



THE GREAT EASTERN SHIPPING COMPANY LIMITED

64th

ANNUAL REPORT 2011-12



Offshore
Anchors
Shipping





Vessels



Offshore Boats



Rigs

CHAIRMAN'S STATEMENT

Dear Shareholders,

As anticipated, the year gone by has proven to be one of the most challenging for the global shipping industry. Apart from the relentless fleet growth, an anemic global recovery coupled with a spate of natural disasters like the tsunami in Japan and floods in Australia and Brazil had a direct negative impact on the business.

In the midst of such a difficult environment, your Company has performed relatively well. As emphasized, in the last year's communiqué, the 'wait and watch' approach to the shipping business has proved prudent, with asset values of various ships correcting between 10% to 50%. Your Company's overall conservative strategy which has kept our net debt to equity at 0.48 will enable it to make asset acquisitions at the appropriate time. On the offshore portfolio, Greatship (India) Limited (GIL) has attained a significant size and has an existing young fleet of 19 support vessels and 2 Jackup Rigs. In the next one year it will be adding 3 new high end ROV Support Vessels and a newly built Jackup Rig. With client preference shifting to more modern assets, GIL is in an advantageous position to benefit from the growing offshore support and drilling market. For FY2012, this business added ₹ 215.92 crores to our consolidated net profit.



For FY2011-12, on a consolidated basis, your Company posted a net profit of ₹ 316.55 crores. The cash and cash equivalent amounted to ₹ 3549.02 crores. For the year, your Company declared a total dividend of ₹ 6.50 per share resulting in payment of ₹ 113.98 crores (inclusive of tax thereon).

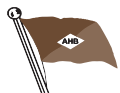
For 2012, IEA expects a muted oil demand growth of 0.9% on back of uncertain economic recovery and high crude oil prices. Change in trade dynamics with US turning net exporters of petroleum products and resulting increase in the ton-mile situation can provide some support to the tanker market, but steady fleet growth will cap any significant improvement in the freight rates. On the dry bulk side, the massive fleet addition coupled with a slowdown in China is likely to have a huge negative impact on the tonnage demand.

In the current world environment, where nations are riddled with unmanageable sovereign debt, there is a severe crunch for funds. Hence, access to ship finance too has suffered and is now largely restricted to a few strong ship owners. This has resulted in a significant slow down in new building orders which provides the only silver lining to the industry.

As we move ahead, the operating environment for your Company remains extremely challenging. However managing risks effectively, will be the key to long term sustainable performance. To steer your Company through rough weather, I would request all my colleagues, on shore and on board as well as our customers to extend the unstinting commitment and support which they have provided us earlier. Finally, I am grateful to you all for your continuous support.

With warm regards,

K.M. Sheth
Executive Chairman



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NOTICE

NOTICE is hereby given that the Sixty Fourth Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai -400 020 on Thursday, August 09, 2012 at 03.00 p.m. (I.S.T.) to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Cyrus Guzder, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Berjis Desai, who retires by rotation and being eligible, offers himself for re-appointment.
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:
"RESOLVED THAT Dr. Rajiv B. Lall who was appointed as an Additional Director at the meeting of the Board of Directors held on February 10, 2012 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Dr. Rajiv B. Lall as a candidate for the Office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :
"RESOLVED THAT pursuant to the provisions of Section 314 and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to Ms. Nirja Sheth, relative of a Director of the Company, to hold and continue to hold an office or place of profit in Greatship (India) Limited, a subsidiary of the Company, as its officer/employee carrying a total remuneration not exceeding ₹ 30,00,000/- p.a."
"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all such acts, matters, deeds and things in order to give effect to the above resolution."

By Order of the Board

Jayesh M. Trivedi
Company Secretary

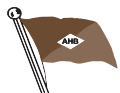
Mumbai, May 03, 2012

Registered Office :

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

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from August 01, 2012 to August 09, 2012 (both days inclusive).



4. The dividend declared at the Meeting will be made payable on or after August 09, 2012, as applicable, in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company on or before the end of business hours on July 31, 2012 and in respect of shares held in the electronic form to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on that date.
5. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the 40th dividend for the year 1993- 94 paid by the Company on October 5, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, C/o. Central Government Office Building, A Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur 400 614.
6. Consequent to the amendment to Sub-section (5) of Section 205A vide Companies (Amendment) Act, 1999, the Company has transferred the unclaimed dividend for the year 2003-04 (50th final dividend), 2004-05 (51st 1st interim dividend) and 2004-05 (51st 2nd interim dividend) to the Investor Education and Protection Fund. All unclaimed dividend for the year 2004-05 (51st final dividend) will be due for transfer to the Investor Education and Protection Fund on July 24, 2012. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Company's Share Department at the Registered Office of the Company on or before July 19, 2012.
7. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the special business as per Item Nos. 6 and 7 hereinabove, is annexed hereto.

ANNEXURE TO NOTICE

Explanatory Statement as required under Section 173(2) of the Companies Act, 1956.

Item No. 6 (Ordinary Resolution) :

Dr. Rajiv B. Lall was appointed as an Additional Director of the Company with effect from February 10, 2012. By virtue of the provisions of Section 260 of the Companies Act, 1956, read with Article 130 of the Articles of Association of the Company, Dr. Rajiv B. Lall would hold office only upto the date of the ensuing Annual General Meeting.

The Company has received notice from a member under Section 257 of the Companies Act, 1956 with requisite deposit, proposing the name of Dr. Rajiv B. Lall as a candidate for the Office of Director of the Company.

Dr. Rajiv B. Lall is the Vice Chairman and Managing Director of IDFC. Dr. Lall has over two decades of experience with leading global investment banks, multilateral agencies and in academia. Dr. Lall's areas of expertise include project finance, private equity/venture capital, international capital markets, trade, infrastructure and macro-economic policy issues with a focus on emerging markets including India and China in particular.

Dr. Lall straddles the policy making and finance worlds. He chairs the Infrastructure Council of CII (Confederation of Indian Industry) a leading business chamber in the country, and was President of Bombay Chamber of Commerce and Industry. Dr. Lall is India's representative to the G20 Workgroup on Infrastructure and a member of the City of London's Advisory Council on India. He is also a member of the Planning Commission's Steering Committee on Urban Development Management set up to help formulate the country's 12th Five Year Plan; the Prime Minister's Committees on Infrastructure Finance and Transport Sector Development; Expert Group on Modernization of Indian Railways of Ministry of Railways, Government of India; and the Reserve Bank of India's Committee on NBFCs. Dr. Lall has served on several other Government Committees including those focused on Urban Infrastructure, Bond Market Development and Financial Sector Reform.

Prior to joining IDFC, Dr. Lall was variously a Partner with Warburg Pincus in New York; Head of Asian Economic Research with Morgan Stanley in Hong Kong; a senior staff member of the World Bank in Washington D.C. and of the Asian Development Bank in Manila, respectively; and faculty member of the Florida Atlantic University Department of Economics.

Dr. Lall has a number of publications and articles to his credit. He has a B.A. in Politics, Philosophy and Economics from Oxford University and a Ph.D. in Economics from Columbia University.

Dr. Lall is also on the Board of Directors of the following public limited companies :

- Infrastructure Development Finance Company Ltd.
- IDFC Private Equity Company Ltd.
- IDFC Securities Ltd.
- IDFC Project Equity Company Ltd.
- IDFC Asset Management Company Ltd.
- National Securities Depository Ltd.
- IDFC Trustee Company Ltd.
- National Stock Exchange of India Ltd.
- Delhi Integrated Multi-Modal Transit System Ltd.

Dr. Lall is also a member / chairman of the following committees :

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Infrastructure Development Finance Company Limited	Investor Grievance	Member
IDFC Asset Management Company Ltd.	Audit	Member
National Securities Depository Limited	Audit	Member

Dr. Lall holds 500 equity shares of the Company.

Your Directors commend the resolution at item no. 6 of the Notice for your approval.

Dr. Rajiv B. Lall is interested in the resolution as it relates to his appointment. No other Director of the Company is concerned or interested in the said resolution.

Item No. 7 (Special Resolution) :

Ms. Nirja Sheth is working with Greatship (India) Limited (GIL), a subsidiary of the Company, as Assistant Manager, at a CTC of approximately ₹ 11.375 lakhs. In addition to the salary there is also a variable component which is based on performance of the employee and ranges up to 35% of the CTC for her level. According to the policy of GIL, her performance incentive pay and annual increment is due by June 30, 2012. Annual increment may also range up to 15% of the CTC.

As per section 314 (1B) of the Companies Act, 1956 approval of the Central Government was required for payment of remuneration exceeding ₹ 6,00,000/- p.a. to a relative of the director holding office or place of profit in a company. GIL had obtained approval of the Central Government for payment of remuneration to Ms. Nirja Sheth as aforesaid. Ministry of Corporate Affairs, vide its notification dated July 7, 2011, has increased the said limits to ₹ 30,00,000/- p.a.

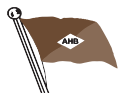
In view of the aforesaid notification, it is proposed to pass an enabling resolution revising the terms of appointment of Ms. Nirja Sheth to increase her total consolidated salary not exceeding ₹ 30,00,000/- p.a.

The revised terms of appointment for Ms. Nirja Sheth as proposed by GIL are as under :

- | | |
|---|--|
| I. Designation/Grade | Assistant Manager or such other designation as she may be promoted from time to time. |
| II. Consolidated Salary | Up to ₹ 30,00,000/- p.a. in any year after considering the periodic increments, promotions and increase in remuneration. |
| III. Allowances, perquisites and other benefits | As applicable to her Designation/Grade |

Details of allowances, perquisites and other benefits, as may be applicable to her Designation/Grade :

- a) Basic Salary, Allowances including Additional allowance, Leave Travel Concession, House Rent allowance, Performance linked compensation.
- b) Company provided car, commutation allowance and telephone rental.



- c) Housing Loan Subsidy as per the rules of GIL.
- d) Payment of Company's contributions to Provident Fund/Superannuation Fund/Gratuity Fund/pension in accordance with the rules of GIL.
- e) Medical reimbursement : Expenses incurred for self and family including premium payable for medical insurance and hospitalization expenses in accordance with the rules of GIL. Comprehensive Health checkups in accordance with the rules of GIL.
- f) Benefits like medical benefits, group medical insurance, group accidental insurance, group life insurance as per the policies of GIL.
- g) Use of the Guest House in accordance with the rules of GIL.
- h) Grant of Employee Stock Options in accordance with the Scheme applicable to employees of GIL.
- i) Such other allowances, incentives, perquisites, benefits and amenities as may be provided by GIL to other executives in that grade from time to time.
- j) Benefits under other schemes in accordance with the practices, rules and regulations in force in GIL from time to time.

Ms. Nirja Sheth is the daughter of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director of the Company.

Section 314 (1) (b) of the Companies Act, 1956 provides that relative of a director shall not hold any office or place of profit under any subsidiary of the Company carrying a total monthly remuneration of not less than ₹ 50,000 unless the same is approved by the members of the Company.

Your Directors commend the resolution at item no. 7 of the Notice for your approval.

Mr. K. M. Sheth, Mr. Bharat K. Sheth and Mr. Ravi K. Sheth being relatives of Ms. Nirja Sheth, may be deemed to be interested in the aforesaid resolution. None of the other Directors of the Company are concerned or interested in the aforesaid resolution.

By Order of the Board

Jayesh M. Trivedi
Company Secretary

Mumbai, May 03, 2012

Registered Office :

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

INFORMATION AS REQUIRED UNDER CLAUSE 49 (IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED.

(A) MR. CYRUS GUZDER

Mr. Cyrus Guzder has a Masters Degree (Honours) from Trinity College, Cambridge University, U.K. in Economics & Oriental Studies.

He is the Chairman & Managing Director of AFL Private Ltd. (formerly Airfreight Ltd.) founded in 1945. AFL was a pioneer in the Freight Forwarding, Express Courier and Logistics Industry. AFL's Cartridge World division is today the market leader in the business activity of reconditioning and recharging printer cartridges.

He held several important positions in the travel, cargo and express industry associations and has also held leadership position of CII's National Council of Civil Aviation and National Committee on Logistics.

As on date Mr. Guzder holds 986 equity shares in the Company.

