilisation and day rates continued their gradual uptrend witnessed since rebounding from the lows seen in FY-10. The jack-up rig market witnessed utilisation levels reaching 90% for assets at the modern end. The day rates during the year were around US$130,000, though the rates moved up above these levels for fixtures concluded in the last quarter. The vintage end of the fleet, which had encountered the prospects of increasing stackups, witnessed a turnaround with stacked-up vessels get back into employment by the end of the year. The jackup market witnessed demand increase in the Middle East, South East Asia and Africa while the Brazilian and African markets provided support to deep water rigs.

Given the positive market conditions, the year saw an upsurge in ordering with 67 rigs (including 26 jackups) ordered during the year. There was a significant element of replacement demand in the new orders as established drilling companies looked to replace their older units with modern rigs having higher specifications and operational capability which resulted in a gradual rise in new building prices. On the corporate front, there was a further move towards consolidation with the Hercules purchase of Seahawk's assets and Transocean's acquisition of Aker Drilling.

Company Performance

The company's drilling fleet comprises three drilling rigs, the Greatdrill Chetna and the Greatdrill Chitra, under operation and one new building, Greatdrill Chaaya, due for delivery from the yard in the coming year. Greatdrill Chetna registered another strong operational performance during the ONGC charter this year. The rig completed this charter after the end of FY-12 with nil LTIs (Lost Time Incidents). The rig would be employed with British Gas under a term charter for operations off west coast India.

Greatdrill Chitra continued her 5 year contract with ONGC and achieved 2 Years Incident Free Operations on 5th Nov 2011. Post an incident on rig in Dec 2011, when the Incident Free Record was reset, she has achieved 102 days Incident Free Operations as on 31st Mar 2012.

Greatdrill Chaaya is currently under construction at the Lamprell yard in Dubai and is due for delivery around the end of 2012. The rig has been fixed out on a long term charter with ONGC commencing post-delivery.

During the year, the Company completed 3 years as a Drilling Contractor, which enables the company to satisfy prequalification requirements in the market on a standalone basis.

Fleet Changes

There were no changes to the drilling fleet during the year.

Outlook for Drilling Market

The current outlook for oil prices is for Brent to stay above the US$ 100 / barrel level for the coming year. E&P spending surveys suggest that global capex will grow by around 10% y-o-y this year with potential upside. These estimates however, are based on a moderately growing global economy and exclude effects on any geopolitical events; both assumptions that are far from certain for the coming year.

Given the high utilisation levels and increasing duration of contracts, we can expect the gradual uptrend to continue at least in the short term. However, with increased supply coming in from 2013 onwards we might see such trend being capped beyond a point. Geographically, we expect that the Middle Eastern and South East Asian market will continue to take in jackups, with the Indian market providing healthy support too.

SUBSEA SOLUTIONS

Market Trend and Analysis

The health of the subsea market showed relative improvement in FY12, more so in the second half; compared to the dismal conditions of the previous year. Though such improving market conditions could lead to FY12 being labelled as the 'turnaround year' in the subsea market; the business environment prevailing during the year was not without its challenges, especially for lower tier contractors.

After a drop in activity in North Sea over the previous couple of years, demand for subsea services bottomed out this year as it saw a revival of subsea developments of mature fields. The GoM market also returned to healthier activity from the regulatory constrained environment of the previous year post the Macondo incident. West Africa and Brazil continued to strengthen their position as large "prospective" markets, though with limited growth in current demand during 2012.

Closer to home; activity in the Asia Pacific market was healthier though pressure on project margins continued in the competitive landscape. Australian activity grew slower than expected as the initial phases of the projects' cycle experienced lengthening durations due to local resource constraints within the market.

The impact of these market developments was felt by Tier-I contractors in somewhat improved operating margins in 2012; but more so in their order books, which grew both in size and length. For many smaller contractors/subcontractors, the year represented a period of loss reduction rather than a return to full profitability.

Company Performance

The Company's subsidiaries, Greatship Subsea Solutions Singapore Pte Ltd (GSS) and Greatship Subsea Solutions Australia Pty Limited (GSA) operated in the Subsea markets primarily in Australia, and to a lesser extent in Asia. The vessel, Greatship Mamta, was the sole marine asset operating in the subsea space during the year. The high quality of execution and operational delivery quickly established Greatship as a quality newcomer in the subsea market. However, the financial performance came in far below expectations as pricing pressures capped project margins and the business struggled to recover fixed overheads.

Outlook for Subsea Market

Within the markets that we currently operate in, Australia is likely to continue experiencing delays in the subsea projects' cycle in the short term; though, medium-term prospects for the year 2014 and onwards remain attractive. Asia is likely to be the better market in the short term with construction activity expected to pick up second half of this year and sustain through 2013. Major regional drivers for the increase in subsea demand include an expected step-change driven by long-distance subsea tiebacks of stranded gas fields. These long-awaited developments will utilize hundreds of miles of subsea pipelines and production umbilicals, potentially ratcheting up the size and number of contract awards.

The global outlook on subsea over the longer term remains positive, with certain studies forecasting a doubling of the market within the next five years. This will be driven by a significant number of upcoming greenfield developments, predominantly in deepwater, in Australia, West Africa and Latin America.

QUALITY, HEALTH, SAFETY & ENVIRONMENT

During the year under review, the Company completed the renewal DOC Audit for verification of compliance towards the ISM (International Safety Management) Code. The audit was carried out by Directorate General of Shipping, Mumbai.

Annual audits for verification of compliance towards ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) for office, vessels and rigs were completed. These audits were carried out by Det Norske Veritas (DNV), Mumbai.

Subsidiary GGOS Singapore completed annual audits for verification of compliance towards the ISM code, ISO 9001:2008 , ISO 14001:2004 and OHSAS 18001:2007 standards. These audits were carried out by Det Norske Veritas (DNV), Singapore.

All fleet vessels are in compliance of the International Safety Management (ISM) Code. All fleet vessels and rigs are in compliance of International Ships and Port Facility Security (ISPS) Code. Rigs are operating in the Indian Exclusive Economic Zone and are complying with the applicable Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008.

Safety statistics of our fleet vessels and rigs are at par with the best in the industry.

	GIL	GGOS	RIGS
Fatality	Nil	Nil	Nil
Pollution Incidents	Nil	Nil	Nil
Security Incidents	Nil	Nil	Nil
LTI (Loss Time Incident)	01	03	01
LTIF (Loss Time Incident Frequency)	0.10	3.13	0.48
TRIF (Total Recordable Incident Frequency)	0.62	7.31	0.48

All Fleet vessels & rigs carry out onboard safety, environment and security training in the form of drills, safety movies and computer based training modules.

Onboard on job training is carried out. Onshore training was imparted in specialized courses such as SAP / ISM / ISPS / IMS.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place adequate control systems commensurate with the nature of its business and the size of its operations. In the beginning of the year, the internal control procedures are tailored to match the organisation's pace of growth and increasing complexity of operations. The internal audit covering the key business processes of the company was carried out by a firm of external Chartered Accountants. All audit reports with significant observations and follow up actions thereon are reported to the Audit Committee.

SYSTEMS

During the year, Business Planning & Consolidation module of SAP (SAP-BPC) was implemented. The objective of this system is to enable standardize budgeting process across departments & automation of the financial consolidation process.

EMPLOYEES

As on March 31, 2012, the strength of onshore employees (including contractual) across the Company and its subsidiaries totalled to 123.

FLEET AS ON MARCH 31, 2012

Greatship (India) Limited

Category		Vessel Name	DWT (MT)	Year Built	Avg Age (years)
OFFSHORE SUPPORT VESSELS					
	Platform Supply Vessels				
	1	m.v. Greatship Disha	3,096	1999	
	2	m.v. Greatship Dipti	3,229	2005	
	3	m.v. Greatship Dhriti	3,318	2008	
	4	m.v. Greatship Dhwani	3,315	2008	
	4		**12,958**		**7**
	Anchor Handling Tug cum Supply Vessels				
	1	m.v. Greatship Anjali	2,188	2008	
	2	m.v. Greatship Amrita	2,045	2008	
	3	m.v. Greatship Akhila	1,639	2009	
	4	m.v. Greatship Asmi	1,634	2009	
	5	m.v. Greatship Ahalya	1,643	2009	
	6	m.v. Greatship Aarti	1,650	2009	
	7	m.v. Greatship Vidya	3,289	2012	
	7		**14,088**		**2.9**
	ROV Support Vessels				
	1	m.v. Greatship Rohini	3,684	2010	
	2	m.v. Greatship Rashi	3,684	2011	
	2		**7,368**		**1.5**
FLEET TOTAL					
Number	**13**				
Total Tonnage (dwt)	**34,414**				
A verage Age (yrs)	**3.92**				

Greatship Global Offshore Services Pte. Ltd., Singapore

Category		Vessel Name	DWT (MT)	Year Built	Avg Age (years)
OFFSHORE SUPPORT VESSELS					
	Anchor Handling Tug cum Supply Vessels				
	1	*m.v. Greatship Aditi	2,057	2009	
	2	m.v. Greatship Vimla	3,310	2012	
	2		**5,367**		**1.5**
	Multi-purpose Platform Supply and Support Vessels				
	1	m.v. Greatship Maya	4,252	2009	
	2	m.v. Greatship Mamta	4,068	2010	
	3	m.v. Greatship Manisha	4,400	2010	
	3		**12,720**		**2.3**
	ROV Support Vessel				
	1	m.v. Greatship Ramya	3,700	2010	
	1		**3,700**		**2**
FLEET TOTAL					
Number	**6**				
Total Tonnage(dwt)	**21,787**				
Average Age (yrs)	**2**				

*acquired on a sale and leaseback basis

Greatship Global Energy Services Pte. Ltd., Singapore

Category		Rig Name	Year Built	Average Age (yrs)
Drilling Units				
	Jack Up Rig			
	1	Greatdrill Chitra	2009	
	2	Greatdrill Chetna	2009	
	2			**3**
FLEET TOTAL				
Number	**2**			
Average Age (yrs)	**2**			

Transactions during FY 2011-12
Acquisitions

Greatship (India) Limited

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF AQUISITION
New Built Deliveries					
Offshore Support Vessels					
	Anchor Handling Tug cum Supply Vessel	Greatship Vidya	3,289	2012	Jan-12

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries					
Offshore Support Vessels					
	Anchor Handling Tug cum Supply Vessel	Greatship Vimla	3,310	2012	Feb-12

Order Book as on April 27, 2012

Category		Type	Shipyard	Month of Contracting	Expected Delivery
New Building Order Book Position					
Offshore Support Vessels in **Greatship Global Offshore Services Pte. Ltd., Singapore**					
	1.	ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Oct-10	Q1 FY13
	2.	ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Oct-10	Q2 FY13
	3.	ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Dec-10	Q3 FY13
Drilling units in Greatship Global Energy Services Pte. Ltd., Singapore					
	1.	Jack Up Rig	Lamprell Energy Ltd.,Dubai	Jan-11	Q3 FY13

ANNEXURE 2

CORPORATE GOVERNANCE

The provisions of the listing agreement to be entered into with the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited ("Stock Exchanges") ("Listing Agreement") with respect to corporate governance are not applicable to your Company as your Company is not listed with the Stock Exchanges. However, as a measure of good corporate governance practice we present the following report. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board in compliance with the Companies Act, which functions either as a full board or through various committees constituted to oversee specific functions. Our executive management provides our Board detailed reports on its performance periodically.

BOARD OF DIRECTORS

Composition of the Board

As on date, the Board of Directors consists of eight directors and the Chairman is a Non-Executive Director. The majority of the Board, six out of eight, are Non-Executive Directors. The Board of Directors is strengthened with higher number of independent directors which enables separation of the board function of governance and management. We believe that an active, well-informed and independent Board is necessary to ensure the high standards of corporate governance. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board. The composition of the Board is in line with clause 49 of the Listing Agreement.

Meetings of the Board

Dates for Board meetings in the ensuing year are decided in advance by the Board. The Meetings of the Board are generally held at the Registered Office of the Company at Ocean House, 134/A, Dr. A.B. Road, Worli, Mumbai – 400018. Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The Board Meetings were held on April 30, 2011, July 30, 2011, October 31, 2011, February 4, 2012 and March 15, 2012.

Agenda and Notes on Agenda are circulated to the Board of Directors, in advance, in the defined Agenda format generally seven days prior to the meeting of the Board of Directors. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. The Board Members in consultation with the Chairman may bring up any matter for the consideration of the Board of Directors. The Board of Directors also passes resolution by Circulation, if required. The Company Secretary records the minutes of the proceedings of each Board of Directors and Committee meeting which are entered in the Minutes Book within 30 days from the conclusion of that meeting.

The Composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting and also number of other Directorships and Memberships of Committees as on March 31, 2012 are as follows:

Name of Director	Nature of Director ship	Attendance		As on March 31, 2012		
		Board Meetings	Last Annual General Meeting	Number of other directorships *	Committee Memberships **	Committee Chairmanships **
Mr. Bharat K. Sheth	Non Executive Chairman	5	Yes	1	NIL	NIL
Mr. Ravi K. Sheth	Managing Director	5	Yes	2	NIL	NIL
Mr. P. R. Naware	Executive Director	5	Yes	NIL	NIL	NIL
Mr. Keki Misty	Non Executive Director	5	Yes	13	10	4
Mr. Berjis Desai	Non Executive Director	4	Yes	10	10	2
Mr. Vineet Nayyar	Non Executive Director	1	No	8	1	NIL
Mr. Shashank Singh	Non Executive Director	5	No	1	NIL	NIL
Mr. Anil Singhvi +	Non Executive Director	1	No	6	3	1
Mr. Venkatraman Sheshashayee ++	Non Executive Director	2	No	NA	NA	NA
Mr. Rajiv Lall +++	Non Executive Director	3	No	NA	NA	NA

1. **The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.*

2. *** Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all Public Limited Companies have been considered.*
3. *+ Mr. Anil Singhvi was appointed as the Additional Director of the Company w.e.f. February 4, 2012.*
4. *++ Mr. Venkatraman Sheshashayee who was appointed as the Additional Director of the Company on April 1, 2011, resigned from the Board w.e.f November 24, 2011.*
5. *+++ Mr. Rajiv Lall resigned from the Board w.e.f February 10, 2012.*

COMMITTEES OF THE BOARD OF DIRECTORS

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board of Directors has constituted several Committees with specific terms of reference/scope. The minutes of the meetings of all Committees of the Board of Directors are placed before the Board of Directors for discussions/noting.

A) AUDIT COMMITTEE

i. The Audit Committee comprises of three members with any two forming the quorum. The composition of the Audit Committee meets the requirements of section 292A of the Companies Act, 1956 and the Listing Agreement of the Stock Exchanges.

ii. The members of the Audit Committee as on date are Mr. Keki Mistry (Chairman), Mr. Berjis Desai and Mr. Ravi K. Sheth.

iii. During the year under review, four meetings of the Audit Committee were held on April 30, 2011, July 30, 2011, October 31, 2011 and February 4, 2012.

Details of attendance of the members at the Committee meetings held during the year are as under:

Name of the Member	Number of meetings attended during FY12
Mr. Keki Mistry (Chairman)	4
Mr. Ravi K. Sheth	4
Mr. Berjis Desai	3

iv. The Audit Committee meetings are attended by the Executive Director, Chief Financial Officer, representatives of Internal Audit Firm and Statutory Auditors. Ms. Amisha Ghia, Company Secretary is the Secretary of the Committee.

v. The terms of reference of the Audit Committee are broadly as under:

a. Overseeing the Company's financial reporting process and disclosure of its financial information;

b. Recommending to the Board the appointment, re-appointment, and replacement of the statutory auditor and the fixation of audit fee;

c. Approval of payments to the statutory auditors for any other services rendered by them;

d. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;

ii. Changes, if any, in accounting policies and practices and reasons for the same;

iii. Major accounting entries involving estimates based on the exercise of judgment by management;

iv. Significant adjustments made in the financial statements arising out of audit findings;

v. Compliance with listing and other legal requirements relating to financial statements;

vi. Compliance with accounting standards;

vii. The going concern assumption;

viii. Any related party transactions i.e transactions of the Company or material nature, with the promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large; and

ix. Qualifications in the draft audit report.

e. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

h. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

i. Discussion with internal auditors any significant findings and follow up there on;

j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

k. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

l. Reviewing the Company's financial and risk management policies.

m. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors;

n. Reviewing the functioning of the whistle blower mechanism, in case the same is existing;

o. Review of management discussion and analysis of financial condition and results of operations, statements of significant related party transactions submitted by management, management letters/letters of internal control weaknesses issued by the statutory auditors, internal audit reports relating to internal control weaknesses, and the appointment, removal and terms of remuneration of the chief internal auditor; and

p. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

B) REMUNERATION COMMITTEE

Upon resignation of Mr. Rajiv Lall from the Board of the Company, the Remuneration Committee was reconstituted w.e.f March 15, 2012 to comprise of three Independent Directors, namely, Mr. Vineet Nayyar (Chairman), Mr. Keki Mistry and Berjis Desai.

During the year under review, two meetings of the Remuneration Committee were held on April 30, 2011 and October 24, 2011.

Details of attendance of the members at the Committee meetings held during the year are as under:

Name of the Member	Number of meetings
Mr. Vineet Nayyar (Chairman)	NIL
Mr. Berjis Desai	2
Mr. Rajiv Lall*	2

* Resigned from the Board on February 10, 2012

The terms of reference of the Remuneration Committee are broadly as under:

1. Determine on behalf of the Board and the shareholders the Company's policy on specific remuneration packages for executive directors including pension rights and any other compensation related matters and issues.

2. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), as and when amended from time to time.

3. Such other matters as may from time to time are required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

Ms. Amisha Ghia, Company Secretary is the Secretary of the Committee.

The Remuneration Committee is empowered to frame remuneration packages for the Executive Directors and review the same from time to time on certain performance parameters, growth in business as well as profitability and also align the remuneration with the best practices prevailing in the industry.

Mr. Ravi K. Sheth and Mr. P.R. Naware were reappointed as Managing Director and Executive Director, respectively, w.e.f November 7, 2011 (together referred to as Whole Time Directors)

Details of Remuneration to Whole Time Directors for FY 2011-12:

(Amt. in Rs.)

Name of Director	Salary	Benefits	Commission
Ravi K. Sheth	--	--	2,16,00,000
P. R. Naware*	4,657,711	--	60,00,000

* For part of the year, as Mr. P. R. Naware was reappointed as the Executive Director w.e.f November 7, 2011.

In April, 2012, the Board of Directors, based on the recommendation of the Remuneration Committee, approved reimbursement to The Great Eastern Shipping Co. Ltd. (GESCO) of the remuneration paid by GESCO to Mr. Ravi K. Sheth for the FY 11-12, amounting to Rs. 1,83,80,358/- The Board of Directors also modified the terms of appointment of Mr. Ravi K. Sheth approving payment of remuneration to him for a period commencing from April 1, 2012 to November 6, 2016 on certain terms and conditions.

In April 2012, the Board of Directors based on the recommendation of the Remuneration Committee, also approved modification of the terms of appointment of Mr. P.R. Naware, approving making payment to him towards encashment of stock options in accordance with the Encashment Scheme of the Company. In accordance with the Encashment Scheme of the Company, he would have the option to encash his vested stock options as on March 31, 2012.

Details of Remuneration to Non - Executive Directors for FY 2011-12

(Amt. in Rs.)

Name of Director	Commission
Keki Mistry	5,28,000
Berjis Desai	5,06,000
Vineet Nayyar	4,84,000
Shashank Singh	4,40,000
Total	19,58,000

Commission to Executive Directors is paid as determined by the Remuneration Committee based on certain performance parameters and profitability of the Company and is within the overall limit fixed by the members.

Commission to Non Executive Directors is determined after taking into account time spent by the Directors for the Company, profitability of the Company, the valuable guidance of the Directors for the various business initiatives and decisions at the Board level, membership/chairmanship of various committees of Directors.

ANNEXURE 3

INFORMATION ON EMPLOYEE STOCK OPTION SCHEMES AS ON MARCH 31, 2012

Particulars	Employee Stock Option Scheme 2007 ("ESOP 2007")	Employee Stock Option Scheme 2007-II ("ESOP 2007-II")	Employee Stock Option Scheme 2008-I ("ESOP 2008-I")	Employee Stock Option Scheme 2008-II ("ESOP 2008-II")	Employee Stock Option Scheme 2010 ("ESOP 2010")
Options granted	656,300	99,700	85,000	925,900	428,500
The pricing formula	These options formula were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to The Great Eastern Shipping Company Limited ("GESCO")	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to GESCO	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to GESCO	These options were granted at a price of Rs. 135, which is above the price at which certain Equity Shares were allotted to GESCO	These options were granted at a price of Rs. 135, which is above the price at which certain Equity Shares were allotted to GESCO
Exercise price of options	Rs. 100	Rs. 100	Rs. 100	Rs. 135	Rs. 135
Total options vested	338,980	89,100	60,000	278,380	35,180
Options exercised	106,700*	Nil	Nil	Nil	Nil
Total number of Equity Shares arising as a result of exercise of options	Nil	Nil	Nil	Nil	Nil
Options forfeited/ lapsed/cancelled	114,200	10,600	25,000	220,300	63,000
Variation in terms of options @	Please see Note 1 below	Please see Note 2 below	Nil	Nil	Nil
Money realised by exercise of options	Nil	Nil	Nil	Nil	Nil
Options outstanding (in force)	435,400	89,100	60,000	705,600	365,500
Person wise details of options granted to					
(i) Senior Managerial Personnel	P.R. Naware- 106,700 G Shivakumar- 70,000 KSS Kowshik- 42,500 Amisha Ghia- 11,600	Alok Mahajan– 15,000	Nil	Satish Sinha- 70,000 Alok Mahajan- 70,000 Nisha NathJain- 46,700 Ajith Karunakaran- 46,700	Nil
(ii) Any other employee who received a grant of options amounting to 5% or more of the options granted during the year ended 31-Mar-12	Nil	Nil	Nil	Nil	Please see Note 3 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil	Nil
Fully diluted EPS on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs.6.19	Rs.6.19	Rs.6.19	Rs.6.19	Rs.6.19
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Rs 15,25,078 (As on March 31, 2012) Impact on profit: Profit would be less by Rs. 15,25,078 Impact on EPS (basic) : 0.014 Impact on EPS (diluted) : 0.014	Rs 15,25,078 (As on March 31, 2012) Impact on profit: Profit would be less by Rs. 15,25,078 Impact on EPS (basic) : 0.014 Impact on EPS (diluted) : 0.014	Rs 15,25,078 (As on March 31, 2012) Impact on profit: Profit would be less by Rs. 15,25,078 Impact on EPS (basic) : 0.014 Impact on EPS (diluted) : 0.014	Rs 15,25,078 (As on March 31, 2012) Impact on profit: Profit would be less by Rs. 15,25,078 Impact on EPS (basic) : 0.014 Impact on EPS (diluted) : 0.014	Rs 15,25,078 (As on March 31, 2012) Impact on profit: Profit would be less by Rs. 15,25,078 Impact on EPS (basic): 0.014 Impact on EPS (diluted) : 0.014
Weighted- average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA	NA	NA	NA	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method	Intrinsic value method	Intrinsic value method	Intrinsic value method	Intrinsic value method

** Upon resignation by an employee, 106,700 stock options were settled by payment of cash in accordance with the Scheme.*

@ Deputation or interim discontinuation of service of an employee at the discretion of the Company, is to be considered as continued employment under the various ESOP Schemes, as approved by the Remuneration Committee of the Board of Directors.

Note 1: Variation in terms of options – ESOP 2007:

a) The provisions of ESOP 2007 relating to the exercise of the vested options by settlement in cash prior to listing of the shares of our Company were modified with effect from August 18, 2008, to be settled at a value to be determined at five times the EPS as per the latest audited consolidated financial statements of our Company instead of determining the value as per the latest audited financial statements of our Company.

b) Under ESOP 2007, vesting conditions relating to continued employment with our Company were modified with effect from August 18, 2008 to provide for the transfer of employment within the Group Companies.

Note 2: Variation in terms of options – ESOP 2007-II:

a) Under ESOP 2007 – II, vesting conditions relating to continued employment with our Company was modified with effect from November 5, 2008, to provide for transfer of employment within the group companies.

Note 3: Any other employee who received a grant of options amounting to 5% or more of the options granted during the year ended March 31, 2012:

ESOP 2010

Name of Employee	No. of options granted
Somesh Ugra	25,000
Pramod Pandey	25,000
Indranil Majumdar	25,000
Huang Qun*	16,300
Vidya Gopinath	16,300
Sharad Shrimal	16,300

** Options have been cancelled upon resignation by the employee*

Note 4: ESOPs are granted to employees on completion of one year of continued employment. It was decided that no further grants under the existing Schemes would be made to the employees who complete one year of service post March 31, 2012. The Board of Directors have on March 15, 2012 approved the proposal of granting an opportunity to the option grantees for encashment of all or part of their vested stock options under various schemes as on March 31, 2012.

REPORT OF THE AUDITORS TO THE MEMBERS OF GREATSHIP (INDIA) LTD.

1) We have audited the attached Balance Sheet of Greatship (India) Ltd. as at March 31, 2012 and also the Statement of Profit and Loss and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4) Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.

   e) In our opinion and to the best of our information and according to the explanations given to us the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; and

      ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date

      iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5) On the basis of the written representations received from the Directors of the Company as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2012 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place : Mumbai
Date: April 27, 2012

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph 3 of our report of even date on the accounts of Greatship (India) Ltd. for the year ended March 31, 2012:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   (b) The fixed assets are physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge no material discrepancies were reported on such verification.

   (c) In our opinion, a substantial part of the fixed assets has not been disposed of by the Company during the year.

2. (a) The management has conducted physical verification of inventory at reasonable intervals.

   (b) In our opinion, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and nature of its business.

   (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the accounts.

3. (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d) and (e) of sub-para (iii) of para 4 of the Order are not applicable.

   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets, and for the sale of goods and services. Further, on the basis of our examination of the books and records and the information and explanation given to us, we have not come across any continuing failure to correct any major weaknesses in the internal control system.

5. (a) In our opinion and according to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under section 301 of the Act have been so entered.

   (b) In our opinion and according to the information and explanations given to us, having regard to the explanation that many of the items are of a special nature and their prices cannot be compared with alternative quotation, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.

7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company.

9. (a) According to the information and explanations given to us and the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities, where applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2012 for a period of more than six months from the date of becoming payable.

   (b) According to the books of account and records as produced and examined by us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Excise duty or cess which have not been deposited on account of any dispute.

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.

11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

13. In our opinion and according to the information and explanation given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.

14. In our opinion, the Company has maintained proper records of the transactions and contracts of investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.

15. According to the information and explanations given to us and the records examined by us, the Company has given guarantees for loans taken by its subsidiaries from banks or financial institutions, however, in our opinion, the terms and conditions thereof are not prima facie prejudicial to the interest of the company.

16. As informed to us, the term loans were applied by the Company for the purpose for which they were obtained.

17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the company has not utilised any funds raised on short term basis for long term investments.

18. According to the information and explanations given to us, during the period covered by our audit, the Company has not made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year and the Company does not have any debenture outstanding as at the year end.

20. The Company has not raised any money through public issues.

21. Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place : Mumbai
Date: April 27, 2012

BALANCE SHEET AS AT MARCH 31, 2012

(Rs.in lacs)

Particulars	Note No.	Current Year	Previous Year
EQUITY AND LIABILITIES			
Shareholder's funds			
Share capital	3	**25,997**	25,451
Reserves and surplus	4	**178,088**	164,273
		204,085	189,724
Non current liabilities			
Long term borrowings	5	**68,011**	57,472
Long term provisions	6	**944**	332
		68,955	57,804
Current liabilities			
Trade payables	7	**5,559**	8,390
Other current liabilities	8	**14,689**	10,726
Short term provisions	9	**7,851**	2,764
		28,099	21,880
Total		**301,139**	269,408
ASSETS			
Non current assets			
Fixed assets			
Tangible assets	10 (a)	**120,229**	100,571
Intangible assets	10 (b)	**337**	316
Capital work-in-progress		**-**	4,039
Non-current investments	11	**103,780**	103,781
Deferred tax assets (net)	12	**131**	88
Long-term loans and advances	13	**37,004**	18,667
Other non-current assets	14	**717**	788
		262,198	228,250
Current assets			
Inventories	15	**3,882**	4,232
Trade receivables	16	**13,376**	11,065
Cash and bank balances	17	**20,281**	25,140
Short-term loans and advances	18	**952**	265
Other current assets	19	**450**	456
		38,941	41,158
Total		**301,139**	269,408
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Mumbai : April 27, 2012.

For and on behalf of the Board

Ravi. K. Sheth
Managing Director

P.R. Naware
Executive Director

Amisha M. Ghia
Company Secretary

PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012

(Rs. in lacs)

Particulars	Note No.	Current Year	Previous Year
Revenue :			
Revenue from operations	20	**82,660**	75,263
Other income	21	**3,683**	1,591
Total Revenue		**86,343**	76,854
Expenses :			
Employee benefit expenses	22	**12,549**	9,902
Finance cost	23	**7,402**	3,034
Depreciation and amortisation expense	10	**6,669**	5,196
Other expenses	24	**47,147**	44,192
Total expenses		**73,767**	62,324
Profit before tax		**12,576**	14,530
Tax expenses :			
- Current tax		**3,600**	2,710
- Deferred tax		**(43)**	(18)
		3,557	2,692
Profit for the year		**9,019**	11,838
Earnings per equity share:	25		
[Nominal value per share Rs.10 : previous year Rs.10]			
- Basic		**6.20**	12.30
- Diluted		**6.19**	12.28
Significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Mumbai : April 27, 2012.

For and on behalf of the Board

Ravi. K. Sheth
Managing Director

P.R. Naware
Executive Director

Amisha M. Ghia
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

		Current Year Rs. In Lacs	Previous Year Rs. In Lacs
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	PROFIT BEFORE TAX	**12,576**	14,530
	Adjustment for :		
	Depreciation	**6,669**	5,196
	Interest income	**(923)**	(181)
	Interest expense	**7,402**	3,034
	Dividend income	**(828)**	(529)
	Provision for doubtful debts and advances	**-**	755
	ESOP costs	**(16)**	10
	Profit on sale of assets (net)	**-**	(659)
	Loss on liquidation of subsidiary	**1**	-
	Unrealised exchange loss	**14**	230
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**24,895**	22,386
	Adjustment for :		
	Inventories	**350**	(436)
	Trade and other receivables	**(2,451)**	128
	Trade payables	**(2,429)**	(5,675)
	CASH GENERATED FROM OPERATIONS	**20,365**	16,403
	Taxes paid	**(3,493)**	(2,532)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	**16,872**	13,871
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of fixed assets	**(16,826)**	(22,363)
	Proceeds from sale of fixed assets	**5**	9,925
	Investment in subsidiary companies	**-**	(32,093)
	Loan to subsidiary companies	**(15,448)**	(18,282)
	Interest received	**1,009**	153
	Dividend received	**828**	529
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	**(30,432)**	(62,130)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of share capital	**9,814**	52,673
	Deposit with banks in margin / reserve account against long term borrowings	**(655)**	-
	Proceeds from long term borrowings	**13,322**	16,903
	Repayment of long term borrowings	**(8,465)**	(12,665)
	Interest paid	**(3,509)**	(3,717)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012 Contd.

	Current Year Rs. In Lacs	Previous Year Rs. In Lacs
Dividend paid	**(2,461)**	(1,665)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	**8,046**	51,528
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,514)**	3,269
CASH AND CASH EQUIVALENTS AS AT APRIL 1, 2011	**25,140**	21,871
CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2012	**19,626**	25,140
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(5,514)**	3,269
Cash and Bank Balances (refer note 17)		
Cash & Cash equivalents	**19,626**	25,140
Balances with banks in margin / reserve accounts	**655**	-
	20,281	25,140

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Mumbai : April 27, 2012.