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

- BP India Limited
- Mahindra Holidays & Resorts India Ltd.
- Zeenia Realtors Limited

Apart from being a member of the Audit Committee and Chairman of Remuneration Committee and Shareholder/ Investors' Grievance Committee of the Company, Mr. Guzder is also a chairman/member of the following committees :

NAME OF THE COMPANY	NAME OF THE COMMITTEE	MEMBER/CHAIRMAN
Mahindra Holidays & Resorts India Ltd.	• Audit	Chairman
	• Remuneration	Member

(B) MR. BERJIS DESAI

Inducted on the Board in 2006, Mr. Berjis Desai is an eminent Solicitor and is currently the Managing Partner of J. Sagar Associates, a leading law firm. Mr. Desai has completed his B.A. (Hons) (First Class), LL.B. (First Class First) both from University of Bombay, LL.B. (now LL.M. - First Class First, starred First) from University of Cambridge, U.K. and Solicitor (First Class First) from Bombay Incorporated Law Society.

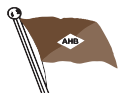
Mr. Desai has been practicing law since 1980 and was a founder partner of Udwadia, Udeshi & Berjis. He specializes in financial & securities laws, structured finance, securitisation and OTC derivatives as well as offshore investments. In addition, he has extensive experience both as an Arbitrator and Counsel in international commercial as well as domestic arbitrations.

Mr. Desai is a frequent speaker and presenter at conferences and seminars. He has been a working journalist with a leading Indian daily and is a columnist in Indian newspapers. He is a member of American Arbitration Association, The Bombay Incorporated Law Society and The London Court of International Arbitration. He is an Arbitrator on the panels of The London Court of International Arbitration and ICC (India).

As on date, Mr. Desai holds 800 equity shares of the Company.

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

- Sterlite Industries (India) Limited
- Praj Industries Limited
- Edelweiss Financial Services Limited
- Adani Power Limited



- Deepak Nitrite Limited
- Himatsingka Seide Limited
- DCW Limited
- NOCIL Limited
- Greatship (India) Limited
- Emcure Pharmaceuticals Limited

Apart from being a member of the Audit Committee and Remuneration Committee of the Company, Mr. Desai is also a chairman/member of the following committees :

NAME OF THE COMPANY	NAME OF THE COMMITTEE	MEMBER/CHAIRMAN
Sterlite Industries (India) Ltd.	• Shareholders Grievance	Member
	• Audit	Member
	• Composition of Remuneration	Chairman
	• Share/Debenture Transfer	Member
NOCIL Limited	• Share Transfer	Chairman
	• Investor Grievance	Chairman
Praj Industries Limited	• Audit	Chairman
	• Compensation and Share Allotment	Member
	• Remuneration	Chairman
Edelweiss Financial Services Limited	• Shareholders / Investors Grievance	Member
	• Audit	Member
	• Compensation (ESOP)	Member
Greatship (India) Limited	• Audit	Member
	• Remuneration	Member
Emcure Pharmaceuticals Ltd.	• Audit	Member
	• Remuneration	Member

BOARD OF DIRECTORS

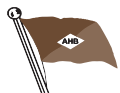
K. M. Sheth	EXECUTIVE CHAIRMAN
Bharat K. Sheth	DEPUTY CHAIRMAN & MANAGING DIRECTOR
Asha V. Sheth	
Cyrus Guzder	
Keki Mistry	
Vineet Nayyar	
Berjis Desai	
Rajiv B. Lall	
Ravi K. Sheth	EXECUTIVE DIRECTOR

COMMITTEES

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

Jayesh M. Trivedi COMPANY SECRETARY

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



RISK MANAGEMENT

In a cyclical and highly volatile business, risk management is an imperative part of the functioning of the Company. In the last few years, when the industry has trended consistently lower and lower, it is only the strict adherence to its risk management strategy that has held the Company in good stead. Every shipping company is exposed to the fluctuations in freight rates, bunker prices and financial risks on account of interest rate and foreign exchange.

For the Company, risk management and its consistent implementation has helped it to tide through its operations in the tough years. The objective of the risk management is to strike a balance between pursuing appropriate business opportunities and the need to manage the sensitivity to the cyclical conditions in freight markets.

The Company has identified risks into the following broad categories :

- 1) **Technical or Operational risk** : This is the risk associated with the operation and safe running of the ships. These are managed by having stringent measures for quality and safety of people and cargo on board. Constant training and focused development to upgrade the skills on board is done so that the employees are fully geared to meet all possible challenges.
- 2) **Financial markets and liquidity risk** : This is the risk associated with the financial position and cash flows of the Company. This may arise on account of exchange fluctuations, change in interest rates etc. In a bad environment, liquidity risk may arise out of inability to meet financial obligations including loan repayments and any other capital commitments. This is met by keeping low levels of leverage and adequate liquidity at all points in time. This not only helps to avoid stress on the balance sheet but in fact also helps in future borrowings, if required. Since the majority

of the revenues of the Company are denominated in US dollars, there is a translation risk as the Company has to report its financial performance in INR. These risks are managed by actively hedging the net open FX exposure along with interest rate liability.

- 3) **Market risk** : This relates to risk due to change in freight markets, bunker prices and counterparty risk. While management of fluctuation in freight rates is possible through long term charters, Contracts of Affreightment, etc; fluctuation in bunker prices can be offset through paper trades or by taking fixed price contracts with suppliers. Counterparty risk can be minimized by dealing with large, well reputed and good credit names.

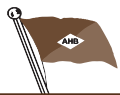
Risk Management Strategy of the Company

- The Company has traditionally used a mix of long term time charters, Contracts of Affreightments and spot charters to de-risk the revenues to some extent. As of March 31, 2012, the Company had 44% of its revenues from time charters and 56% from spot charters.
- As on March 31, 2012, the Company had fixed interest rate liability of 75% and floating rate liability of balance 25%.
- As on March 31, 2012, the Company's gross debt to equity ratio was 0.76 :1 and net debt to equity ratio was 0.17 :1.
- As on March 31, 2012, the Company had sold forward a total of USD 90 million for FY 2012-13.
- As on March 31, 2012, the Company had a total of cash and cash equivalents of ₹ 2999.67 crores.

DIRECTORS' REPORT



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



DIRECTORS' REPORT

Your Directors are pleased to present the 64th Annual Report on the business and operations of your Company and Audited Accounts for the financial year ended March 31, 2012.

FINANCIAL PERFORMANCE

The financial results of the Company for the financial year ended March 31, 2012 are presented below :

	₹ in crores	
	2011-12	2010-11
Total Revenue	2016.23	1662.06
Total Expenses	1850.89	1366.85
Profit before tax	165.34	295.21
Less : Tax Expenses	22.00	28.75
Profit for the period	143.34	266.46
Add : Profit as per last Balance Sheet	2947.76	2886.73
Less :		
-Transfer to Tonnage tax reserve	20.00	40.00
-Transfer to General reserve	14.50	27.00
-Transfer to Debenture redemption reserve	20.00	-
-Interim Dividend on Equity Shares	45.69	53.30
-Proposed Dividend on Equity Shares	53.30	68.53
-Dividend Distribution Tax	14.99	16.60
Balance Carried Forward	2922.62	2947.76

The total income for the year was recorded at ₹ 2016.23 crores as against ₹ 1662.06 crores in the previous year and a Net Profit of ₹ 143.34 crores as against ₹ 266.46 crores in the previous year.

DIVIDEND ON EQUITY SHARES

During the year, your Directors declared and paid interim dividend of ₹ 3/- per share resulting in an outflow of ₹ 53.10 crores (inclusive of tax on dividend). Your Directors recommend a dividend of ₹ 3.50/- per share. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be ₹ 113.98 crores including tax on dividend. This represents a payout ratio of 79.51% (previous year 51.95%).

MANAGEMENT DISCUSSION AND ANALYSIS

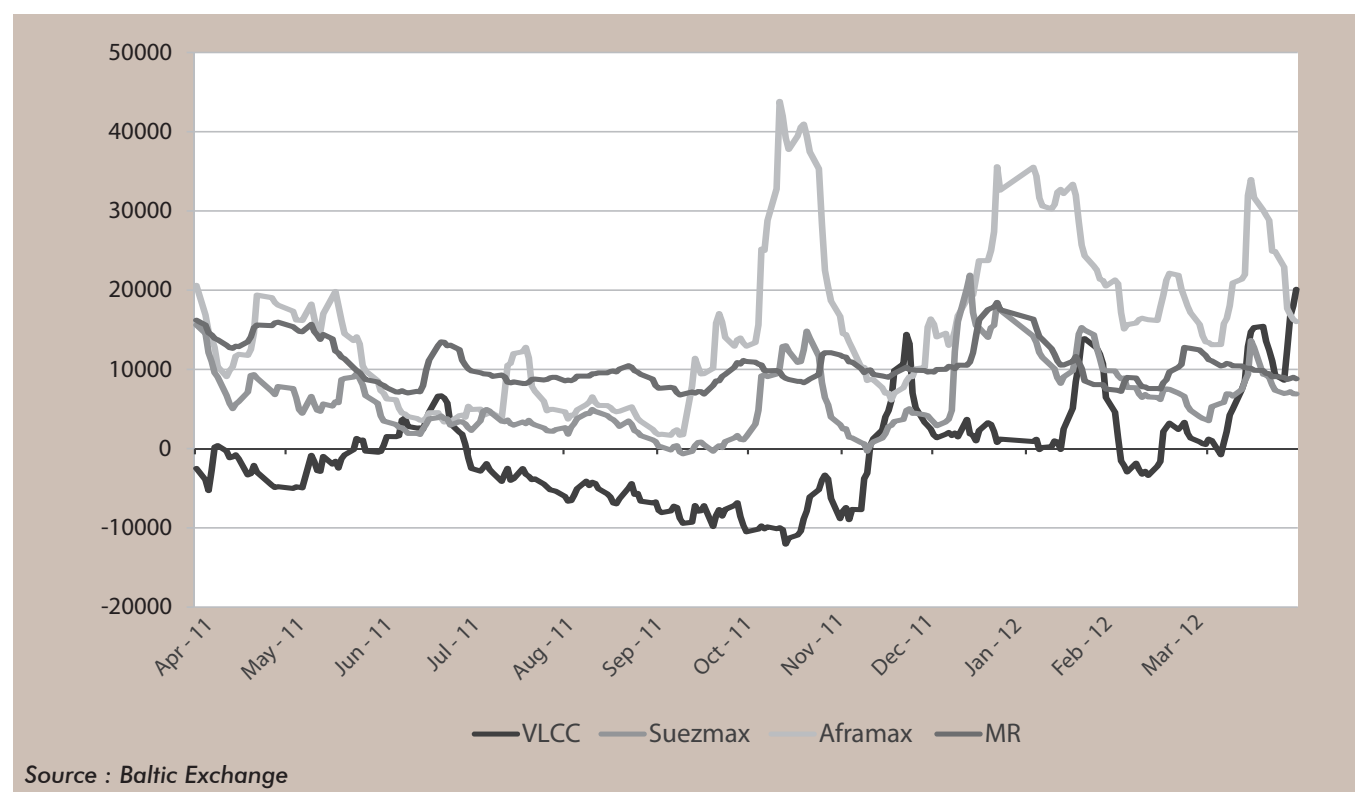
COMPANY PERFORMANCE

In FY 11-12, the Company recorded total revenue of ₹ 2016.23 crores (Previous year ₹ 1662.06 crores) and earned a PBIDT of ₹ 781.26 crores (previous year ₹ 829.20 crores).

TANKER BUSINESS

MARKET TREND AND ANALYSIS

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



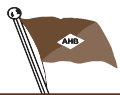
Throughout the last financial year, the tanker market remained subdued. Steady fleet growth, disruption of Libya's crude supply, stagnant demand from western economies and closure of some US & EU refineries were the main factors, which reflected in the weak freight rates. Demand from the OECD countries too got negatively impacted on back of high crude oil prices. Some spurts in the tanker freight rates were witnessed due to increase in OPEC production, long haul shipments, scrapping activities and jump in seasonal demand, but new fleet addition capped any significant improvement in the freight rates.

The world tanker fleet increased to 480.1 mn dwt at the end of the financial year, about 5% higher than the 457.6 mn dwt at the beginning of FY 11-12.

COMPANY PERFORMANCE

The tanker business accounted for around 75% of the Company's net revenues and 74% of the operating profits.

In FY 11-12, around 51% of the tanker earnings were derived from the period market. Crude tankers, inclusive of 'spot' and 'period', earned an average TCY of \$19,000/day (previous year \$20,400/day). Product carriers, inclusive of 'spot' and 'period', earned an average TCY of \$15,300/day (previous year \$15,800/day).



TANKER FLEET CHANGES

The tanker fleet of your Company stood at 24 tankers aggregating 1.88 mn dwt, with an average age of 9.36 years (as of 31st March 2012) as against 27 tankers aggregating 2.10 mn dwt with an average age of 9.81 years as on 31st March 2011.

During the year, your Company sold and delivered the following tankers :

- Suezmax crude carrier 'Jag Lakshya' in Jun-11
- General Purpose product carrier 'Jag Pari' in Oct-11
- Medium Range product carrier 'Jag Pratap' in Dec-11

During the year, your Company also contracted to sell three New Building Very Large Crude Carrier tankers. Two of the VLCCs viz. 'Maneklal Ujamshi Sheth' & 'Ardeshir H Bhiwandiwalla' were delivered in Jan-12 & Feb-12 respectively. The third VLCC 'Vasant J Sheth' will be delivered in Q1 FY13.

OUTLOOK FOR THE TANKER MARKET

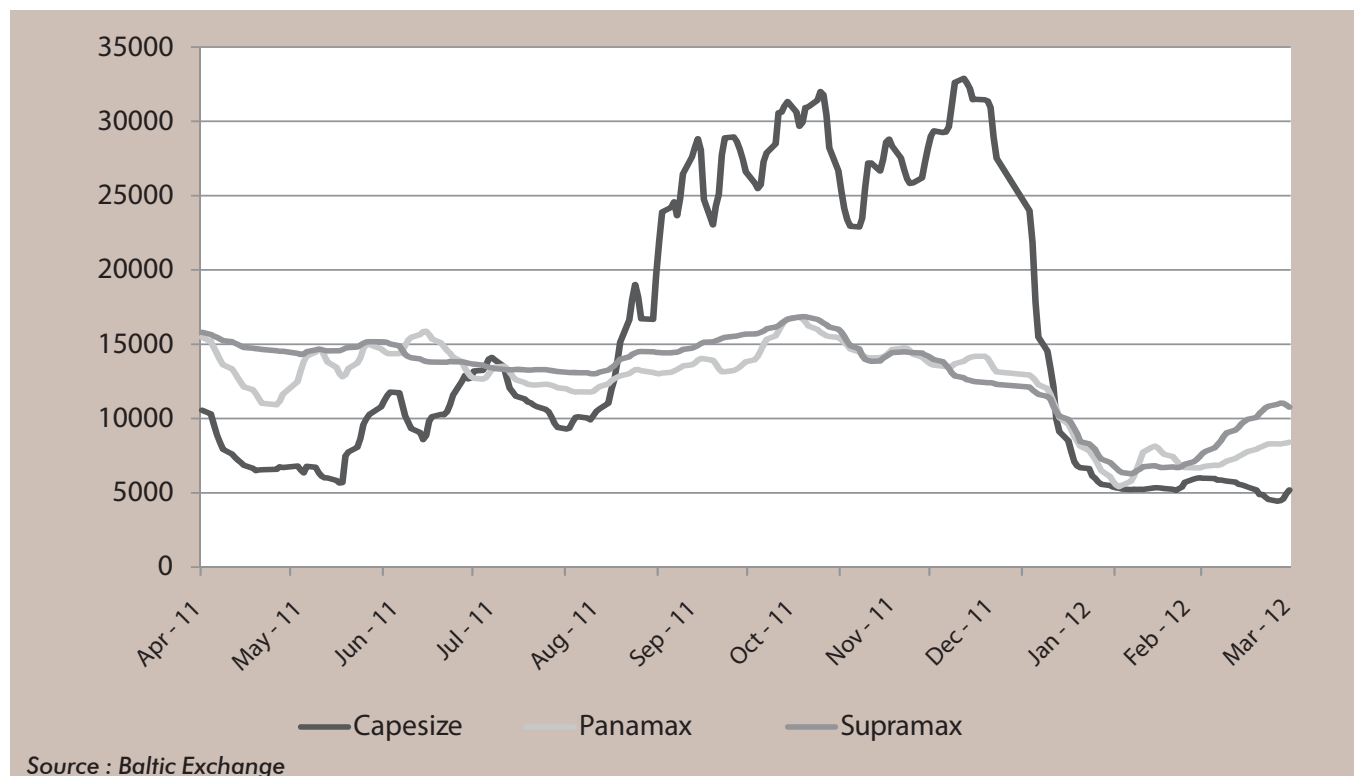
For 2012, IEA has anticipated a modest 0.9% growth in world oil demand to 89.9 mn bpd. This is on back of uncertain economic recovery, high crude oil prices and weak demand scenario. Apart from these negatives, the key macroeconomic factor to watch out closely will be the Western sanctions on Iran. If the Iran dispute aggravates, it can have a significant impact on the movement of oil, which can change the trade dynamics going forward. On the supply side, newbuilding cancellations and delays are expected to become more prevalent as the financing environment remains under stress.

The global tanker orderbook stands at about 78.2 million dwt or 16.3% of the fleet at the end of March 2012.

DRY BULK BUSINESS

MARKET TREND AND ANALYSIS

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



As projected, 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 on the positive side, but the relentless fleet addition overshadowed any improvement in the freight rates. Logistical disruptions post Tsunami in Japan and weather related issues in the iron ore & coal producing countries resulted in decline of imports. Sharp reduction in the exports to European Union (EU) also resulted in lower tonnage utilization.

The world dry bulk fleet increased to 632.3 mn dwt at the end of FY 11-12, about 15% higher than the 551.9 mn dwt at the beginning of the financial year.

COMPANY PERFORMANCE

The dry bulk fleet contributed around 25% of the Company's net revenues and 26% of the operating profits.

In FY 11-12 the average TCY for dry bulk vessels, inclusive of 'spot' and 'period', was approximately \$15,500/day as compared to \$20,754/day in the previous year.

DRY BULK FLEET CHANGES

The dry bulk fleet stood at 10 vessels aggregating 0.74 mn dwt, with an average age of 7.9 years (as of 31st March 2012) as against 7 vessels aggregating 0.52 mn dwt with an average age of 9.9 years on 31st March 2011.

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

- Two Kamsarmax bulk carriers 'Jag Aditi' in Apr-11 and 'Jag Arya' in Sep-11.
- Supramax bulk carrier 'Jag Rani' in Jul-11.

OUTLOOK FOR THE DRY BULK MARKET

Even though, cancellations and delivery slippages are likely to remain at very high levels due to volatile freight rates and tough financing environment, it is expected that the market will experience significant fleet growth resulting in depressed freight rates except for some short-term seasonal fluctuations. On the demand side, global seaborne commodity movement is expected to improve on back of increased imports in Asia. But a possible 'slowdown' in China or prolonged recession in Europe could possibly result in downward revision of these demand forecasts, which can have a negative impact on the cargo movement and freight rates.

The global dry bulk orderbook stands at about 191.5 mn dwt or 30.3% of the fleet at the end of March 2012.

ASSET VALUES

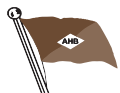
During FY 11-12 second-hand values for both modern crude tankers and dry bulk carriers witnessed a drop of 20-30% vis-à-vis start of FY 11-12. Second-hand values for modern product tankers also dropped albeit by 10% during the same period. New building prices for tankers witnessed a drop of 5-10% during the year, while those for the dry bulk ships moved down by about 15-20%. Your Company's decision not to acquire assets during the year therefore stands vindicated.

RISKS AND CONCERNS

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

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

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



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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by your Company in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

The group recorded a consolidated net profit after prior period adjustment of ₹ 316.55 crores for the year under review as compared to ₹ 468.70 crores for the previous year. The net worth of the group as on March 31, 2012 was ₹ 5997.19 crores as compared to ₹ 6030.66 crores for the previous year.

SUBSIDIARIES

Greatship (India) Limited

Greatship (India) Limited (GIL) has completed 6th year of its successful operations. The Company, now one of India's largest offshore oilfield services providers, has recorded steady financial performance for this year, as in the last 5 years.

GIL has recorded a profit after tax of ₹ 90.19 crores on a standalone basis and ₹ 220.23 crores on a consolidated basis for the year ended March 31, 2012 as compared to ₹ 118.38 crores and ₹ 215.71 crores respectively for the year ended March 31, 2011. The consolidated net worth of GIL for financial year 2012 was ₹ 2457.03 crores as compared to ₹ 2031.56 crores for financial year 2011 on a consolidated basis.

Your Company has till date invested total of ₹ 1714.43 crores by subscribing to 10.92 crores equity shares totaling in value to ₹ 1268.56 crores and 14.86 crores non-convertible preference shares totaling in value to ₹ 445.87 crores. Your Company's holding is 98.11% of the total equity share capital of GIL.

GIL, alongwith its subsidiaries, is currently owning/operating 4 Platform Supply Vessels (PSVs), 9 Anchor Handling Tug cum Supply Vessels (AHTSVs), 3 Multipurpose Platform Supply & Support Vessels (MPSSVs), 3 Multipurpose platform support vessels capable of Remotely Operated Vehicles operations (ROVSVs) and 2 Jack up Rigs. GIL and its subsidiaries also have an order book of three ROVSVs and one 350 feet Jack up Rig. During the year, the shipbuilding contracts for 2 Multipurpose Supply & Support Vessels were cancelled.

During the year, GIL granted 189600 stock options (net of cancelled/forfeited) under various Employee Stock Options Schemes.

GIL has the following wholly owned 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

Greatship DOF Subsea Projects Private Limited, Mumbai, erstwhile wholly owned subsidiary of GIL was struck off from the Registrar of Companies under the Fast Track Exit mode on 30.12.2011.

Other subsidiaries

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

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

Subsidiaries' accounts

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

Accordingly, copies of the balance sheets, profit and loss accounts, reports of the Board of Directors, reports of the Auditors, etc. of the subsidiary companies have not been attached to the Balance Sheet of your Company as at March 31, 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 subsidiary companies and the related detailed information shall be made available to shareholders of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies have been kept for inspection by any shareholder at the registered office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

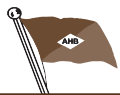
DEBT FUND RAISING

During the year, the Company raised funds of ₹ 452.57 crores towards capital expenditure for building tangible assets and general corporate purpose as against ₹ 410.62 crores in the previous year. As on March 31, 2012, the Company's gross debt equity ratio was 0.76 :1 and net (of cash) debt : equity ratio was 0.17 :1.

QUALITY, SAFETY, HEALTH & ENVIRONMENT

Environment Protection

To enhance fuel efficiency and reduce green house gas emission from your vessels 'Ship Energy Efficiency Management Plan' have been introduced on board all vessels with effect from 1st July, 2011. Several initiatives have been put in place to develop awareness among staff on this very important tool for sustainable shipping viz. Senior Officers are being briefed on the subject as a part of their pre-joining briefing, training CDs on the subject have been developed and sent to vessels, posters on best management practices have been developed and displayed on board.



Maritime Labour Convention

Maritime Labour Convention developed by International Labour Organization for setting minimum standard of living and working conditions for seafarers is scheduled to enter into force once condition for entry into force is met. Your Company has proactively implemented the requirements since 1st December 2011. Once flag administration issues their relevant specific requirements, the same will be incorporated. Once the Convention enters into force, each ship would require to be surveyed and certified.

To ensure high standard of medical care, a system of 24 x 7 Company doctor accessible to all vessel Masters for consultation through phone and e-mail has been put in place.

Piracy Risk

With continuing piracy incidents in Gulf of Aden & waters around Somalia and Indian Ocean, your Company is continuously updating and strictly enforcing Best Management Practices to mitigate the security risks of its vessels transiting through these waters.

Rescue at Sea

Jag Lakshita, while proceeding from San Diego Lighterage Area, USA towards the west coast of Africa, rescued 3 sailors' private sailing expedition from their disabled sailing vessel off Cape Horn on 24th February, 2011. The rescue had been carried out in coordination with MRCC Uruguay, MRCC Puerto Belgrano and MRCC Rio De Janeiro. The weather at that time was inclement, with gale force winds, rough seas and moderate swell. The rescued sailors, 1 South African national and 2 British nationals, were disembarked in good health at Cameroon.

Vice Admiral of Brazilian Navy commended the Master and Crew for their gallant action with these words "I know that this rescue operation caused a delay on the normal course of the M. V. Jag Lakshita, although it was for a noble reason and it was done without any thought of recognition or reward. The fast response and the professionalism of the Jag Lakshita's crew allowed all three crew members of Yacht Spraydust to be rescued alive in good health conditions."

Jag Pushpa, during her voyage from Gizan, Saudi Arabia to Sikka, India on 30th June, 2011, deviated from her planned passage to rescue 13 crew members, all Indian nationals of M.T. Pavit in Arabian Sea. The weather at that time was severe, with gale force winds, rough seas and heavy swell. However, to protect the lives of the 13 sailors on Pavit, Master of the vessel decided to take all necessary precautions and proceeded to the rescue. The vessel was immobilized with flooded machinery space. A UK Naval helicopter from a British naval vessel in the region transferred the crew, all of whom were safely disembarked at Sikka.