For and on behalf of the Board

Ravi. K. Sheth
Managing Director

P.R. Naware
Executive Director

Amisha M. Ghia
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2012

1 Background

Greatship (India) Limited (the Company) is a public company domiciled in India and incorporated in the year 2002 under the provisions of The Companies Act,1956.

The company is providing offshore oilfield services with the principal activity of offshore logistics and drilling services. The company presently owns & operates 4 Platform Supply Vessels (PSVs), 7 Anchor Handling Tug cum Supply Vessels (AHTSVs) and 2 Remotely Operated Vehicle Support Vessels (ROVSVs) in the Indian and International markets. The company also operates 2 Jack up Drilling Rigs.

The company is a subsidiary of The Great Eastern Shipping Company Limited (GESCO) which is listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

2 Significant Accounting Policies

(a) Basis of Preparation :

The financial statements have been prepared in accordance with generally accepted accounting principles in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as Current and Non Current based on the Company's normal operating cycle, which has been ascertained as twelve months as per the criteria set out in Revised Schedule VI to The Companies Act,1956. The previous year's figures have also been reclassified in accordance with the requirements applicable to the current year.

(b) Use of Estimates :

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities as at the date of the financial statements and reported amounts of income and expenses during the year. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. However, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustment to the carrying amounts of assets and liabilities in future periods.

(c) Tangible Fixed Assets :

Tangible Fixed assets are stated at acquisition cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses related to acquisition and borrowing costs during construction period and any fair value gains or losses on qualifying cash flow hedges of depreciable capital assets that are transferred from hedging reserve. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

(d) Intangible Fixed Assets :

Intangible Fixed assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible Assets are amortised on a straight line basis over the estimated useful lives.

(e) Asset Impairment :

The carrying amounts of the Company's tangible and intangible assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the statement of profit and loss in the period in which impairment takes place.

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

(f) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition or construction of the qualifying assets are added to the cost of the asset, upto the date of acquisition or completion of construction. Other borrowing costs are recognised as expense in the period in which they are incurred.

(g) Investments :

Investments that are readily realisable and are intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long term investments.

Current investments are stated at lower of cost and fair value on an individual basis and the resultant decline, if any, is charged to revenue. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.

(h) Inventories :

Inventories of fuel oil on vessels and rigs and stores & spares on rigs are carried at lower of cost or net realizable value. Stores and spares delivered on board the vessels are charged to revenue. Stores and spares of Rigs are charged to revenue on consumption basis. Cost is ascertained on first-in-first-out basis for fuel oil and on weighted average basis for stores and spares on rigs.

(i) Revenue Recognition :

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

(a) Income from services : Revenue from Charter hire contracts are recognised pro rata over the period of the contract as and when services are rendered.

(b) Interest : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

(c) Dividends : Dividend income is recognised when the right to receive dividend is established.

(j) Operating lease :

Lease of assets in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to statement of profit and loss on a straight line basis over the period of lease.

(k) Employee Benefits :

Liability is provided for retirement benefits of provident fund, superannuation, gratuity and compensated absences in respect of all eligible employees.

(a) Defined Contribution Plan

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

(b) Defined Benefit Plan

Retirement benefits in the form of Gratuity is considered as a defined benefit obligation. The Company's liability in respect of gratuity is provided for, on the basis of actuarial valuations, using the projected unit credit method, as at the date of the Balance Sheet. Actuarial losses / gains are recognised in the statement of profit and loss in the period in which they arise.

(c) Other Long Term Benefits

Accumulated compensated absences, which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The expected costs of such absences is measured as the additional amount that is expected to be paid as a result of the unused entitlements as at the reporting date.

Accumulated compensated absences, which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined using the projected unit credit method at the end of each year. Actuarial gains / losses, comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the statement of profit and loss.

(l) Employee share based payments :

Equity settled stock options granted under the Company's Employee stock option (ESOP) schemes are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The intrinsic value of the option is recognised as employee compensation with a credit to employee stock option outstanding account. The employee compensation is charged to the statement of profit and loss over the vesting period of the option.

(m) Depreciation and Amortisation :

Depreciation is provided on the straight line method, prorata to the period of use, so as to write off the original cost of the asset over the remaining estimated useful life (as per technical evaluation by the Management at the time of acquisition) or at rates prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher, on the following basis :

	Method	Estimated useful life
Tangible Fixed Assets:		
Fleet - Offshore Supply Vessels	Straight line over balance useful life or 5%, whichever is higher	25 to 30 years
Furniture & Fixtures, Office Equipment, etc	Straight line	5 years
Computers	Straight line	3 years
Vehicles	Straight line	4 years
Leasehold Improvements	Straight line over lease period	5 years
Plant & Equipment	Straight line	3 to 10 years
Intangible Fixed Assets:		
Software	Straight line	5 years

(n) Foreign Exchange Transactions :

Transactions in foreign currency are recorded at standard exchange rates determined monthly. Non monetary items, which are measured in terms of historical costs denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year end are translated at closing rates. The difference in translation of long-term monetary items and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Translation Reserve and amortised over the balance period of such long term asset / liability, but not beyond March 31, 2020 by recognition as income or expense. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non integral foreign operation is accumulated in the Foreign Currency Translation Reserve until the disposal of the net investment. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the statement of profit & loss .

Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the statement of profit and loss, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added to or deducted from the cost of the asset. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

Currency swaps which form an integral part of the loans are translated at closing rates and the resultant gains and losses are dealt with in the same manner as the translation differences of long term monetary items.

(o) Derivative Financial Instruments and Hedging :

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions and interest rate risk. The method of recognizing 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. The carrying amount of a derivative designated as a hedge is presented as a mark - to - market gain / (loss) on derivative contracts under provisions. The company does not enter into any derivatives for trading purposes.

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

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

(p) Provision for Taxation :

Tax expense comprises both current and deferred tax.

Current income-tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws, enacted or substantially enacted as at the balance sheet date. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.

Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.
Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period.

(q) Provisions and Contingent Liabilities :

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

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

(r) Cash and Cash Equivalents :

Cash and Cash Equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with maturities of three months or less.

(s) Earnings per share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events, such as bonus issue, bonus element in a rights issue and shares split that have changed the number of equity shares outstanding without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

3 Share Capital

	Current Year		Previous Year	
	No. of Shares	**Rs. In Lacs**	No. of Shares	Rs. in Lacs
Authorised:				
Equity Shares of par value Rs.10/-	**135,000,000**	**13,500**	135,000,000	13,500
Preference Shares of par value Rs.10/-	**229,000,000**	**22,900**	229,000,000	22,900
Issued, subscribed and paid up				
Equity Shares of par value Rs.10/- fully paid up	**111,345,500**	**11,135**	105,885,500	10,589
7.5% Cumulative Redeemable Preference Shares of par value Rs.10/- fully paid up	**88,000,000**	**8,800**	88,000,000	8,800
22.5% Cumulative Redeemable Preference Shares of par value Rs.10/- fully paid up	**60,624,000**	**6,062**	60,624,000	6,062
Total		**25,997**		25,451

(a) Reconciliation of shares outstanding at the end of the year :

	Current Year		Previous Year	
	No. of Shares	**Rs. in Lacs**	No. of Shares	Rs. in Lacs
Details				
Equity Shares of par value Rs.10/- fully paid up				
Outstanding at the beginning of the year	**105,885,500**	**10,589**	86,100,000	8,610
Add: Issued during the year	**5,460,000**	**546**	19,785,500	1,979
Outstanding at the end of the year	**111,345,500**	**11,135**	105,885,500	10,589
7.5% Cum Redeemable Preference Shares of par value Rs.10/- fully paid up				
Outstanding at the beginning of the year	**88,000,000**	**8,800**	88,000,000	8,800
Add: Issued during the year	**-**	**-**		
Outstanding at the end of the year	**88,000,000**	**8,800**	88,000,000	8,800
22.5% Cum Redeemable Preference Shares of par value Rs.10/- fully paid up				
Outstanding at the beginning of the year	**60,624,000**	**6,062**	-	-
Add: Issued during the year	**-**	**-**	60,624,000	6,062
Outstanding at the end of the year	**60,624,000**	**6,062**	60,624,000	6,062

(b) Rights, preferences and restrictions attached to shares :

Equity Shares :

The holders of equity shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion of their shareholding.

Preference Shares :

(a) The Company had issued 88,000,000 7.5% Cumulative Convertible Redeemable Preference Shares of the face value of Rs. 10/- each at a premium of Rs. 20/- each on preferential basis to the Holding Company, "The Great Eastern Shipping Company Ltd". The Holding Company had in October 2009 decided not to opt for conversion of the preference shares into equity shares. Consequently, the terms of the Preference Shares was modified with the consent of the Preference shareholders. As per the revised terms, the said Preference shares would be redeemed at a premium of Rs. 30.90 per share, payable on redemption, in six annual installments, as under:

i. 14,500,000 Preference Shares on April 1, 2013

ii. 14,500,000 Preference Shares on April 1, 2014

iii. 14,500,000 Preference Shares on April 1, 2015

iv. 14,500,000 Preference Shares on April 1, 2016

v. 15,000,000 Preference Shares on April 1, 2017

vi 15,000,000 Preference Shares on April 1, 2018

The Company also has an option of early redemption by providing one month's notice to the Holding Company.

The redemption can be in part or in full subject to a minimum of 25 lacs shares at a time. In case of early redemption, the premium on redemption would be determined at such time so as to provide an effective yield to maturity of 7% to the Holding Company.

(b) The Company has also issued 60,624,000 22.5% Cumulative Redeemable Preference Shares of face value Rs 10/- each at a premium of Rs. 20/- each on preferential basis to the Holding Company, "The Great Eastern Shipping Company Ltd". The said Preference shares would be redeemed at a premium of Rs. 20/- per share, payable on redemption, in four annual installments as, under:

i. 15,156,000 Preference Shares on April 1, 2014

ii. 15,156,000 Preference Shares on April 1, 2015

iii. 15,156,000 Preference Shares on April 1, 2016

iv. 15,156,000 Preference Shares on April 1, 2017

The Company has an option of early redemption by providing one month's notice to the Holding Company. Early redemption can be in part or in full subject to a minimum of 25 lacs shares at a time.

(c) Shares held by The Great Eastern Shipping Company Limited, the holding company :

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Equity Shares	10,924	10,378
109,242,000 (Previous year 103,782,000) shares		
Preference Shares		
7.5% Cumulative Redeemable Preference Shares	8,800	8,800
88,000,000 (Previous year 88,000,000) shares		
22.5% Cumulative Redeemable Preference Shares	6,062	6,062
60,624,000 (Previous year 60,624,000) shares		

(d) Details of the Shareholders holding more than 5 % of the shares in the Company:

Name of Shareholder	**Current Year**		Previous Year	
	% of Holding	**No. of Shares held**	% of Holding	No. of Shares held
Equity Shares				
The Great Eastern Shipping Company Limited	**98.11%**	**109,242,000**	98.01%	103,782,000
7.5% Cumulative Redeemable Preference Shares				
The Great Eastern Shipping Company Limited	**100%**	**88,000,000**	100%	88,000,000
22.5% Cumulative Redeemable Preference Shares				
The Great Eastern Shipping Company Limited	**100%**	**60,624,000**	100%	60,624,000

The company's immediate and ultimate Holding Company is The Great Eastern Shipping Company Limited, a company incorporated in India, as defined under AS-21 Consolidated Financial Statements and AS-18 Related Party Disclosures.

(e) Employee Stock Option Scheme :

All the ESOPs are in respect of the Company's shares, where each stock option is equivalent to one equity share. The employee stock options of the Company are presently operated under five different Employee Stock Option Schemes ('Scheme/s') for the employees of the Company, the parent company and the subsidiaries. During the year under review, the Company has granted 205,900 options under ESOP 2010. The total options outstanding under the various Schemes as on March 31, 2012 are 1,655,600 options.

ESOPs are granted to employees on completion of one year of continued employment. The Remuneration Committee of the Board of Directors of the Company had decided that no further grants would be made under the existing Schemes to employees who complete one year of service post March 31, 2012.

The Board of Directors have at their meeting held on March 15, 2012 approved the proposal of granting an opportunity to the option grantees for encashment of all or part of their vested stock options under various schemes as on March 31, 2012.

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

Sr. No.	PARTICULARS	ESOP 2007	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II	ESOP 2010
1.	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	12/02/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09 18/03/10 30/04/10	23/09/10 30/04/11 24/10/11
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08	18/03/10
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08	23/04/10
4.	Options approved*	1,000,000	200,000	100,000	1,710,000	1,028,900
5.	Options outstanding at the beginning of the year	542,100	89,100	60,000	766,500	175,900
6.	Options granted during the year	--	--	--	--	30/04/11-162,800 24/10/11-43,100
7.	Options cancelled/forfeited during the year	--	--	--	60,900	16,300
8.	Options Exercised during the year	106,700*	--	--	--	--
9.	Options outstanding at the end of the year	435,400	89,100	60,000	705,600	365,500
10.	Exercise Price/Weighted Average Exercise Price	100	100	100	135	135
11.	Exercise period from the date of vesting	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later
12.	Exercisable at end of the year	--	--	--	--	--
13.	Method of Settlement	Equity/Cash	Equity	Equity	Equity/Cash	Equity
14.	Vesting period from the date of grant	20% equally over a period of five years	One year	One year	20% equally over a period of five years	20% equally over a period of five years
15.	Vesting conditions	Continued employment with the Company (includes transfer within group companies)	Continued employment with the holding Company "The Great Eastern Shipping Co. Ltd." (includes transfer within group companies)	Continued employment with the holding Company "The Great Eastern Shipping Co. Ltd." (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within group companies)

*upon resignation of an employee, 106,700 stock options were settled by payment of cash in accordance with the Scheme.

The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense amount which is the difference between exercise price of the option and the intrinsic value of shares amortised in the current year is Rs. 12 Lacs (previous year Rs. 24 Lacs). During the year, an amount of Rs. 42 Lacs (previous year Rs. 14 Lacs) has been credited to compensation expense on reversal from share options outstanding account on account of option lapsed during the year. The cumulative amount of Employee Stock Option expense amortised upto March 31, 2012 of Rs. 212 Lacs (previous year Rs. 242 Lacs) is included in Share Options Outstanding Account under Reserves and Surplus.

Had the compensation cost for the stock options outstanding as on March 31, 2012 been recognised, basis fair value method, the compensation expense to be amortised would be Rs. 15 Lacs (previous year Rs. 93 Lacs) The impact on EPS (basic) and EPS (diluted), had the fair value method been used, would be Rs. 0.014 (previous year Rs. 0.10) and Rs. 0.014 (previous year Rs. 0.10) respectively.

4 RESERVES & SURPLUS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
CAPITAL RESERVE		
Balance at the beginning of the year	**295**	-
Add: Amount forfeited on warrants not exercised	**-**	295
Balance at the end of the year	**295**	295
PREFERENCE SHARE CAPITAL REDEMPTION RESERVE		
Balance at the beginning of the year	**9,645**	5,651
Add: Transfer from securities premium reserve	**7,174**	3,994
Balance at the end of the year	**16,819**	9,645
SECURITIES PREMIUM RESERVE		
Balance at the beginning of the year	**129,472**	88,539
Add: Premium on equity shares issued during the year	**9,282**	44,927
Less: Transfer to preference share capital redemption reserve	**(7,174)**	(3,994)
Balance at the end of the year	**131,580**	129,472
SHARE OPTIONS OUTSTANDING ACCOUNT		
Balance at the beginning of the year	**242**	232
Add: Compensation for options granted during the year	**12**	24
Less: Reversal on account of lapsed stock options	**(42)**	(14)
Balance at the end of the year	**212**	242
FOREIGN CURRENCY TRANSLATION RESERVE		
Balance at the beginning of the year	**-**	-
Add: Additions during the year	**3,158**	-
Balance at the end of the year	**3,158**	-
GENERAL RESERVE		
Balance at the beginning of the year	**1,200**	-
Add: Transfer from statement of profit and loss	**700**	1,200
Balance at the end of the year	**1,900**	1,200
HEDGING RESERVE		
Balance at the beginning of the year	**214**	(1,404)
(Less) / Add : Fair value (loss) / gain on derivative contracts designated as cash flow hedges (net)	**(2,573)**	1,618
Balance at the end of the year	**(2,359)**	214
TONNAGE TAX RESERVE		
Balance at the beginning of the year	**5,685**	3,685
Add: Transfer from statement of profit and loss	**1,000**	2,000
Balance at the end of the year	**6,685**	5,685
SURPLUS IN STATEMENT OF PROFIT AND LOSS		
Balance at the beginning of the year	**17,520**	12,113
Add: Profit for the year	**9,019**	11,838
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961	**1,000**	2,000
Profit available for appropriation	**25,539**	21,951
Less: Appropriations:		
Transfer to general reserve	**700**	1,200
Interim dividend on 7.5% preference shares	**660**	660
Proposed dividend on 22.5% preference shares	**1,450**	-
Proposed dividend on equity shares	**2,227**	2,118
Dividend distribution tax on equity and preference dividends	**704**	453
Balance at the end of the year	**19,798**	17,520
	178,088	164,273

5 LONG TERM BORROWINGS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Secured :		
Foreign currency term loans from banks	**68,011**	57,472
	68,011	57,472

The foreign currency term loans are secured by mortgage of the vessels, assignment of earnings, charge on earnings account, assignment of swap contracts and insurance contracts/policies of respective vessels. Additionally, The Great Eastern Shipping Company Limited, the holding company has issued corporate guarantees as security for some loans to the extent of Rs.12,106 Lacs. The loans carry interest at the rate LIBOR plus 100 to 600 bps and are repayable in quarterly / half yearly installments over 8-10 years.

The Company has swapped the loans taken in JPY currency as a condition precedent to the loan agreements.

The maturity profile of foreign currency term loans from banks is as below:

Rs. in Lacs

	1-2 years	2-3 years	3-4 years	4-5 years	Beyond 5 years
Foreign currency term loans from banks	10,606	10,606	13,425	10,718	22,656

The Company does not have any continuing default in repayment of loans and interest as at the reporting date.

6 LONG TERM PROVISIONS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Provision for employee benefits		
- Provision for compensated absences	**14**	15
Provision for mark to market losses on derivative contracts	**930**	317
	944	332

7 TRADE PAYABLES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Dues of micro, small and medium enterprises	**-**	-
Dues of other creditors	**5,559**	8,390
(includes Rs. 4,378 Lacs; previous year Rs. 6,671 Lacs due to subsidiaries)		
	5,559	8,390

Disclosure of amounts due to Micro, Small and Medium enterprises is based on information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006' (MSMED). Amounts overdue on account of principal amount and interest thereon as on March 31, 2012 is Rs. NIL (previous year Rs. NIL). No interest has been paid during the year to suppliers registered under the MSMED Act.

Trade payable balances are subject to confirmation.

8 OTHER CURRENT LIABILITIES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Current maturities of long term borrowings	**10,288**	7,766
Interest Accrued but not due on long term borrowings	**608**	484
Employee benefits payable	**915**	620
TDS payable	**454**	265
Service tax and other indirect taxes payable	**833**	1,100
Creditors for capital expenses	**1,019**	-
Other liabilities	**572**	491
	14,689	10,726

9 SHORT TERM PROVISIONS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Provision for employee benefits		
-Provision for compensated absences	**68**	11
-Others	**670**	561
	738	572
Provision for income tax	**44**	-
(net of advance payment of tax and tax deducted at source Rs. 7,006 Lacs; previous year Rs. 3,506 Lacs)		
Provision for foreign taxes	**421**	311
Provision for mark to market losses / (gains) on derivative contracts	**1,607**	(581)
Proposed preference dividend	**2,110**	-
Proposed equity dividend	**2,227**	2,118
Provision for dividend distribution tax	**704**	344
	7,851	2,764

10 (a) TANGIBLE ASSETS

(Rs. in lacs)

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
PARTICULARS	As at April 1, 2011	Additions	Disposals	Other Adjustment	As at March 31, 2012	Upto April 1, 2011	For the year	Disposals / Adjustments	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Fleet	112,777	21,284	-	4,494	**138,555**	12,689	6,176	-	**18,865**	**119,690**	100,088
Leasehold improvements	53	-	-	-	**53**	30	10	-	**40**	**13**	23
Furniture & fixtures	159	0	-	-	**159**	93	32	-	**125**	**34**	66
Computers	170	42	-	-	**212**	110	49	-	**159**	**53**	60
Office equipments	145	5	5	-	**145**	90	29	3	**116**	**29**	55
Vehicles	201	124	15	-	**310**	112	58	12	**158**	**152**	89
Plant & equipment	535	277	-	-	**812**	345	209	-	**554**	**258**	190
TOTAL	**114,040**	**21,732**	**20**	**4,494**	**140,246**	**13,469**	**6,563**	**15**	**20,017**	**120,229**	**100,571**
Previous Year - Total	101,539	24,133	11,100	(532)	114,040	10,133	5,114	1,778	13,469		

1) Other adjustments include adjustment on account of exchange difference loss Rs. 4,469 Lacs (previous year gain Rs. 542 Lacs) and borrowing cost Rs. 25 Lacs (previous year Rs. 10 Lacs)

2) The amount of exchange (gain) / loss in Capital work in progress on account of cancellation of forward covers is Rs.NIL (Previous year loss Rs. 286 Lacs).

10 (b) INTANGIBLE ASSETS

(Rs. in lacs)

	GROSS BLOCK					DEPRECIATION				NET BLOCK	
PARTICULARS	As at April 1, 2011	Additions	Disposals	Other Adjustment	As at March 31, 2012	Upto April 1, 2011	For the year	Disposals / Adjustments	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Software	436	127	-	-	**563**	120	106	-	**226**	**337**	316
TOTAL	**436**	**127**	**-**	**-**	**563**	**120**	**106**	**-**	**226**	**337**	**316**
Previous Year - Total	355	86	5	-	**436**	39	82	1	**120**		

11 NON CURRENT INVESTMENT

	Face Value	No. of Shares	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Trade investments (valued at cost)				
Unquoted equity instruments - fully paid up				
Investments in subsidiaries				
Greatship global energy services pte. ltd., singapore	USD 64	282,252	**8,093**	8,093
Greatship global energy services pte. ltd., singapore	USD 1	1	**- ***	- *
Greatship global holdings Ltd., mauritius	USD 1	222,201,774	**95,461**	95,461
Greatship DOF subsea private ltd.	INR 100	1,000	**-**	1
Greatship (UK) ltd.	USD 1	500,000	**226**	226
Aggregate amount of unquoted investments			**103,780**	103,781

Greatship DOF Subsea Projects Private Limited, a wholly owned subsidiary of the company, has been struck off under section 560 of the Companies Act, 1956 under the Fast Track Exit Mode w.e.f December 30, 2011.

* indicates amount less than Rs. 1 lac.

12 DEFERRED TAX

Pursuant to the introduction of Section 115 VA under the Indian Income Tax Act, 1961, the Company has opted for computation of it's income from shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships is assessed on the basis of deemed Tonnage Income of the Company and no deferred tax is applicable to such income as there are no timing differences.

Deferred tax asset in respect of the non-tonnage income of the company is comprised of:

Particulars	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Difference in depreciation as per books and tax depreciation	**119**	88
Expenditure allowable for tax purposes on payment basis	**12**	-
Total	**131**	88

13 LONG TERM LOANS & ADVANCES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Unsecured considered good		
Security deposits	**116**	385
Loans and advances to related parties	**36,888**	18,282
	37,004	18,667
Loans and advances to related parties include loans to subsidiaries as under :		
Greatship global holdings limited	**36,379**	17,836
Greatship (UK) limited	**509**	446
	36,888	18,282

14 OTHER NON CURRENT ASSETS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Unamortised finance charges	**717**	788
	717	788

15 INVENTORIES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
(Valued at lower of cost and net realisable value)		
Stores & spares on board rigs	**3,433**	3,646
Fuel Oils	**449**	586
	3,882	4,232

16 TRADE RECEIVABLES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	**81**	29
- Considered doubtful	**1,723**	1,732
	1,804	1,761
- Provision for doubtful receivables	**(1,723)**	(1,732)
	81	29
Outstanding for a period less than six months from the date they are due for payment		
- Considered good	**13,295**	11,036
(includes Rs. 2,514 Lacs; previous year Rs. 316 Lacs due from subsidiaries)		
	13,376	11,065

Trade receivable balances are subject to confirmation.

17 CASH AND BANK BALANCES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Cash and Cash Equivalents		
Balances with banks		
-Current accounts	**12,866**	9,236
-Deposits with maturity less than 3 months	**-**	4,459
Cash in hand	**-***	1
Short term highly liquid investments	**6,760**	11,444
	19,626	25,140
Other bank balances :		
Balances with banks in margin / reserve accounts	**655**	-
	20,281	25,140

* Indiactes amount less than Rs. 1 Lac

Details of Short term highly liquid investments

Particulars	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Birla Sun Life Short Term Opportunities Fund-Institutional-Weekly Dividend	**-**	1,004
Birla Sun Life Savings Fund - Institutional - Daily Dividend -Reinvestment	**-**	323
Birla Sun Life Floating Rate Fund-STP-IP-Daily Div -Reinvestment	**804**	-
Canara Robeco Liquid Super Instt Daily Dividend Reinvestment Fund	**-**	331
Canara Robeco Floating Rate Short Term Daily Dividend Reinvestment Fund	**1,005**	-

Particulars	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Canara Robeco Treasury Advantage Super Institutional Daily Dividend Reinvestment Fund	**513**	-
Canara Robeco Interval Series 2 - Quarterly Plan 2 - Inst Dividend Fund	**500**	-
ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Dividend	**-**	1,531
ICICI Prudential Floating Rate Plan D - Daily Dividend	**-**	2,723
ICICI Prudential Blended Plan B Institutional Daily Dividend Option - II	**511**	-
IDFC Money Manager Fund -Treasury Plan - Institutional Plan B - Daily Dividend	**-**	468
IDFC Ultra Short Term Fund Daily Dividend	**208**	-
Kotak Quarterly Interval Plan Series 2 - Dividend	**200**	-
Kotak Quarterly Interval Plan Series 4 - Dividend	**600**	-
Kotak Flexi Debt Scheme Institutional - Daily Dividend	**-**	912
Reliance Money Manager Fund -Institutional Option - Daily Dividend Plan	**-**	201
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	**556**	-
Reliance Liquid Fund - Treasury Plan-Institutional Option - Daily Dividend Option	**202**	-
Reliance Monthly Interval Fund-Series I-Institutional Dividend Plan	**-**	1,031
Reliance Fixed Horizon Fund - XVIII - Series 6-Dividend Plan	**-**	1,500
Sundaram Money Fund Super Institutional Daily Dividend Reinvestment	**309**	-
TATA Liquidity Management Fund - Daily Dividend	**603**	-
UTI Treasury Advantage Fund - Institutional Plan (Daily Dividend Option) - Re-investment	**-**	1,270
UTI Money Market Fund - Institutional Daily Dividend - Re-investment	**749**	-
UTI-Floating Rate Fund -Short Term Plan - Institutional Daily Dividend Plan - Re-investment	**-**	150
	6,760	11,444

18 SHORT TERM LOANS & ADVANCES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Unsecured, considered good, unless stated otherwise		
Advances recoverable in cash or in kind	539	273
(including advances considered doubtful Rs NIL; previous year Rs 52 Lacs)		
Less : Provision for doubtful advances	**-**	52
	539	221
Agents current accounts	**28**	44
Deposits	**385**	-
	952	265

19 OTHER CURRENT ASSETS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Interest accrued on bank deposits	**-**	22
Prepayments	**336**	288
Unamortised finance charges	**114**	77
Interest accrued on loan to subsidiaries	**-**	69
	450	456

20 REVENUE FROM OPERATIONS

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Charter hire (refer note 31)	**82,660**	75,247
Other Operating income		
- Insurance claims	**-**	16
	82,660	75,263

21 OTHER INCOME

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Interest income		
- on deposits with banks	**8**	104
- on inter company loans	**910**	69
- Income tax refund	**5**	8
Dividend on highly liquid investments	**828**	529
Profit on sale of current investments	**-**	1
Profit on sale of vessel / other fixed assets	**-**	659
Agency income	**256**	98
Miscellaneous income	**83**	15
Gain on foreign currency transactions (net)	**1,593**	108
	3,683	1,591

22 EMPLOYEE BENEFIT EXPENSES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Salaries & wages	**11,324**	9,239
Contribution to provident & other funds	**686**	183
Employee stock option scheme expense	**(16)**	10
Staff welfare expenses	**555**	470
	12,549	9,902

23 FINANCE COST

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Interest on term loans from banks	**3,530**	2,962
Finance charges	**162**	113
Exchange difference to the extent, considered as an adjustment to borrowing cost	**3,735**	-
	7,427	3,075
Less : Pre-delivery interest and finance charges capitalised	**25**	41
	7,402	3,034

24 OTHER EXPENSES

	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Fuel, oil & water	**1,928**	595
Hire of chartered rigs and vessels	**34,969**	33,160
Consumption of stores and spares	**3,996**	3,411
Technical management fees	**15**	28
Agency fees	**108**	123
Port Dues	**29**	20
Repairs and maintenance	**909**	595
Insurance		
- Fleet insurance	**1,753**	1,721
- Others	**60**	36
Travelling and conveyance expenses	**770**	646
Communication expenses	**511**	535
Rent	**470**	464
Rates and taxes	**56**	4
Brokerage and commission	**7**	67
Payment to Auditors (refer note 27)	**49**	76
Provision for doubtful debts and advances	**-**	755
Miscellaneous expenses	**1,517**	1,956
	47,147	44,192

25 EARNINGS PER SHARE

		Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Basic earnings per share			
Profit for the year		**9,019**	11,838
Less : Dividend on Cumulative Preference Shares		**2,024**	746
Less : Dividend distribution tax on preference dividend		**328**	124
Profit attributable to Equity share holders		**6,667**	10,968
Number of Equity Shares as on April 1		**105,885,500**	86,100,000
Number of Equity shares as on March 31		**111,345,500**	105,885,500
Weighted average number of Equity shares outstanding during the year		**107,586,156**	89,150,581
Face value of per Equity Share	Rs.	**10**	10
Basic earnings per share	Rs.	**6.20**	12.30
Diluted earnings per share			
Profit for the year		**9,019**	11,838
Less : Dividend on Cumulative Preference Shares		**2,024**	746
Less : Dividend distribution tax on preference dividend		**328**	124
Profit attributable to Equity share holders		**6,667**	10,968
Weighted average number of Equity shares outstanding during the year		**107,586,156**	89,150,581
Add : Potential Equity shares on exercise of options		**153,657**	184,143
Weighted average number of Equity shares outstanding during the year		**107,739,813**	89,334,724
Face value of per Equity Share	Rs.	**10**	10
Diluted earnings per share	Rs.	**6.19**	12.28

26 Contingent Liabilities

a) Guarantees given by banks Rs. 12,454 Lacs (previous year Rs. 5,259 Lacs).

b) Corporate guarantees given on behalf of subsidiary companies Rs. 204,725 Lacs (previous year Rs. 213,971 Lacs).

c) Customs duty in respect of vessel provisionally cleared against security bond furnished by the company Rs. 882 Lacs (previous year Rs. 882 Lacs).

d) Service tax claimed for services provided by drilling units under the head "Supply of Tangible Goods for use" and the services being consumed by the seabed of the Continental Shelf of India, amounting to Rs. 2,725 Lacs (previous year Rs. 2,725 Lacs). However, the Company is of the view that in the unforeseen circumstances that the demand is sustained, the same would be recoverable from the service receiver under the terms of contract. For the similar period the company has also received notice from The Assistant Commissioner of Service Tax in relation to the Central Excise Revenue Audit (CERA) objection for payment of service tax on the services provided by the drilling units.

e) Custom duty demand for Marine Gas Oil to be treated as Light Diesel Oil during conversion of the vessel from a foreign-run vessel to a coastal-run vessel, disputed by the company estimated Rs. 12 Lacs (previous year Rs. 12 Lacs).

f) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. NIL (previous year Rs. 31,742 Lacs).