Cadet Training

In view of availability of spare accommodation on board Jag Preeti, large number of Cadets (27 nos.) have been placed on board the vessel and facility for class room training has been arranged. Highly experienced Cadet Training Officer has been placed onboard for achievement of training objectives and monitoring of discipline and behavioural aspects of Cadets in a systematic manner.

Anti Bribery Policy

During the year Anti Bribery Policy for fleet vessels has been introduced in view of increasing importance of the subject and to work towards compliance with international legislative requirements.

GREAT EASTERN INSTITUTE OF MARITIME STUDIES (GEIMS)

This year was the 6th year of operations of your Company's training Institute in Lonavala. During the year, there has been consolidation and augmentation of infrastructure as well as enhancement in training being imparted. During the year, the Institute admitted 3 batches of TNOG and 4 batches of GME totaling 278 cadets.

The Institute is the only Institute approved by DG Shipping, Government of India to conduct the newly introduced pre sea Electro Technical Officers course as mandated by IMO's STCW 2010. During the year, the Institute in addition to the TNOG and

GME cadets also trained 60 ETO cadets. This course was designed and developed by the Institute as per IMO requirements. In addition, the ongoing mandatory STCW safety and familiarisation courses for sea farers have been conducted for batches of students who have passed out from the Institute.

As per the Company's requirement the Institute designed a Special "Performance Enhancement Course" for officers which were earlier conducted by Germanischer Lloyd. The 18 day course for Nautical officers and engineers is now being conducted by the faculty from Jan 2012. During the year 2 such courses were conducted.

The additional hostel block of 23780 sq.feet was completed on 31st August, 2011. This block is being presently utilized for conducting post-sea courses.

Full Mission Engine Room Stimulator which was ordered in August, 2010 has been fully installed and is now functional for both pre-sea and post-sea level training.

The installation of Slow Speed Two stroke main engine was completed in October, 2011 alongwith the connected civil work. The availability of ships main propulsion engine in operational condition has substantially enhanced Institute's training capabilities.

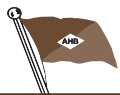
INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

IT INITIATIVES

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

- Internet connectivity for 5 ships
 - The ships are disconnected with shore and in today's scenario it is extremely difficult to manage something remotely. In order to bridge the gap, the internet connectivity has been installed in 5 ships out of 34 fleet as part of phase I. The usage of Internet for communication as well as to and fro data flow between shore and ship have increased considerably. This will help to reduce significant amount of productivity loss by instant online communication between ship and shore.
- New Software applications
 - As part of various in-house software development and implementation, the most significant software that has gone live is called 'geNautical' which captures day to day operational data and automatically integrates with related software at shore. It has streamlined the data flow from ship to shore.
- Class Approval for Planned Maintenance System (PMS)
 - This year also your Company added Class approvals from different Groups for its successful operations of PMS at ships which are as follows :
 - ABS Class – for 3 ships – total stands at 8
 - LRS Class – for 1 ship - total stands at 5
 - DNV Class – for 7 ships - total stands at 7
- First CLOUD initiative
 - As a strategy of exploring the advantages of cloud computing, your Company has introduced first initiative with its Institute, GEIMS for their emailing service from Google cloud. It will be extended further in Company's IT area in future.



HUMAN RESOURCES

To remain at the leading edge of business and to be the best in the Industry, your Company's focus has been not only on business strategies but also on developing and nurturing talent. Your Company strongly believes that its people alone provide sustainable and competitive advantage. During the period under review, your Company initiated several HR practices aimed at people development and improving organizational health.

With support from an external consultancy firm, your Company carried out an exercise titled 'Organization Genome' to determine competencies critical for business success of the two divisions. This was aligned with the 360 degree process 'Talent Genome' to map competency profiles of senior and middle level executives, resulting in feedback and individual development plan for each employee. It is planned that the development progress will be measured during the annual talent review and succession planning process.

Based on employee feedback, your Company incorporated few changes in HR policy addressing diversity and flexibility needs of team members along with annual compensation review. The Social Café initiatives continued to focus on employee health, fitness and camaraderie. These initiatives have ensured that your Company remains an employer of choice in shipping sector.

Your Company played an active role to facilitate a milestone NMB agreement pertaining to shipping crew. This will help to optimize crew wages during the time shipping industry is faced with many challenges and uncertainties.

The employee attrition stood at 6% compared to 5 % last year. Your Company had employee strength of 195 on shore and 460 floating as on March 31, 2012.

DIRECTORS

Mr. K. V. Kamath conveyed his inability to continue as Director of the Company after taking over additional responsibility as Chairman of Infosys Limited. Mr. Kamath resigned from the Board of Directors of the Company with effect from November 11, 2011. Your Directors place on record their appreciation for the valuable guidance and support extended by him during his tenure as a Director.

Dr. Rajiv B. Lall was appointed as an Additional Director on the Board of Directors of the Company with effect from February 10, 2012 as an Independent Director. He ceases to be a Director on the date of the 64th 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.

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

CORPORATE GOVERNANCE

Your Company was Corporate Governance compliant much before SEBI stipulated deadline in the year 2005. Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement, relating to Corporate Governance. A separate section on Corporate Governance forms part of the Directors' Report and the certificate from the Company's Auditors confirming the compliance of conditions on Corporate Governance is included in the Annual Report. Your Company has also complied with the 'Corporate Governance -Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs, to the extent disclosed in the Annual Report.

RISK MANAGEMENT PROCESS

In accordance with requirements of Clause 49 of the Listing Agreement, your Company has established a Risk Management mechanism for its business risks. The programme is built upon the foundation of the existing risk management process and practices of the Company and has evolved a structured approach for risk management to manage significant risks faced by your Company.

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

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

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

DIRECTORS RESPONSIBILITY STATEMENT

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

- i. in preparation of the annual accounts, the applicable accounting standards had been followed (alongwith proper explanation relating to material departures) and that there are no material departures;
- ii. they have, selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

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

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

	₹ in crores
(a) Foreign Exchange earned on account of freight, charter hire earnings, etc.	2073.24
(b) Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc.	2041.46

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

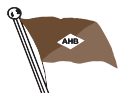
APPRECIATION

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

For and on behalf of the
Board of Directors

K.M. Sheth
Executive Chairman

Mumbai, May 03, 2012



CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of Directors (hereinafter referred to as 'Board') and to separate the Board functions of governance and management. The Board has an optimum combination of Executive and Non-Executive Directors and comprises of 9 Directors as on March 31, 2012 of which 6 are Non-Executive Directors. As the Company has an Executive Chairman, as per the requirements of Clause 49 of the Listing Agreement, 50% of the Board should comprise of Independent Directors. Accordingly the Company has 5 Independent Directors. The composition of the Board, Number of Directorships, Memberships/Chairmanships in public companies and details of shares of the Company held by the Non-Executive Directors as on March 31, 2012 are as follows :

NAME OF THE DIRECTOR	NO. OF OTHER DIRECTORSHIPS [#]	COMMITTEE MEMBERSHIP [@]	CHAIR- PERSON OF COMMITTEES [@]	SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS
<i>Executive Directors (Promoters)</i>				
Mr. K. M. Sheth	-	-	-	-
Mr. Bharat K. Sheth	1	1	-	-
Mr. Ravi K. Sheth	2	1	-	-
<i>Non-Executive Director (Promoter Group)</i>				
Ms. Asha V. Sheth	-	1	-	2124081
<i>Independent Directors</i>				
Mr. Cyrus Guzder	3	3	2	986
Mr. Keki Mistry	13	10	4	640
Mr. Vineet Nayyar	8	1	-	23005
Mr. Berjis Desai	10	9	2	800
Dr. Rajiv B. Lall*	9	3	-	500
Mr. K. V. Kamath**	NA	NA	NA	NA

*Dr. Rajiv B. Lall was appointed as a Director of the Company on February 10, 2012.

** Mr. K.V. Kamath ceased to be a Director of the Company w.e.f. November 11, 2011.

[#] Excludes Directorships in private limited companies, foreign companies and Section 25 companies.

[@]Includes memberships of Audit and Shareholders' Grievance Committees. Membership includes Chairmanship of Committees.

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

As per the provisions of the Companies Act, 1956, 1/3rd of the Directors liable to retire by rotation are required to retire every year. Accordingly, Mr. Cyrus Guzder and Mr. Berjis Desai are liable to retire by rotation at the 64th Annual General Meeting and are eligible for re-appointment.

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

Code of Conduct

All personnel to whom the Code of Conduct is applicable have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2012. A declaration to this effect, duly signed by the Deputy Chairman & Managing Director, is annexed hereto.

Board Meetings

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

During the year ended March 31, 2012, seven Board Meetings were held on April 05, 2011, May 06, 2011, June 04, 2011, August 05, 2011, November 11, 2011, February 10, 2012 and March 17, 2012. The attendance of Directors at the Board Meetings held during the year 2011-12 is as follows :

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
Mr. K. M. Sheth	7
Mr. Bharat K. Sheth	7
Mr. Ravi. K. Sheth	7
Ms. Asha V. Sheth	7
Mr. Cyrus Guzder	7
Mr. Keki Mistry	7
Mr. Vineet Nayyar	4
Mr. Berjis Desai	6
Dr. Rajiv B. Lall*	1
Mr. K. V. Kamath**	4

*Dr. Rajiv B. Lall was appointed as a Director of the Company on February 10, 2012.

** Mr. K.V. Kamath ceased to be a Director of the Company w.e.f. November 11, 2011.

3. COMMITTEES

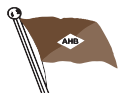
To focus effectively on the issues and ensure expedient resolution of the diverse matters, the Board has constituted a set of Committees with specific terms of reference/scope. The Committees operate as empowered agents of the Board as per their charter/terms of reference. The inputs and details required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

A) Audit Committee

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

Terms of Reference

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment and removal of internal and external auditor, fixation of audit fee and also approval for payment for any other services.



- Reviewing with management the annual financial statements before submission to the Board, focusing primarily on :
 - Any change in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e., transactions by the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.
 - Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 - Reviewing the adequacy of internal audit function.
 - Discussion with internal auditors on any significant findings and follow up thereon.
 - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 - Discussion with external auditors before the audit commences, nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 - Reviewing the Company's financial and risk management policies.
 - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

Composition of Audit Committee

As on date the Committee comprises of 3 Independent Directors, namely, Mr. Keki Mistry (Chairman), Mr. Cyrus Guzder and Mr. Berjis Desai. The Committee met four times on May 06, 2011, August 05, 2011, November 11, 2011 and February 10, 2012. Details of attendance of the members at the Committee meetings held during the year 2011-12 is as follows :

	MR. KEKI MISTRY (CHAIRMAN)	MR. CYRUS GUZDER	MR. BERJIS DESAI
Number of meetings attended	4	4	4

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

B) Remuneration Committee

Terms of Reference

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

Composition of Remuneration Committee

The Committee comprises of 3 Independent Directors, namely, Mr. Cyrus Guzder (Chairman), Mr. Berjis Desai and Mr. Keki Mistry. The Committee met once on May 06, 2011. Details of attendance of members at the Committee meeting held during the year 2011-12 is as follows :

	MR. CYRUS GUZDER (CHAIRMAN)	MR. BERJIS DESAI	MR. KEKI MISTRY*
Number of meetings attended	1	1	-

* Mr. Keki Mistry was appointed as a member of the Committee w.e.f. November 11, 2011.

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

The Remuneration Policy

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

Details of Remuneration paid/to be paid to all Directors for FY 2011-12

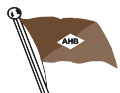
NAME OF DIRECTOR	(Amount in ₹)		
	SALARY*	BENEFITS	COMMISSION
Mr. K. M. Sheth	24000013	155765	11700000
Mr. Bharat K. Sheth	25000001	474808	30600000
Mr. Ravi K. Sheth **	17500000	880358	-
Mr. Cyrus Guzder	-	-	850000
Mr. Keki Mistry	-	-	825000
Mr. Vineet Nayyar	-	-	600000
Ms. Asha V. Sheth	-	-	625000
Mr. Berjis Desai	-	-	725000
Dr. Rajiv B. Lall	-	-	-
Mr. K. V. Kamath ***	-	-	-
Total	66500014	1510931	45925000

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

** Considering the time and efforts spent by Mr. Ravi K. Sheth for the business of Greatship (India) Limited (GIL) and its subsidiaries, GIL has reimbursed Salary & Benefits paid by the Company to Mr. Ravi K. Sheth for FY 2011-12. With effect from April 01, 2012 entire remuneration to Mr. Ravi K. Sheth shall be paid by GIL.