27 Auditors Remuneration

		Current Year Rs. in Lacs	Previous Year Rs. in Lacs
a)	Audit Fees	**15**	12
b)	In Other Capacity		
	- Tax Audit	**3**	2
	- Taxation Matters	**9**	11
	- Certification & Other Services	**22**	51
		49	76

28 Employee Benefits

a) Defined Contribution Plans :

The Company has recognised the following contributions in the statement of profit and loss. The contributions payable to these plans are at the rates specified in the rules of the respective schemes.

Particulars	Current Year Rs. in Lacs	Previous Year Rs. in Lacs
Contribution to Provident Fund	**72**	56
Contribution to Superannuation Fund	**14**	10
Contribution to Seamens' Welfare Fund	**1**	1

b) Defined Benefit Plans and Other Long-Term Employee Benefits :

Valuation in respect of Gratuity and Compensated Absences have been carried out by an independent actuary, as at the Balance Sheet date

		Gratuity		Compensated Absences	
Actuarial Assumption for the Year		**Current Year**	Previous Year	**Current Year**	Previous Year
a)	Discount Rate (per annum)	**8.50%**	8.00%	**8.50%**	8.00%
b)	Rate of Return on Plan Assets	**NA**	NA	**NA**	NA
c)	Salary Escalation Rate	**9.00%**	9.00%	**9.00%**	9.00%
d)	Mortality	**LIC-Ultimate 94-96**	LIC-Ultimate 94-96	**LIC-Ultimate 94-96**	LIC-Ultimate 94-96
e)	Withdrawal rate - Shore Staff	**5.00%**	5.00%	**5.00%**	5.00%
f)	Withdrawal rate - Rig Staff	**5.00%**	5.00%	**-**	-
g)	Expected average remaining service - Shore Staff	**11.41**	11.53	**11.46**	11.53
h)	Expected average remaining service - Rig Staff	**10.75**	10.72	**-**	-

		Gratuity		Compensated Absences	
i)	Change in Benefit Obligation :	**Current Year**	Previous Year	**Current Year**	Previous Year
	Liability at the beginning of the year	**104.70**	58.77	**15.21**	13.80
	Interest Cost	**8.38**	3.53	**1.19**	0.74
	Current Service Cost	**72.54**	53.98	**42.75**	30.11
	Benefits Paid	**-**	-	**(0.77)**	(2.77)
	Actuarial (Gain) / loss on Obligation	**(8.17)**	(11.59)	**(42.85)**	(26.66)
	Liability at the end of the year	**177.45**	104.70	**15.54**	15.21

		Gratuity		Compensated Absences	
ii)	Fair Value of Plan Assets :	**Current Year**	Previous Year	**Current Year**	Previous Year
	Fair Value of Plan Assets at the beginning of the year	**-**	-	**-**	-
	Expected Return on Plan Assets	**6.33**	-	**-**	-
	Employer's Contribution	**168.74**	-	**0.77**	2.77
	Benefits Paid	**-**	-	**(0.77)**	(2.77)
	Actuarial Gain / (loss) on Plan Assets	**3.09**	-	**-**	-
	Fair Value of Plan Assets at the end of the year	**(178.15)**	-	**-**	-
	Funded Status (including unrecognised past service cost)	**0.70**	(104.70)	**(15.54)**	-

		Gratuity		Compensated Absences	
iii)	Actual Return on Plan Assets :	**Current Year**	Previous Year	**Current Year**	Previous Year
	Expected Return on Plan Assets	**6.33**	-	**-**	-
	Actuarial Gain/(Loss) for the period (Obligation)	**8.17**	11.59	**42.85**	26.66
	Actuarial Gain / (loss) on Plan Assets	**3.09**	-	**-**	-
	Actual Return on Plan Assets	**9.41**	-	**-**	-

		Gratuity		Compensated Absences	
iv)	Amount Recognised in the Balance Sheet	**Current Year**	Previous Year	**Current Year**	Previous Year
	Liability at the end of the Year	**177.45**	104.70	**15.54**	15.21
	Fair Value of Plan Assets at the end of the year	**178.15**	-	**-**	-
	Funded Status	**0.70**	(104.70)	**(15.54)**	(15.21)
	Unrecognised past Service Cost	**-**	-	**-**	-
	Amount Recognised in Balance Sheet	**0.70**	(104.70)	**(15.54)**	(15.21)

		Gratuity		Compensated Absences	
v)	Expenses Recognised in the Statement of Profit & Loss	**Current Year**	Previous Year	**Current Year**	Previous Year
	Current Service Cost	**72.54**	53.98	**42.75**	30.11
	Interest Cost	**8.38**	3.53	**1.19**	0.74
	Acturial return on Plan Assets	**(6.33)**	-	**-**	-
	Net Acturial (Gain) / Loss to be recognised	**(11.25)**	(11.59)	**(42.85)**	(26.66)
	Expenses recognised in the profit and loss	**63.34**	45.92	**1.09**	4.19

		Gratuity	
vi)	Investment Details (% invested)	**Current Year**	Previous Year
	HDFC Life Defensive Management Fund II	**100%**	-

	Gratuity				
vii) Other disclosures	**2011-12**	2010-11	2009-10	2008-09	2007-08
Present Value of Defined benefit obligation	**177**	105	59	15	22
Fair value of plan assets	**178**	-	-	-	-
Surplus or (Deficit) in the plan	**3**	-	-	-	-

	Compensated Absences				
vii) Other disclosures	**2011-12**	2010-11	2009-10	2008-09	2007-08
Present Value of Defined benefit obligation	**16**	15	14	6	8
Fair value of plan assets	**-**	-	-	-	-
Surplus or (Deficit) in the plan	**-**	-	-	-	-

	Gratuity				
viii) Experience History	**2011-12**	2010-11	2009-10	2008-09	2007-08
(Gain)/Loss on obligation due change in Assumption	**(9)**	16	9	-	-
Experience (Gain)/Loss on obligation	**1**	(28)	1	18	(3)
Acturial Gain/(Loss) on plan assets	**3**	-	-	-	-

	Compensated Absences				
viii) Experience History	**2011-12**	2010-11	2009-10	2008-09	2007-08
(Gain)/Loss on obligation due change in Assumption	**(1)**	1	3	-	-
Experience (Gain)/Loss on obligation	**(42)**	(28)	(19)	9	9
Acturial Gain/(Loss) on plan assets	**-**	-	-	-	-

General Description:

i) Gratuity :

Gratuity is payable to eligible employees on superannuation, death, permanent disablement and resignation in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn basic salary.

ii) Compensated Absences :

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed at 15 days. The leave over and above 15 days for all employees is encashed and paid to employees on June 30, every year.

29 Related Party Disclosure

a) Holding Company :

The Great Eastern Shipping Company Ltd.

b) Subsidiary Companies :

Greatship Global Holdings Ltd., Mauritius

Greatship Global Energy Services Pte. Ltd., Singapore

Greatship Global Offshore Services Pte. Ltd., Singapore

Greatship DOF Subsea Projects Private Ltd., Mumbai (struck off w.e.f. 30th December 2011)

Greatship Subsea Solutions Singapore Pte. Ltd., Singapore

Greatship Subsea Solutions Australia Pty. Ltd., Australia

Greatship (UK) Ltd., UK

Greatship Global Offshore Management Services Pte. Ltd., Singapore

c) Fellow Subsidiaries :

The Great Eastern Chartering LLC (FZC), Sharjah

The Great Eastern Shipping Company (London) Ltd., London

The Greatship (Singapore) Pte. Ltd., Singapore

d) Key Management Personnel :

Mr. Bharat K. Sheth - Chairman

Mr. Ravi K. Sheth - Managing Director

Mr. P. R. Naware - Executive Director

e) Relative of Key Management Personnel :

Ms. Nirja B. Sheth - Daughter of Chairman

Transactions with related parties

Nature of transaction	Holding Company		Subsidiary Companies		Fellow Subsidiaries		Key Management Personnel and Relatives	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Guarantees Given / (Received)	**-**	(12,284)						
Greatship Global Offshore Services Pte. Ltd.			**13,229**	95,474				
Greatship Global Energy Services Pte. Ltd.			**-**	118,497				
Loan Given and Returned								
Greatship Global Holdings Ltd.			**15448**	18,174				
Greatship (UK) Ltd.				451				
Loan Received and Returned	**-**	6,088						
Purchase of Inventories								
Greatship Global Energy Services Pte. Ltd.			**-**	121				
Agency Income								
Greatship Global Offshore Services Pte. Ltd.			**172**	98				
Greatship Subsea Solutions Australia Pty Ltd.			**84**					
Interest Income on Loan								
Greatship Global Holdings Ltd.			**890**	69				
Greatship (UK) Ltd.			**19**	1				
Interest paid on Loan	**-**	37						
Dividend Paid								
The Great Eastern Shipping Company Ltd.	**2,076**	660						
Ravi K Sheth							**42**	
Inchartering Expenses								
Greatship Global Energy Services Pte. Ltd.			**33,881**	32,332				
Greatship Global Offshore Services Pte. Ltd.			**173**	703				
Greatship Subsea Solutions Singapore Pte. Ltd.			**851**	-				
Inchartering Income								
Greatship Subsea Solutions Singapore Pte. Ltd.			**2,645**	232				
Greatship (UK) Ltd.			**4,291**	-				
Finance Received								
Share Capital								
Ravi K Sheth							**-**	2,658
Remuneration Paid								
Ravi K Sheth							**400**	245
P. R. Naware							**107**	68
Relative of Key Management Personnel								
Remuneration Paid								
Nirja B Sheth							**13**	6
Finance Provided								
Equity contribution to								
Greatship Global Holdings Ltd.			**-**	31,867				
Greatship (UK) Ltd.			**-**	226				
Finance Provided								
Equity	**9,828**	31,828						
Preference	**-**	18,187						
Re-imbursement of Expenses Paid/(Received)	**62**	15						
Greatship Global Energy Services Pte. Ltd.			**901**	9				
Greatship Global Offshore Services Pte. Ltd.			**(1,952)**	491				
Greatship Subsea Solutions Singapore Pte. Ltd.			**(48)**	(69)				
Outstanding Balance as on 31.03.2012								
Receivables								
Greatship (UK) Ltd.			**1,742**	-				
Greatship Subsea Solutions Singapore Pte. Ltd			**681**	316				
Payables								
Greatship Global Energy Services Pte. Ltd.			**1,957**	6,415				
Greatship Global Offshore Services Pte. Ltd.			**-**	236				
Greatship (UK) Ltd.			**1,795**	-				
Greatship Subsea Solutions Singapore Pte. Ltd.			**101**	20				

Note : The significant related party transactions are disclosed separately under each transaction.

30 Hedging Contracts

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

The Company has identified certain derivative contracts entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and interest swaps as hedge instruments that qualify as effective cash flow hedges. The mark to market gain / (loss) on such derivative contracts is recorded in the hedging reserve.

a) Derivative instruments outstanding:

(i) Forward exchange contracts:

Details	Current Year		Previous Year	
	Purchase	**Sale**	Purchase	Sale
Total no. of Contracts	**-**	**1**	**-**	1
Foreign Currency Value (USD in Million)	**-**	**6**	**-**	12
Amount recognised in Hedging reserve (loss) / gain (Rs. in Lacs)	**-**	**(266)**	**-**	(24)
Maturity Period	-	**upto 12 months**	-	upto 24 months

(ii) Cross currency forward exchange contracts:

Details	Current Year	Previous Year
Total No. of contracts	-	4
Cross currency Singapore Dollars to US Dollars (SGD Million)	-	28
Amount recognised in Hedging Reserve (loss) / gain (Rs. in Lacs)	-	555
Maturity Period	-	Upto 6 Months

(iii) Forward exchange option contracts:

Details	Current Year		Previous Year	
	Purchase	**Sale**	Purchase	Sale
Total no. of Contracts	**-**	**5**	**-**	5
Foreign Currency Value (USD in Million)	**-**	**24**	**-**	48
Amount recognised in Hedging reserve (loss) / gain (Rs. in Lacs)	**-**	**(1,027)**	**-**	(114)
Maturity Period	-	**upto 12 months**	-	upto 24 months

(iv) Interest rate swap contracts:

Details	Current Year	Previous Year
Total No. of contracts	**2**	3
Principal Notional Amount (USD million)	**17**	28
Amount recognised in Hedging Reserve (loss) / gain (Rs. in Lacs)	**(762)**	(525)
Maturity Period	**Upto 65 Months**	Upto 77 Months

(v) Currency cum interest rate swap contracts:

Details	Current Year	Previous Year
Total No. of contracts	5	5
Principal Notional Amount (USD million)	53	62
Principal Notional Amount (JPY million)	(5,712)	(6,624)
Amount recognised in Hedging Reserve (loss) / gain (Rs. In Lacs)	(303)	321
Maturity Period	Upto 80 Months	Upto 92 Months

b) Un-hedged foreign currency exposures as on March 31, 2012 :

Details	Current Year	Previous Year
Loan liabilities and Payables		
(USD in millions)	**164**	164
(JPY in millions)	**-**	2
(SGD in millions)	**3**	-
(BRL in millions)	**1**	-
Receivables (USD in millions)	**25**	30
Bank Balances (USD in millions)	**25**	28

c) The above mentioned derivative contracts having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and the interest rate risk, have been designated as hedge instruments that qualify as effective cash flow hedges. The mark-to-market (loss) / gain on the foreign exchange derivative contracts outstanding as on March 31, 2012 amounting to (Rs. 2,359 lacs) (Previous year Rs. 214 lacs) has been recorded in the hedging reserve account as on March 31, 2012.

The interest rate swaps are entered to hedge floating semi-annual interest payments on borrowings. Fair value gains and losses on the interest rate swaps recognised in Hedging Reserve are transferred to the statement of Profit and Loss as part of interest expense over the period of borrowings.

The currency forward and option contracts were entered to hedge highly probable forecast transactions denominated in foreign currency. The currency forwards and options have maturity dates that coincide with the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to occurrence of these transactions are transferred to the statement of profit and loss, except for forwards used to hedge highly probable forecast foreign currency purchases relating to construction of new vessels / rig, whose gains and losses are included in the cost of the assets and recognised in the statement of profit and loss over the estimated useful lives as part of depreciation expense.

31 Segment Reporting

a) Primary segment reporting by business segment:

The Company is engaged only in Offshore Oilfield Services segment and there are no separate reportable segments as per Accounting Standard (AS) 17 'Segment Reporting.

b) Secondary segment reporting by geographical segment:

i) Segment-wise Revenue from Operations and Sales:

Particulars	**Current Year** Rs. **in Lacs**	Previous Year Rs. in Lacs
Revenue from customers outside India	**9,595**	4,479
Revenue from customers within India	**73,065**	70,784
Total	**82,660**	75,263

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

(iii) In view of (ii) above the total cost incurred during the year ended March 31, 2012 geographical segment wise reporting is not applicable.

32 a) Considering the nature of the Company's business, where capital goods in the nature of vessels & rigs are imported under essentiality certificate with a condition to re-export and stores & spares are consumed in India & abroad depending on the location of the assets at the time of consumption, it is not feasible to provide the information relating to imports calculated on C.I.F basis as prescribed under revised schedule VI.

b)	Expenditure in foreign currency:	Rs in Lacs
	Incharter Expenses	33,418
	Fuel Expenses	1,720
	Stores and Spares	2,484
	Repairs and Maintenance	504
	Other Operating Expenses	3,609
	Interest	3,713

c)	Earnings in foreign currency:	Rs in Lacs
	Charter Hire	82,660
	Agency Income	256
	Interest Income	917
	Miscellaneous Income	23

In the previous year, shipping companies were exempted to give information pursuant to para 4D(a), (b), (c) and (e) of the part II of the pre-revised Schedule VI of the Companies Act, 1956, as per a notification on general exemption under section 211 of the Companies Act, 1956, issued by Ministry of Corporate Affairs on February 8, 2011.

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

33 Previous year figures have been regrouped wherever necessary to confirm to current year classification.

GREATSHIP GLOBAL HOLDINGS LTD

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:	C/o 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 2012.

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 2012 is USD 4,357 (Rs. 221,684) (31 March 2011 - USD 56,279 (Rs. 2,509,481)).

The directors do not recommend the payment of a dividend.

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, including International Accounting Standards and Interpretations issued by the International Accounting Standards Board as modified by the exemption provided by the Mauritius 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 Mauritius 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: 24 April 2012

SECRETARY'S CERTIFICATE TO THE MEMBERS OF GREATSHIP GLOBAL HOLDINGS LTD. UNDER SECTION 166(d) OF THE MAURITIUS COMPANIES ACT 2001

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, we have filed with the Registrar of Companies, for the year ended 31 March 2012, all such returns as are required of the Company under the Mauritian Companies Act 2001.

ABAX CORPORATE SERVICES LTD
CORPORATE SECRETARY

Date: 24 April 2012

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 2012 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 Company's 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 Mauritian Companies Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 at 31 March 2012 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 Mauritian Companies Act 2001 for companies holding a category 1 Global Business Licence and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

7. The Mauritian 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 Mauritian 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
Signing partner
Date: 24 April 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2012

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Income				
Interest on loan (Note 12 (ii))	**1,891,189**	**96,223,696**	149,573	6,669,460
Expenses				
Secretarial and administration fees	**15,240**	**775,411**	15,512	691,680
Accountancy fees	**7,700**	**391,776**	8,400	374,556
Audit fees	**11,730**	**596,822**	16,905	753,794
Tax fees	**1,100**	**55,968**	1,000	44,590
Directors' fees	**1,615**	**82,171**	1,505	67,108
Legal fees	**-**	**-**	5,520	246,137
Bank charges	**1,595**	**81,154**	1,470	65,547
Licence fees	**1,738**	**88,429**	1,760	78,478
Interest expense (Note 12(i))	**1,854,828**	**94,373,649**	153,780	6,857,050
	1,895,546	**96,445,380**	205,852	9,178,941
Loss before tax	**(4,357)**	**(221,684)**	(56,279)	(2,509,481)
Income tax expense (Note 11)	**-**	**-**	-	-
Loss for the year	**(4,357)**	**(221,684)**	(56,279)	(2,509,481)
Other comprehensive income	**-**	**-**	-	-
Total comprehensive income for the year	**(4,357)**	**(221,684)**	(56,279)	(2,509,481)

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
ASSETS				
Non current-assets				
Investment in subsidiaries (Note 5)	**222,001,410**	**11,295,431,741**	222,001,410	9,899,042,872
Loan receivable (Note 6)	**71,500,000**	**3,637,920,000**	40,000,000	1,783,600,000
	293,501,410	**14,933,351,741**	262,001,410	11,682,642,872
Current assets				
Receivables (Note 7)	**1,280**	**65,126**	150,816	6,724,885
Cash at bank	**52,117**	**2,651,713**	64,893	2,893,579
	53,397	**2,716,839**	215,709	9,618,464
Total assets	**293,554,807**	**14,936,068,580**	262,217,119	11,692,261,336
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 8)	**222,201,774**	**11,305,626,261**	222,201,774	9,907,977,103
Accumulated losses	**(157,717)**	**(8,024,641)**	(153,360)	(6,838,322)
Total equity	**222,044,057**	**11,297,601,620**	222,048,414	9,901,138,780
Non current liabilities				
Borrowings (Note 9)	**71,500,000**	**3,637,920,000**	40,000,000	1,783,600,000
Current liabilities				
Payables (Note 10)	**10,750**	**546,960**	168,705	7,522,556
Total equity and liabilities	**293,554,807**	**14,936,068,580**	262,217,119	11,692,261,336

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

Véronique Magny-Antoine
Director

Priscille Koenig
Director

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2012

	Stated capital		Accumulated losses		Total	
	USD	Rs.	USD	Rs.	USD	Rs.
At 01 April 2010	**152,101,774**	6,827,848,635	**(97,081)**	(4,357,966)	**152,004,693**	6,823,490,669
Issued during the year	**70,100,000**	3,125,759,000	**-**	-	**70,100,000**	3,125,759,000
Foreign Translation Difference	**-**	(45,630,532)	**-**	29,124	**-**	(45,601,408)
Total Comprehensive income:	**-**	-	**(56,279)**	(2,509,481)	**(56,279)**	(2,509,481)
At 31 March 2011	**222,201,774**	9,907,977,103	**(153,360)**	(6,838,322)	**222,048,414**	9,901,138,780
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

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2012

	2012 USD	**2012 Rs.**	2011 USD	2011 Rs.
Cash flows from operating activities				
Net loss before income tax	**(4,357)**	**(221,684)**	(56,279)	(2,509,481)
Adjustment for:				
Interest income	**(1,891,189)**	**(96,223,696)**	(149,573)	(6,669,460)
Interest expense	**1,854,828**	**94,373,649**	153,780	6,857,050
Increase in prepayments	**(37)**	**(1,883)**	(43)	(1,917)
(Decrease)/increase in accruals	**(4,175)**	**(212,424)**	4,775	212,917
Net cash used in operating activities	**(44,930)**	**(2,286,038)**	(47,340)	(2,110,891)
Cash flows from investing activities				
Loan advanced	**(31,500,000)**	**(1,602,720,000)**	(40,000,000)	(1,783,600,000)
Purchase of investments in subsidiaries	**-**	**-**	(70,000,000)	(3,121,300,000)
Interest received	**2,040,762**	**103,833,971**	-	-
Net cash used in investing activities	**(29,459,238)**	**(1,498,886,029)**	(110,000,000)	(4,904,900,000)
Cash flows from financing activities				
Borrowings	**31,500,000**	**1,602,720,000**	40,000,000	1,783,600,000
Proceeds from the issue of ordinary shares	**-**	**-**	70,100,000	3,125,759,000
Interest paid	**(2,008,608)**	**(102,197,975)**	-	-
Net cash generated from financing activities	**29,491,392**	**1,500,522,025**	110,100,000	4,909,359,000
Net (decrease)/ increase in cash and cash equivalents	**(12,776)**	**(650,043)**	52,660	2,348,109
Foreign Translation Difference	**-**	**408,177**	-	(3,670)
Cash and cash equivalents at beginning of year	**64,893**	**2,893,579**	12,233	549,139
Cash and cash equivalents at end of year	**52,117**	**2,651,713**	64,893	2,893,579

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2012

1 GENERAL INFORMATION

The Company was incorporated on 30 May 2007 under the Mauritius 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 Mauritius Companies Act 2001 ("IFRS as modified by the Mauritius 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 Mauritius 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. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are described in Note 3.

New and amendment to existing standards effective 1 January 2011

IAS 1 - Presentation of financial statement

The amendment to IAS 1 is part of the 2010 Annual Improvements and clarifies that an entity shall present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The application of this amendment has no significant impact as the Company was already disclosing the analysis of other comprehensive income on its statement of changes in equity.

IAS 24 – Related Party Disclosures

The amendment to IAS 24, 'Related party disclosures', clarifies the definition of a related party. The new definition clarifies in which circumstances persons and key management personnel affect related party relationships of an entity. The adoption did not have any impact on the financial position or performance of the Company.

IFRS 7 – Financial Instruments: Disclosures

This amendment was part of the IASB's annual improvement project published in May 2010. The amendment emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments. Adoption of this amendment did not have a significant impact on the Company's financial statements.

'Improvements to IFRS' were issued in May 2010 and contain several amendments to IFRS, which the IASB considers non-urgent but necessary. 'Improvements to IFRS' comprise amendments that result in accounting changes for presentation, recognition or measurement purposes, as well as terminology or editorial amendments related to a variety of individual standards. Most of the amendments are effective for annual periods beginning on or after 1 January 2011. No material changes to accounting policies are expected as a result of these amendments.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Company.

New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted

IFRS 9 - Financial instruments (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 specifies how an entity should classify and measure financial assets and liabilities, including some hybrid contracts. The standard improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of IAS 39. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged. The standard applies a consistent approach to classifying financial assets and replaces the numerous categories of financial assets in IAS 39, each of which had its own classification criteria. The standard is not expected to have a significant impact on the Company's financial position or performance.

IFRS 10 - Consolidated financial statements (effective for annual periods beginning on or after 1 January 2013)

The standard builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The new standard is not expected to have any impact on the Company's financial position or performance.

IAS 27 – Separate financial statements (effective for annual periods beginning on or after 1 January 2013)

As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

IFRS 12-Disclosure of involvement in other entities

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. This standard becomes effective for annual periods beginning on or after 1 January 2013.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant 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. Deferred income 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 the statement of comprehensive income.

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income. Details of the Company's subsidiaries are shown in note 5.

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 Mauritian 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 and other receivables, 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

Trade and other 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 statement of comprehensive income on the accruals basis.

Share capital

Ordinary shares are classified as equity.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates 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

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The primary objective of the Company is to generate returns in USD, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD. The Company's performance is evaluated in USD. Therefore, management considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Impairment assessment

The directors have assessed the carrying value of the investments in the subsidiaries at 31 March 2012 as detailed in Note 5. The impairment assessment relies on forecasts and assumptions that are subject to a significant level of uncertainty.

4 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 income 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.

Sensivity 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 unfavourable 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 amount 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, excluding borrowings, mature within one year.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2012 based on contractual undiscounted payments:

	More than one year		Within one year		Total	
2012	USD	Rs.	USD	Rs.	USD	Rs.
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**

	More than one year		Within one year		Total	
2011	USD	Rs.	USD	Rs.	USD	Rs.
Borrowings	40,000,000	1,783,600,000	-	-	40,000,000	1,783,600,000
Trade and other payables	-	-	168,705	7,522,556	168,705	7,522,556
At 31 March	**40,000,000**	**1,783,600,000**	**168,705**	**7,522,556**	**40,168,705**	**1,791,122,556**

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.

5 INVESTMENT IN SUBSIDIARIES

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Unquoted at cost :				
At start	**222,001,410**	**9,899,042,872**	152,001,410	6,823,343,295
Additions				
Greatship Global Offshore Services Pte Ltd (GGOS)	**-**	**-**	20,000,000	891,800,000
Greatship Global Energy Services Pte Ltd (GGES)	**-**	**-**	50,000,000	2,229,500,000
Foreign Translation Difference	**-**	**1,396,388,869**	-	(45,600,423)
At end	**222,001,410**	**11,295,431,741**	222,001,410	9,899,042,872

Details pertaining to the investment in subsidiaries at 31 March 2012 are as follows:

Name	Business activity	Country of incorporation	Effective % holding	Cost USD	Cost Rs.
GGOS	Operate offshore supply vessels	Singapore	100.00%	121,101,378	6,161,638,113
GGES	Drilling	Singapore	84.82%	100,900,032	5,133,793,628

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.

6 LOAN RECEIVABLE

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Loan to subsidiary	**71,500,000**	**3,637,920,000**	40,000,000	1,783,600,000

The terms and conditions in respect of the loan receivable from the subsidiary have been disclosed in Note 12.

7 RECEIVABLES

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Interest on loan (Note 12(ii))	**-**	**-**	149,573	6,669,460
Prepayments	**1,280**	**65,126**	1,243	55,425
	1,280	**65,126**	150,816	6,724,885

8 STATED CAPITAL

	2012 Number	2011 Number	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Issued capital						
Ordinary shares of no par value issued and fully paid						
At start	**222,201,774**	152,101,774	**222,201,774**	**9,907,977,103**	152,101,774	6,782,218,103
Issued during the year	**-**	70,100,000	**-**	**-**	70,100,000	3,125,759,000
Foreign translation Difference	**-**	-	**-**	**1,397,649,158**	-	-
At end	**222,201,774**	222,201,774	**222,201,774**	**11,305,626,261**	222,201,774	9,907,977,103

9 BORROWINGS

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Loan from parent company	**71,500,000**	**3,637,920,000**	40,000,000	1,783,600,000

The terms and conditions in respect of the loan from the parent company have been disclosed in Note 12.

10 PAYABLES

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Interest on loan (Note 12(i))	**-**	**-**	153,780	6,857,050
Accruals	**10,750**	**546,960**	14,925	665,506
	10,750	**546,960**	168,705	7,522,556

11 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 2012, the Company had accumulated tax losses of USD 152,478 (Rs. 7,758,081) (31 March 2011 - USD 148,121 (Rs. 6,604,715)).

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

	USD	Rs.
Up to the year ending:		
31 March 2013	(21,620)	(1,100,026)
31 March 2014	(36,594)	(1,861,903)
31 March 2015	(39,148)	(1,991,850)
31 March 2016	(50,759)	(2,582,618)
31 March 2017	(4,357)	(221,684)
	(152,478)	(7,758,081)

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 2012 arising from accumulated tax losses amounted to USD 4,574 (Rs. 232,725) (31 March 2011 – USD 4,443 (Rs. 198,113)).

Tax reconciliation

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

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
Net loss for the year before taxation	**(4,357)**	**(221,684)**	(56,279)	(2,509,481)
Tax @ 15%	**(654)**	**(33,276)**	(8,442)	(376,429)
Non allowable expense	**-**	**-**	828	36,921
Unutilised tax loss	**654**	**33,276**	7,614	339,508
Income tax charge	**-**	**-**	-	-

12 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:

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
(i) *Amount due to parent company:*				
Greatship (India) Limited:				
At start	**40,153,780**	**1,790,457,050**	-	-
Loan advanced during the year	**31,500,000**	**1,602,720,000**	40,000,000	1,783,600,000
Interest expense	**1,854,828**	**94,373,649**	153,780	6,857,050
Interest paid during the year	**(2,008,608)**	**(102,197,975)**	-	-
Foreign Translation Difference	**-**	**252,567,276**	-	-
At end	**71,500,000**	**3,637,920,000**	40,153,780	1,790,457,050

The Company has a loan facility of USD 75,000,000 (Rs. 3,816,000,000) of which USD 71,500,000 (Rs. 3,637,920,000) has been received at 31 March 2012. The loan is unsecured, repayable by instalments of 25% each year commencing three years after the first drawdown (22 February 2011) and carries interest at LIBOR plus 2.9% per annum. Interest is payable annually.

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
(ii) *Amount receivable from Subsidiaries:*				
Greatship Global Energy Services Pte Ltd:				
At start	**40,149,573**	**1,790,269,490**	-	-
Loan advanced during the year	**18,000,000**	**915,840,000**	40,000,000	1,783,600,000
Interest income	**1,811,502**	**92,169,222**	149,573	6,669,460
Interest received during the year	**(1,961,075)**	**(99,779,496)**	-	-
Foreign Translation Difference	**-**	**252,540,784**	-	-
At end	**58,000,000**	**2,951,040,000**	40,149,573	1,790,269,460
Greatship Global Offshore Services Pte Ltd:				
At start	**-**	**-**	-	-
Loan advanced during the year	**13,500,000**	**686,880,000**	-	-
Interest income	**79,687**	**4,054,475**	-	-
Interest received during the year	**(79,687)**	**(4,054,475)**	-	-
At end	**13,500,000**	**686,880,000**	-	-

The loans receivable from the above related parties are unsecured, repayable by instalments of 25% each year commencing three years after the first drawdown and carry interest at LIBOR plus 3% per annum. Interest is payable annually.

	2012 USD	2012 Rs.	2011 USD	2011 Rs.
(iii) *Remuneration paid to key management personnel:*				
Directors' fees	**1,615**	**82,171**	1,505	67,108

Directors' fees are payable to Abax Corporate Services for services rendered by resident directors.

13 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 Hong
Registered Office	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
Registration Number	200708009M
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 group and of the company for the financial year ended 31 March 2012.

DIRECTORS

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

Naware Pradyumna Raghunath	
Jaya Prakash	
Kuan Chee Hong	(Appointed on 1 September 2011)
Alok Mahajan	(Appointed on 10 November 2011)

During the financial year, Mr. Alok Mahajan was appointed as Managing Director of the Company with effect from 1 December 2011.

During the financial year, Mr. Arangannal s/o Kathamuthu and Mr. Venkatraman Sheshashayee have resigned from the Company with effect from 1 September 2011 and 24 November 2011, respectively.

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 01.04.2011	As at 31.03.2012
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952
Alok Mahajan	732	732

Mr. Naware Pradyumna Raghunath 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 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.

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

23 April 2012

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 2012 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 23 April 2012.

On behalf of the Board

Alok Mahajan
Managing Director

Naware Pradyumna Raghunath
Director

23 April 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

(Incorporated in Singapore)

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 2012, 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 notes.

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 statement of comprehensive income and statement of financial position 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 2012 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
23 April 2012

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

Group	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**18,607,713**	**946,760,437**	34,562,025	1,541,120,695
Trade receivables	5	**26,500,384**	**1,348,339,538**	11,407,971	508,681,427
Other receivables	6	**12,577,256**	**639,930,785**	915,218	40,809,571
Inventories	7	**785,988**	**39,991,070**	207,106	9,234,856
		58,471,341	**2,975,021,830**	47,092,320	2,099,846,549
Non-current assets classified as held-for-sale	9	**9,628,263**	**489,886,021**	-	-
Non-current assets					
Plant and equipment	10	**212,858,778**	**10,830,254,625**	181,391,342	8,088,239,940
Capital project in progress	11	**16,158,259**	**822,132,218**	34,100,588	1,520,545,219
Deferred expenses	6	**-**	**-**	1,282,884	57,203,797
		229,017,037	**11,652,386,843**	216,774,814	9,665,988,956
TOTAL ASSETS		**297,116,641**	**15,117,294,694**	263,867,134	11,765,835,505
LIABILITIES					
Current liabilities					
Trade payables	13	**17,199,894**	**875,130,607**	3,803,281	169,588,300
Other payables	14	**3,805,096**	**193,603,285**	3,658,263	163,121,947
Derivative financial instrument payable	15	**2,517,620**	**128,096,505**	867,846	38,697,253
Finance lease	16	**777,123**	**39,540,018**	1,141,429	50,896,319
Deferred (loss)/gain	17	**(57,216)**	**(2,911,150)**	(57,216)	(2,551,261)
Bank loans	18	**15,273,042**	**777,092,377**	12,810,513	571,220,775
Income tax payable		**116,645**	**5,934,898**	62,089	2,768,548
		39,632,204	**2,016,486,540**	22,286,205	993,741,881
Liabilities directly associated with non-current assets classified as held-for-sale	9	**4,496,791**	**228,796,726**	-	-
Non-current liabilities					
Finance lease	16	**14,909,637**	**758,602,330**	15,686,762	699,472,718
Deferred (loss)/gain	17	**(239,980)**	**(12,210,182)**	(297,087)	(13,247,109)
Bank loans	18	**114,793,500**	**5,840,693,280**	105,436,153	4,701,398,062
Loan from immediate holding company	19	**13,500,000**	**686,880,000**	-	-
		142,963,157	**7,273,965,428**	120,825,828	5,387,623,671
Total liabilities		**187,092,152**	**9,519,248,694**	143,112,033	6,381,365,552
NET ASSETS		110,024,489	5,598,046,000	120,755,101	5,384,469,953
SHAREHOLDER'S EQUITY					
Share capital	20	**121,060,224**	**6,159,544,197**	121,060,224	5,398,075,388
Reserves	21	**(11,035,735)**	**(561,498,197)**	(305,123)	(13,605,435)
TOTAL EQUITY		110,024,489	5,598,046,000	120,755,101	5,384,469,953

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 2012.

Company	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**11,251,494**	**572,476,015**	29,791,557	1,328,405,527
Trade receivables	5	**19,317,773**	**982,888,290**	4,197,763	187,178,252
Other receivables	6	**9,936,482**	**505,568,204**	608,505	27,133,238
Inventories	7	**66,309**	**3,373,802**	66,316	2,957,030
Loans to subsidiaries	8	**12,500,000**	**636,000,000**	7,000,000	312,130,000
		53,072,058	**2,700,306,311**	41,664,141	1,857,804,047
Non-current assets classified as held-for-sale	9	**9,628,263**	**489,886,021**	-	-
Non-current assets					
Plant and equipment	10	**212,747,752**	**10,824,605,622**	181,354,661	8,086,604,334
Capital project in progress	11	**16,158,259**	**822,132,218**	34,100,588	1,520,545,219
Investment in subsidiaries	12	**3,110,100**	**158,241,888**	3,110,100	138,679,359
Deferred expenses	6	**-**	**-**	1,282,884	57,203,798
		232,016,111	**11,804,979,728**	219,848,233	9,803,032,710
Total assets		**294,716,432**	**14,995,172,060**	261,512,374	11,660,836,757
LIABILITIES					
Current liabilities					
Trade payables	13	**1,611,008**	**81,968,087**	1,284,983	57,297,392
Other payables	14	**2,726,126**	**138,705,291**	1,851,954	82,578,629
Derivative financial instrument payable	15	**2,517,620**	**128,096,505**	867,846	38,697,253
Finance lease	16	**777,123**	**39,540,018**	1,141,429	50,896,319
Deferred (loss)/gain	17	**(57,216)**	**(2,911,150)**	(57,216)	(2,551,261)
Bank loans	18	**15,273,042**	**777,092,377**	12,810,513	571,220,775
Income tax payable		**13,200**	**671,616**	16,392	730,919
		22,860,903	**1,163,162,744**	17,915,901	798,870,026
Liabilities directly associated with non-current assets classified as held-for-sale	9	**4,496,791**	**228,796,726**	-	-
Non-current liabilities					
Finance lease	16	**14,909,637**	**758,602,331**	15,686,762	699,472,718
Deferred (loss)/gain	17	**(239,980)**	**(12,210,182)**	(297,087)	(13,247,109)
Bank loans	18	**114,793,500**	**5,840,693,280**	105,436,153	4,701,398,062
Loan from immediate holding company	19	**13,500,000**	**686,880,000**	-	-
		142,963,157	**7,273,965,429**	120,825,828	5,387,623,671
Total liabilities		**170,320,851**	**8,665,924,899**	138,741,729	6,186,493,697
NET ASSETS		124,395,581	6,329,247,161	122,770,645	5,474,343,060
SHAREHOLDER'S EQUITY					
Share capital	20	**121,060,224**	**6,159,544,197**	121,060,224	5,398,075,388
Reserves	21	**3,335,357**	**169,702,964**	1,710,421	76,267,672
TOTAL EQUITY		124,395,581	6,329,247,161	122,770,645	5,474,343,060

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 2012

Group	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
REVENUE					
Charter hire income	22	**78,984,035**	**4,018,707,701**	31,342,566	1,397,565,018
Other income		**70,887**	**3,606,730**	3,182,499	141,907,630
Total revenue		**79,054,922**	**4,022,314,431**	34,525,065	1,539,472,648
COSTS AND EXPENSES					
Charter hire expenses	23	**56,526,972**	**2,876,092,334**	15,795,680	704,329,371
Employee benefit expenses		**6,125,838**	**311,682,638**	1,759,502	78,456,195
Depreciation of plant and equipment	10	**9,904,983**	**503,965,535**	7,377,556	328,965,222
Other operating expenses	24	**5,641,422**	**287,035,551**	2,437,477	108,687,099
Finance costs	25	**5,590,829**	**284,461,380**	5,541,935	247,114,882
Impairment loss on non-current assets classified as held-for-sale		**4,200,000**	**213,696,000**	-	-
Total costs and expenses		**87,990,044**	**4,476,933,438**	32,912,150	1,467,552,769
(Loss) / profit before income tax	26	**(8,935,122)**	**(454,619,007)**	1,612,915	71,919,879
Income tax expense	27	**(145,715)**	**(7,413,979)**	(284,044)	(12,665,522)
Net (loss) / income		**(9,080,837)**	**(462,032,986)**	1,328,871	59,254,357
Other comprehensive (loss)/income:					
De-recognition of fair value loss arising from forward currency contacts and interest rate swaps		**(867,846)**	**(44,156,004)**	840,653	37,484,717
Fair value gain arising from forward currency contracts		**(781,929)**	**(39,784,548)**	(867,846)	(38,697,253)
Other comprehensive loss for the year, net of tax		**(1,649,775)**	**(83,940,552)**	(27,193)	(1,212,536)
Total comprehensive (loss) / income for the year		(10,730,612)	(545,973,538)	1,301,678	58,041,821

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 2012

Company	**Note**	**2012 US$**	**2012 Rs.**	2011 US$	2011 Rs.
REVENUE					
Charter hire income		**28,359,085**	**1,442,910,245**	26,526,302	1,182,807,806
Other income	22	**135,013**	**6,869,461**	3,055,822	136,259,103
Total revenue		**28,494,098**	**1,449,779,706**	29,582,124	1,319,066,909
COSTS AND EXPENSES					
Charter hire expenses	23	**2,860,738**	**145,554,349**	10,077,791	449,368,701
Employee benefit expenses		**709,355**	**36,091,982**	1,493,531	66,596,547
Depreciation of plant and equipment	10	**9,869,451**	**502,157,667**	7,370,235	328,638,779
Other operating expenses	24	**1,981,576**	**100,822,587**	1,515,870	67,592,643
Finance costs	25	**5,590,829**	**284,461,380**	5,541,935	247,114,882
Impairment loss on non-current assets classified as held-for-sale		**4,200,000**	**213,696,000**	-	-
Total costs and expenses		**25,211,949**	**1,282,783,965**	25,999,362	1,159,311,552
Profit before income tax	26	**3,282,149**	**166,995,741**	3,582,762	159,755,357
Income tax expense	27	**(7,438)**	**(378,445)**	(238,347)	(10,627,893)
Net income		**3,274,711**	**166,617,296**	3,344,415	149,127,464
Other comprehensive (loss)/income:					
De-recognition of fair value loss arising from forward currency contacts and interest rate swaps		**(867,846)**	**(44,156,004)**	840,653	37,484,717
Fair value gain arising from forward currency contracts		**(781,929)**	**(39,784,548)**	(867,846)	(38,697,253)
Other comprehensive loss for the year, net of tax		**(1,649,775)**	**(83,940,552)**	(27,193)	(1,212,536)
Total comprehensive income for the year		1,624,936	82,676,744	3,317,222	147,914,928

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 2012

Group	Share capital		(Accumulated losses) / retained profits		Hedging reserve		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
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
Total comprehensive (loss)/ income for the year	**-**	-	**(9,080,837)**	(462,032,986)	**(1,649,775)**	(83,940,552)	**(10,730,612)**	(545,973,538)
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
2011								
Balance as at 1 April 2010	**101,060,224**	4,536,593,455	**(766,148)**	(34,392,384)	**(840,653)**	(37,736,913)	**99,453,423**	4,464,464,158
Issuance of ordinary shares	**20,000,000**	891,800,000	**-**	-	**-**	-	**20,000,000**	891,800,000
Foreign translation difference	**-**	(30,318,067)	**-**	229,845	**-**	252,196	**-**	(29,836,026)
Total comprehensive (loss)/ income for the year	**-**	-	**1,328,871**	59,254,357	**(27,193)**	(1,212,536)	**1,301,678**	58,041,821
Balance as at 31 March 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

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

Company	Share capital		(Accumulated losses) / retained profits		Hedging reserve		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
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
Total comprehensive (loss)/ income for the year	**-**	-	**3,274,711**	166,617,296	**(1,649,775)**	(83,940,552)	**1,624,936**	82,676,744
Balance as at 31 March 2012	**121,060,224**	6,159,544,197	**5,852,978**	297,799,521	**(2,517,621)**	(128,096,557)	**124,395,581**	6,329,247,161
2011								
Balance as at 1 April 2010	**101,060,224**	4,536,593,455	**(766,148)**	(34,392,384)	**(840,653)**	(37,736,913)	**99,453,423**	4,464,464,158
Issuance of ordinary shares	**20,000,000**	891,800,000	**-**	-	**-**	-	**20,000,000**	891,800,000
Foreign translation difference	**-**	(30,318,067)	**-**	229,845	**-**	252,196	**-**	(29,836,026)
Total comprehensive (loss)/ income for the year	**-**	-	**3,344,415**	149,127,464	**(27,193)**	(1,212,536)	**3,317,222**	147,914,928
Balance as at 31 March 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

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 2012

	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Cash Flows From Operating Activities					
(Loss)/profit before income tax		**(8,935,122)**	**(454,619,007)**	1,612,915	71,919,879
Adjustments for:					
Depreciation of plant and equipment	10	**9,904,983**	**503,965,535**	7,377,556	328,965,222
Impairment loss on non-current assets classified as held-for-sale		**4,200,000**	**213,696,000**	-	-
Provision for bad debts		**57,434**	**2,922,242**	-	-
Loss on termination of vessels construction contract – net		**1,289,160**	**65,592,460**	-	-
Loss on sale of furniture		**76,395**	**3,886,978**	-	-
Gain on disposal of motor vessels	22	**-**	**-**	(2,639,982)	(117,716,797)
Interest income		**(55,518)**	**(2,824,756)**	(119,165)	(5,313,567)
Finance costs	25	**5,590,829**	**284,461,380**	5,541,935	247,114,882
Realised deferred loss / (gain)		**57,107**	**2,905,604**	(367,700)	(16,395,743)
Unrealised exchange gain		**620,756**	**31,584,065**	-	-
Cash flows from operations before changes in working capital		**12,806,024**	**651,570,501**	11,405,559	508,573,876
Working capital changes, excluding changes relating to cash:					
Trade receivables		**(15,602,738)**	**(839,658,111)**	(7,509,613)	(334,853,644)
Trade payables		**10,136,949**	**705,542,307**	2,114,175	94,271,063
Inventories		**(578,882)**	**(30,756,214)**	(207,106)	(9,234,857)
Other receivables		**(2,560,799)**	**(599,121,214)**	370,566	16,523,538
Other payables		**1,496,811**	**30,481,338**	(3,827,906)	(170,686,329)
Deferred expenses		**-**	**-**	(1,430,436)	(63,783,141)
Cash generated from operations		**5,697,365**	**(81,941,393)**	915,239	40,810,506
Interest received		**55,518**	**2,824,756**	119,165	5,313,567
Interest paid		**(5,861,268)**	**(298,221,316)**	(4,733,348)	(211,059,987)
Income tax paid		**(91,160)**	**(4,638,221)**	(221,955)	(9,896,973)
Net cash used in operating activities		**(199,545)**	**(381,976,174)**	(3,920,899)	(174,832,887)
Cash Flows From Investing Activities					
Purchase of plant and equipment		**(38,657,321)**	**(1,966,884,492)**	(1,828,189)	(81,518,948)
Proceeds from disposal of vessel under construction		**11,587,028**	**589,547,985**	-	-
Proceeds from sale of plant and equipment		**4,640**	**236,083**	45,002,308	2,006,652,914
Addition to capital project in progress		**(12,948,666)**	**(658,828,126)**	(75,732,906)	(3,376,930,279)
Net cash used in investing activities		**(40,014,319)**	**(2,035,928,550)**	(32,558,787)	(1,451,796,313)
Cash Flows From Financing Activities					
Proceeds from issuance of ordinary shares		**-**	**-**	20,000,000	891,800,000
Proceeds from drawdown of bank loans		**25,000,000**	**1,272,000,000**	56,645,156	2,525,807,506
Repayment of bank loans		**(12,828,916)**	**(652,735,246)**	(8,102,458)	(361,288,602)
Repayment of finance leases		**(1,141,431)**	**(47,773,312)**	(18,501,419)	(824,978,273)
Reduction of cash collateral provided to a financial Institution	4	**-**	**-**	870,146	38,799,810
Proceed from intercompany loan		**13,500,000**	**686,880,000**	-	-
Placement of a pledged fixed deposit		**(1,994,212)**	**(101,465,506)**	-	-
Net cash generated from financing activities		**22,535,441**	**1,156,905,936**	50,911,425	2,270,140,441
Foreign currency translation difference		**-**	**578,915,763**	-	(6,038,814)
Net (decrease) / increase in cash and cash equivalents		**(17,678,423)**	**(1,260,998,788)**	14,431,739	643,511,241
Currency translation adjustment relating to cash and cash equivalents		**(270,101)**	**(13,742,739)**	-	-
Cash and cash equivalents at the beginning of the year		**34,562,025**	**1,541,120,695**	20,130,286	903,648,538
Cash and cash equivalents at the end of the year	4	16,613,501	845,294,931	34,562,025	1,541,120,965

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 2012

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, #06-03, Singapore 089316.

In 2011, the company had set up a branch in Labuan.

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 12 to the financial statements.

The financial statements of the group and of the company as at 31 March 2012 and for the year then ended were authorised and approved by the Board of Directors for issuance on 23 April 2012.

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 USD 1 = Rs. 50.88 (2011: USD 1 = Rs. 44.59) and rounded up to the nearest rupee.

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

Interpretations and amendments to published standards

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, except as discussed below:

i. FRS 103 (revised) Business Combinations – Please refer to note 2(b)(i)(b) for the revised accounting policy on business combinations.

   As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements.

ii. FRS 27 (revised) Consolidated and Separate Financial Statements – The revisions to FRS 27 principally change the accounting of transactions with non-controlling interests. Please refer to Notes 2(b)(i)(c) for the revised accounting policy on changes in ownership interest that results in a loss of control and 2(b)(ii) for that on changes in ownership interests that do not result in loss of control.

As the changes have been implemented prospectively, no adjustments were necessary to any of the amounts previously recognised in the financial statements. There were no transactions with non-controlling interests in the current financial year. Accordingly, these changes do not have any impact on the financial statements for the current financial year.

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 expects 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 the statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income.

(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 the statements of comprehensive income.

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) <u>Currency translation</u>

The individual financial statements of each entity in the group are measured in 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 United States dollars, which is the functional currency of the company and presentation currency of the group.

In preparing the financial statements of the individual entity, 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 statements of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statements of comprehensive income 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.

d) <u>Cash and cash equivalents</u>

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, less 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 the statements of comprehensive income 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 the statements of comprehensive income. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the statements of comprehensive income 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*

The group classifies its financial assets as loans and receivables. 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 the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(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 the statements of comprehensive income.

The allowance for impairment loss account is reduced through the statements of comprehensive income 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 statements of comprehensive income.

i) Plant and equipment

(i) Measurement

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 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 plant and equipment that are transferred from the hedging reserve.

(iii) Depreciation

Depreciation on 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	1 – 3 years
Furniture, fixture and renovation	5 years
Motor vessels	20 years

The residual values, estimated useful lives and depreciation method of 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 statements of comprehensive income 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 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 the statements of comprehensive income when incurred.

(v) Disposals

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statements of comprehensive income.

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 the statements of comprehensive income.

k) Impairment of non-financial assets

Plant and equipment
Investments in subsidiaries

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 the statement of comprehensive income. 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 statements of comprehensive income.

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 the statements of comprehensive income 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 the statements of comprehensive income 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 the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the changes arise.

q) Income tax

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 the statements of comprehensive income.

Foreign tax is recognised in the statements of comprehensive income 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.

(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) <u>Employee benefits</u>

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) <u>Share capital</u>

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) <u>Leases</u>

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 statement of comprehensive income 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 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 the statements of comprehensive income 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 statements of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statements of comprehensive income when incurred.

v) <u>Government grants – Jobs Credit Scheme</u>

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.

w) 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 statements of comprehensive income.

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) Depreciation of plant and equipment

The group depreciates the 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 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 plant and equipment as at the end of each reporting period were disclosed in Note 10 to the financial statements.

(b) 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.

(c) Impairment of non-financial assets

Plant and equipment
Investment in subsidiaries

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 the statements of comprehensive income. 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 the statements of comprehensive income.

4. CASH AND CASH EQUIVALENTS

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Cash at bank	**16,606,773**	**844,952,610**	34,554,373	1,540,779,492
Cash on hand	**6,728**	**342,321**	7,652	341,203
Short term fixed deposit	**1,994,212**	**101,465,506**	-	-
	18,607,713	946,760,437	34,562,025	1,541,120,695

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Cash at bank	**9,256,028**	**470,946,705**	29,783,905	1,328,064,324
Cash on hand	**1,254**	**63,804**	7,652	341,203
Short term fixed deposit	**1,994,212**	**101,465,506**	-	-
	11,251,494	572,476,015	29,791,557	1,328,405,527

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

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Cash and cash equivalents	**18,607,713**	**946,760,437**	34,562,025	1,541,120,695
Less:				
Short term fixed deposit	**(1,994,212)**	**(101,465,506)**	-	-
Cash and cash equivalents per cash flow statement	16,613,501	845,294,931	34,562,025	1,541,120,695

Short term fixed deposit is held as collateral against performance guarantee payable to a supplier within the next twelve months.

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

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**155,987**	**7,936,618**	622,315	27,749,026
Australian dollar	**2,594,249**	**131,995,389**	141,143	6,293,566
United States dollar	**15,857,477**	**806,828,430**	33,798,567	1,507,078,103
	18,607,713	946,760,437	34,562,025	1,541,120,695

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**38,249**	**1,946,109**	366,510	16,342,681
United States dollar	**11,213,245**	**570,529,906**	29,425,047	1,312,062,846
	11,251,494	572,476,015	29,791,557	1,328,405,527

5. TRADE RECEIVABLES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties	**25,316,219**	**1,288,089,223**	10,879,004	485,094,788
GST recoverable	**32,753**	**1,666,473**	-	-
Intermediate holding company	**1,151,412**	**58,583,842**	528,967	23,586,639
	26,500,384	1,348,339,538	11,407,971	508,681,427

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties	**1,102,351**	**56,087,619**	3,668,796	163,591,614
GST recoverable	**9,275**	**471,912**	-	-
Subsidiary	**18,206,147**	**926,328,759**	-	-
Intermediate holding company	**-**	**-**	528,967	23,586,638
	19,317,773	982,888,290	4,197,763	187,178,252

The amounts owing by 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	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**32,752**	**1,666,422**	2,604	116,113
Australian dollar	**14,872,191**	**756,697,078**	1,171,234	52,225,324
United States dollar	**11,595,441**	**589,976,038**	10,234,133	456,339,990
	26,500,384	1,348,339,538	11,407,971	508,681,427

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**9,275**	**471,912**	2,604	116,112
United States dollar	**19,308,498**	**982,416,378**	4,195,159	187,062,140
	19,317,773	982,888,290	4,197,763	187,178,252

6. OTHER RECEIVABLES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties:				
Deposits	**198,188**	**10,083,805**	219,522	9,788,486
Prepayments	**175,189**	**8,913,616**	106,995	4,770,907
Other debtors	**12,203,879**	**620,933,364**	441,149	19,670,834
Deferred expenses	**-**	**-**	1,430,436	63,783,141
	12,577,256	**639,930,785**	2,198,102	98,013,368
Less: deferred expenses (non-current)	**-**	**-**	(1,282,884)	(57,203,797)
	12,577,256	639,930,785	915,218	40,809,571

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties:				
Deposits	**47,942**	**2,439,289**	75,159	3,351,340
Prepayments	**112,823**	**5,740,434**	88,715	3,955,802
Other debtors	**9,775,717**	**497,388,481**	252,775	11,271,237
Deferred expenses	**-**	**-**	1,430,436	63,783,141
	9,936,482	**505,568,204**	1,847,085	82,361,520
Subsidiary	**-**	**-**	44,304	1,975,515
	9,936,482	**505,568,204**	1,891,389	84,337,035
Less: deferred expenses (non-current)	**-**	**-**	(1,282,884)	(57,203,797)
	9,936,482	505,568,204	608,505	27,133,238

As at 31 March 2012, other debtors includes amount recoverable from a third party amounting to approximately US$9,419,497 (equivalent to Rs 479,264,007) relating to the termination of ship building contracts as disclosed in Note 11.

In 2011, other debtors mainly represent advance payment to lessor, vendor and agents.

In 2011, deferred expenses represent the arrangement and commitment fees for bank loans and are amortised from 6 years to 10 years.

In 2011, the amounts owing by a subsidiary were unsecured, interest-free and were repaid during the current financial year.

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

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**48,941**	**2,490,118**	68,141	3,038,407
Australian dollar	**1,006,857**	**51,228,884**	331,735	14,792,064
United States dollar	**11,521,458**	**586,211,783**	515,342	22,979,100
	12,577,256	639,930,785	915,218	40,809,571

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**47,942**	**2,439,289**	68,140	3,038,363
United States dollar	**9,888,540**	**503,128,915**	540,365	24,094,875
	9,936,482	505,568,204	608,505	27,133,238

7. INVENTORIES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Bunkers on board, at cost	**785,988**	**39,991,070**	207,106	9,234,856

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Bunkers on board, at cost	**66,309**	**3,373,802**	66,316	2,957,030

8. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured, interest-free and are repayable as per agreed terms.

The carrying amounts of loans to subsidiaries approximate their fair values due to their short-term nature and are denominated in United States dollars.

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

Subsequent to the termination of ship building contracts relating to the two vessels under construction as disclosed in Note 11 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	
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Equipments (Note 11)	**13,828,263**	**703,582,021**	-	-
Less : Impairment loss	**(4,200,000)**	**(213,696,000)**	-	-
	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	
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Accrued cost	**4,496,791**	**228,796,726**	-	-

10. PLANT AND EQUIPMENT

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
Group	**US$**	**Rs.**	**US$**	**Rs.**	**US$**	**Rs.**	**US$**	**Rs.**	**US$**	**Rs.**
Cost										
At 1 April 2011	**80,384**	3,584,322	**18,807**	838,604	**141,852**	6,325,181	**189,708,091**	8,459,083,778	**189,949,134**	8,469,831,885
Foreign translation										
difference	-	505,616	-	118,296	-	892,249	-	1,193,263,892	-	1,194,780,053
Additions	**97,215**	4,946,299	**8,029**	408,516	**34,582**	1,759,532	**41,829,518**	2,128,285,876	**41,969,344**	2,135,400,223
Reclassified to capital										
project in progress	-	-	-	-	-	-	**(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	**26,836**	1,365,416	**176,434**	8,976,962	**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	**9,685**	431,853	**66,595**	2,969,471	**8,447,138**	376,657,884	**8,557,792**	381,591,945
Foreign translation										
difference	-	216,212	-	60,919	-	418,883	-	53,132,498	-	53,828,512
Charge for the year	**43,963**	2,236,837	**4,853**	246,921	**31,962**	1,626,227	**9,824,205**	499,855,550	**9,904,983**	503,965,535
At 31 March 2012	**78,337**	3,985,786	**14,538**	739,693	**98,557**	5,014,581	**18,271,343**	929,645,932	**18,462,775**	939,385,992
Net Book Value										
At 31 March 2012	**99,262**	5,050,451	**12,298**	625,723	**77,877**	3,962,381	**212,669,341**	10,820,616,070	**212,858,778**	10,830,254,625

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
Group	**US$**	**Rs.**	**US$**	**Rs.**	**US$**	**Rs.**	**US$**	**Rs.**	**US$**	**Rs.**
Cost										
At 1 April 2010	**42,428**	1,904,593	**18,807**	844,246	**131,749**	5,914,213	**81,588,509**	3,662,508,169	**81,781,493**	3,671,171,221
Foreign translation										
difference	-	(12,729)	-	(5,642)	-	(39,525)	-	(24,476,552)	-	(24,534,448)
Additions	**37,956**	1,692,458	-	-	**10,103**	450,493	**1,780,130**	79,375,997	**1,828,189**	81,518,948
Reclassified to capital										
project in progress	-	-	-	-	-	-	**124,885,370**	5,568,638,648	**124,885,370**	5,568,638,648
Disposal	-	-	-	-	-	-	**(18,545,918)**	(826,962,484)	**(18,545,918)**	(826,962,484)
At 31 March 2011	**80,384**	3,584,322	**18,807**	838,604	**141,852**	6,325,181	**189,708,091**	8,459,083,778	**189,949,134**	8,469,831,885
Accumulated depreciation										
At 1 April 2010	**15,423**	692,338	**5,902**	264,941	**39,259**	1,762,337	**2,407,932**	108,092,067	**2,468,516**	110,811,683

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
Group	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Foreign translation										
difference	-	(4,626)	-	(1,771)	-	(11,779)	-	(722,379)	-	(740,555)
Charge for the year	18,951	845,025	3,783	168,683	27,336	1,218,913	7,327,486	326,732,601	7,377,556	328,965,222
Disposals	-	-	-	-	-	-	(1,288,280)	(57,444,405)	(1,288,280)	(57,444,405)
At 31 March 2011	34,374	1,532,737	9,685	431,853	66,595	2,969,471	8,447,138	376,657,884	8,557,792	381,591,945
Net Book Value										
At 31 March 2011	46,010	2,051,585	9,122	406,751	75,257	3,355,710	181,260,953	8,082,425,894	181,391,342	8,088,239,940

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
Company	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Cost										
At 1 April 2011	46,485	2,072,766	18,807	838,604	131,749	5,874,688	189,708,091	8,459,083,778	189,905,132	8,467,869,836
Foreign translation										
difference	-	292,390	-	118,296	-	828,701	-	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	-	-	-	-	-	-	(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	68,405	3,480,446	26,836	1,365,416	131,749	6,703,389	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	9,685	431,854	65,753	2,931,926	8,447,138	376,657,884	8,550,471	381,265,502
Foreign translation										
difference	-	175,460	-	60,918	-	413,586	-	53,132,498	-	53,782,462
Charge for the year	13,897	707,079	4,853	246,921	26,496	1,348,116	9,824,205	499,855,550	9,869,451	502,157,667
At 31 March 2012	41,792	2,126,377	14,538	739,693	92,249	4,693,629	18,271,343	929,645,932	18,419,922	937,205,631
Net Book Value										
At 31 March 2012	26,613	1,354,069	12,298	625,723	39,500	2,009,760	212,669,341	10,820,616,070	212,747,752	10,824,605,622

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
Company	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Cost										
At 1 April 2010	42,428	1,904,593	18,807	844,246	131,749	5,914,213	81,588,509	3,662,508,169	81,781,493	3,671,171,221
Foreign translation										
difference	-	(12,729)	-	(5,642)	-	(39,525)	-	(24,476,552)	-	(24,534,448)
Additions	4,057	180,902	-	-	-	-	1,780,130	79,375,997	1,784,187	79,556,899
Reclassified to capital										
project in progress	-	-	-	-	-	-	124,885,370	5,568,638,648	124,885,370	5,568,638,648
Disposal	-	-	-	-	-	-	(18,545,918)	(826,962,484)	(18,545,918)	(826,962,484)
At 31 March 2011	46,485	2,072,766	18,807	838,604	131,749	5,874,688	189,708,091	8,459,083,778	189,905,132	8,467,869,836
Accumulated depreciation										
At 1 April 2010	15,423	692,338	5,902	264,941	39,259	1,762,337	2,407,932	108,092,067	2,468,516	110,811,683
Foreign translation										
difference	-	(4,626)	-	(1,771)	-	(11,779)	-	(722,379)	-	(740,555)
Charge for the year	12,472	556,126	3,783	168,684	26,494	1,181,368	7,327,486	326,732,601	7,370,235	328,638,779
Disposals	-	-	-	-	-	-	(1,288,280)	(57,444,405)	(1,288,280)	(57,444,405)
At 31 March 2011	27,895	1,243,838	9,685	431,854	65,753	2,931,926	8,447,138	376,657,884	8,550,471	381,265,502
Net Book Value										
At 31 March 2011	18,590	828,928	9,122	406,750	65,996	2,942,762	181,260,953	8,082,425,894	181,354,661	8,086,604,334

As at 31 March 2012, plant and equipment of the group and of the company includes motor vessels acquired under finance lease with net book value of US$16,167,949 equivalent to Rs 822,625,245 (2011: US$17,109,729 equivalent to Rs 762,922,816) (Note 16).

Motor vessels included in plant and equipment of the group and of the company with a net book value of US$195,699,472 equivalent to Rs 9,957,189,135 (2011: US$164,151,225 equivalent to Rs 7,319,503,123) are mortgaged to a financial institution for banking facility as disclosed in Note 18 to the financial statements.

11. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of vessels. The management expects the construction to be completed in the third quarter of calendar year 2012. The total expected costs of the project are estimated to be approximately US$77 million equivalent to Rs 3,918 million (2011: US$186 million equivalent to Rs 8,294 million).

As at 31 March 2012, the capital project in progress included accumulated costs incurred relating to shipbuilding contracts amounting to US$Nil (2011: US$62,482,838 equivalent to Rs 2,804,854,598) which are assigned to a financial institution for banking facility as disclosed in Note 18 to the financial statements.