*** Mr. K.V. Kamath ceased to be a Director of the Company w.e.f. November 11, 2011.

- Commission to the Executive Directors is paid as determined by the Remuneration Committee based on certain performance parameters and profitability of the Company and is within the overall limit fixed by the members.
- Commission to the Non-Executive Directors is determined after taking into account profitability of the Company, the valuable guidance of the Directors for the various business initiatives and decisions at the Board level, membership/ chairmanship of various committees.
- Presently, the Company does not have a scheme for grant of stock options.
- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of commission and dividend on equity shares held by them.



- The Remuneration Committee has formulated a Retirement Benefit Scheme for the Wholetime Directors. The Board approved Scheme has been made effective from January 01, 2005. The Scheme provides for provision of pension, medical reimbursements and other benefits to the retiring Wholetime Directors. On the basis of an actuarial valuation, an amount of ₹ 1.71 crores was reversed during the previous year for pension payable to the Wholetime Directors on their retirement. An amount of ₹ 2.37 crores has been reversed during the year.

C) Shareholder/Investors' Grievance Committee

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

Terms of Reference

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

Composition of the Committee

As on date the Committee comprises of 2 Non-Executive Directors and 1 Executive Director namely Mr. Cyrus Guzder (Chairman), Ms. Asha V. Sheth and Mr. Bharat K. Sheth. The Committee met twice on May 06, 2011 and November 11, 2011. The details of attendance of the members at the Committee meetings held during the year 2011-12 is as follows :

	MR. CYRUS GUZDER (CHAIRMAN)	MS. ASHA V. SHETH	MR. BHARAT K. SHETH
Number of meetings attended	2	2	2

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

During the year under review, 28 complaints were received from investors which were replied / resolved to the satisfaction of the investors. 04 requests for transfer involving 993 shares and 09 requests for dematerialisation involving 3758 shares were pending for approval as on March 31, 2012. These pending requests were duly approved and dealt with by the Company.

4. RISK MANAGEMENT

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

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

5. GENERAL MEETINGS

Next Annual General Meeting and date of Book Closure	
Date	August 9, 2012
Time	3.00 p.m.
Venue	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020
Dividend Payment Date	on or after August 9, 2012
Date of Book Closure	August 1, 2012 to August 9, 2012 (both days inclusive)

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

General Body Meetings held during previous three financial years

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

MEETING	TIME	LOCATION	SPECIAL RESOLUTIONS PASSED
61 st Annual General Meeting	June 26, 2009 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020	<input type="checkbox"/> Consent to Ms. Nirja Sheth, relative of a Director of the Company, to hold and continue to hold an office or place of profit in Greatship (India) Limited, a wholly owned subsidiary of the Company.
62 nd Annual General Meeting	July 29, 2010 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020	<input type="checkbox"/> Re-appointment of Mr. K. M. Sheth as Wholetime Director designated as 'Executive Chairman'. <input type="checkbox"/> Re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman and Managing Director'. <input type="checkbox"/> Re-appointment of Mr. Ravi. K. Sheth as Wholetime Director designated as 'Executive Director'. <input type="checkbox"/> Payment of commission to Non Wholetime Directors.
63 rd Annual General Meeting	August 05, 2011 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020	None

All resolutions moved at the last Annual General Meeting held on August 05, 2011 were passed by a show of hands by a requisite majority of members attending the meeting.

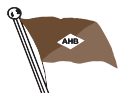
All the Directors of the Company other than Mr. Vineet Nayyar attended the last Annual General Meeting held on August 05, 2011.

6. DISCLOSURES

- There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- There were no instances of non-compliances nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any statutory authority during the last 3 years on any matter related to capital markets.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- The Deputy Chairman & Managing Director and the Chief Financial Officer have issued a certificate to the Board in compliance with Clause 49 (V) of the Listing Agreement for the Financial Year ended March 31, 2012.

7. MEANS OF COMMUNICATION TO SHAREHOLDERS

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

**Website of the Company : www.greatship.com**

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

8. SHAREHOLDERS INFORMATION**Financial Calendar**

1st Quarterly Result	Second week of August 2012
2nd Quarterly Result	First week of November 2012
3rd Quarterly Result	Second week of February 2013
4th Quarterly Result	April / May 2013

Listing on Stock Exchanges

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

GLOBAL DEPOSITORY RECEIPTS

Euro MTF Market - Luxembourg Stock Exchange
Kredietbank S.A.
Luxembourgeoise Societe Anonyme
43, Boulevard Royal, L-2955 Luxembourg,
R. C. Luxembourg B 6395

NON CONVERTIBLE DEBENTURES

Wholesale Debt Market - National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex, Bandra (E)
Mumbai - 400 051

Share Transfer System

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

Outstanding GDRs

62565 GDRs (equivalent to 312823 equity shares) were outstanding as on March 31, 2012.

Outstanding Warrants

No Warrants were outstanding as on March 31, 2012.

Plant Location

The Company has no plants.

Address for correspondence

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

9. ADDITIONAL SHAREHOLDERS INFORMATION

Unclaimed Dividends

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government. An amount of ₹ 41,42,792 ₹ 43,52,874 and ₹ 32,90,866 being unclaimed 50th (Final) dividend, 51st (1st Interim) dividend and 51st (2nd Interim) dividend was transferred on August 4, 2011, December 7, 2011 and March 2, 2012 respectively to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.

The following table gives the dates of dividend declaration or payment since 2005 and the corresponding dates when unclaimed dividend are due to be transferred to the Investor Education and Protection Fund.

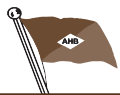
Due Dates of Transferring Unclaimed Dividend to the Investor Education and Protection Fund (IEPF)

YEAR	DIVIDEND NO.	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER TO IEPF
2005	51	Final	24.06.2005	24.07.2012
2006	52 (I)	1st Interim	27.10.2005	26.11.2012
2006	52 (I)	2nd Interim	30.01.2006	01.03.2013
2006	52 (I)	3rd Interim	28.04.2006	28.05.2013
2007	53 (I)	1st Interim	27.10.2006	26.11.2013
2007	53 (I)	2nd Interim	25.01.2007	24.02.2014
2007	53	Final	26.07.2007	25.08.2014
2008	54 (I)	1st Interim	19.10.2007	18.11.2014
2008	54 (I)	2nd Interim	29.01.2008	28.02.2015
2008	54 (I)	3rd Interim	02.05.2008	01.06.2015
2009	55 (I)	1st Interim	24.10.2008	23.11.2015
2009	55 (I)	2nd Interim	30.01.2009	01.03.2016
2009	55 (I)	3rd Interim	08.05.2009	07.06.2016
2009	56	Final	29.07.2010	28.08.2017
2010	57 (I)	1st Interim	29.10.2010	28.11.2017
2011	57	Final	05.08.2011	04.09.2018
2011	58	Interim	10.02.2012	11.03.2019

The following table gives the details of unclaimed dividend amount since 2005.

Unclaimed Dividend as on March 31, 2012

YEAR	DIV. NO	TYPE	NO OF WARRANTS ISSUED	NO OF WARRANTS UNCLAIMED	% WARRANTS UNCLAIMED	AMOUNT OF DIVIDEND DECLARED (₹ LAKHS)	AMOUNT OF DIVIDEND UNCLAIMED (₹ LAKHS)	% OF DIVIDEND UNCLAIMED
2005	51	Final	121845	9634	7.91	5710	37.08	0.65
2006	52	Interim	123110	9891	8.03	7613	49.34	0.65
2006	52	2nd Interim	118343	10680	9.02	4758	35.08	0.74
2006	52	3rd Interim	114247	10188	8.92	6662	45.86	0.69
2007	53	Interim	115379	9383	8.13	6090	44.09	0.72
2007	53	2nd Interim	117090	9266	7.91	4568	32.96	0.72
2007	53	Final	100167	8695	8.68	6852	43.87	0.64
2008	54	Interim	95754	9110	9.51	6090	42.32	0.69
2008	54	2nd Interim	99140	9373	9.45	5329	36.72	0.69
2008	54	3rd Interim	98740	8921	9.03	11420	71.10	0.62
2009	55	Interim	102383	10466	10.22	3807	30.03	0.79
2009	55	2nd Interim	102554	10657	10.39	3807	30.16	0.79
2009	55	3rd Interim	102736	10148	9.88	4568	33.74	0.74
2010	56	Final	103472	9387	9.07	12183	80.86	0.66
2011	57	Interim	100936	10581	10.48	5330	42.38	0.80
2011	57	Final	95727	10238	10.69	6853	51.44	0.75
2011	58	Interim	93791	15780	16.82	4568	62.23	1.36



Unclaimed Shares

As on March 31, 2012, 4,12,290 shares in physical form belonging to 3,925 shareholders remained unclaimed with the Company. After the Company sent two reminders to the holders of such shares, 7,766 shares were claimed by 45 rightful owners and were given to them after March 31, 2012. The remaining owners are requested to claim their shares by writing to the Company / RTA.

As per the requirements of Listing Agreement, after sending the third reminder to holders of unclaimed shares and if no response is received, the Company is required to transfer all such shares into one folio in the name of "Unclaimed Suspense Account" and dematerialize the same with one of the Depository Participants.

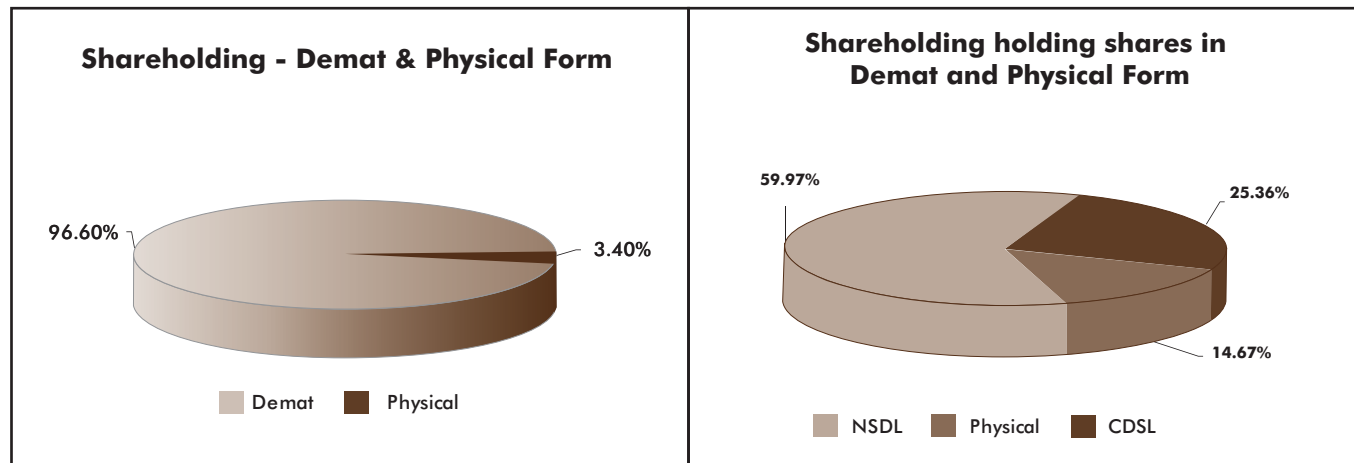
All corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall also be credited to such Unclaimed Suspense Account. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. As and when such owners approach the Company, their shares shall be transferred to them after proper verification.