	Group and Company		Group and Company	
	2012 US$	**2012 Rs.**	2011 US$	2011 Rs.
Balance at the beginning of the year	**34,100,588**	**1,520,545,219**	108,824,440	4,885,129,111
Foreign translation difference	**-**	**214,492,698**	-	(32,647,332)
Additions	**12,550,716**	**638,580,430**	75,732,906	3,376,930,279
Reclassified from plant and equipment (Note 10)	**397,950**	**20,247,696**	(124,885,370)	(5,568,638,648)
Reclassified to non-current assets classified as held-for-sale (Note 9)	**(13,828,263)**	**(703,582,021)**	-	-
Disposal	**(17,062,732)**	**(868,151,804)**	(25,571,388)	(1,140,228,191)
Balance at the end of the year	**16,158,259**	**822,132,218**	34,100,588	1,520,545,219

During the current financial year, the group had terminated ship building contracts with third parties relating to the two vessels under construction. The accumulated costs related to the said vessels amounted to US$17,062,732 equivalent to Rs 868,151,804.

12. INVESTMENT IN SUBSIDIARIES

	Company		Company	
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Unquoted equity shares – at cost				
Balance at the beginning of the year	**3,110,100**	**138,679,359**	3,110,100	139,612,389
Foreign translation difference	**-**	**19,562,529**	-	(933,030)
Balance at the end of the year	**3,110,100**	**158,241,888**	3,110,100	138,679,359

The details of the subsidiaries are as follows:

Name of company	**Country of incorporation**	**Principal activities**	**Percentage of equity held**	
			2012	**2011**
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")	Australia	Providing services related to subsea operation	100%	100%

In 2010, GSA was incorporated by GSS with an issued and paid up capital of US$2,800,050 equivalent to Rs 124,854,230.

13. TRADE PAYABLES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties	15,109,894	768,791,407	3,139,947	140,010,237
Intermediate holding company	1,400,918	71,278,708	663,334	29,578,063
GST payable	689,082	35,060,492	-	-
	17,199,894	875,130,607	3,803,281	169,588,300

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties	1,611,008	81,968,087	1,284,983	57,297,392

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

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	195,090	9,926,179	-	-
Australian dollar	5,981,355	304,331,342	-	-
United States dollar	11,023,449	560,873,086	3,803,281	169,588,300
	17,199,894	875,130,607	3,803,281	169,588,300

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
United States dollar	1,611,008	81,968,087	1,284,983	57,297,392
	1,611,008	81,968,087	1,284,983	57,297,392

14. OTHER PAYABLES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties:				
Accruals of operating expenses	548,235	27,894,197	1,864,086	83,119,595
Accruals of employee benefits expense	777,172	39,542,512	271,872	12,122,772
Accrued interest	439,220	22,347,514	313,283	13,969,289
Withholding tax payable	46,256	2,353,505	46,256	2,062,555
Advance payments from a charterer	-	-	877,250	39,116,578
Other creditors	1,994,213	101,465,557	285,516	12,731,158
	3,805,096	193,603,285	3,658,263	163,121,947

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties:				
Accruals of operating expenses	37,661	1,916,192	80,946	3,609,382
Accruals of employee benefits expense	208,776	10,622,523	271,872	12,122,772
Accrued interest	439,220	22,347,514	310,324	13,837,347
Withholding tax payable	46,256	2,353,505	46,256	2,062,555
Advance payments from a charterer	-	-	877,250	39,116,578
Other creditors	1,994,213	101,465,557	265,306	11,829,995
	2,726,126	138,705,291	1,851,954	82,578,629

As at 31 March 2012, other creditors of the group and the company include a performance guarantee payable to a supplier amounting to US$1,994,213 (equivalent to Rs 101,465,557).

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

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**441,684**	**22,472,882**	321,100	14,317,849
Indian Rupee	**-**	**-**	19,454	867,454
Malaysian Ringgit	**-**	**-**	1,130	50,387
UAE Dhiram	**-**	**-**	97	4,325
Pound Sterling	**-**	**-**	17,982	801,817
Australian dollar	**880,471**	**44,798,364**	290,132	12,936,986
United States dollar	**2,479,687**	**126,166,475**	3,008,368	134,143,129
Euro	**3,254**	**165,564**	-	-
	3,805,096	**193,603,285**	3,658,263	163,121,947

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**208,776**	**10,622,523**	307,881	13,728,414
Indian Rupee	**-**	**-**	19,454	867,454
Malaysian Ringgit	**-**	**-**	1,130	50,387
UAE Dhiram	**-**	**-**	97	4,325
Pound Sterling	**-**	**-**	-	-
Australian dollar	**-**	**-**	17,982	801,817
United States dollar	**2,514,096**	**127,917,204**	1,505,410	67,126,232
Euro	**3,254**	**165,564**	-	-
	2,726,126	**138,705,291**	1,851,954	82,578,629

15. DERIVATIVE FINANCIAL INSTRUMENTS PAYABLE

	Contract/ notional amount US$	Contract/ notional amount Rs.	Fair values US$	Fair values Rs.
Group and Company				
2012				
Cash flow hedges				
- Interest rate swaps	62,265,478	3,168,067,521	(2,517,620)	(128,096,505)
2011				
Cash flow hedges				
- Interest rate swaps	70,179,064	3,129,284,463	(867,846)	(38,697,253)

Period when the cash flows on cash flow hedges are expected to occur or affect the statement of comprehensive income:

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 statement of comprehensive income as part of interest expense over the period of the borrowings.

16. FINANCE LEASE

	Group and Company		Group and Company	
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Due within 1 year	**2,374,280**	**120,803,366**	2,854,800	127,295,532
Due within two to five years	**8,760,945**	**445,756,882**	9,056,550	403,831,564
Due over five years	**12,934,445**	**658,104,561**	15,013,107	669,434,441
	24,069,670	**1,224,664,809**	26,924,457	1,200,561,537
Finance charge allocated to future periods	**(8,382,910)**	**(426,522,460)**	(10,096,266)	(450,192,500)
Total	**15,686,760**	**798,142,349**	16,828,191	750,369,037
Representing finance lease liabilities:				
Current	**777,123**	**39,540,018**	1,141,429	50,896,319
Non-current	**14,909,637**	**758,602,331**	15,686,762	669,472,718
	15,686,760	**798,142,349**	16,828,191	750,369,037

The finance lease bears an effective interest rate of 10.3% (2011: 10.3%) per annum. The obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the intermediate holding company, which is the Bareboat Charter Guarantor.

17. DEFERRED LOSS

	Group and Company		Group and Company	
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Deferred loss	**(354,303)**	**(18,026,936)**	(396,137)	(17,663,748)
Transfer to statements of comprehensive income (Note 24)	**57,107**	**2,905,604**	41,834	1,865,378
	(297,196)	**(15,121,332)**	(354,303)	(15,798,370)
Less : current portion	**57,216**	**2,911,150**	57,216	2,551,261
Non-current portion	**239,980**	**12,210,182**	297,087	13,247,109

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 (equivalent to Rs 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.

The holding company has guaranteed the repayment of these future lease obligations.

18. BANK LOAN

	Group and Company		Group and Company	
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Loan	**130,557,783**	**6,642,779,999**	118,386,700	5,278,862,953
Unamortised facility fees	**(491,241)**	**(24,994,342)**	(140,034)	(6,244,116)
	130,066,542	**6,617,785,657**	118,246,666	5,272,618,837
Current	**15,273,042**	**777,092,377**	12,810,513	571,220,775
Non-current	**114,793,500**	**5,840,693,280**	105,436,153	4,701,398,062
	130,066,542	**6,617,785,657**	118,246,666	5,272,618,837

On 6 August 2008 and 5 February 2010, the company obtained loans with credit facility for US$136 million and US$18 million respectively from a financial institution. The bank loans are subject to interest ranging from 1.25% to 3.80% (2011: 1.25% to 3.08%) per annum and are repayable within ten years of the final delivery date of the vessels. The bank loans are secured by:-

Pre-delivery

1) First assignment of Shipbuilding and engine contracts.

2) Corporate guarantee from its intermediate holding company.

Post -delivery

1) First Singapore mortgage over the vessels (Note 10).

2) First assignment of insurances and requisition of compensation on the vessels.

3) First assignment and pledge of all vessel earnings.

4) Corporate guarantee from its intermediate holding company.

On 9 February 2012, the company obtained loans amounting to US$25million (equivalent to Rs 1,272 million) from a financial institution. The bank loans are subject to interest 4.27% per annum and are repayable within nine years of the final delivery date of the vessels. The bank loans are secured by:-

1) First priority Singapore mortgage on AHTSV "Greatship Vimla" delivered (the "Ship").

2) Unconditional and irrevocable corporate guarantee from its intermediate holding company.

3) Letter of comfort from its ultimate holding company

The carrying amounts of bank loans approximate their fair values and are denominated in United States dollar.

19. LOAN FROM IMMEDIATE HOLDING COMPANY

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

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

20. SHARE CAPITAL

	Group and Company		Group and Company		Group and Company	
	2012	2011	2012	2012	2011	2011
	Number of shares		US$	Rs.	US$	Rs.
Issued						
At the beginning of the year	**121,060,224**	101,060,224	**121,060,224**	**5,398,075,388**	101,060,224	4,536,593,455
Foreign translation difference	**-**	-	**-**	**761,468,809**	-	(30,318,067)
Issuance of ordinary shares	**-**	20,000,000	**-**	**-**	20,000,000	891,800,000
As at end of year	**121,060,224**	121,060,224	**121,060,224**	**6,159,544,197**	121,060,224	5,398,075,388

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

21. RESERVES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Hedging reserve				
At the beginning of the year	**(867,846)**	**(38,697,253)**	(840,653)	(37,736,913)
De-recognition of fair value loss/(gain) arising from derivative financial statements	**867,846**	**44,156,005**	840,653	37,484,717
Changes in fair value of interest rate swap	**(2,517,621)**	**(128,096,557)**	(867,846)	(38,697,253)
Foreign translation difference	**-**	**(5,458,752)**	-	252,196
At the end of the year	**(2,517,621)**	**(128,096,557)**	(867,846)	(38,697,253)
(Accumulated losses / Retained profits)				
At the beginning of the year	**562,723**	**25,091,818**	(766,148)	(34,392,384)
(Loss)/profit for the year	**(9,080,837)**	**(462,032,986)**	1,328,871	59,254,357
Foreign translation difference	**-**	**3,539,528**	-	229,845
At the end of the year	**(8,518,114)**	**(433,401,640)**	562,723	25,091,818
Total reserves as at the end of the year	**(11,035,735)**	**(561,498,197)**	(305,123)	(13,605,435)

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Hedging reserve				
At the beginning of the year	**(867,846)**	**(38,697,253)**	(840,653)	(37,736,913)
De-recognition of fair value loss/(gain) arising from derivative financial statements	**867,846**	**44,156,005**	840,653	37,484,717
Changes in fair value of interest rate swap	**(2,517,621)**	**(128,096,557)**	(867,846)	(38,697,253)
Foreign translation difference	**-**	**(5,458,752)**	-	252,196
At the end of the year	**(2,517,621)**	**(128,096,557)**	(867,846)	(38,697,253)
Accumulated losses / Retained profits				
At the beginning of the year	**2,578,267**	**114,964,925**	(766,148)	(34,392,384)
(Loss)/profit for the year	**3,274,711**	**166,617,296**	3,344,415	149,127,464
Foreign translation difference	**-**	**16,217,300**	-	229,845
At the end of the year	**5,852,978**	**297,799,521**	2,578,267	114,964,925
Total reserves as at the end of the year	**3,335,357**	**169,702,964**	1,710,421	76,267,672

22. OTHER INCOME

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Government grant	**-**	**-**	8,612	384,009
Interest on cash collateralised for letter of credit	**-**	**-**	2,002	89,269
Interest on fixed deposit	**8,861**	**450,847**	125,368	5,590,159
Liquidated damage income	**-**	**-**	260,000	11,593,400
Gain on disposal of motor vessel	**-**	**-**	2,639,983	117,716,842
Reimbursement of expenses	**-**	**-**	26,060	1,162,015
Gain on foreign exchange	**-**	**-**	120,474	5,371,936
Miscellaneous income	**62,026**	**3,155,883**	-	-
	70,887	**3,606,730**	3,182,499	141,907,630

Company	2012 US$	2012 Rs	2011 US$	2011 Rs
Government grant	-	-	8,612	384,009
Interest on cash collateralised for letter of credit	-	-	2,002	89,269
Interest on fixed deposit	8,861	450,847	119,165	5,313,568
Liquidated damage income	-	-	260,000	11,593,400
Gain on disposal of motor vessel	-	-	2,639,983	117,716,842
Reimbursement of expenses	73,144	3,721,567	26,060	1,162,015
Gain on foreign exchange	45,173	2,298,402	-	-
Miscellaneous income	7,835	398,645	-	-
	135,013	6,869,461	3,055,822	136,259,103

23. CHARTER HIRE EXPENSES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Charter hire	6,660,925	338,907,864	4,415,628	196,892,852
Crew salary	7,132,305	362,891,678	2,953,859	131,712,573
Contract Staff expenses	11,451,295	582,641,890	1,889,289	84,243,397
Fuel and fresh water	1,862,841	94,781,350	679,427	30,295,650
Insurance	750,089	38,164,528	257,718	11,491,645
Technical management fees	6,355,912	323,388,802	1,677,812	74,813,637
Mobilisation expenses	-	-	600,000	26,754,000
Repairs and maintenance	15,044,710	765,474,844	2,252,681	100,447,046
Commission and brokerage	430,134	21,885,218	-	-
Manning and miscellaneous in-chartering	6,838,761	347,956,160	-	-
Others	-	-	1,069,266	47,678,571
	56,526,972	2,876,092,334	15,795,680	704,329,371

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Charter hire	-	-	3,904,775	174,113,917
Crew salary	444,792	22,631,017	2,238,171	99,800,045
Fuel and fresh water	190,887	9,712,330	561,329	25,029,660
Insurance	605,352	30,800,310	257,062	11,462,395
Technical management fees	-	-	407,288	18,160,972
Mobilisation expenses	-	-	600,000	26,754,000
Repairs and maintenance	975,153	49,615,785	1,336,561	59,597,255
Commission and brokerage	-	-	-	-
Manning and miscellaneous in-chartering	644,554	32,794,907	-	-
Others	-	-	772,605	34,450,457
	2,860,738	145,554,349	10,077,791	449,368,701

24. OTHER OPERATING EXPENSES

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Amortisation of loss on sale and lease back (Note 17)	**57,107**	**2,905,604**	41,834	1,865,378
Bank charges	**80,692**	**4,105,609**	105,245	4,692,875
Director's fee	**7,974**	**405,717**	16,933	755,042
Professional fees	**1,211,844**	**61,658,623**	579,964	25,860,595
Office rental	**528,215**	**26,875,579**	271,208	12,093,165
Telephone	**205,759**	**10,469,018**	104,752	4,670,891
Travelling	**613,521**	**31,215,949**	497,882	22,200,558
Management expense	**250,868**	**12,764,164**	-	-
Write-off of furniture	**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	**526,614**	**26,794,120**	819,659	36,548,595
	5,641,422	**287,035,551**	2,437,477	108,687,099

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Amortisation of loss on sale and lease back (Note 17)	**57,107**	**2,905,604**	41,834	1,865,378
Bank charges	**14,220**	**723,514**	95,246	4,247,019
Director's fee	**7,974**	**405,717**	12,211	544,488
Professional fees	**288,821**	**14,695,213**	507,357	22,623,049
Office rental	**53,199**	**2,706,765**	217,186	9,684,324
Telephone	**48,231**	**2,453,994**	76,684	3,419,340
Travelling	**90,683**	**4,613,951**	399,838	17,828,776
Loss on cancellation of vessel contracts – net	**1,289,160**	**65,592,460**	-	-
Others	**132,181**	**6,725,369**	165,514	7,380,269
	1,981,576	**100,822,587**	1,515,870	67,592,643

25. FINANCE COST

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Finance charges	**168,255**	**8,560,814**	483,887	21,576,522
Interest on finance leases	**1,713,367**	**87,176,113**	2,225,680	99,243,071
Interest rate swap payable to a related company	**899,020**	**45,742,138**	944,326	42,107,496
Interest on loans	**2,810,187**	**142,982,315**	1,888,042	84,187,793
	5,590,829	**284,461,380**	5,541,935	247,114,882

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Finance charges	**168,255**	**8,560,814**	483,887	21,576,522
Interest on finance leases	**1,713,367**	**87,176,113**	2,225,680	99,243,071
Interest rate swap payable to a related company	**899,020**	**45,742,138**	944,326	42,107,496
Interest on loans	**2,810,187**	**142,982,315**	1,888,042	84,187,793
	5,590,829	**284,461,380**	5,541,935	247,114,882

26. (LOSS) / PROFIT BEFORE INCOME TAX

(Loss) / profit before income tax is arrived at after charging:

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Staff CPF contributions	**106,188**	**5,402,845**	73,077	3,258,503
Director's fees	**7,974**	**405,717**	16,993	757,718
Directors' remuneration and bonus	**-**	**-**	96,857	4,318,854

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Staff CPF contributions	**16,921**	**860,940**	72,891	3,250,210
Director's fees	**7,974**	**405,717**	12,211	544,488
Directors' remuneration and bonus	**-**	**-**	96,857	4,318,854

27. INCOME TAX EXPENSE

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Current year tax provision	**103,445**	**5,263,282**	55,489	2,474,255
Under provision in prior year	**8,784**	**446,930**	-	-
Foreign tax	**33,486**	**1,703,767**	228,555	10,191,267
	145,715	**7,413,979**	284,044	12,665,522

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Current year tax provision	**-**	**-**	9,792	436,626
Under provision in prior year	**838**	**42,637**	-	-
Foreign tax	**6,600**	**335,808**	228,555	10,191,267
	7,438	**378,445**	238,347	10,627,893

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.

Foreign tax includes tax payable by Labuan branch under the Labuan Offshore Business Activity Tax Act 1990 (LOBATA) amounting to US$ 6,600 (equivalent to Rs. 335,808) (2011: US$ 6,600 (equivalent to Rs. 294,294)) which is computed based on RM 20,000 (2011: RM 20,000) upon election made under Section 7(1) of said act.

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% (2011: 17%) to profit before income tax as a result of the following differences:

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Accounting (loss) / profit	**(8,935,123)**	**(454,619,058)**	1,612,915	71,919,880
Income tax expense at statutory rate	**(1,518,970)**	**(77,285,194)**	274,196	12,226,400
Tax benefit at different rate in other countries	**(1,230,009)**	**(62,582,858)**	(322,491)	(14,379,874)
Exempt loss / (income)	**499,152**	**25,396,854**	(636,399)	(28,377,031)
Unremitted branch profits not taxable	**(557,965)**	**(28,389,259)**	-	-
Non allowable items	**(1,041,747)**	**(53,004,087)**	(14,927)	(665,595)
Deferred tax assets not recognised	**3,953,589**	**201,158,607**	759,569	33,869,182
Others	**(605)**	**(30,781)**	(4,459)	(198,827)
Under provision in prior year	**8,784**	**446,930**	-	-
Foreign tax paid	**33,486**	**1,703,767**	228,555	10,191,267
	145,715	**7,413,979**	284,044	12,665,522

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Accounting profit	**3,282,148**	**166,995,690**	3,582,762	159,755,357
Income tax expense at statutory rate	**557,965**	**28,389,259**	609,070	27,158,431
Exempt income	**-**	**-**	(599,278)	(26,721,805)
Unremitted branch profits not taxable	**(557,965)**	**(28,389,259)**	-	-
Under provision in prior year	**838**	**42,637**	-	-
Foreign tax paid	**6,600**	**335,808**	228,555	10,191,267
	7,438	**378,445**	238,347	10,627,893

One of the subsidiaries has unabsorbed tax losses of approximately US$14,700,000 (equivalent to Rs. 747,936,000) (2011: US$2,500,000 (equivalent to Rs. 111,475,000)). Future tax benefits arising from tax losses have not been recognised since there is no reasonable certainty of their recovery in future years.

28. 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.

29. SIGNIFICANT RELATED PARTIES TRANSACTIONS

An entity or an individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year, the company had transactions with the related parties on terms agreed between them with respect to the following:

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Charter hire and mobilisation income paid to:				
Intermediate holding company	**3,514,968**	**178,841,572**	1,472,842	65,674,025
Charter hire expense paid to intermediate holding company	**-**	**-**	510,851	22,778,846
Interest on loan paid to immediate holding company	**79,687**	**4,054,475**	-	-
Management fees charged by intermediate holding company	**360,000**	**18,316,800**	216,000	9,631,440
Payment for purchase of crane on behalf of intermediate holding company	**-**	**-**	810,960	36,160,706
Reimbursement of costs the intermediate holding company	**4,000,894**	**203,565,487**	-	-
Reimbursement of expenses paid to a related company	**5,598**	**284,826**	-	-
Interest rate swap paid to a related company	**899,020**	**45,742,138**	-	-
Fuel consumption paid to intermediate holding company	**-**	**-**	197,248	8,795,288
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	**44,580**	**2,268,230**	-	-
Reimbursement of expenses from related company	**38,601**	**1,964,019**	-	-
Loan from immediate holding company	**13,500,000**	**686,880,000**	-	-

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Charter hire and mobilisation income paid to:				
Intermediate holding company	**374,893**	**19,074,556**	1,472,842	65,674,025
Subsidiary	**22,035,478**	**1,121,165,121**	2,666,000	118,876,940
Interest on loan paid to immediate holding company	**79,687**	**4,054,475**	-	-
Management fees charged by intermediate holding company	**360,000**	**18,316,800**	216,000	9,631,440
Management expenses paid to a subsidiary	**1,411,700**	**71,827,296**	-	-
Payment for purchase of crane on behalf of intermediate holding company	**-**	**-**	810,960	36,160,706
Reimbursement of costs the intermediate holding company	**4,000,894**	**203,565,487**	-	-
Reimbursement of expenses charged to subsidiary	**185,613**	**9,443,989**	26,069	1,162,417
Reimbursement of expenses paid to a related company	**5,598**	**284,826**	-	-
Operating expenses paid on behalf of subsidiary	**-**	**-**	18,244	813,500
Interest rate swap paid to a related company	**899,020**	**45,742,138**	-	-
Reimbursement of bunker costs from a subsidiary	**358,962**	**18,263,987**	-	-
Loan from immediate holding company	**13,500,000**	**686,880,000**	-	-
Loans to subsidiaries	**12,500,000**	**636,000,000**	7,000,000	312,130,000

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. The company's key management personnel are comprised of a director and heads of departments of the company.

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Directors' remuneration and bonus	**1,001,258**	**50,944,007**	339,857	15,154,224

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Directors' remuneration and bonus	**224,400**	**11,417,472**	96,857	4,318,854

30. 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	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Office lease				
Due within one year	**284,729**	**14,487,011**	374,724	16,708,943
Due in Two to Five years	**283,667**	**14,432,977**	84,493	3,767,543
Operating lease commitments	**568,396**	**28,919,988**	459,217	20,476,486

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Office lease				
Due within one year	**200,236**	**10,188,008**	121,245	5,406,315
Due in Two to Five years	**283,667**	**14,432,977**	-	-
Operating lease commitments	**483,903**	**24,620,985**	121,145	5,406,315

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	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Due within one year	**-**	**-**	4,675,750	208,491,693
Due within two to five years	**-**	**-**	-	-
	-	**-**	4,675,750	208,491,693

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Due within one year	-	-	4,675,750	208,491,693
Due within two to five years	-	-	-	-
	-	-	4,675,750	208,491,693

(iii) Capital commitments

The group has 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 (2011: US$152 million) (equivalent to Rs 3,918 million (2011: Rs 6,778 million)).

31. 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 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 is subject to various currency exposures, primarily with respect to the 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$	SGD US$	Total US$
2012			
Financial assets			
Cash and cash equivalents	2,594,249	155,987	2,750,236
Trade receivables	14,872,191	32,752	14,904,943
Other receivables	1,006,857	48,941	1,055,798
	18,473,297	**237,680**	**18,710,977**
Financial liabilities			
Trade payables	(5,981,355)	(195,090)	(6,176,445)
Other payables	(880,471)	(441,684)	(1,322,155)
	(6,861,826)	**(636,774)**	**(7,498,600)**
Net currency exposure	**11,611,471**	**(399,094)**	**11,212,377**

Group	AUD Rs.	SGD Rs.	Total Rs.
2012			
Financial assets			
Cash and cash equivalents	131,995,389	7,936,618	139,932,007
Trade receivables	756,697,078	1,666,422	758,363,500
Other receivables	51,228,884	2,490,118	53,719,002
	939,921,351	**12,093,158**	**952,014,509**
Financial liabilities			
Trade payables	(304,331,342)	(9,926,179)	(314,257,521)
Other payables	(44,798,364)	(22,472,882)	(67,271,246)
	(349,129,706)	**(32,399,061)**	**(381,528,767)**
Net currency exposure	**590,791,645**	**(20,305,903)**	**570,485,742**

Company	AUD US$	SGD US$	Total US$
2012			
Financial assets			
Cash and cash equivalents	-	38,249	38,249
Trade receivables	-	9,275	9,275
Other receivables	-	47,942	47,942
	-	**95,466**	**95,466**
Financial liabilities			
Other payables	-	(208,776)	(208,776)
	-	**(208,776)**	**(208,776)**
Net currency exposure	**-**	**(113,310)**	**(113,310)**

Company	AUD Rs.	SGD Rs.	Total Rs.
2012			
Financial assets			
Cash and cash equivalents	-	1,946,109	1,946,109
Trade receivables	-	471,912	471,912
Other receivables	-	2,439,289	2,439,289
	-	**4,857,310**	**4,857,310**
Financial liabilities			
Other payables	-	(10,622,523)	(10,622,523)
	-	**(10,622,523)**	**(10,622,523)**
Net currency exposure	**-**	**(5,765,213)**	**(5,765,213)**

Group	AUD US$	SGD US$	Total US$
2011			
Financial assets			
Cash and cash equivalents	141,143	622,315	763,458
Trade receivables	1,171,234	2,604	1,173,838
Other receivables	331,735	68,141	399,876
	1,644,112	**693,060**	**2,337,172**
Financial liabilities			
Other payables	(290,132)	(321,100)	(611,232)
	(290,132)	**(321,100)**	**(611,232)**
Net currency exposure	**1,353,980**	**371,960**	**1,725,940**

Group	AUD Rs.	SGD Rs.	Total Rs.
2011			
Financial assets			
Cash and cash equivalents	6,293,566	27,749,026	34,042,592
Trade receivables	52,225,324	116,113	52,341,437
Other receivables	14,792,064	3,038,407	17,830,471
	73,310,954	**30,903,546**	**104,214,500**
Financial liabilities			
Other payables	(12,936,986)	(14,317,849)	(27,254,835)
	(12,936,986)	**(14,317,849)**	**(27,254,835)**
Net currency exposure	**60,373,968**	**16,585,697**	**76,959,665**

Company	AUD US$	SGD US$	Total US$
2011			
Financial assets			
Cash and cash equivalents	-	366,510	366,510
Trade receivables	-	2,604	2,604
Other receivables	-	68,140	68,140
	-	**437,254**	**437,254**
Financial liabilities			
Other payables	**-**	**(307,881)**	**(307,881)**
Net currency exposure	**-**	**129,373**	**129,373**

Company	AUD Rs.	SGD Rs.	Total Rs.
2011			
Financial assets			
Cash and cash equivalents	-	16,342,681	16,342,681
Trade receivables	-	116,113	116,113
Other receivables	-	3,038,363	3,038,363
	-	**19,497,157**	**19,497,157**
Financial liabilities			
Other payables	**-**	**(13,728,414)**	**(13,728,414)**
Net currency exposure	**-**	**5,768,473**	**5,768,473**

If the Singapore dollar and Australian dollar had strengthened/weakened by 1% and 1% (2011: 11% and 13%) 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	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	**(3,993)**	**(203,059)**	40,915	1,824,426
Australian dollar	**116,114**	**5,907,916**	176,017	7,848,616

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollar	(1,133)	(57,652)	14,231	634,532

(ii) Interest rate risk

The group's policy is to maintain cash equivalents and borrowings in fixed rate instruments. The group sometimes 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. The interest rate swaps allow the group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the group borrowed at fixed rates directly. 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 15 to the financial statements.

Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for both derivatives and non-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 2012 would increase/(decrease) by US$247,205 (equivalent to Rs. 12,577,790) (2011:US$144,734 (equivalent to Rs. 6,453,689)). As impact of interest rate movement 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 1 debtor (2011: 3 debtor) that individually represents 94% (2011: 85%) of trade receivables.

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

Group	**2012 US$**	**2012 Rs.**	2011 US$	2011 Rs.
By geographical areas				
India	**1,881,789**	**95,745,424**	1,316,778	58,715,131
Singapore	**1,649,723**	**83,937,906**	1,571,340	70,066,051
Malaysia	**3,494,937**	**177,822,395**	1,564,397	69,756,462
Australia	**14,872,191**	**756,697,078**	1,478,726	65,936,392
Thailand	**-**	**-**	5,476,730	244,207,391
Korea	**247,080**	**12,571,430**	-	-
Indonesia	**1,676,578**	**85,304,289**	-	-
Vietnam	**2,678,086**	**136,261,016**	-	-
	26,500,384	**1,348,339,538**	11,407,971	508,681,427
By types of customers				
Non-related parties	**25,348,972**	**1,289,755,696**	10,879,004	485,094,788
Intermediate holding company	**1,151,412**	**58,583,842**	528,967	23,586,639
	26,500,384	**1,348,339,538**	11,407,971	508,681,427

Company	**2012 US$**	**2012 Rs.**	2011 US$	2011 Rs.
By geographical areas				
India	**730,377**	**37,161,582**	1,316,778	58,715,131
Singapore	**18,587,396**	**945,726,708**	1,316,588	58,706,659
Malaysia	**-**	**-**	1,564,397	69,756,462
	19,317,773	**982,888,290**	4,197,763	187,178,252
By types of customers				
Non-related parties	**1,111,626**	**56,559,531**	3,668,796	163,591,614
Subsidiary	**18,206,147**	**926,328,759**	-	-
Intermediate holding company	**-**	**-**	528,967	23,586,639
	19,317,773	**982,888,290**	4,197,763	187,178,252

(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$5,287,085 (equivalent to Rs. 269,006,885) (2010: US$4,197,763 (equivalent to Rs. 187,178,252)).

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

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

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Due less than 30 days	**23,680,544**	**1,204,866,079**	10,620,160	473,552,934
Due from 30 to 90 days	**2,819,840**	**143,473,459**	-	-
Due more than 90 days	**-**	**-**	787,811	39,128,493
	26,500,384	**1,348,339,538**	11,407,971	508,681,427

Group	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Due less than 30 days	**764,410**	**38,893,181**	3,409,952	152,049,760
Due from 30 to 90 days	**18,553,363**	**943,995,109**	-	-
Due more than 90 days	**-**	**-**	787,811	35,128,492
	19,317,773	**982,888,290**	4,197,763	187,178,252

(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.

Group	On demand or within 1 year US$	Between 2 to 5 years US$	On demand or over 5 years US$	Total US$
2012				
Trade payables	**17,199,894**	**-**	**-**	**17,199,894**
Other payables	**3,805,096**	**-**	**-**	**3,805,096**
Finance lease	**777,123**	**3,170,432**	**11,739,205**	**15,686,760**
Bank loan	**15,273,042**	**30,434,345**	**84,359,155**	**130,066,542**
	37,055,155	**33,604,777**	**96,098,360**	**166,758,292**
2011				
Trade payables	3,803,281	-	-	3,803,281
Other payables	3,658,263	-	-	3,658,263
Finance lease	1,141,429	3,145,756	12,541,006	16,828,191
Bank loan	12,810,513	51,242,051	54,194,102	118,246,666
	21,413,486	54,387,807	66,735,108	142,536,401

Group	On demand or within 1 year Rs.	Between 2 to 5 years Rs.	On demand or over 5 years Rs.	Total Rs.
2012				
Trade payables	**875,130,607**	**-**	**-**	**875,130,607**
Other payables	**193,603,285**	**-**	**-**	**193,603,285**
Finance lease	**39,540,018**	**161,311,580**	**597,290,750**	**798,142,348**
Bank loan	**777,092,377**	**1,548,499,474**	**4,292,193,806**	**6,617,785,657**
	1,885,366,287	**1,709,811,054**	**4,889,484,556**	**8,484,661,897**
2011				
Trade payables	169,588,300	-	-	169,588,300
Other payables	163,121,947	-	-	163,121,947
Finance lease	50,896,319	140,269,260	559,203,458	750,369,037
Bank loan	571,220,775	2,284,883,054	2,416,515,008	5,272,618,837
	954,827,341	2,425,152,314	2,975,718,466	6,355,698,121

Company	On demand or within 1 year US$	Between 2 to 5 years US$	On demand or over 5 years US$	Total US$
2012				
Trade payables	**1,611,008**	**-**	**-**	**1,611,008**
Other payables	**2,726,126**	**-**	**-**	**2,726,126**
Finance lease	**777,123**	**3,170,432**	**11,739,205**	**15,686,760**
Bank loan	**15,273,042**	**30,434,345**	**84,359,155**	**130,066,542**
	20,387,299	**33,604,777**	**96,098,360**	**150,090,436**
2011				
Trade payables	1,284,983	-	-	1,284,983
Other payables	1,851,954	-	-	1,851,954
Finance lease	1,141,429	3,145,756	12,541,006	16,828,191
Bank loan	12,810,513	51,242,051	54,194,102	118,246,666
	17,088,879	54,387,807	66,735,108	138,211,794

Company	On demand or within 1 year Rs.	Between 2 to 5 years Rs.	On demand or over 5 years Rs.	Total Rs.
2012				
Trade payables	81,968,087	-	-	81,968,087
Other payables	138,705,901	-	-	138,705,901
Finance lease	39,540,018	161,311,580	597,290,750	798,142,348
Bank loan	777,092,377	1,548,499,474	4,292,193,806	6,617,785,657

Company	On demand or within 1 year Rs.	Between 2 to 5 years Rs.	On demand or over 5 years Rs.	Total Rs.
	1,037,306,383	**1,709,811,054**	**4,889,484,556**	**7,636,601,993**
2011				
Trade payables	57,297,392	-	-	57,297,392
Other payables	82,578,629	-	-	82,578,629
Finance lease	50,896,319	140,269,260	559,203,458	750,369,037
Bank loan	571,220,775	2,284,883,054	2,416,515,008	5,272,618,837
	761,993,115	**2,425,152,314**	**2,975,718,466**	**6,162,863,895**

(d) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, derivative financial instrument payable, trade and other payables, finance leases and deferred gain on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

32. 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. 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	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Net debt	**148,150,579**	**7,537,901,460**	107,974,376	4,814,577,426
Total equity	**110,024,489**	**5,598,046,000**	120,755,101	5,384,469,953
Total capital	**258,175,068**	**13,135,947,460**	228,729,477	10,199,047,379
Gearing ratio	**0.57**	**0.57**	0.47	0.47

Company	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Net debt	**156,835,733**	**7,979,802,095**	108,420,237	4,834,458,368
Total equity	**124,395,581**	**6,329,247,161**	122,770,645	5,474,343,060
Total capital	**281,231,314**	**14,309,049,256**	231,190,882	10,308,801,428
Gearing ratio	**0.56**	**0.56**	0.47	0.47

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 2012 and 2011 as required in accordance with the covenants in the bank loans in Note 18.

GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

A Subsidiary Company

Directors	Naware Pradyumna Raghunath Jaya Prakash John David Peter Wells Alok Mahajan
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 2012.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

John David Peter Wells

Alok Mahajan (Appointed on 25 November 2011)

During the financial year, Mr. Arangannal s/o Kathamuthu and Mr. Venkatraman Sheshashayee have resigned from the company with effect from 1 September 2011 and 24 November 2011, respectively.

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 01.04.2011	As at 31.03.2012
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952
Alok Mahajan	N.A.	732

Mr. Naware Pradyumna Raghunath 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 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 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

Naware Pradyumna Raghunath
Director

Alok Mahajan
Director

24 April 2012

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 2012 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 24 April 2012.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Alok Mahajan
Director

24 April 2012

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 2012, 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.

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 statement of comprehensive income and statement of financial position 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 2012 and of its results, changes in equity and cash flows of the company 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
24 April 2012

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**19,746,990**	**1,004,726,851**	20,065,527	894,721,849
Trade receivables	5	**3,979,304**	**202,466,988**	14,503,843	646,726,359
Other receivables	6	**1,703,574**	**86,677,845**	-	-
		25,429,868	**1,293,871,684**	34,569,370	1,541,448,208
Non-current assets					
Plant and equipment	7	**345,273,996**	**17,567,540,917**	361,535,053	16,120,848,013
Capital project in progress	8	**67,087,151**	**3,413,394,243**	32,318,973	1,441,103,006
Deferred expenses		**2,092,289**	**106,455,664**	-	-
		414,453,436	**21,087,390,824**	393,854,026	17,561,951,019
Total assets		**439,883,304**	**22,381,262,508**	428,423,396	19,103,399,227
LIABILITIES					
Current liabilities					
Trade payables	9	**163,510**	**8,319,389**	42,500	1,895,075
Other payables	10	**1,000,965**	**50,929,099**	1,191,861	53,145,082
Derivative financial instruments payable	11	**7,308,484**	**371,855,666**	5,025,017	224,065,508
Borrowings	12	**34,582,082**	**1,759,536,332**	44,785,975	1,997,006,625
Income tax payable		**2,724**	**138,597**	-	-
		43,057,765	**2,190,779,083**	51,045,353	2,276,112,290
Non-current liability					
Borrowings	12	**160,586,361**	**8,170,634,048**	195,166,010	8,702,452,386
Loans from immediate holding company	13	**58,000,000**	**2,951,040,000**	40,000,000	1,783,600,000
		218,586,361	**11,121,674,048**	235,166,010	10,486,052,386
Total liabilities		**261,644,126**	**13,312,453,131**	286,211,363	12,762,164,676
NET ASSETS		**178,239,178**	**9,068,809,377**	142,212,033	6,341,234,551
SHAREHOLDERS' EQUITY					
Share capital	14	**118,964,161**	**6,052,896,512**	118,964,161	5,304,611,939
Reserves	15	**59,275,017**	**3,015,912,865**	23,247,872	1,036,622,612
TOTAL EQUITY		**178,239,178**	**9,068,809,377**	142,212,033	6,341,234,551

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 2012

	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Revenue					
Charter hire income		**68,202,270**	**3,470,131,498**	68,015,925	3,032,830,096
Other income	16	**43,964**	**2,236,888**	25,867	1,153,410
Total revenue		**68,246,234**	**3,472,368,386**	68,041,792	3,033,983,506
Expenses					
Charter hire expenses		**510,000**	**25,948,800**	31,143,351	1,388,682,021
Employee benefits expenses		**113,687**	**5,784,395**	192,300	8,574,657
Depreciation of plant and equipment	7	**16,272,273**	**827,933,250**	6,989,177	311,647,402
Other operating expenses	17	**236,871**	**12,051,996**	228,028	10,167,769
Finance costs	18	**12,048,196**	**613,012,213**	8,605,117	383,702,167
Total expenses		**29,181,027**	**1,484,730,654**	47,157,973	2,102,774,016
Profit before income tax	19	**39,065,207**	**1,987,637,732**	20,883,819	931,209,490
Income tax expense	20	**(2,724)**	**(138,597)**	-	-
Net profit for the year		**39,062,483**	**1,987,499,135**	20,883,819	931,209,490
Other comprehensive income:					
De-recognition of fair value gain arising from derivative financial instruments		**(2,792,553)**	**(142,085,096)**	1,710,582	76,274,851
Fair value loss arising from derivative financial instruments		**(242,785)**	**(12,352,901)**	(2,792,553)	(124,519,938)
Other comprehensive loss for the year, net of tax		**(3,035,338)**	**(154,437,997)**	(1,081,971)	(48,245,087)
Total comprehensive income for the year		**36,027,145**	**1,833,061,138**	19,801,848	882,964,403

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 2012

	Share capital		Hedging reserve		Retained profits		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
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
Total comprehensive (loss)/income for the year	-	-	(3,035,338)	(154,437,997)	39,062,483	1,987,499,135	36,027,145	1,833,061,138
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
2011								
Balance as at 1 April 2010	68,964,161	3,095,801,187	(1,710,582)	(76,788,026)	5,156,606	231,480,043	72,410,185	3,250,493,204
Issuance of ordinary shares (Note 14)	50,000,000	2,229,500,000	-	-	-	-	50,000,000	2,229,500,000
Foreign translation difference	-	(20,689,248)	-	513,175	-	(1,546,983)	-	(21,723,056)
Total comprehensive (loss)/income for the year	-	-	(1,081,971)	(48,245,087)	20,883,819	931,209,490	19,801,848	882,964,403
Balance as at 31 March 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

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 2012

	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Cash Flows From Operating Activities					
Profit before income tax		**39,065,207**	**1,987,637,732**	20,883,819	931,209,490
Adjustments for:					
Depreciation of plant and equipment	7	**16,272,273**	**827,933,250**	6,989,177	311,647,402
Interest income		**(40,862)**	**(2,079,058)**	(125)	(5,574)
Plant and equipment written off		**-**	**-**	5,524	246,315
Finance costs		**12,048,196**	**613,012,213**	8,605,117	383,702,167
Unrealised exchange gain		**(12,542)**	**(638,137)**	(8,493)	(378,703)
Cash flows before changes in working capital		**67,332,272**	**3,425,866,000**	36,475,019	1,626,421,097
Working capital changes excluding changes relating to cash:					
Trade receivables		**10,524,539**	**444,259,371**	(1,050,831)	(46,856,554)
Other receivables		**(1,703,574)**	**(86,677,845)**	6,504,542	290,037,528
Trade payables		**122,548**	**6,424,314**	(2,896,733)	(129,165,324)
Other payables		**(202,494)**	**(2,215,983)**	(1,701,851)	(75,885,536)
Cash generated from operating activities		**76,073,291**	**3,787,655,857**	37,330,146	1,664,551,211
Finance costs paid		**(13,992,006)**	**(711,913,265)**	(9,386,851)	(418,559,686)
Interest received		**40,862**	**2,079,058**	125	5,574
Net cash generated from operating activities		**62,122,147**	**3,077,821,650**	27,943,420	1,245,997,099
Cash Flows From Investing Activities					
Purchase of plant and equipment	7	**(11,216)**	**(570,670)**	(177,746,294)	(7,925,707,249)
Additions to capital project in progress	8	**(34,768,178)**	**(1,972,291,237)**	(32,169,400)	(1,434,433,546)
Net cash used in investing activities		**(34,779,394)**	**(1,972,861,907)**	(209,915,694)	(9,360,140,795)
Cash Flows From Financing Activities					
Proceeds from issuance of ordinary shares	14	**-**	**-**	50,000,000	2,229,500,000
Draw-down of borrowings – net of facility fees		**-**	**-**	126,303,085	5,631,854,560
Repayment of borrowings		**(45,673,832)**	**(2,323,884,572)**	(20,967,266)	(934,930,391)
Loan from immediate holding company		**18,000,000**	**1,167,440,000**	40,000,000	1,783,600,000
Net cash (used in) / generated from financing activities		**(27,673,832)**	**(1,156,444,572)**	195,335,819	8,710,024,169
Foreign currency translation difference		**-**	**160,851,694**	-	(2,008,003)
Net (decrease) / increase in cash and cash equivalents		**(331,079)**	**(51,484,829)**	13,363,545	595,880,473
Cash and cash equivalents at the beginning of the year		**20,065,527**	**894,721,849**	6,693,489	300,470,676
Effect of exchange rate changes		**12,542**	**638,137**	8,493	378,703
Cash and cash equivalents at the end of the year	4	**19,746,990**	**1,004,726,851**	20,065,527	894,721,849

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 2012

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 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 mobile offshore drilling units and charter hire income. 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 2012 were authorised and approved by the Board of Directors for issuance on 24 April 2012.

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 = Rs. 50.88 (2011: USD 1 = Rs. 44.59) and rounded up to the nearest rupee.

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 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 2012, the company is in a net current liabilities position of US$17,627,897 equivalent to Rs. 896,907,399 (2011: US$16,475,983 equivalent to Rs. 734,664,082). 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

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 statement of comprehensive income for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the statement of comprehensive income 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) 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 statement of comprehensive income 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 the statement of comprehensive income 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 the statement of comprehensive income. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the statement of comprehensive income 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

The company classifies its financial assets as loans and receivables. 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 the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(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 the statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income 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) Plant and equipment

(i) *Measurement*

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 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 plant and equipment that are transferred from the hedging reserve.

(ii) *Depreciation*

Depreciation on 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 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 statement of comprehensive income when the changes arise.

(iii) *Subsequent expenditure*

Subsequent expenditure relating to 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 statement of comprehensive income when incurred.

(iv) *Disposal*

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

g) Impairment of non-financial assets

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 statement of comprehensive income. 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 statement of comprehensive income.

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 the statement of comprehensive income 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 the statement of comprehensive income 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 in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the changes arise.

l) Income tax

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 the statement of comprehensive income.

m) 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.

n) 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.

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.

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) Operating lease

Company is the lessor

Assets leased out under operating leases are included in 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 the statement of comprehensive income 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 statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

r) 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.

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) Depreciation of plant and equipment

The company depreciates the 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 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 plant and equipment as at the end of each reporting period were disclosed in Note 7 to the financial statements.

(b) *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.

(c) *Impairment of non-financial assets*

Plant and equipment

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 the statement of comprehensive income. 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 the statement of comprehensive income.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents cash at banks.

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

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Singapore dollars	**219,151**	**11,150,403**	222,789	9,934,162
United States dollars	**19,527,839**	**993,576,448**	19,842,738	884,787,687
	19,746,990	**1,004,726,851**	20,065,527	894,721,849

5. TRADE RECEIVABLES

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
GST recoverable	**4,013**	**204,182**	116,668	5,202,226
Intermediate holding company	**3,975,291**	**202,262,806**	14,387,175	641,524,133
	3,979,304	**202,466,988**	14,503,843	646,726,359

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:

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Singapore dollars	4,013	204,182	116,668	5,202,226
United States dollars	3,975,291	202,262,806	14,387,175	641,524,133
	3,979,304	202,466,988	14,503,843	646,726,359

6. OTHER RECEIVABLES

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Advance to suppliers	1,692,045	86,091,250	-	-
Deposit	2,104	107,051	-	-
Accrued interest receivables	9,425	479,544	-	-
	1,703,574	86,677,845	-	-

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

7. PLANT AND EQUIPMENT

	Rig		Equipment		Computers		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
2012								
Cost								
At 1 April 2011 (b) (c)	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 realignment	-	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	18,902,051,932
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 realignment	-	(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 classified from rigs to furniture and equipment for a more accurate presentation of category of assets.

	Rig		Computers		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
2011						
Cost						
At 1 April 2010 [b]	193,745,084	8,697,216,820	20,013	898,384	193,765,097	8,698,115,204
Additions [c]	177,746,293	7,925,707,205	-	-	177,746,293	7,925,707,205
Written off	-	-	(20,013)	(892,380)	(20,013)	(892,380)
Exchange realignmnt	-	(58,123,525)	-	(6,004)	-	(58,129,529)
At 31 March 2011	**371,491,377**	**16,564,800,500**	**-**	**-**	**371,491,377**	**16,564,800,500**
Accumulated depreciation						
At 1 April 2010	2,972,527	133,436,737	9,109	408,903	2,981,636	133,845,640
Charge for the year	6,983,797	311,407,508	5,380	239,894	6,989,177	311,647,402
Written off	-	-	(14,489)	(646,065)	(14,489)	(646,065)
Exchange realignmnt	-	(891,758)	-	(2,732)	-	(894,490)
At 31 March 2011	9,956,324	443,952,487	-	-	9,956,324	443,952,487
Net Book Value						
At 31 March 2011	**361,535,053**	**16,120,848,013**	**-**	**-**	**361,535,053**	**16,120,848,013**

[b] This is mortgaged as security against Loan I as disclosed in Note 12.

[c] This is mortgaged as security against Loan II as disclosed in Note 12.

8. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of a new rig. The management expects the construction to be completed in the third quarter of financial year 2013. The total expected costs of the project are estimated to be approximately US$161 million (Rs. 8,192 million).

9. TRADE PAYABLES

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Third parties	**163,510**	**8,319,389**	42,500	1,895,075

The carrying amounts of trade payables approximate their fair values and are denominated in United States dollars.

10. OTHER PAYABLES

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Accruals	**999,427**	**50,850,846**	1,191,861	53,145,082
Other creditors	**1,538**	**78,253**	-	-
	1,000,965	**50,929,099**	1,191,861	53,145,082

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

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Singapore dollars	**45,194**	**2,299,471**	98,115	4,374,948
United States dollars	**955,771**	**48,629,628**	1,093,746	48,770,134
	1,000,965	**50,929,099**	1,191,861	53,145,082

11. DERIVATIVE FINANCIAL INSTRUMENTS PAYABLE

	Contract/ notional amount US$	Rs.	Fair values US$	Fair values Rs.
31.03.2012				
Cash flow hedges				
- Interest rate swaps	**209,212,438**	**10,644,728,845**	**(7,308,484)**	**(371,855,666)**
31.03.2011				
Cash flow hedges				
- Interest rate swaps	**235,120,000**	**10,484,000,800**	**(5,025,017)**	**(224,065,508)**

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 statement of comprehensive income as part of interest expense over the period of the borrowings.

12. BORROWINGS

	2012 US$	**2012 Rs.**	2011 US$	2011 Rs.
Loan I	**93,446,906**	**4,754,578,577**	115,620,737	5,155,528,663
Unamortised facility fees	**(1,427,163)**	**(72,614,053)**	(1,971,836)	(87,924,212)
	92,019,743	**4,681,964,524**	113,648,901	5,067,604,451
Loan II	**104,500,000**	**5,316,960,000**	128,000,000	5,707,520,000
Unamortised facility fees	**(1,351,300)**	**(68,754,144)**	(1,696,915)	(75,665,440)
	103,148,700	**5,248,205,856**	126,303,085	5,631,854,560
Total borrowings	**195,168,443**	**9,930,170,380**	239,951,986	10,699,459,011

Presented as:

	2012 US$	**2012 Rs.**	2011 US$	2011 Rs.
Current	**34,582,082**	**1,759,536,332**	44,785,976	1,997,006,625
Non-current	**160,586,361**	**8,170,634,048**	195,166,010	8,702,452,386
	195,168,443	**9,930,170,380**	239,951,986	10,699,459,011

Loan I

As at 31 March 2012, the loan is subject to interest ranging from 3.59% to 5.32% (2011: 3.61% to 5.04%) per annum and is repayable in about five years from the final delivery date of the rig. The subject loan is secured, among others as stated in the facility agreement with the financial institution, by the following :-

i) First priority mortgage on the rig (Note 7);

ii) Negative lien on the shares of the company;

iii) Assignment of the bareboat charter agreement between company and the intermediate holding company; and

iv) Corporate guarantee from the intermediate holding company

Loan II

As at 31 March 2012, the loan is subject to interest rate of 2.66% (2011: 2.66%) per annum and 16 quarterly instalments are outstanding. The subject loan is secured, among others as stated in the facility agreement with the financial institution, by the following:-

i) First priority mortgage on the Rig; and

ii) Unconditional and irrevocable on-demand guarantee from the intermediate holding company, the Guarantor.

13. LOANS FROM IMMEDIATE HOLDING COMPANY

Loans from immediate holding company are non-trade, unsecured, are subject to interest at a rate of Libor + 3% (2011: Libor + 3%) per annum and repayable as per agreed terms.

The carrying amount of loans from immediate holding company are denominated in United States dollars.

14. SHARE CAPITAL

	2012	2011	2012	2012	2011	2011
	Number of shares		US$	Rs.	US$	Rs.
Issued						
At the beginning of the year	**1,858,816**	1,077,566	**118,964,161**	**5,304,611,939**	68,964,161	3,095,801,187
Foreign currency translation difference	**-**	-	**-**	**748,284,573**	-	(20,689,248)
Issuance of ordinary shares	**-**	781,250	**-**	**-**	50,000,000	2,229,500,000
As at end of year	**1,858,816**	1,858,816	**118,964,161**	**6,052,896,512**	118,964,161	5,304,611,939

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.

15. RESERVES

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Hedging reserve				
At the beginning of the year	**(2,792,553)**	**(124,519,938)**	(1,710,582)	(76,788,026)
De-recognition of fair value gain arising				
from derivative financial instruments	**2,792,553**	**142,085,097**	1,710,582	76,274,851
Foreign currency translation difference	**-**	**(17,565,159)**	-	513,175
Changes in fair value of interest rate swaps	**(5,827,891)**	**(296,523,094)**	(2,792,553)	(124,519,938)
At the end of the year	**(5,827,891)**	**(296,523,094)**	(2,792,553)	(124,519,938)
Retained profits				
At the beginning of the year	**26,040,425**	**1,161,142,550**	5,156,606	231,480,043
Net profit for the year	**39,062,483**	**1,987,499,135**	20,883,819	931,209,490
Foreign currency translation difference	**-**	**163,794,274**	-	(1,546,983)
At the end of the year	**65,102,908**	**3,312,435,959**	26,040,425	1,161,142,550
Total reserves	**59,275,017**	**3,015,912,865**	23,247,872	1,036,622,612

16. OTHER INCOME

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Government grant – job credit scheme	**-**	**-**	819	36,519
Interest income	**40,862**	**2,079,058**	125	5,574
Foreign exchange gain	**3,102**	**157,830**	24,923	1,111,317
	43,964	**2,236,888**	25,867	1,153,410

17. OTHER OPERATING EXPENSES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Bank charges	7,995	406,786	80,804	3,603,050
Director's fees	15,974	812,757	12,211	544,488
Professional fees	154,526	7,862,283	110,237	4,915,468
Travelling expenses	20,288	1,032,253	-	-
Others	38,088	1,937,917	24,776	1,104,763
	236,871	12,051,996	228,028	10,167,769

18. FINANCE COSTS

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Interest rate swaps	2,401,907	122,209,028	2,699,499	120,370,660
Finance charges (arrangement fees)	939,817	47,817,889	574,255	25,606,031
Interest on bank loans	8,706,472	442,985,296	5,331,363	237,725,476
	12,048,196	613,012,213	8,605,117	383,702,167

19. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Staff CPF contributions	9,926	505,035	-	-
Directors'remuneration and bonus	-	-	192,300	8,574,657

20. INCOME TAX EXPENSE

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Current year provision	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% (2011: 17%) to profit before income tax as a result of the following differences:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Accounting profit	39,065,207	1,987,637,732	20,883,819	931,209,490
Income tax expense at statutory rate	6,641,085	337,898,414	3,550,249	158,305,613
Utilisation of unabsorbed losses brought forward	(4,223)	-	-	-
Exempt income	(6,634,138)	(337,759,817)	(3,550,249)	(158,305,613)
	2,724	138,597	-	-

As at 31 March 2012, the company has unabsorbed tax losses of approximately US$68,000 equivalent to Rs. 3,459,840 (2011: US$109,000 equivalent to Rs. 4,860,310), 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 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.

21. 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.

22. SIGNIFICANT RELATED PARTY TRANSACTIONS

An entity or an individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year, the company had transactions with its intermediate holding company on terms agreed between them with respect to the following:

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Charter hire income from intermediate holding company	**68,202,270**	**3,470,131,498**	68,015,925	3,032,830,096
Loans from immediate holding company	**18,000,000**	**915,840,000**	40,000,000	1,783,600,000
Interest paid to intermediate holding company	**(1,811,502)**	**(92,169,222)**	-	-

<u>Compensation of key management personnel</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The company's key management personnel are comprised of a director and heads of departments of the company.

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Directors' remuneration and bonus	**-**	**-**	192,300	8,574

23. 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:

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Due within one year	**42,500**	**2,162,400**	403,750	18,003,213

Operating lease expenses recognised for the year as charter hire expenses is US$510,000 equivalent to Rs. 25,948,800 (2011: US$31,143,351 equivalent to Rs. 1,388,682,021).

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:

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Due within one year	**57,391,877**	**2,920,098,702**	66,066,570	2,945,908,356
Due within two to five years	**64,230,975**	**3,268,072,008**	80,158,815	3,574,281,561
	121,622,852	**6,188,170,710**	146,225,385	6,520,189,917

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 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 2012.

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

	2012 US$	**2012 Rs.**	2011 US$	2011 Rs.
Financial assets				
Cash and cash equivalents	**219,151**	**11,150,403**	222,789	9,934,162
Trade receivables	**4,013**	**204,182**	116,668	5,202,226
	223,164	**11,354,585**	339,457	15,136,388
Financial liabilities				
Other payables	**(45,194)**	**(2,299,471)**	(98,115)	(4,374,948)
	(45,194)	**(2,299,471)**	(98,115)	(4,374,948)
Net currency exposure	**177,970**	**9,055,114**	241,342	10,761,440

At 31 March 2012, an estimated 1% (31 March 2011: 2%) 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$1,700 equivalent to Rs. 86,496 (31 March 2011: US$5,000 equivalent to Rs. 222,950) as result of currency translation.

ii) Interest rate risk

The company's policy is to maintain cash equivalents and borrowings in fixed rate instruments. The company sometimes 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. The interest rate swaps allow the company to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the company borrowed at fixed rates directly. 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 both derivatives and non-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 company's profit for the year ended March 2012 would increase/decrease by US$164,787 equivalent to Rs. 8,384,363 (2011: US$51,556 equivalent to Rs. 2,298,882). As impact of interest rate movement 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 (2011: 1 debtor) that individually represented 99% (2011: 99%) of trade receivables.

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

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
By geographical area				
India	**3,975,291**	**202,262,806**	14,387,175	641,524,133
Singapore	**4,013**	**204,182**	116,668	5,202,226
	3,979,304	**202,466,988**	14,503,843	646,726,359

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

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Not due	**3,979,304**	**202,466,988**	-	-
Due less than 30 days	**-**	**-**	8,769,030	391,011,048
Due more than 90 days	**-**	**-**	5,734,813	255,715,311
	3,979,304	**202,466,988**	14,503,843	646,726,359

(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$	Rs.	US$	Rs.
AT 31 MARCH 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**
AT 31 MARCH 2011				
Trade payable	42,500	1,895,075	-	-
Other payables	1,191,861	53,145,082	-	-
Derivative financial instruments payable	5,025,017	224,065,508	-	-
Borrowings	44,785,975	1,997,006,625	195,166,010	8,702,452,386
Loans from immediate holding company	-	-	40,000,000	1,783,600,000
	51,045,353	**2,276,112,290**	**235,166,010**	**10,486,052,386**

(d) *Fair value of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other receivables, derivative financial instruments receivable and payable, trade and other payables, related parties balances and loan balance on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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 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 and loans from immediate holding company less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Net debt	**234,585,928**	**11,935,732,016**	261,120,819	11,643,377,319
Total equity	**178,239,178**	**9,068,809,377**	142,212,033	6,341,234,551
Total capital	**412,825,106**	**21,004,541,393**	403,332,852	17,984,611,870
Gearing ratio	**0.57**	**0.57**	0.65	0.65

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 2012 and 2011 as required in accordance with the covenants in the bank borrowings in Note 12.

GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD.

A Subsidiary Company

Directors	Ravi Kanaiyalal Sheth, Chairman Alok Mahajan Seow Yoke Chan Naware Pradyumna Raghunath Tapley Christopher Hamilton
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 2012.

DIRECTORS

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

Ravi Kanaiyalal Sheth, Chairman

Alok Mahajan	(Appointed on 1 April 2011)
Seow Yoke Chan	(Appointed on 1 September 2011)
Naware Pradyumna Raghunath	(Appointed on 7 December 2011)
Tapley Christopher Hamilton	(Appointed on 7 December 2011)

During the financial year, the following directors have resigned from the Company:

Arangannal s/o Kathamuthu	(resigned on 15 July 2011)
David Jamieson	(resigned on 1 September 2011)
Christopher Eastwell	(resigned on 9 December 2011)
Venkatraman Sheshashayee, Managing Director	(resigned on 30 December 2011)

Mr. David Jamieson and Mr. Christopher Eastwell were appointed as directors on 1 April 2011.

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 01.04.2011	As at 31.03.2012
Greatship (India) Limited (Intermediate holding company)	2,103,500	2,103,500
Ravi Kanaiyalal Sheth		
The Great Eastern Shipping Co. Ltd. (Ultimate holding company)		
Ravi Kanaiyalal Sheth	14,462,025	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 date of incorporation, 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.

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

25 April 2012

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 2012 and of its results, changes in equity and cash flows for the financial year ended 31 March 2012; 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 25 April 2012.

On behalf of the Board

Alok Mahajan
Director

Naware Pradyumna Raghunath
Director

25 April 2012

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 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2012, and a summary of significant accounting policies and other explanatory notes.

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 authorise and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position 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 2012 and of its results, changes in equity and cash flows of the company for the financial year ended 31 March 2012.