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

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

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

Shares held in Dematerialised Form as on March 31, 2012

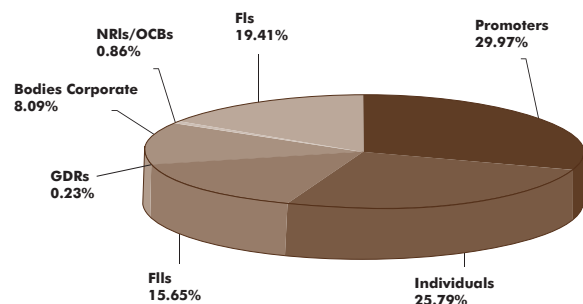


Shareholders holding shares in dematerialised form may note that :

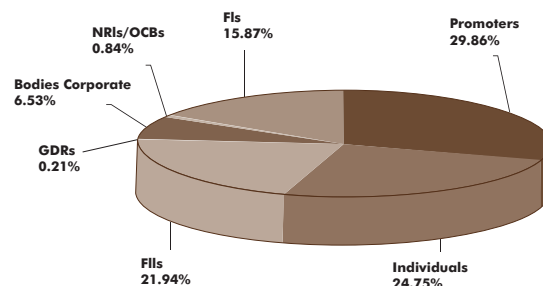
- Instructions regarding bank details which they wish to have incorporated on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories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

Shareholding Pattern

Shareholding Pattern as on March 31, 2011



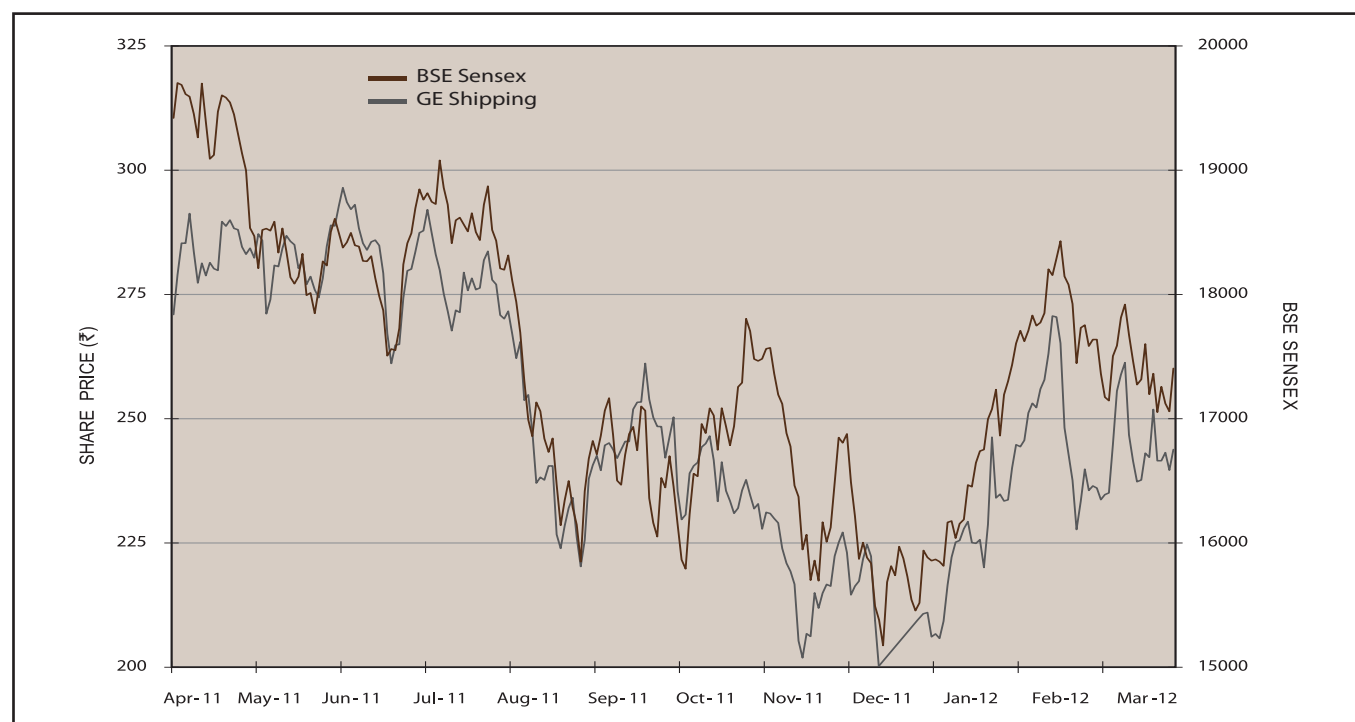
Shareholding Pattern as on March 31, 2012

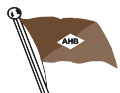


Distribution of Holdings as on March 31, 2012

NO. OF SHARES HELD		SHARE HOLDERS		NO. OF SHARES	
FROM	TO	NUMBER	% TO TOTAL	SHARES	% TO TOTAL
0	500	81294	87.012	9247323	6.072
501	1000	5816	6.225	4212840	2.766
1001	2000	3144	3.365	4456808	2.927
2001	3000	1041	1.114	2579044	1.694
3001	4000	560	0.599	1969756	1.293
4001	5000	320	0.343	1460415	0.959
5001	10000	653	0.699	4604512	3.024
10001 AND ABOVE		600	0.642	123758986	81.266
TOTAL		93428	100.00	152289684	100.00

Company's Share price compared to BSE SENSEX



**Market Price Data - High / Low during each month in the year 2011-12**

MONTH	MARKET PRICE (₹)		VOLUME
	HIGHEST	LOWEST	SHARES
APRIL 2011	295.50	262.25	1018436
MAY 2011	296.90	268.10	487943
JUNE 2011	305.25	259.00	443213
JULY 2011	294.50	266.00	497256
AUGUST 2011	274.95	214.50	797634
SEPTEMBER 2011	263.00	234.05	1207751
OCTOBER 2011	248.95	226.50	1499975
NOVEMBER 2011	236.50	200.35	304382
DECEMBER 2011	230.20	183.00	398247
JANUARY 2012	252.50	187.10	625564
FEBRUARY 2012	285.45	224.00	868575
MARCH 2012	264.65	230.15	316131

Source : BSE

10. STATUS OF COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

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

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

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

Shareholders' rights to receive financial results

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

Audit qualifications

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

Training of Board members

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

Mechanism for evaluating performance of Non-Executive Board members

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

Whistle Blower Policy

Over the past few years, the Company has instilled transparency and follows an open work culture. It also provides a two way

open communication system, which aims to provide ample scope for employees to exchange their views and raise concerns protecting their integrity. This has reflected in maintaining a safe and congenial working environment. The Company is confident and takes pride in its proactiveness, which has resulted in building an enterprise comparable to global companies.

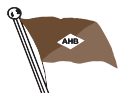
Nonetheless, the Company has established a Whistle Blower Policy with a view to provide a mechanism for employees to report to the management concerns about unethical behaviour, fraud, etc. The Policy also provides for adequate safeguards against victimization of employees who avail of the mechanism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

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

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

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

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



DECLARATION BY THE DEPUTY CHAIRMAN & MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE COMPANY'S CODE OF CONDUCT

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2012.

For The Great Eastern Shipping Co. Ltd.

Bharat K. Sheth

Deputy Chairman & Managing Director

Date : 03.05.2012

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Members,

The Great Eastern Shipping Co. Ltd.,

Ocean House, 134/A, Dr. Annie Besant Road,

Worli, Mumbai - 400 018

We have examined the compliance of conditions of Corporate Governance by The Great Eastern Shipping Company Ltd. (the Company) for the year ended on March 31, 2012, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit, nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For and on behalf of

KALYANIWALLA & MISTRY

CHARTERED ACCOUNTANTS

Firm Regn. No. : 104607W

Daraius Z. Fraser

PARTNER

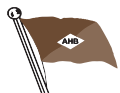
M. No. 42454

Mumbai : May 03, 2012

ASSET PROFILE



Jag Rani - Supramax Dry Bulk Carrier - Acquired in July, 2011

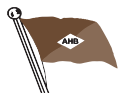


FLEET AS ON MARCH 31, 2012

CATEGORY	TYPE		VESSEL NAME	DWT (MT)	YR. BUILT	AV. AGE (YRS)
CRUDE OIL CARRIERS						
SUEZMAX						
Total Tonnage (dwt)	1,142,253	1	JAG LALIT	158,344	2005	
No. of Ships	9	2	JAG LOK	158,280	2005	
Average Age (yrs)	9.6	3	JAG LATEEF	147,080	2000	
% of Total Tonnage	43.7	4	JAG LAKSHITA	147,093	2000	
		4		610,797		9.41
AFRAMAX						
		1	JAG LYALL	110,531	2006	
		2	JAG LATA	105,716	2003	
		3	JAG LEELA	105,148	1999	
		4	JAG LAXMI	105,051	1999	
		5	JAG LAVANYA	105,010	2004	
		5		531,456		9.76
PRODUCT CARRIERS						
LONG RANGE ONE						
Total Tonnage (dwt)	715,726	1	JAG AABHA	74,841	2008	
No. of Ships	14	2	JAG AANCHAL	74,811	2008	
Average Age (yrs)	8.8	3	JAG AMISHA	74,500	2009	
% of Total Tonnage	27.4	4	JAG APARNA	74,859	2009	
		4		299,011		3.50
MEDIUM RANGE						
		1	JAG PAHEL	46,319	2004	
		2	JAG PANKHI	46,273	2003	
		3	JAG PRADIP	45,684	1996	
		4	JAG PADMA	47,172	1996	
		5	JAG PRAKASH	47,848	2007	
		6	JAG PUSHPA	47,848	2007	
		7	JAG PRERANA	47,824	2007	
		7		328,968		9.09
GENERAL PURPOSE						
		1	JAG PREETI	29,139	1981	
		2	JAG PRACHI	28,610	1991	
		3	JAG PARWAR	29,998	1988	
		3		87,747		25.35

FLEET AS ON MARCH 31, 2012

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YR. BUILT	AV. AGE (YRS)
GAS CARRIERS					
Total Tonnage (dwt)	17,577	LPG CARRIERS	1 JAG VIRAJ	17,577	1991
No.of Ships	1		1	17,577	21.00
Average Age (yrs)	21.0				
% of Total Tonnage	0.7				
DRY BULK CARRIERS					
	CAPE SIZE	1 JAG ARJUN	164,796	1996	
Total Tonnage (dwt)	740,371	1	164,796		16.00
No.of Ships	10				
Average Age (yrs)	7.9				
% of Total Tonnage	28.3				
	KAMSARMAX	1 JAG AARATI	80,325	2011	
		2 JAG ADITI	80,325	2011	
		3 JAG ARYA	80,480	2011	
		3	241,130		0.67
	PANAMAX	1 JAG ARNAV	71,122	1995	
		1	71,122		17.00
	SUPRAMAX	1 JAG RATAN	52,179	2001	
		2 JAG RAHUL	52,364	2003	
		3 JAG RISHI	56,719	2011	
		4 JAG RANI	56,719	2011	
		4	217,981		5.30
	HANDYMAX	1 JAG RAVI	45,342	1997	
		1	45,342		15.00
FLEET TOTAL					
Total Tonnage (dwt)	2,615,927				
No.of Ships	34				
Average Age (yrs)	8.9				



ACQUISITIONS AND SALES DURING FY 2011-12

Acquisitions

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF ACQUISITION
Dry Bulk Carriers					
	Kamsarmax	Jag Aditi	80,325	2011	Apr-11
	Supramax	Jag Rani	56,719	2011	Jul-11
	Kamsarmax	Jag Arya	80,480	2011	Sep-11
Crude Carriers					
	VLCC	Maneklal Ujamshi Sheth	318,000	2012	Jan-12
	VLCC	Ardeshir H. Bhiwandiwalla	318,000	2012	Feb-12

Sales

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF SALE
Crude Carriers					
	Suezmax	Jag Lakshya	152,485	1989	Jun-11
	VLCC	Maneklal Ujamshi Sheth	318,000	2012	Jan-12
	VLCC	Ardeshir H. Bhiwandiwalla	318,000	2012	Feb-12
Product Carriers					
	General Purpose	Jag Pari	29,139	1982	Oct-11
	Medium Range	Jag Pratap	45,693	1995	Dec-11

VESSELS ON ORDER AND CONTRACTED TO SELL AS ON MAY 3, 2012

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	EXPECTED DELIVERY
Crude Carrier					
	VLCC	Vasant J Sheth	318,000	2012	Q1 FY13

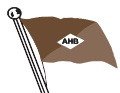
SUBSIDIARY FLEET AS ON MARCH 31, 2012

Greatship (India) Limited

CATEGORY	VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YEARS)
OFFSHORE SUPPORT VESSELS	Platform Supply Vessels			
	1 m.v. Greatship Dishu	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			
Average 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	VESSEL NAME	YEAR BUILT	AVG. AGE (YEARS)
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

Greatship (India) Limited

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

ORDER BOOK AS ON MAY 3, 2012

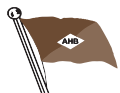
CATEGORY	TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
New Building Order Book Position				
Offshore Support Vessels in Greatship Global Offshore Services Pte. Ltd., Singapore				
	1. ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Oct-10	Q1 FY13
	2. ROV Support Vessel	Colombo Dockyard Plc, 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

THE YEAR AT A GLANCE

	March 31, 2012		March 31, 2011	
	₹ (in crores)	US\$ (in millions)	₹ (in crores)	US\$ (in millions)
(except for Earnings & Cash earnings per share)				
For the year				
Total Revenue	2016.23	424	1662.06	365
Operating Profit (PBITD)	781.26	164	829.2	182
Net Profit	143.34	30	266.46	59
Cash Profit	479.48	101	655.19	144
PBITD as a percentage of total revenue	38.75	38.75	49.97	49.97
Return on Equity (percentage)	2.70	2.70	4.90	4.90
Earnings per share (₹/US\$)	9.41	0.20	17.50	0.38
Cash earnings per share (₹/US\$)	31.48	0.66	43.02	0.94
Dividend amount	113.98	24	138.43	30
(Including tax on dividend)				
Capital Investment	1161.34	244	1077.91	237
At the end of the year				
Total assets	9927.51	1951	9608.28	2155
Fixed assets	4967.56	976	5318.17	1193
Total debt	3874.42	761	3615.82	811
Net worth	5130.51	1008	5504.06	1234
Equity Capital	152.29	30	152.29	34