Emphasis of Matter

We draw attention to Note 4 to the financial statements. During the year ended 31 March 2012, the company incurred a net loss of US$3,538,777 (Rs.180,052,974) and as at that date, the company's current liabilities exceeded its current assets by US$8,048,310 (Rs. 409,498,013) (2011: US$1,505,068 (Rs. 67,110,981)) and in a capital deficiency of US$243,795 (Rs. 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
25 April 2012

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	5	**3,139,011**	**159,712,879**	2,130,428	94,995,785
Trade receivables	6	**18,387,138**	**935,537,581**	5,476,730	244,207,391
Other receivables	7	**15,383**	**782,687**	8,593	383,162
Inventories	8	**175,200**	**8,914,176**	140,790	6,277,826
		21,716,732	**1,104,947,323**	7,756,541	345,864,164
Non-current assets					
Plant and equipment	9	**4,465**	**227,179**	-	-
Loans to a subsidiary	10	**5,000,000**	**254,400,000**	2,000,000	89,180,000
Investment in subsidiary	11	**2,800,050**	**142,466,544**	2,800,050	124,854,230
		7,804,515	**397,093,723**	4,800,050	214,034,230
Total assets		**29,521,247**	**1,502,041,046**	12,556,591	559,898,394
LIABILITIES					
Current liabilities					
Trade payables	12	**21,687,880**	**1,103,479,334**	1,736,501	77,430,580
Other payables	13	**77,162**	**3,926,002**	1,490,648	66,467,994
Loans from immediate holding company	14	**8,000,000**	**407,040,000**	6,000,000	267,540,000
Income tax payable		**-**	**-**	34,460	1,536,571
Total liabilities		**29,765,042**	**1,514,445,336**	9,261,609	412,975,145
NET ASSETS		(243,795)	(12,404,290)	3,294,982	146,923,249
SHAREHOLDER'S EQUITY					
Share capital	15	**3,000,100**	**152,645,088**	3,000,100	133,774,459
(Accumulated loss)/ Retained profits		**(3,243,895)**	**(165,049,378)**	294,882	13,148,790
(CAPITAL DEFICIENCY) / TOTAL EQUITY		(243,795)	(12,404,290)	3,294,982	146,923,249

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 2012

	Note	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Revenue					
Charter hire income		**35,651,797**	**1,813,963,431**	6,467,189	288,371,958
Interest income		**265,901**	**13,529,043**	2,959	131,942
Total revenue		**35,917,698**	**1,827,492,474**	6,470,148	288,503,900
Expenses					
Charter hire expenses	16	**37,325,275**	**1,899,109,992**	5,718,518	254,988,718
Employee benefit expenses		**1,136,745**	**57,837,586**	265,971	11,859,647
Depreciation of plant and equipment	9	**1,269**	**64,567**	-	-
Other operating expenses	17	**962,947**	**48,994,743**	156,317	6,970,174
Total expenses		**39,426,236**	**2,006,006,888**	6,140,806	273,818,539
(Loss)/profit before income tax	18	**(3,508,538)**	**(178,514,414)**	329,342	14,685,361
Income tax expense	19	**(30,239)**	**(1,538,560)**	(34,460)	(1,536,571)
Total comprehensive (loss)/ income for the period/year		(3,538,777)	(180,052,974)	294,882	13,148,790

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 2012

	Share capital US$	Share capital Rs.	(Accumulated loss)/ Retained profits US$	(Accumulated loss)/ Retained profits Rs.	Total US$	Total Rs.
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)**
2011						
Issuance of subscriber's share (Note 15)	**100**	**4,559**	**-**	**-**	**100**	**4,559**
Issuance of ordinary shares (Note15)	**3,000,000**	**133,769,900**	**-**	**-**	**3,000,000**	**133,769,900**
Total comprehensive income for the period	**-**	**-**	**294,882**	**13,148,790**	**294,882**	**13,148,790**
Balance as at 31 March 2011	**3,000,100**	**133,774,459**	**294,882**	**13,148,790**	**3,294,982**	**146,923,249**

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 2012

	Note	**01.04.11 to 31.03.12 US$**	**01.04.11 to 31.03.12 Rs.**	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Cash Flows From Operating Activities					
(Loss)/ profit before income tax		**(3,508,538)**	**(178,514,414)**	329,342	14,685,361
Adjustments for:					
Interest income		**(265,901)**	**(13,529,043)**	(2,959)	(131,942)
Depreciation of plant and equipment	9	**1,269**	**64,567**	-	-
Loss on sale of plant and equipment		**76,395**	**3,886,978**	-	-
Unrealised foreign exchange gain		**(11,562)**	**(588,275)**	(2,485)	(110,806)
Operating cash flows before changes in working capital		**(3,708,337)**	**(188,680,187)**	323,898	14,442,613
Changes in working capital, excluding changes relating to cash:					
Trade receivables		**(12,910,408)**	**(691,330,190)**	(5,476,730)	(244,207,391)
Other receivables		**(6,790)**	**(399,525)**	(5,634)	(251,220)
Inventories		**(34,410)**	**(2,636,350)**	(140,790)	(6,277,826)
Trade payables		**19,951,379**	**1,026,048,754**	1,736,501	77,430,580
Other payables		**(1,413,486)**	**(62,541,992)**	1,490,648	66,467,994
Cash generated from/ (used in) operating activities		**1,877,948**	**80,460,510**	(2,072,107)	(92,284,444)
Income taxes paid		**(64,699)**	**(3,291,885)**	-	-
Interest received		**265,901**	**13,529,043**	-	-
Net cash generated from/ (used in) operating activities		**2,079,150**	**90,697,668**	(2,072,107)	(92,284,444)
Cash Flows From Financing Activities					
Loans to a subsidiary	10	**(3,000,000)**	**(165,220,000)**	(2,000,000)	(89,180,000)
Loans from immediate holding company	14	**2,000,000**	**139,500,000**	6,000,000	267,540,000
Proceeds from issuance of subscriber's shares	15	**-**	**-**	100	4,559
Proceeds from issuance of ordinary shares	15	**-**	**-**	3,000,000	133,769,900
Net cash (used in)/ generated from financing activities		**(1,000,000)**	**(25,720,000)**	7,000,100	312,134,459
Cash Flows From Investing Activities					
Purchase of plant and equipment	9	**(86,769)**	**(4,414,807)**	-	-
Proceeds from sale of plant and equipment		**4,640**	**236,083**	-	-
Investment in subsidiary	11	**-**	**-**	(2,800,050)	(124,854,230)
Net cash used in investing activities		**(82,129)**	**(4,178,724)**	(2,800,050)	(124,854,230)
Foreign exchange translation differences		**-**	**3,329,875**	-	-
Net increase in cash and cash equivalents		**997,021**	**64,128,819**	2,127,943	94,995,785
Cash and cash equivalents at the beginning of the year/ period		**2,130,428**	**94,995,785**	-	-
Effect of exchange rate changes		**11,562**	**588,275**	2,485	110,806
Cash and cash equivalents at the end of the year/ period	5	3,139,011	159,712,879	2,130,428	94,995,785

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 2012

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, #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 2012 and for the financial year ended 31 March 2012 were authorised and approved by the Board of Directors for issuance on 25 April 2012.

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 = Rs. 50.88 (2011: USD 1 = Rs. 44.59) and rounded upto 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, #06-03, Singapore 089316.

b) Currency translation

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 the statement of comprehensive income for the year. Exchange differences arising on the retranslation of nonmonetary items carried at fair value are included in the statement of comprehensive income 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

The company classifies its financial assets as loans and receivables. 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 statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(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 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 the statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income 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 statement of comprehensive income.

f) Plant and equipment

(i) Measurement

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 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 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 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 statement of comprehensive income when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to 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 statement of comprehensive income when incurred.

(iv) Disposals

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

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 statement of comprehensive income. On disposal of investment in subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the statement of comprehensive income.

h) 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.

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 statement of comprehensive income over the period of the borrowings using the effective interest method, as defined above.

j) 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.

k) Income tax

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 statement of comprehensive income.

Foreign tax is recognised in the statement of comprehensive income on an accrual basis.

l) 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 statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income when the changes arise.

m) 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.

n) Impairment of non-financial assets

Plant and equipment and investment in subsidiary

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 statement of comprehensive income. 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 statement of comprehensive income.

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) Operating lease

Company is the lessor

Assets leased out under operating leases are included in 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 the statement of comprehensive income 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 statement of comprehensive income on a straight line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

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) 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.

(b) 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 2012, the carrying amount of the company's current income tax payable is disclosed in the statement of financial position.

(c) Depreciation of plant and equipment

The company depreciates the 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 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 plant and equipment as at the end of each reporting period were disclosed in Notes 9 and 11 to the financial statements.

(d) *Impairment of non-financial assets*

Investment in subsidiary is 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 2012, the company incurred a net loss of US$3,538,777 (Rs.180,052,974) and as at that date, the company's current liabilities exceeded its current assets by US$8,048,310 (Rs.409,498,013) (2011: US$1,505,068 (Rs.67,110,981)) and in a capital deficiency of US$243,795 (Rs.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

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Cash at bank	**3,136,657**	**159,593,108**	2,130,428	94,995,785
Cash on hand	**2,354**	**119,771**	-	-
	3,139,011	159,712,879	2,130,428	94,995,785

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

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Singapore dollars	**92,881**	**4,725,785**	249,558	11,127,791
United States dollars	**3,046,130**	**154,987,094**	1,880,870	83,867,994
	3,139,011	159,712,879	2,130,428	94,995,785

6. TRADE RECEIVABLES

	2012	2012	2011	2011
	US$	Rs.	US$	Rs.
Third party	**9,341,677**	**475,304,526**	5,476,730	244,207,391
Related company	**1,151,412**	**58,583,843**	-	-
Subsidiary	**7,884,250**	**401,150,640**	-	-
GST recoverable	**9,799**	**498,573**	-	-
	18,387,138	935,537,582	5,476,730	244,207,391

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 company's trade receivables are denominated in United States dollars.

The amounts due from related company and subsidiary are unsecured, interest-free and are repayable within the next twelve months.

7. OTHER RECEIVABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Advances to employees	**1,800**	**91,584**	-	-
Interest receivable	**-**	**-**	2,959	131,942
Prepayment	**13,583**	**691,103**	5,634	251,220
	15,383	782,687	8,593	383,162

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

8. INVENTORIES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Bunker, at cost	175,200	8,914,176	140,790	6,277,826

9. PLANT AND EQUIPMENT

	Computers US$	Computers Rs.
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
Accumulated depreciation		
At 1 April 2011	-	-
Charge for the year	1,269	64,567
At 31 March 2012	1,269	64,567
Net Book Value		
At 31 March 2012	4,465	227,179

There is no plant and equipment in financial period ended 31 March 2011.

10. LOANS TO A SUBSIDIARY

Loans to a subsidiary are non-trade in nature, unsecured, bears interest at 6% per annum.

The carrying amounts of loans to a subsidiary approximate their fair values and are denominated in United States dollars.

11. INVESTMENT IN SUBSIDIARY

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Unquoted equity shares - at cost	**2,800,050**	**124,854,230**	2,800,050	124,854,230
Exchange realignment	**-**	**17,612,314**	-	-
	2,800,050	142,466,544	2,800,050	124,854,230

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%

In 2011, the company incorporated a wholly-owned subsidiary, Greatship Subsea Solutions Australia Pty. Limited with an issued and paid up capital of US$2,800,050 (Rs. 124,854,230).

12. TRADE PAYABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties	**2,008,610**	**102,198,077**	715,523	31,905,171
GST payable	**72,205**	**3,673,790**	-	-
Intermediate holding company	**1,400,918**	**71,278,708**	357,644	15,947,346
Immediate holding company	**18,206,147**	**926,328,759**	663,334	29,578,063
	21,687,880	1,103,479,334	1,736,501	77,430,580

The carrying amounts of trade payables approximate their fair value and are denominated as follows:.

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollars	**39,186**	**1,993,784**	-	-
United States dollars	**21,648,694**	**1,101,485,550**	1,736,501	77,430,580
	21,687,880	1,103,479,334	1,736,501	77,430,580

The amounts due to related company and immediate holding company are unsecured, interest-free and are repayable within the next twelve months.

13. OTHER PAYABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Accruals	77,162	3,926,002	1,490,648	66,467,994

Accruals comprise of employee benefit expenses and other operating expenses incurred in the normal course of business.

The carrying amounts of other payables approximate their fair value and are denominated as follows.

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollars	**77,162**	**3,926,002**	24,300	1,083,537
United States dollars	**-**	**-**	1,466,348	65,384,457
	77,162	3,926,002	1,490,648	66,467,994

14. LOANS FROM IMMEDIATE HOLDING COMPANY

Loans from immediate holding company are unsecured, interest-free and repayable on demand.

The carrying amount of loans from immediate holding company approximates their fair values and is denominated in United States dollars.

15. SHARE CAPITAL

	Number of ordinary shares	US$	Rs.
2012			
Issued			
At the beginning of the year	3,000,100	3,000,100	133,774,459
Foreign exchange translation difference	-	-	18,870,629
At the end of the year	3,000,100	3,000,100	152,645,088
2011			
Issued			
Issue of subscriber's share	100	100	4,559
Issuance of ordinary shares	3,000,000	3,000,000	133,769,900
At the end of the year	3,000,100	3,000,100	133,774,459

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

In 2011, the company increased its subscriber's shares paid up share capital from US$100 (Rs.4,559) to US$3,000,100 (Rs.133,774,459) by way of further allotment of 3,000,000 ordinary shares for cash consideration of US$3,000,000 (Rs.133,769,900).

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. CHARTER HIRE EXPENSES

	01.04.11 to 31.03.12 US$	**01.04.11 to 31.03.12 Rs.**	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Charter hire	**27,623,372**	**1,405,477,167**	3,176,851	141,655,786
Crew salary	**3,239,975**	**164,849,928**	730,873	32,589,627
Commission and brokerage	**430,134**	**21,885,218**	-	-
Fuel and fresh water	**766,328**	**38,990,769**	118,099	5,266,034
Technical management fees	**169,713**	**8,634,998**	928,850	41,417,422
Repairs and maintenance	**3,978,596**	**202,430,964**	661,697	29,505,069
Manning and miscellaneous inchartering	**1,117,157**	**56,840,948**	102,148	4,554,780
	37,325,275	1,899,109,992	5,718,518	254,988,718

17. OTHER OPERATING EXPENSES

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Membership fees	**21,016**	**1,069,294**	-	-
Office rental - recharged	**136,074**	**6,923,445**	18,964	845,605
Professional fees	**406,101**	**20,662,419**	22,579	1,006,798
Rental lease cancellation	**35,212**	**1,791,587**	-	-
Telephone expenses	**35,359**	**1,799,066**	7,347	327,603
Travelling expenses	**187,231**	**9,526,313**	32,618	1,454,437
Write-off of furniture and fixtures	**81,035**	**4,123,060**	-	-
Exchange loss	**13,745**	**699,346**	15,160	675,984
Others	**47,174**	**2,400,213**	59,649	2,659,747
	962,947	48,994,743	156,317	6,970,174

18. (LOSS) / PROFIT BEFORE INCOME TAX

(Loss) / profit before income tax for the period is arrived after charging:

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Director's fee	**-**	**-**	2,362	105,322
Staff – CPF contribution	21,419	1,089,799	186	8,294

19. INCOME TAX EXPENSE

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Current year tax	**-**	**-**	34,460	1,536,571
Under provision from prior year	**3,353**	**170,601**	-	-
Foreign tax paid	**26,886**	**1,367,959**	-	-
	30,239	1,538,560	34,460	1,536,571

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% (2011 : 17%) to (loss) / profit before income tax as a result of the following differences:

	01.04.11 to 31.03.12 US$	**01.04.11 to 31.03.12 Rs.**	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Accounting (loss) income	(3,508,538)	(178,514,414)	329,342	14,685,361
Income tax (benefit)				
expense at statutory rate	**(596,451)**	**(30,347,427)**	55,988	2,496,511
Exempt income	**519,778**	**26,446,305**	(21,528)	(959,940)
Deferred tax asset not recognised	**76,673**	**3,901,122**	-	-
Underprovision from prior year	**3,353**	**170,601**	-	-
Foreign tax paid	**26,886**	**1,367,959**	-	-
	30,239	1,538,560	34,460	1,536,571

The company's permanent establishment in Australia has no provision for income tax in view of the loss during the current financial period.

20. 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.

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

An entity or an individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year, the company had transactions with its related companies on terms agreed between them with respect to the following:

	01.04.11 to 31.03.12 US$	**01.04.11 to 31.03.12 Rs.**	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
Charter hire income from:				
Intermediate holding company	**1,698,032**	**86,395,868**	-	-
Subsidiary	**8,037,000**	**408,922,560**	1,888,460	84,206,431
Charter hire expenses paid to:				
Intermediate holding company	**5,587,894**	**284,312,047**	510,851	22,778,846
Immediate holding company	22,035,478	1,121,165,121	2,666,000	118,876,940
Fuel consumption payable to				

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	12.08.10 to 31.03.11 US$	12.08.10 to 31.03.11 Rs.
intermediate holding company	-	-	197,248	8,795,288
Reimbursement of bunker costs paid to:				
Intermediate holding company	195,758	9,960,167	-	-
Immediate holding company	358,962	18,263,987	-	-
Related company	299,947	15,261,303	-	-
Reimbursement of bunker cost received from:				
Intermediate holding company	198,380	10,093,574	-	-
Subsidiary	77,832	3,960,092	-	-
Interest on loans from a subsidiary	265,901	13,529,043	2,959	131,942
Reimbursement of expenses received				
from intermediate holding company	5,731	291,593	-	-
Reimbursement of expenses paid to				
immediate holding company	144,778	7,366,305	-	-
Debit notes raised for recovery of				
expenses by related company	6,180,881	314,483,225	495,695	22,103,040
Debit notes raised for recovery of				
expenses to subsidiary	998,370	50,797,066	-	-
Apportionment of administrative expenses paid to:				
Immediate holding company	-	-	25,991	1,158,939
Subsidiary	-	-	60,671	2,705,320
Apportionment of administrative expenses paid by:				
Immediate holding company	70,979	3,611,412	-	-
Related company	44,580	2,268,230	-	-
Loans from immediate holding company	2,000,000	101,760,000	6,000,000	267,540,000
Loans to subsidiary	3,000,000	152,640,000	2,000,000	89,180,000

22. 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:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Financial asset				
Cash and cash equivalents	**92,881**	**4,725,785**	249,558	11,127,791
Financial liabilities				
Trade payables	**(39,186)**	**(1,993,784)**	(24,300)	(1,083,537)
Other Payables	(77,162)	(3,926,002)	-	-
	(116,348)	**(5,919,786)**	(24,300)	(1,083,537)
Net currency exposure	**(23,467)**	**(1,194,001)**	225,258	10,044,254

At 31 March 2012, an estimated 1% (2011: 10%) 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$250 equivalent to Rs.12,720 (2011:US$22,500 equivalent to Rs.1,004,425) as result of currency translation.

(ii) Interest rate risks

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 3 debtors (2011 : 1 debtor) that represent 100% (2011 : 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:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Note due	**8,185,017**	**416,453,665**	-	-
Due for less than 30 days	**4,071,206**	**207,142,961**	5,476,730	244,207,391
Due for 31 to 180 days	**3,546,759**	**180,459,098**	-	-
Due for more than 180 days	2,584,156	131,481,857	-	-
	18,387,138	**935,537,581**	5,476,730	244,207,391

Financial assets that are neither past due nor impaired

The company's trade receivables that are neither past due nor impaired amounted to US$8,185,017 (Rs.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			
	2012	**2012**	2011	2011
	US$	**Rs.**	US$	Rs.
Trade payables	**21,687,880**	**1,103,479,334**	1,736,501	77,430,580
Other payables	**77,162**	**3,926,002**	1,490,648	66,467,994
Loans from immediate holding company	8,000,000	407,040,000	6,000,000	267,540,000
	29,765,042	**1,514,445,336**	9,227,149	411,438,574

(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.

23. CAPITAL RISK MANAGEMENT

The objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholder and benefits for other stakeholders, and to provide an adequate return to shareholder by pricing products and services commensurately with the level of risk. 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 company is not subject to externally imposed capital requirements.

24. COMPARATIVE FIGURES

The financial statements for the financial year ended 31 March 2012 cover the financial year from 1 April 2011 to 31 March 2012 while the previous financial statements cover the financial period from 12 August 2010 (date of incorporation) to 31 March 2011 Hence, the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.

GREATSHIP SUBSEA SOLUTIONS AUSTRALIA PTY. LTD.

A Subsidiary Company

DIRECTORS:	Mr Christopher Eastwell, Managing Director Mr Alok Mahajan Mr P. R. Naware Mr. Tapas Icot Mr. 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 second report on the Company for the year ended 31 March 2012. The Board of Directors at any time during, or since the end of the year are:

Mr Christopher Eastwell, MD

Mr Alok Mahajan

Mr P. R. Naware	(appointed on 02/12/11)
Mr. Tapas Icot	(appointed on 02/12/11)
Mr. Christopher Tapley	(appointed on 02/12/11)
Mr. P. V. Suresh	(resigned on 05/12/11)

REVIEW OF OPERATIONS

The Company was incorporated as a wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte Ltd. The Company started the offshore construction/ subsea services business in year 2010. The loss of the Company for the year ended 31 March 2012 after providing for income tax amounted to US$9,461,608 (Rs. 481,406,615).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the Company's state of affairs occurred during the financial year.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the financial year was the provision of subsea services to offshore oil and gas industry in Western Australia. No significant change in the nature of the activities of the Company occurred during the year.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to 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

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on next page.

Signed in accordance with a resolution of the Board of Directors:

Director:____

Mr. Christopher Eastwell

Director:____

Mr. Alok Mahajan

Dated this 26 April 2012

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 2012 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in 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 26 April 2012

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2012

	Note	01/04/11 to 31/03/12 US$	01/04/11 to 31/03/12 Rs.	17/08/10 to 31/03/11 US$	17/08/10 to 31/03/11 Rs.
Revenue		**45,045,631**	**2,291,921,702**	2,903,535	129,468,626
Cost of sales		**(48,508,979)**	**(2,468,136,831)**	(4,788,954)	(213,539,459)
Gross loss		**(3,463,348)**	**(176,215,129)**	(1,885,419)	(84,070,833)
Other Income / (expenses)	2	**(727,229)**	**(37,001,426)**	126,677	5,648,527
Marketing expenses		**(63,373)**	**(3,224,420)**	(27,991)	(1,248,119)
Administrative expenses		**(4,941,757)**	**(251,436,589)**	(691,005)	(30,811,913)
Finance costs – interest on loan from immediate holding company		**(265,901)**	**(13,529,054)**	(2,959)	(131,942)
Loss before income tax	3	**(9,461,608)**	**(481,406,618)**	(2,480,697)	(110,614,279)
Income tax expense	4	**-**	**-**	-	-
Loss for the year / period		**(9,461,608)**	**(481,406,618)**	(2,480,697)	(110,614,279)
Other comprehensive income for the year / period		**-**	**-**	-	-
Total comprehensive income for the year / period, attributable to members of the Company		**(9,461,608)**	**(481,406,618)**	(2,480,697)	(110,614,279)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	31/03/12 US$	31/03/12 Rs.	31/03/11 US$	31/03/11 Rs.
ASSETS					
CURRENT ASSETS					
Cash at bank and on hand		**2,727,175**	**138,758,641**	1,566,246	69,838,909
Trade and other receivables	7	**13,719,716**	**698,059,134**	1,920,850	85,650,702
Inventories	6	**544,479**	**27,703,095**	-	-
Other current assets	8	**190,503**	**9,692,814**	157,009	7,001,031
TOTAL CURRENT ASSETS		**17,181,873**	**874,213,683**	3,644,105	162,490,642
NON-CURRENT ASSETS					
Plant and equipment	9	**103,642**	**5,273,310**	36,681	1,635,606
TOTAL NON-CURRENT ASSETS		**103,642**	**5,273,310**	36,681	1,635,606
TOTAL ASSETS		**17,285,515**	**879,486,993**	3,680,786	164,126,248
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	10 & 11	**21,427,770**	**1,090,244,914**	1,361,433	60,706,297
TOTAL CURRENT LIABILITIES		**21,427,770**	**1,090,244,914**	1,361,433	60,706,297
NON-CURRENT LIABILITIES					
Borrowing	12	**5,000,000**	**254,400,000**	2,000,000	89,180,000
TOTAL NON-CURRENT LIABILITIES		**5,000,000**	**254,400,000**	2,000,000	89,180,000
TOTAL LIABILITIES		**26,427,770**	**1,344,644,914**	3,361,433	149,886,297
NET LIABILITIES		**(9,142,255)**	**(465,157,921)**	319,353	14,239,950
EQUITY					
Issued capital	13	**2,800,050**	**142,466,544**	2,800,050	124,854,230
Accumulated losses		**(11,942,305)**	**(607,624,465)**	(2,480,697)	(110,614,279)
TOTAL EQUITY		**(9,142,255)**	**(465,157,921)**	319,353	14,239,950

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2012

	Ordinary Share Capital US$	Ordinary Share Capital Rs.	Accumulated Losses US$	Accumulated Losses Rs.	Total US$	Total Rs.
Shares issued to incorporate the Company	50	2,230	-	-	50	2,230
Shares issued during the period	2,800,000	124,852,000	-	-	2,800,000	124,852,000
Total comprehensive loss for the period	-	-	(2,480,697)	(110,614,279)	(2,480,697)	(110,614,279)
Balance as on March 31, 2011	**2,800,050**	**124,854,230**	**(2,480,697)**	**(110,614,279)**	**319,353**	**14,239,950**
Balance as on April 1, 2011	2,800,050	124,854,230	(2,480,697)	(110,614,279)	319,353	14,239,950
Foreign Translation Difference		17,612,315		(15,603,584)		2,008,730
Issuance of ordinary shares	-	-	-	-	-	-
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)**	**(607,624,481)**	**(9,142,255)**	**(465,157,937)**

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2012

	01/04/11 to 31/03/12 US$	01/04/11 to 31/03/12 Rs.	17/08/10 to 31/03/11 US$	17/08/10 to 31/03/11 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	**33,246,765**	**1,691,595,381**	1,226,290	54,680,271
Payments to suppliers and employees	**(35,032,441)**	**(1,782,450,598)**	(4,422,295)	(197,190,134)
Interest received	**46,657**	**2,373,886**	6,203	276,592
Net cash used in operating activities	**(1,739,019)**	**(88,481,330)**	(3,189,802)	(142,233,271)
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for plant and equipment	**(100,052)**	**(5,090,646)**	(44,002)	(1,962,049)
Net cash used in investing activities	**(100,052)**	**(5,090,646)**	(44,002)	(1,962,049)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from share issuance	**-**	**-**	2,800,050	124,854,230
Proceeds from borrowing	**3,000,000**	**152,640,000**	2,000,000	89,180,000
Net cash provided by financing activities	**3,000,000**	**152,640,000**	4,800,050	214,034,230
Net increase in cash held	**1,160,929**	**59,068,044**	1,566,246	69,838,909
Cash at bank and on hand at beginning of - period	**1,566,246**	**79,690,596**	-	-
Cash at bank and on hand at end of financial period	**2,727,175**	**138,758,641**	1,566,246	69,838,909

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

(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 the 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 period end, 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

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company incurred a net loss after tax of US$9,461,608 (Rs. 481,406,618) and is in a negative net equity position of $9,142,255 (Rs. 465,157,921) as at year end.

The ability of the Company to continue as a going concern is dependent upon the immediate holding company, Greatship Subsea Solutions Singapore Pte Ltd (GSS) providing continuous financial support to the Company. It is also dependent upon GSS subordinating its trade and loan balances totaling US$ 12,884,250 (Rs. 655,550,640) in favour of all other creditors for a period of at least 12 months from the date of the financial report. The Company has received confirmation that GSS has agreed to provide further capital funding at a time and amount necessary to enable the company to pay its debts as and when they become due and payable for a period of at least 12 months from the date of the financial report, and that GSS will not call upon these balances if this would render the company unable to pay other creditors as and when debts become due and payable.

The Directors and senior management have prepared a 12 months forecast ending 31 March 2013 for the foreseeable future reflecting the above mentioned expectations and their effect upon the Company. The achievement of the forecast is dependent on the results of tenders submitted by the Company and future capital funding, the timing and amounts of which are uncertain.

The Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 31 March 2012. Accordingly, the accompanying financial statements do not include any adjustments relating to the recoverability and classification of the asset carrying amount or the amount and classification of liabilities that might be necessary if the Company is unable to continue as a going concern.

(q) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company is as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12] (applicable for annual reporting periods commencing on or after 1 January 2013.)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

The changes made to accounting requirements include:

- o simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair values;
- o simplifying the requirements for embedded derivatives;
- o removing the tainting rules associated with held-to-maturity assets;
- o removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- o allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- o requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

(r) Adoption of New and Revised Accounting Standards

During the current period, 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 2012.

	01/04/11 to 31/03/12 US$	**01/04/11 to 31/03/12 Rs.**	17/08/10 to 31/03/11 US$	17/08/10 to 31/03/11 Rs.
Note 2: Other (Income) / Expenses				
Miscellaneous income	**(1,043)**	**(53,068)**	-	-
Foreign exchange Loss / (Gain)	**774,929**	**39,428,400**	(120,474)	(5,371,936)
Interest income on cash at bank	**(46,657)**	**(2,373,886)**	(6,203)	(276,592)
	727,229	**37,001,446**	(126,677)	(5,648,527)
Note 3: Loss before Income Tax				
Loss before income tax includes the following specific expenses:				
Auditor's remuneration for auditing the financial statements	**30,000**	**1,526,400**	7,521	335,361
Depreciation charges of plant and equipment	**33,091**	**1,683,670**	7,321	326,443
Employee benefits expenses				
- contribution to defined contribution superannuation funds	**514,963**	**26,201,317**	36,801	1,640,957
Rental expenses on operating leases	**271,555**	**13,816,718**	35,057	1,563,192

	01/04/11 to 31/03/12 US$	**01/04/11 to 31/03/12 Rs.**	17/08/10 to 31/03/11 US$	17/08/10 to 31/03/11 Rs.
Note 4: Income Tax				
The Company does not have any current income tax liabilities for the current financial year. The prima facie tax on loss before income tax is reconciled to income tax as follows:				
Prima facie tax benefit on loss before income tax at 30%	**(2,838,482)**	**(144,421,964)**	(744,209)	(33,184,279)
Tax effect of non-deductible items	**2,051,889**	**104,400,112**	3,026	134,929
Tax effect of non-taxable items	**(3,090,323)**	**(157,235,634)**	(18,386)	(819,832)
Tax effect of unutilised losses not recognised	**3,876,916**	**197,257,486**	759,569	33,869,182
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 $14,723,085 / Rs.749,110,565				
Note 5: Key Management Personnel Compensation				
The total Remuneration entitlement to key personnel of the Company are as follows:				
Short Term employee benefits	**418,564**	**21,296,536**	175,190	7,811,722

	31/03/12 US$	**31/03/12 Rs.**	31/03/11 US$	31/03/11 Rs.
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**	1,733,478	77,295,784
Other Receivables	**-**	**-**	22,607	1,008,046
GST receivable	**-**	**-**	164,765	7,346,871
	13,719,716	**698,059,134**	1,920,850	85,650,702

Credit risk

The Company has a significant concentration of credit risk as about 99% of it's trade receivables are with two customers. The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

As at 31 March 2012	Gross Amount		Past due but Not Impaired < 30		(Days Overdue) >31		Within Initial Trade Terms	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Trade Receivables	13,719,716	698,059,134	3,340,563	169,967,870	126,563	6,439,540	10,252,590	521,651,774
Other Receivables	-	-	-	-	-	-	-	-
Total	**13,719,716**	**698,059,134**	**3,340,563**	**169,967,870**	**126,563**	**6,439,540**	**10,252,590**	**521,651,774**

As at 31 March 2011	Gross Amount		Past due but Not Impaired < 30		(Days Overdue) 31-60		Within Initial Trade Terms	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Trade Receivables	1,733,478	88,199,361	1,260,610	64,139,837	-	-	472,868	24,059,524
Other Receivables	187,372	9,533,487	-		-	-	187,372	9,533,487
Total	**1,920,850**	**97,732,848**	**1,260,610**	**64,139,837**	**-**	**-**	**660,240**	**33,593,011**

	31/03/12 US$	31/03/12 Rs.	31/03/11 US$	31/03/11 Rs.
Note 8: Other Current Assets				
Deposits	**132,967**	**6,765,356**	144,363	6,437,146
Prepayments	**57,536**	**2,927,407**	12,646	563,885
	190,503	**9,692,763**	157,009	7,001,031

Note 9: Plant and Equipment

Movement in the carrying amounts of each class of plant and equipment for the financial period ended 31 March 2011 and financial year ended 31 March 2012 are as follows:

	Furniture & Fittings US$	Furniture & Fittings Rs.	Computers and Computer Software US$	Computers and Computer Software Rs.	Total US$	Total Rs.
Cost						
Additions during the period	10,103	450,493	33,899	1,511,556	44,002	1,962,049
Balance at end of the period	**10,103**	**450,493**	**33,899**	**1,511,556**	**44,002**	**1,962,049**
Accumulated Depreciation						
Depreciation charge for the period	842	37,545	6,479	288,899	7,321	326,443
Balance at end of the period	842	37,545	6,479	288,899	7,321	326,443
Carrying amount at 31 March 2011	**9,261**	**412,948**	**27,420**	**1,222,658**	**36,681**	**1,635,606**

	Furniture & Fittings US$	Furniture & Fittings Rs.	Computers and Computer Software US$	Computers and Computer Software Rs.	Total US$	Total Rs.
Cost						
Carrying amount at 01 April 2011	10,103	450,493	33,899	1,511,556	44,002	1,962,049
Foreign Translation Difference		63,548		213,225		276,773
Additions during the year	34,582	1,759,532	65,470	3,331,114	100,052	5,090,646
Balance at end of the year	**44,685**	**2,273,573**	**99,369**	**5,055,895**	**144,054**	**7,329,468**
Accumulated Depreciation						
Carrying amount at 01 April 2011	842	37,545	6,479	288,899	7,321	326,443
Foreign Translation Difference		5,296		40,753		46,049
Depreciation charge for the year	5,466	278,135	27,625	1,405,556	33,091	1,683,691
Balance at end of the year	**6,308**	**320,975**	**34,104**	**1,735,208**	**40,412**	**2,056,183**
Carrying amount at 31 March 2012	**38,377**	**1,952,597**	**65,265**	**3,320,687**	**103,642**	**5,273,284**

	31-Mar-12 US$	**31-Mar-12 Rs.**	31-Mar-11 US$	31-Mar-11 Rs.
Note 10: Trade Payables				
Trade payables – Entities subject to common control	**14,404,996**	**732,926,196**	1,068,342	47,637,370
Third Parties	**6,058,971**	**308,280,456**	290,132	12,936,986
Accrued interest payable on borrowing	**-**	**-**	2,959	131,942
	20,463,967	**1,041,206,652**	1,361,433	60,706,297
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**	2,000,000	89,180,000

During the financial year, a loan of US$3,000,000 (Rs. 152,640,000) was advanced to the Company by its immediate holding company, Greatship Subsea Solutions Singapore Pte Ltd. This loan is repayable at the end of two years from the date of drawdown. It is unsecured but bears interest at 6% per annum.