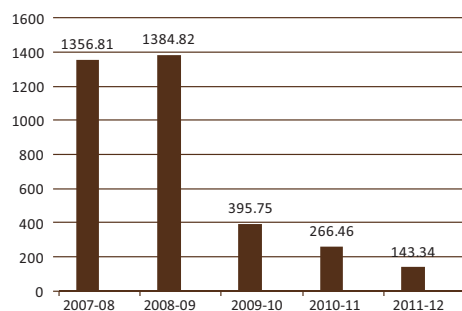
Figures in US\$ are arrived at by converting Rupee figures at the average conversion rate for all for the year items and at closing rate for all year end items, as given below, to facilitate comparison

₹ / US\$		
Exchange Rate	2011-12	2010-11
- Average	47.56	45.54
- Closing	50.88	44.59

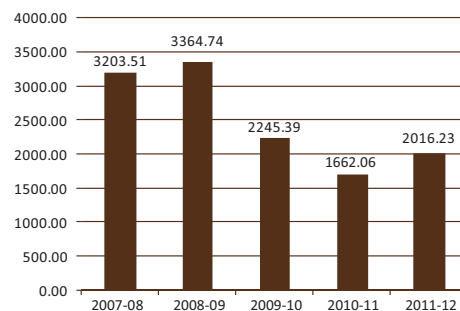


FINANCIAL HIGHLIGHTS

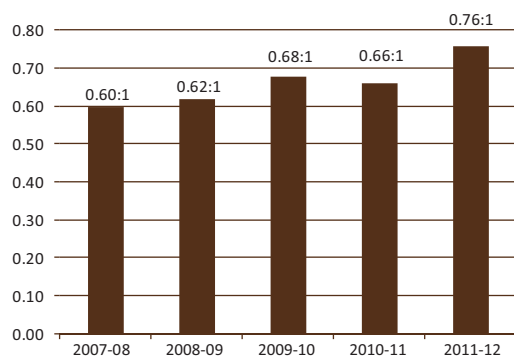
Net Profit ₹ in crores



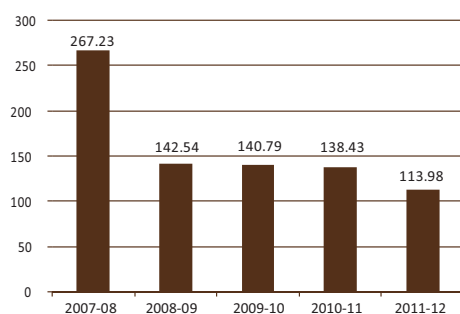
Revenues ₹ in crores



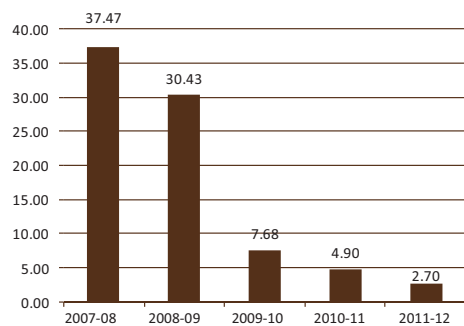
Debt Equity Ratio



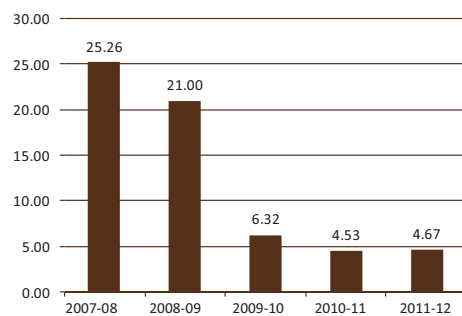
Dividend Payout ₹ in crores



Return on Network Percent



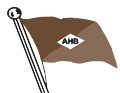
Return on Capital Employed Percent



10 YEARS AT A GLANCE

(₹ in crores)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12
PROFIT AND LOSS A/C										
Revenues	1007.15	1426.35	2119.23	2342.08	2251.10	3203.51	3364.74	2245.39	1662.06	2016.23
Operating profit (PBIDT)	452.73	740.00	1159.05	1343.07	1282.33	1893.16	1991.82	921.39	829.20	781.26
Net Profit	227.29	471.13	808.79	838.60	883.31	1356.81	1384.82	395.75	266.46	143.34
BALANCE SHEET										
What the Company owned										
Fixed Assets	1822.60	2551.95	3201.33	2865.05	3812.41	4832.59	5374.01	4825.58	5318.17	4967.56
Investments & net current assets	564.30	599.38	1061.48	1390.29	1453.27	1825.38	2620.76	4214.43	3801.71	4037.37
Deferred Taxation (Net)	-	-	4.06	-	-	-	-	-	-	-
TOTAL	2386.90	3151.33	4266.87	4255.34	5265.68	6657.97	7994.77	9040.01	9119.88	9004.93
What the Company owed										
Loans	1020.86	1459.00	2079.75	1869.15	2197.89	2484.58	3066.55	3668.89	3615.82	3874.42
Deferred Taxation (Net)	127.39	124.76	-	-	-	-	-	-	-	-
TOTAL	1148.25	1583.76	2079.75	1869.15	2197.89	2484.58	3066.55	3668.89	3615.82	3874.42
Shareholders' Funds										
Equity Share Capital	190.33	190.33	190.34	152.27	152.27	152.27	152.29	152.29	152.29	152.29
Preference Share Capital	75.00	75.00	-	-	-	-	-	-	-	-
Application Money - Equity Warrants	-	-	-	-	-	16.02	-	-	-	-
Reserves & surplus	984.25	1306.93	1998.70	2233.92	2915.52	4005.10	4775.93	5218.83	5351.77	4978.22
Misc. Expd. (to the extent not w/off)	(10.93)	(4.69)	(1.92)	-	-	-	-	-	-	-
TOTAL	1238.65	1567.57	2187.12	2386.19	3067.79	4173.39	4928.22	5371.12	5504.06	5130.51
Debt-Equity ratio	0.94 :1	1.03 :1	0.95 :1	0.78 :1	0.72 :1	0.60 :1	0.62 :1	0.68 :1	0.66 :1	0.76 :1
Return on Networth (%)	19.52	34.80	43.80	40.64	32.39	37.47	30.43	7.68	4.90	2.70
Earning per share (in ₹)	11.40	24.30	42.34	55.07	58.01	89.11	90.94	25.99	17.50	9.41
Dividend per share (in ₹)	4.00	6.50	9.00	11.22	11.50	15.00	8.00	8.00	8.00	6.50



REPORT OF THE AUDITORS TO THE MEMBERS OF THE GREAT EASTERN SHIPPING COMPANY LIMITED

1. We have audited the attached Balance Sheet of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** as at March 31, 2012, the Statement of Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, the 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, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - ii) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of the written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors 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
Firm Regn. No.: 104607W

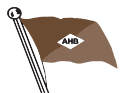
Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 03, 2012

ANNEXURE TO THE AUDITOR'S REPORT

As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we further report that :

1. Fixed Assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of account.
 - c) In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.
2. Inventory :
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. In view of the nature of the Company's business and scale of operations, quantities of fuel oil and diesel oil on board vessels are determined by physical count by the Master of the vessel.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records and the same have been properly dealt with in the books of account.
3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956 :
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ₹ 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of any of the activities of the Company.
9. Statutory Dues
 - a) According to the information and explanation given to us, except for the provident fund dues of floating staff, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Shore Staff Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that in respect of floating staff it is not possible to accurately ascertain the provident fund dues in view of the nature of Company's activities. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination, the balance, if any, is paid. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.
 - b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following:



Name of the Statute	Nature of Dues	Amount (₹ in crore)	Period to which the amount relates	Forum where dispute is pending
The Tamilnadu General Sales Tax Act, 1959	Lease Tax	5.48	1995-96	The High Court at Madras
		9.25	1996-97	
		2.67	1997-98	
The Bombay Sales Tax Act, 1959	Sales Tax	0.07	1995-96	The High Court at Bombay
		0.07	1996-97	
		0.09	1997-98	
The Central Sales Tax Act, 1956	Sales Tax	0.80	1998-99	The Sales Tax Appellate Tribunal
		0.87		
The Bombay Sales Tax Act, 1959		3.86		
		0.70		
The Bombay Sales Tax Act, 1959	Sales Tax	1.00	2001-02	The Commissioner of Sales Tax (Appeal)
The Maharashtra VAT Act, 2005	Sales Tax	_*	2009-10 2010-11	Sales Tax Officer
		_*		
The Maharashtra Land Revenue Code, 1966	Transfer charges for office premises under the scheme of demerger	1.24	2002-03	The High Court at Bombay
	Transfer Charges for office Premises	3.10	2003-04	The High Court at Bombay

*Amount less than ₹ one lakh.

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks or debenture holders. There are no dues to financial institutions.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiaries from banks are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has created security in respect of the secured redeemable non-convertible debentures issued.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

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

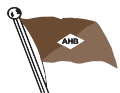
Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 03, 2012

DETAILED FINANCIAL STATEMENTS



Jag Arya - Kamsarmax Dry Bulk Carrier - Acquired in September, 2011



BALANCE SHEET AS AT MARCH 31, 2012.

				(₹ in crores)
Particulars	Note No.	Current Year	Previous Year	
EQUITIES AND LIABILITIES :				
I. Shareholders' Funds :				
(a) Share Capital	3	152.29	152.29	
(b) Reserves and Surplus	4	4978.22	5351.77	
		5130.51	5504.06	
II. Non-Current Liabilities :				
(a) Long-Term Borrowings	5	3504.74	3169.59	
(b) Other Long Term Liabilities	6	35.78	33.20	
(c) Long-Term Provisions	7	552.00	167.45	
		4092.52	3370.24	
III. Current Liabilities :				
(a) Trade Payables	8	104.94	92.33	
(b) Other Current Liabilities	9	481.85	524.00	
(c) Short-Term Provisions	7	117.69	117.65	
		704.48	733.98	
TOTAL		9927.51	9608.28	
ASSETS :				
I. Non-Current Assets :				
(a) Fixed Assets	10			
(i) Tangible Assets		4737.01	4258.66	
(ii) Capital Work-in-progress		230.55	1059.51	
		4967.56	5318.17	
(b) Non-Current Investments	11	1716.02	1617.74	
(c) Long-Term Loans and Advances	12	15.38	8.80	
(d) Other Non-Current Assets	14	13.01	16.51	
		6711.97	6961.22	
II. Current Assets :				
(a) Inventories	15	70.50	57.06	
(b) Trade Receivables	13	84.57	53.33	
(c) Cash and Bank Balances	16	2896.66	2487.53	
(d) Short-Term Loans and Advances	12	144.09	42.74	
(e) Other Current Assets	14	19.72	6.40	
		3215.54	2647.06	
TOTAL		9927.51	9608.28	
Summary of 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 the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi

Company Secretary

K. M. Sheth

Bharat K. Sheth

Keki Mistry

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai : May 3, 2012.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012.

(₹ in crores)

Particulars	Note No.	Current Year	Previous Year
Income :			
I. Revenue from Operations	17	1709.62	1381.84
II. Other Income	18	306.61	280.22
III. Total Revenue (I + II)		2016.23	1662.06
IV. Expenses :			
Employee Benefit Expenses	19	197.47	204.02
Other Expenses	20	1037.50	628.84
Total Expenses		1234.97	832.86
V. Earnings Before Finance Costs, Tax, Depreciation and Impairment Loss (III - IV)		781.26	829.20
VI. Depreciation		357.12	303.03
VII. Impairment / (Reversal of Impairment)		(20.98)	85.70
VIII. Finance Costs	21	279.78	145.26
IX. Profit Before Tax (V - VI - VII - VIII)		165.34	295.21
X Tax expenses :			
- Current Tax		22.00	28.00
- Tax for Prior Years		-	0.75
		22.00	28.75
XI. Profit for the Year (IX - X)		143.34	266.46
XII. Earnings per Equity Share :	23		
(Face value per share ₹ 10)			
- Basic		₹ 9.41	₹ 17.50
- Diluted		₹ 9.39	₹ 17.46
Summary of 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 the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi

Company Secretary

K. M. Sheth

Bharat K. Sheth

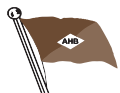
Keki Mistry

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai : May 3, 2012.