	31-Mar-12 US$	31-Mar-12 Rs.	31-Mar-11 US$	31-Mar-11 Rs.
Note 13: Share Capital				
(a) Issued Capital: 2,800,050 fully paid ordinary shares	**2,800,050**	**142,466,544**	2,800,050	124,854,230
(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 2012 and the period ended 31 March 2011 are as follows:				
Total Borrowings	**5,000,000**	**254,400,000**	2,000,000	89,180,000
Trade and other payables	**21,427,770**	**1,090,244,927**	1,361,433	60,706,297
Less Cash at bank and on hand	**(2,727,175)**	**(138,758,641)**	(1,566,246)	(69,838,909)
Net debt	**23,700,595**	**1,205,886,287**	1,795,187	80,047,388
Total Equity	**(9,142,255)**	**(465,157,921)**	319,353	14,239,950
Total Capital	**14,558,341**	**740,728,366**	2,114,540	94,287,339
	-163%	**-163%**	85%	85%

	31-Mar-12 US$	31-Mar-12 Rs.	31-Mar-11 US$	31-Mar-11 Rs.
Note 14: Operating Lease Commitments				
- Non Cancellable Operating lease contracted for but not capitalised in the financial statements				
Payable – minimum lease payments:				
- within 12 months	**84,493**	**4,299,004**	253,479	11,302,629
- between 1 to 5 years	**-**	**-**	84,493	3,767,543
	84,493	**4,299,004**	337,972	15,070,171
The property lease is a non cancellable lease with a five-year term expiring on 31st July 2012 with rent payable monthly.				

	31-Mar-12 US$	**31-Mar-12 Rs.**	31-Mar-11 US$	31-Mar-11 Rs.
Note 15: Cash Flow Information				
Reconciliation of Cash Flow from Operations with Loss after Income Tax				
Loss after income tax	**(9,461,608)**	**(481,406,618)**	(2,480,697)	(110,614,279)
Non-cash flows in loss - Depreciation	**33,091**	**1,683,694**	7,321	326,443
Changes in asset and liabilities:				
(Increase) / decrease in trade and other receivables	**(11,798,866)**	**(600,326,302)**	(1,920,850)	(85,650,702)
(Increase) / decrease in other current assets	**(577,972)**	**(29,407,215)**	(157,009)	(7,001,031)
Increase / (decrease) in trade creditors	**20,066,336**	**1,020,975,176**	1,361,433	60,706,297
Net cash used in operating activities	**(1,739,019)**	**(88,481,266)**	(3,189,802)	(142,233,271)

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:

	31-Mar-12 US$	**31-Mar-12 Rs.**	31-Mar-11 US$	31-Mar-11 Rs.
Sale of goods and services				
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	**-**	**-**	(86,566)	(3,859,978)
Reimbursement of Costs				
- Entity subject to common control (Greatship Global Offshore Management Services Pte Ltd)	**718,689**	**36,566,895**	321,340	14,328,551

	31-Mar-12 US$	31-Mar-12 Rs.	31-Mar-11 US$	31-Mar-11 Rs.
Purchase of goods and services				
- Entity subject to common control (Greatship Global Offshore Management Services Pte Ltd)	**17,139,971**	**872,081,717**	2,108,927	94,037,055
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	**8,037,000**	**408,922,560**	1,888,460	84,206,431
Loan advanced to the Company (including interest expense)				
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	**3,265,901**	**166,169,054**	2,002,959	89,311,942

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:

	31-Mar-12 US$	31-Mar-12 Rs.	31-Mar-11 US$	31-Mar-11 Rs.
Financial assets				
Cash at bank and on hand	**2,727,175**	**138,758,641**	1,566,246	69,838,909
Receivables	**13,719,716**	**698,059,134**	1,920,850	85,650,702
Total financial assets	**16,446,891**	**836,817,774**	3,487,096	155,489,611
Financial liabilities				
Financial liabilities at amortised cost:				
- trade and other payables	**21,427,770**	**1,090,244,914**	1,361,433	60,706,297
- borrowings	**5,000,000**	**254,400,000**	2,000,000	89,180,000
Total financial liabilities	**26,427,770**	**1,344,644,914**	3,361,433	149,886,297

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 2012 and 31 March 2011.

As at 31 March 2012	Within 1 year US$	Within 1 year Rs.	1 to 5 years US$	1 to 5 years Rs.	Total US$	Total Rs.
Financial liabilities due for payment						
Trade and other payables	21,427,770	1,090,244,938	-	-	21,427,770	1,090,244,938
Loan from immediate holding company	-	-	5,000,000	254,400,000	5,000,000	254,400,000
Total expected outflows	21,427,770	1,090,244,938	5,000,000	254,400,000	26,427,770	1,344,644,938
Financial assets - cash flow realizable						
Cash at bank and on hand	2,727,175	138,758,641	-	-	2,727,175	138,758,641
Inventory	544,479	27,703,095	-	-	544,479	27,703,095
Trade and other receivables	13,719,716	698,059,134	-	-	13,719,716	698,059,134
Total anticipated inflows	16,991,370	864,520,870	-	-	16,991,370	864,520,870
Net (outflow)/inflow on financial instruments	(4,436,400)	(225,724,067)	(5,000,000)	(254,400,000)	(9,436,400)	(480,124,067)

As at 31 March 2011	Within 1 year US$	Within 1 year Rs.	1 to 5 years US$	1 to 5 years Rs.	Total US$	Total Rs.
Financial liabilities due for payment						
Trade and other payables	1,361,433	69,269,711	-	-	1,361,433	69,269,711
Loan from immediate holding company	-	-	2,000,000	101,760,000	2,000,000	101,760,000
Total expected outflows	1,361,433	69,269,711	2,000,000	101,760,000	3,361,433	171,029,711
Financial assets - cash flow realizable						
Cash at bank and on hand	1,566,246	79,690,596	-	-	1,566,246	79,690,596
Trade and other receivables	1,920,850	97,732,848	-	-	1,920,850	97,732,848
Total anticipated inflows	3,487,096	177,423,444	-	-	3,487,096	177,423,444
Net (outflow)/inflow on financial instruments	2,125,663	108,153,733	(2,000,000)	(101,760,000)	125,663	6,393,733

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. As the Company does not have significant interest-bearing assets and its borrowings are at a fixed interest rate, the Company's income and expenses are independent of changes in market interest rates.

(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) in US$					
	AUD	Rs.	USD	Rs.	Total	Total Rs.
Financial assets						
Cash at bank and on hand	2,594,249	131,995,397	132,926	6,763,294	2,727,175	138,758,691
Trade and other receivables	13,719,716	698,059,134	-	-	13,719,716	698,059,134
	16,313,965	830,054,531	132,926	6,763,294	16,446,891	836,817,825
Financial liabilities						
Trade and other payables	3,923,532	199,629,285	17,504,238	890,615,629	21,427,770	1,090,244,914
Borrowing	-	-	5,000,000	254,400,000	5,000,000	254,400,000
	3,923,532	199,629,285	22,504,238	1,145,015,629	26,427,770	1,344,644,914
Net financial assets/ (liabilities)	12,390,433	630,425,246	(22,371,312)	(1,138,252,335)	(9,980,878)	(507,827,089)
Add: Net non-financial assets	838,624	42,669,193	-	-	838,624	42,669,193
Net assets	13,229,057	673,094,439	(22,371,312)	(1,138,252,335)	(9,142,254)	(465,157,896)

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 US$	Profit Rs.	Equity US$	Equity Rs.
+/- 2% in AUD/USD	+/-264,581	+/-13,461,881	+/-264,581	+/-13,461,881

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: Company Details

The registered office of the Company is:

40 Churchill Avenue
Subiaco, WA 6008

The principal place of business is:

Level 6, 41-43
St Georges Terrace
Perth, WA6000

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, 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 2012 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, in view of the continuing financial support provided by its immediate holding company

This declaration is made in accordance with a resolution of the Board of Directors.

Director:____

Mr. Christopher Eastwell

Director:____

Mr. Alok Mahajan

Dated this 26 April 2012

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, which comprises the statement of financial position as at 31 March 2012, 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 is free from material misstatement, whether due to fraud or error. In Note 1(a), 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.

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 and fair presentation of the financial report 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 2012 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(a).

Significant Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion expressed above, we draw attention to Note 1(p) in the financial report which states that the Company is dependent upon its holding company continuing to provide financial support because the Company incurred a net loss after tax of US$9,461,608 (Rs. 481,406,618) during the year ended 31 March 2012 and is in a negative equity position of US$9,142,255 (Rs. 465,157,921) as at year end. This result, along with other matters set forth in Note 1(p), indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

William Buck Audit (WA) Pty Ltd
ABN: 67 125 012 124
Registered Company Auditor No: 339150

Stephen K. Breihl
Director

Dated this 26 April 2012

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 2012

The directors present their report with the financial statements of the company for the year ended 31 March 2012.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of owning, chartering and operating of offshore supply and support vessels.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report.

M J Brace

A A Mahajan

Other changes in directors holding office during the year are as follows:

D C M Jamieson – appointed on 1 April 2011 – resigned on 1 September 2011

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 be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M J Brace - Director

Date: 24th April 2012

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 2012. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Report of the Directors.

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: 26th April 2012

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	Note	Year Ended 31.3.12 USD	Year Ended 31.3.12 INR	Period 29.10.10 to 31.3.11 USD	Period 29.10.10 to 31.3.11 INR
TURNOVER		**19,874,025**	**1,011,190,392**	-	-
Cost of sales		**20,353,398**	**1,035,580,890**	595,000	26,531,050
GROSS LOSS		**(479,373)**	**(24,390,498)**	(595,000)	(26,531,050)
Administrative expenses		**247,990**	**12,617,731**	9,892	441,084
OPERATING LOSS	2	**(727,363)**	**(37,008,229)**	(604,892)	(26,972,134)
Interest payable and similar charges		**37,809**	**1,923,722**	1,446	64,477
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(765,172)**	**(38,931,951)**	(606,338)	(27,036,611)
Tax on loss on ordinary activities	3	**-**	**-**	-	-
LOSS FOR THE FINANCIAL YEAR		**(765,172)**	**(38,931,951)**	(606,338)	(27,036,611)

BALANCE SHEET 31 MARCH 2012

	Note	2012 USD	2012 INR	2011 USD	2011 INR
CURRENT ASSETS					
Debtors	4	**6,015,117**	**306,049,153**	-	-
Cash at bank		**3,044,807**	**154,919,780**	1,499,965	66,883,439
		9,059,924	**460,968,933**	1,499,965	66,883,439
CREDITORS					
Amounts falling due within one year	5	**5,467,311**	**278,176,784**	606,303	27,035,051
NET CURRENT ASSETS		**3,592,613**	**182,792,149**	893,662	39,848,389
TOTAL ASSETS LESS CURRENT LIABILITIES		**3,592,613**	**182,792,149**	893,662	39,848,389
CREDITORS					
Amounts falling due after more than one year	6	**4,464,123**	**227,134,578**	1,000,000	44,590,000
NET LIABILITIES		**(871,510)**	**(44,342,429)**	(106,338)	(4,741,611)
CAPITAL AND RESERVES					
Called up share capital	7	**500,000**	**25,440,000**	500,000	22,295,000
Profit and loss account	8	**(1,371,510)**	**(69,782,429)**	(606,338)	(27,036,611)
SHAREHOLDERS' FUNDS		**(871,510)**	**(44,342,429)**	(106,338)	(4,741,611)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 24th April 2012 and were signed on its behalf by:

M J Brace - Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

	2012 USD	2012 INR	2011 USD	2011 INR
Cash generated from operations				
Operating loss	**(727,363)**	**(37,008,229)**	(604,892)	(26,972,134)
Reconciliation to cash generated from operations:				
Increase in debtors	**(6,015,117)**	**(306,049,153)**	-	-
Increase in creditors	**8,263,517**	**420,447,745**	606,303	27,035,051
	1,521,037	**77,390,363**	1,411	62,916
Cash from other sources				
New loans in year	**-**	**-**	1,000,000	44,590,000
Share issue	**-**	**-**	500,000	22,295,000
Intercompany Balance	**61,614**	**3,134,920**	-	-
	61,614	**3,134,920**	1,500,000	66,885,000
Application of cash				
Interest paid	**(37,809)**	**(1,923,722)**	(1,446)	(64,477)
Net increase in cash	**1,544,842**	**78,601,561**	1,499,965	66,883,439
Cash at bank at beginning of year	**1,499,965**	**76,318,219**	-	-
Cash at bank at end of year	**3,044,807**	**154,919,780**	1,499,965	66,883,439

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

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. OPERATING LOSS

The operating loss is stated after charging:

	Year Ended 31.3.12 USD	Year Ended 31.3.12 INR	Period 29.10.10 to 31.3.11 USD	Period 29.10.10 to 31.3.11 INR
Auditors' remuneration	**6,006**	**305,585**	4,800	214,032
Directors' remuneration and other benefits etc	**-**	**-**	-	-

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the period ended 31 March 2011.

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 USD	2012 INR	2011 USD	2011 INR
Trade debtors	**5,383,440**	**273,909,427**	-	-
Prepayments	**631,677**	**32,139,726**	-	-
	6,015,117	**306,049,153**	-	-

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 USD	2012 INR	2011 USD	2011 INR
Trade creditors	**5,372,054**	**273,330,108**	596,857	26,613,854
Amounts owed to Parent Company	**61,614**	**3,134,920**	-	-
Other creditors	**33,643**	**1,711,756**	-	-
Accrued expenses	**-**	**-**	9,446	421,197
	5,467,311	**278,176,784**	606,303	27,035,051

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 USD	2012 INR	2011 USD	2011 INR
Trade creditors	**3,464,123**	**176,254,578**	-	-
Amounts owed to Parent Company	**1,000,000**	**50,880,000**	1,000,000	44,590,000
	4,464,123	**227,134,578**	1,000,000	44,590,000

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2012 USD	2012 INR	2011 USD	2011 INR
500,000	Ordinary	$1	500,000	25,440,000	500,000	22,295,000

8. RESERVES

PROFIT AND LOSS ACCOUNT

	2012 USD	2012 INR	2011 USD	2011 INR
At 1 April	**(606,338)**	**(30,850,477)**	-	-
Deficit for the year	**(765,172)**	**(38,931,951)**	(606,338)	(27,036,611)
At 31 March	**(1,371,510)**	**(69,782,429)**	(606,338)	(27,036,611)

9. RELATED PARTY DISCLOSURES

The following financial transactions with the Parent Company "Greatship (India) Limited" took place during the year:

Loan of USD $NIL (2011: USD1,000,000 INR 44,590,000) and interest on the same of USD $37,809 INR 1,923,722 (2011: USD $1,446 INR 64,477).

Services received by Greatship (UK) Limited amounting to USD $10,352,724 INR 526,746,597 (2011 $NIL).

Greatship (UK) Limited at the year end owed Greatship (India) Limited USD $1,061,614 INR 54,014,920 (2011: USD $1,001,446 INR 44,654,477).

All transactions were carried out at arms length.

10. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is The Great Eastern Shipping Company Limited, a company incorporated in India.

11. PARENT COMPANY

The parent company is Greatship (India) Limited, a company incorporated in India.

GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD.

A Subsidiary Company

Directors	KSS Kowshik Alok Mahajan Seow Yoke Chan
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 2012.

DIRECTORS

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

KSS Kowshik	(Appointed on 1 April 2011)
Alok Mahajan	(Appointed on 6 January 2012)
Seow Yoke Chan	(Appointed on 1 September 2011)

During the financial year, the following directors have resigned from the Company:

Venkatraman Sheshashayee	(Resigned on 1 April 2011)
Arangannal s/o Kathamuthu	(Resigned on 15 July 2011)
Pinnamaneni Venkata Suresh	(Resigned on 6 January 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 01.04.2011	As at 31.03.2012
The Great Eastern Shipping Company Limited		
(Ultimate holding company)		
Alok Mahajan	N.A.	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 period, 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.

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

24 April 2012

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 2012 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 24 April 2012.

On behalf of the directors

KSS Kowshik
Director

Alok Mahajan
Director

24 April 2012

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") which comprise the statement of financial position as at 31 March 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year ended 31 March 2012, and a summary of significant accounting policies and other explanatory notes.

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 statement of comprehensive income and statement of financial position 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 2012 and of its results, changes in equity and cash flows of the company 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
24 April 2012

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	Note	2012 US$	2012 Rs.	2011 US$	2011 Rs.
ASSETS					
Current assets					
Cash and cash equivalent	4	1,490,033	75,812,879	1,073,794	47,880,474
Trade receivables	5	6,611,029	336,369,156	1,425,986	63,584,716
Other receivables	6	116,976	5,951,739	1,000	44,590
		8,218,038	418,133,774	2,500,780	111,509,780
Non-current asset					
Plant and equipment	7	2,919	148,519	-	-
Total assets		8,220,957	418,282,293	2,500,780	111,509,780
LIABILITIES					
Current liabilities					
Trade payables	8	2,571,067	130,815,889	1,139,441	50,807,674
Other payables	9	121,337	6,173,627	69,831	3,113,764
Loans from immediate holding company	10	4,500,000	228,960,000	1,000,000	44,590,000
Income tax payable		103,445	5,263,282	11,237	501,058
Total liabilities		7,295,849	371,212,798	2,220,509	99,012,496
NET ASSETS		925,108	47,069,495	280,271	12,497,284
SHAREHOLDER'S EQUITY					
Share capital	11	110,000	5,596,800	110,000	4,904,900
Retained profits		815,108	41,472,695	170,271	7,592,384
TOTAL EQUITY		925,108	47,069,495	280,271	12,497,284

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 2012

	Note	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Revenue					
Management income		23,231,298	1,182,008,442	2,589,206	115,452,695
Other income	12	39,029	-	-	-
Total revenue		23,270,327	1,183,994,238	2,589,206	115,452,695
Expenses					
Cost of service	13	21,108,356	1,073,993,153	2,354,083	104,968,560
Employee benefits expenses		989,131	50,326,985	-	-
Depreciation of plant and equipment	7	1,172	59,631	-	-
Other operating expenses	14	418,793	21,308,188	53,615	2,390,693
Total expenses		22,517,452	1,145,687,957	2,407,698	107,359,253
Profit before income tax	15	752,875	38,306,281	181,508	8,093,442
Income tax expense	16	(108,038)	(5,496,973)	(11,237)	(501,058)
Total comprehensive income for the year/period		644,837	32,809,308	170,271	7,592,384

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 2012

	Share capital		Retained profits		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
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 year	-	-	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
2011						
Issuance of subscriber's share (Note 11)	1	45	-	-	1	45
Issuance of ordinary shares (Note 11)	109,999	4,904,855	-	-	109,999	4,904,855
Total comprehensive income for the period	-	-	170,271	7,592,384	170,271	7,592,384
Balance as at 31 March 2011	110,000	4,904,900	170,271	7,592,384	280,271	12,497,284

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 2012

	Note	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Cash Flows From Operating Activities					
Profit before income tax		752,875	38,306,280	181,508	8,093,442
Adjustment:					
Depreciation of plant and equipment	7	1,172	59,361	-	-
Unrealised foreign exchange gain		(4,172)	(212,271)	-	-
Cash flows before changes in working capital		749,875	38,153,370	181,508	8,093,442
Working capital changes, excluding changes relating to cash:					
Trade receivables		(5,185,043)	(272,784,440)	(1,425,986)	(63,584,716)
Other receivables		(115,976)	(5,907,149)	(1,000)	(44,590)
Trade payables		1,431,626	80,008,215	1,139,441	50,807,674
Other payables		51,506	3,059,863	69,831	3,113,764
Cash used in operations		(3,068,012)	(157,470,141)	(36,206)	(1,614,426)
Income tax paid		(15,830)	(734,749)	-	-
Net cash used in operating activities		(3,083,842)	(158,204,890)	(36,206)	(1,614,426)
Cash Flows From Investing Activity					
Purchase of plant and equipment	7	(4,091)	(208,150)	-	-
Net cash used in investing activity		(4,091)	(208,150)	-	-
Cash Flows From Financing Activities					
Proceed from issuance of subscriber's share	11	-	-	1	45
Proceeds from issuance of ordinary shares	11	-	-	109,999	4,904,855
Loan from immediate holding company	10	3,500,000	184,370,000	1,000,000	44,590,000
Net cash generated from financing activities		3,500,000	184,370,000	1,110,000	49,494,900
Foreign currency translation difference		-	1,763,174	-	-
Net increase in cash and cash equivalents		412,067	27,720,134	1,073,794	47,880,474
Translation differences relating to cash and cash equivalents		4,172	212,271	-	-
Cash and cash equivalents at the beginning of the year/period		1,073,794	47,880,474	-	-
Cash and cash equivalents at the end of the year/period	4	1,490,033	75,812,879	1,073,794	47,880,474

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 2012

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, #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 2012 and for the financial year ended 31 March 2012 were authorised and approved by the Board of Directors for issuance on 24 April 2012.

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 = Rs. 50.88 (2011: USD 1 = Rs. 44.59) and rounded upto 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

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 statement of comprehensive income for the period. Exchange differences arising on the retranslation of nonmonetary items carried at fair value are included in the statement of comprehensive income 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

The company classifies its financial assets as loans and receivables. 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 statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(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 statement of comprehensive income.

The allowance for impairment loss account is reduced through the statement of comprehensive income 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) Plant and equipment

(i) Measurement

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 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 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 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 comprehensive statement of comprehensive income when the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to 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 statement of comprehensive income when incurred.

(iv) Disposals

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

f) Impairment of non-financial assets

Plant and equipment

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 statement of comprehensive income. 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 statement of comprehensive income.

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 statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the statement of comprehensive income 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 statement of comprehensive income over the period of the borrowings using the effective interest method.

j) Income tax

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 the statement of comprehensive income.

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) 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.

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) Depreciation of plant and equipment

The company depreciates the 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 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 plant and equipment as at the end of each reporting period were disclosed in Note 7 to the financial statements.

(b) 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.

(c) 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 2012, the carrying amount of the company's current income tax payable is disclosed in the statement of financial position.

4. CASH AND CASH EQUIVALENTS

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Cash at bank	1,487,317	75,674,689	1,073,794	47,880,474
Cash on hand	2,716	138,190	-	-
	1,490,033	75,812,879	1,073,794	47,880,474

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

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollars	24,857	1,264,724	6,247	278,554
United States dollars	1,465,176	74,548,155	1,067,547	47,601,920
	1,490,033	75,812,879	1,073,794	47,880,474

5. TRADE RECEIVABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Related companies	6,520,746	331,775,557	1,425,986	63,584,716
GST recoverable	90,283	4,593,599	-	-
	6,611,029	336,369,156	1,425,986	63,584,716

The amounts due from related companies are unsecured, interest-free and are repayable within the next twelve months.

The carrying values of amounts due from related companies approximate their fair values and are denominated in the following currencies:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Australian dollars	76,605	3,897,662	1,171,234	52,225,324
Singapore dollars	13,678	695,937	-	-
United States dollars	6,520,746	331,775,557	254,752	11,359,392
	6,611,029	336,369,156	1,425,986	63,584,716

6. OTHER RECEIVABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Prepayments	32,572	1,657,263	-	-
Deposits	1,000	50,880	-	-
Advances to suppliers	76,324	3,883,365	-	-
Other debtors	7,080	360,231	1,000	44,590
	116,976	5,951,739	1,000	44,590

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

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Euro	8,877	451,662	-	-
Indian rupees	16,355	832,142	-	-
Singapore dollars	29,983	1,525,535	-	-
United States dollars	61,761	3,142,400	1,000	44,590
	116,976	5,951,739	1,000	44,590

7. PLANT AND EQUIPMENT

	Computers US$	Computers Rs.
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
Net Book Value		
At 31 March 2012	2,919	148,519

There is no plant and equipment in financial period ended 31 March 2011.

8. TRADE PAYABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Third parties	2,571,067	130,815,889	1,133,521	50,543,701
GST payables	-	-	5,920	263,973
	2,571,067	130,815,889	1,139,441	50,807,674

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

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Singapore dollars	97,331	4,952,201	6,152	274,318
Australian dollars	2,115,673	107,645,442	1,065,501	47,510,690
United States dollars	346,197	17,614,504	67,788	3,022,666
Others	11,866	603,742	-	-
	2,571,067	130,815,889	1,139,441	50,807,674

9. OTHER PAYABLES

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Amount owing to immediate holding company	-	-	44,304	1,975,515
Accruals for operating expenses	121,337	6,173,627	2,360	105,232
Other creditors	-	-	23,167	1,033,017
	121,337	6,173,627	69,831	3,113,764

The amount due to immediate holding company was unsecured, interest-free and was repayable as per agreed terms.

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

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Australian dollars	-	-	8,471	377,721
Singapore dollars	121,337	6,173,627	8,780	391,500
United States dollars	-	-	52,580	2,344,543
	121,337	6,173,627	69,831	3,113,764

10. LOANS FROM IMMEDIATE HOLDING COMPANY

Loans from immediate holding company are unsecured, interest-free and repayable as per agreed terms.

The carrying amounts of the loans from immediate holding company approximate their fair value due to their short-term nature and are denominated in United States dollars.

11. SHARE CAPITAL

	2012	2011	2012	2012	2011	2011
	Number of ordinary shares		US$	Rs.	US$	Rs.
Issued						
As at beginning of the year	110,000	-	110,000	4,904,900	-	-
Foreign translation difference	-	-	-	691,900	-	-
Issue of subscriber's share	-	1	-	-	1	45
Issuance of ordinary shares	-	109,999	-	-	109,999	4,904,855
As at end of the year	110,000	110,000	110,000	5,596,800	110,000	4,904,900

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

In 2011, the company increased its paid up share capital from US$1 (Rs. 45) to US$110,000 (Rs. 4,904,800) by way of further allotment of 109,999 ordinary shares for cash consideration of US$109,999 (Rs. 4,904,855).

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

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Exchange gain	32,538	1,655,534	-	-
Miscellaneous income	6,491	330,262	-	-
	39,029	1,985,796	-	-

13. COST OF SERVICE

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Crew salary	3,361,931	171,055,049	154,701	6,898,118
Contract staff expenses	11,451,559	582,655,322	1,716,663	76,546,003
Fuel and fresh water	1,843	93,772	-	-
Repairs and maintenance	3,495,822	177,867,423	288,175	12,849,723
Manning and miscellaneous	2,797,201	142,321,587	194,544	8,674,716
	21,108,356	1,073,993,153	2,354,083	104,968,560

14. OTHER OPERATING EXPENSES

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Bank charges	33,976	1,728,699	1,092	48,692
Management fees	73,144	3,721,567	26,060	1,162,015
Professional fees	50,261	2,557,280	3,147	140,326
Rental expenses	108,642	5,527,705	8,847	394,488
Telephone expenses	32,703	1,663,929	1,492	66,528
Travelling expenses	81,511	4,147,279	7,006	312,398
Others	38,556	1,961,729	5,971	266,246
	418,793	21,308,188	53,615	2,390,693

15. PROFIT BEFORE INCOME TAX

Profit before income tax for the year/period is arrived after charging:

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Director's fee	-	-	2,360	105,232
Management fee	73,144	3,721,567	26,060	1,162,015
Staff CPF contribution	67,848	3,452,106	-	-

16. INCOME TAX EXPENSE

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Current year provision	103,445	5,263,281	11,237	501,058
Under provision in prior year	4,593	233,692	-	-
	108,038	5,496,973	11,237	501,058

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% (2011: 17%) to profit before income tax as a result of the following differences:

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Accounting profit	752,875	38,306,281	181,508	8,093,442
Income tax expense at statutory rate	127,989	6,512,080	30,856	1,375,869
Exempt income	(20,626)	(1,049,451)	(15,593)	(695,292)
Non-allowable items	(3,313)	(168,565)	433	19,307
Under provision in prior year	4,593	233,692	-	-
Others	(605)	(30,783)	(4,459)	(198,826)
	108,038	5,496,973	11,237	501,058

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

An entity or an individual is considered a related party of the company for the purpose of the financial statements if:

(i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the financial and operating decisions of the company or vice versa; or

(ii) it is subject to common control or common significant influence.

During the financial year/period, the company had transactions with its related parties on terms agreed between them with respect to the following:

	01.04.11 to 31.03.12 US$	01.04.11 to 31.03.12 Rs.	09.12.10 to 31.03.11 US$	09.12.10 to 31.03.11 Rs.
Management income received/receivable from related companies	21,819,598	1,110,181,146	2,589,206	115,452,696
Management income received/receivable from immediate holding company	1,411,700	71,827,296	-	-
Reimbursement of expenses paid/payable to immediate holding company	182,091	9,264,790	26,060	1,162,015
Reimbursement of expenses paid/payable from immediate holding company	70,277	3,575,694	-	-
Operating expenses paid on behalf by immediate holding company	-	-	18,244	813,500
Operating expenses paid on behalf for related companies	685,476	34,877,019	-	-
Loan from immediate holding company	3,500,000	178,080,000	-	-

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 Rs.	SGD US$	SGD Rs.
2012				
Financial asset				
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)

	AUD US$	AUD Rs.	SGD US$	SGD Rs.
2011				
Financial asset				
Cash and cash equivalents	-	-	6,247	278,554
Trade receivables	1,171,234	52,225,324	-	-
	1,171,234	52,225,324	6,247	278,554
Financial liabilities				
Trade payables	(1,065,501)	(47,510,690)	(6,152)	(274,318)
Other payables	(8,471)	(377,721)	(8,780)	(391,500)
	(1,073,972)	(47,888,411)	(14,932)	(665,818)
Net currency exposure	97,262	4,336,913	(8,685)	(387,264)

At 31 March 2012, an estimated 1% and 1% (2011: 11% and 11%) 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 loss after tax for the financial year/period would have been lower/higher as follows:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Australian dollars	20,400	1,037,500	10,700	477,100
Singapore dollars	1,500	76,400	1,000	42,600

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 (2011: 1) debtor that individually represents 99% (2011: 82%) of trade receivables.

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

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
By geographical areas				
Singapore	90,283	4,593,599	254,752	11,359,392
Australia	6,520,746	331,775,557	1,171,234	52,225,324
	6,611,029	336,369,156	1,425,986	63,584,716

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
By types of customers				
Non-related parties	90,283	4,593,599	-	-
Related companies	6,520,746	331,775,557	1,425,986	63,584,716
	6,611,029	336,369,156	1,425,986	63,584,716

(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$1,917,318 equivalent to Rs. 97,553,140 (2011: Nil).

(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:

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
Due less than 30 days	1,890,334	96,180,194	1,425,986	63,584,716
Due from 30 to 90 days	2,803,377	142,635,822	-	-
	4,693,711	238,816,016	1,425,986	63,584,716

(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 nonderivative 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.

	2012 US$	2012 Rs.	2011 US$	2011 Rs.
On demand or within 1 year				
Trade payables	2,571,067	130,815,889	1,139,441	50,807,674
Other payables	121,337	6,173,627	69,831	3,113,764
Loans from immediate holding company	4,500,000	228,960,000	1,000,000	44,590,000
	7,192,404	365,949,516	2,209,272	98,511,438

(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.

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. COMPARATIVE FIGURES

The financial statements for the financial year ended 31 March 2012 cover the financial year from 1 April 2011 to 31 March 2012 while the previous financial statements cover the financial period from 9 December 2010 (date of incorporation) to 31 March 2011. Hence, the statement of comprehensive income, statement of changes in equity, statement of cash flows and related notes are not comparable.

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