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

(₹ in crores)

	Current Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit Before Tax	165.34	295.21
Adjustments For :		
Depreciation	357.12	303.03
Impairment/(Reversal of Impairment)	(20.98)	85.70
Interest Earned	(52.52)	(37.16)
Interest and Finance Charges	188.12	145.26
Dividend Income	(105.10)	(63.83)
Profit on Sale of Ships and Other Assets	(77.24)	(0.15)
Bad Debts/Advances Written Off / (Written Back) (net)	1.30	(6.19)
Provision for Doubtful Debts and Advances Written Back (net)	(0.15)	(0.04)
Revaluation of Foreign Currency Balances	(120.46)	(14.62)
Operating Profit Before Working Capital Changes	335.43	707.21
Adjustments For :		
Trade and Other Receivables	(127.92)	59.81
Inventories	(13.44)	(14.19)
Incomplete Voyages (net)	-	(4.51)
Trade and Other Payables	20.71	(21.67)
Cash Generated from Operations	214.78	726.65
Tax Paid	(28.63)	(20.51)
Net Cash From Operating Activities	186.15	706.14
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(899.25)	(1058.83)
Sale Proceeds of Fixed Assets	1204.90	196.74
Placement of Deposits with maturity period of more than three months	(394.14)	-
Withdrawal of Deposits with maturity period of more than three months	-	681.30
Acquisition of Equity Shares in Subsidiaries	(98.28)	(318.28)
Acquisition of Preference Shares in Subsidiaries	-	(181.87)
Interest Received	39.20	44.38
Dividend Received	105.10	63.83
Net Cash From/(Used in) Investing Activities	(42.47)	(572.73)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012. (CONTD.)

(₹ in crores)

	Current Year	Previous Year
C. Cash Flow From Financing Activities		
Unpaid Dividend	0.15	(0.38)
Margin Money Deposit placed	(27.64)	(3.42)
Proceeds from Long Term Borrowings	452.57	410.62
Repayments of Long Term Borrowings	(485.61)	(458.01)
Dividend Paid	(114.37)	(174.75)
Dividend Distribution Tax Paid	(15.16)	(27.81)
Interest and Finance Charges Paid	(91.75)	(169.16)
Net Cash From / (Used in) Financing Activities	(281.81)	(422.91)
Net increase / (decrease) in Cash and Cash Equivalents	(138.13)	(289.50)
Cash and Cash Equivalents as at April 1, 2011 (refer note)	2352.44	2641.94
Cash and Cash Equivalents as at March 31, 2012 (refer note)	2214.31	2352.44
Note :		
Cash and Cash Equivalents	As at	As at
	March 31, 2012	March 31, 2011
Cash and Cash Equivalents (note 16)	2231.14	2243.64
Effect of Exchange Rate Changes [(Gain)/Loss]	(16.83)	108.80
Cash and Cash Equivalents as restated	2214.31	2352.44

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi

Company Secretary

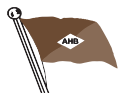
K. M. Sheth**Bharat K. Sheth****Keki Mistry**

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai : May 3, 2012.



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

Note 1 : Corporate Information

The Great Eastern Shipping Company Ltd. (the Company) is a public limited company registered in India under the provision of the Companies Act, 1913. Its shares are listed at Bombay Stock Exchange and National Stock Exchange in India and at the Luxembourg Stock Exchange. The Company is a major player in the Indian Shipping industry.

Note 2 : Significant Accounting Policies

(a) Basis of Preparation :

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards notified under the Companies (Accounting standards) Rules, 2006 (as amended) and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

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

(c) Tangible Fixed Assets :

Tangible Fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenses related to acquisition and borrowing costs during construction period. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of assets, to the extent not considered as an adjustment to the borrowing cost, are adjusted to the carrying cost of the assets. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on maintaining fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss account for the period during which such expenses are incurred.

(d) Investments :

- (i) Investments are classified into cash equivalents, long term and current investments.
- (ii) Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature.
- (iii) Investments which are classified as cash equivalents and current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

(e) Inventories :

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

(f) Incomplete Voyages :

Incomplete voyages represent freight received and direct operating expenses in respect of voyages which were not complete as at the Balance Sheet date. The freight received for incomplete voyages is shown under 'Income Received in Advance' and the direct operating expenses incurred for incomplete voyages are shown under 'Other Advances'.

(g) Borrowing Costs :

Borrowing costs include interest, ancillary cost incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition / construction of the qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition / completion of construction. All other borrowing costs are expensed in the period they occur.

(h) Revenue Recognition :

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

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

Dividends : Dividend income is recognised when the company's right to receive dividend is established by the balance sheet date.

(i) Operating Expenses :

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

(i) Employee Benefits :

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Other Long Term Benefits

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

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

(k) Depreciation on Tangible Fixed Assets :

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

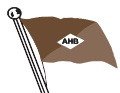
		Estimated Useful Life/ Depreciation Rate
Fleet		
-Single Hull Tankers	Straight line over balance useful life or 5%, whichever is higher	20 to 23 years
-Double Hull Tankers		20 to 25 years
-Dry Bulk Carriers		23 to 30 years
-Gas Carriers		27 to 30 years
Leasehold Land	Straight line	Lease period
Ownership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

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

(l) Asset Impairment :

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

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



(m) Foreign Exchange Transactions :

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets, to the extent not considered as an adjustment to the borrowing costs, are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/liability, but not beyond March 31, 2020 by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the statement of Profit and Loss.
- (ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the statement of Profit and Loss, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Currency swaps which form an integral part of the loans are translated at closing rates and the resultant gains and losses are dealt with in the same manner as the translation differences of long term monetary assets and liabilities.

(n) Derivative Financial Instruments and Hedging :

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

Cash Flow Hedge :

Commodity future contracts, forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, interest rate swaps and currency swaps which do not form an integral part of the loans, 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 as issued by the Institute of Chartered Accountant of India. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve Account and is recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition. Gains or losses on the ineffective transactions are immediately recognised in the 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 transferred to the Statement of Profit and Loss immediately.

(o) Provision for Taxation :

Tax expense comprises both current and deferred tax.

- (i) Provision for current income-tax is made on the basis of the assessable income under the Income-tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.
- (ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date.

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.

(p) Provisions and Contingent Liabilities :

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

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

Note 3 : Share Capital

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
Authorised :				
Equity Shares of ₹ 10 each	30,00,00,000	300.00	30,00,00,000	300.00
Preference Shares of ₹ 10 each	20,00,00,000	200.00	20,00,00,000	200.00
	50,00,00,000	500.00	50,00,00,000	500.00
Issued :				
Equity Shares of ₹ 10 each	15,27,08,445	152.71	15,27,08,445	152.71
	15,27,08,445	152.71	15,27,08,445	152.71
Subscribed and Fully Paid :				
Equity Shares of ₹ 10 each	15,22,89,684	152.29	15,22,89,684	152.29
Less : Calls in Arrears (Amount : ₹ 'NIL', Previous Year amount : ₹ 31,491)	-	-	-	-
Add : Forefeited shares (Amount : ₹ 30,358, Previous Year amount : ₹ 30,358)	2,518	-	2,518	-
	15,22,92,202	152.29	15,22,92,202	152.29

(a) Terms/Rights attached to Equity Shares :

The Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Interim dividend is paid as recommended by the Board of directors.

During the year ended March 31, 2012, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 6.50 (Previous Year ₹ 8.00 per share).

In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

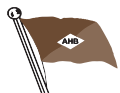
(b) Details of Shareholders holding more than 5% equity shares in the Company :

	As on 31/03/2012		As on 31/03/2011	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid				
Mr. Bharat Kanaiyalal Sheth	1,59,35,607	10.46%	1,59,35,607	10.46%
Mr. Ravi Kanaiyalal Sheth	1,44,62,025	9.50%	1,44,62,025	9.50%
Nalanda India Equity Fund Limited	93,73,288	6.15%	-	-

(c) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

- (i) No shares were allotted pursuant to contracts without payment being received in cash.
- (ii) No bonus shares have been issued.
- (iii) No shares have been bought back.

(d) There are no securities convertible into equity/preference shares.**(e) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,85,922 (Previous Year 2,85,922) rights equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956 till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 (Previous Year 40,608) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.**

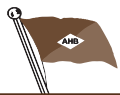


Note 4 : Reserves and Surplus

		(₹ in crores)	
		Current Year	Previous Year
(a) Capital Reserve :			
Balance as per last Financial Statement		15.98	15.98
(b) Capital Redemption Reserve :			
Balance as per last Financial Statement		238.54	238.54
(c) Securities Premium Account :			
Balance as per last Financial Statement		126.31	126.31
(d) Debenture Redemption Reserve :			
Balance as per last Financial Statement	57.50		57.50
Add : Amount Transferred from Surplus	20.00		-
		77.50	57.50
(e) Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961 :			
Balance as per last Financial Statement	980.00		940.00
Add : Amount Transferred from Surplus	20.00		40.00
	1000.00		980.00
Less : Amount Transferred to General Reserve	445.00		-
		555.00	980.00
(f) Hedging Reserve Account : (note 29)			
Balance as per last Financial Statement	(172.28)		(177.19)
Add : Decrease/(Increase) during the year (net)	(402.91)		4.91
		(575.19)	(172.28)
(g) General Reserve :			
Balance as per last Financial Statement	1157.96		1130.96
Add : Amount Transferred from Surplus	14.50		27.00
Add : Transfer from Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961	445.00		-
		1617.46	1157.96
(h) Surplus :			
Balance as per last Financial Statement	2947.76		2886.73
Add : Profit for the Year	143.34		266.46
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961	20.00		40.00
Profit available for appropriation	3071.10		3113.19
Less : Appropriations :			
Transfer to General Reserve	14.50		27.00
Transfer to Debenture Redemption Reserve	20.00		-
Interim Dividend on Equity Shares	45.69		53.30
Proposed Dividend on Equity Shares	53.30		68.53
Dividend Distribution Tax	14.99		16.60
	148.48		165.43
		2922.62	2947.76
		4978.22	5351.77

Note 5 : Long-Term Borrowings**(₹ in crores)**

	Non-current portion		Current maturities	
	Current Year	Previous Year	Current Year	Previous Year
(a) Bonds/Debentures :				
Secured :				
9.80% 2500 Redeemable Non-Convertible debentures of ₹ 10,00,000 each redeemable on July 03, 2019 [note (i) and (v) below]	250.00	250.00	-	-
Unsecured :				
Redeemable Non-Convertible Debentures of ₹ 10,00,000 each -				
(i) 9.70 % 1000 Debentures redeemable on January 18, 2023	100.00	100.00	-	-
(ii) 9.70 % 1000 Debentures redeemable on January 07, 2023	100.00	100.00	-	-
(iii) 9.70 % 500 Debentures redeemable on April 25, 2021	50.00	-	-	-
(iv) 9.70 % 1500 Debentures redeemable on April 15, 2021	150.00	-	-	-
(v) 9.70 % 1000 Debentures redeemable on February 02, 2021	100.00	100.00	-	-
(vi) 9.60 % 2000 Debentures redeemable on November 10, 2019	200.00	200.00	-	-
(vii) 9.75 % 2500 Debentures redeemable on August 20, 2019	250.00	250.00	-	-
(viii) 9.35 % 1000 Debentures redeemable on February 08, 2019	100.00	100.00	-	-
(ix) 9.40 % 1000 Debentures redeemable on January 06, 2019	100.00	100.00	-	-
(x) 9.19 % 1000 Debentures redeemable on December 24, 2018	100.00	100.00	-	-
(xi) 9.35 % 1000 Debentures redeemable on February 08, 2018	100.00	100.00	-	-
(xii) 9.40 % 1000 Debentures redeemable on January 06, 2018 [note (ii) and (v) below]	100.00	100.00	-	-
(b) Term Loans from Banks : [notes (iii) to (v) below]				
Secured :				
Foreign Currency Loans from Banks	2003.84	1873.06	412.71	482.38
Swap Adjustments (unsecured)	(199.10)	(203.47)	(43.03)	(36.15)
	1804.74	1669.59	369.68	446.23
Total (a + b)	3504.74	3169.59	369.68	446.23
Amount disclosed under the head "other current liabilities" (note 9(a))	-	-	369.68	446.23
	3504.74	3169.59	-	-



Notes :

- (i) 9.80% 2500 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000 each, redeemable on July 03, 2019, are secured by exclusive charge on specified ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the Company.
- (ii) The Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the Unsecured Debentures.
- (iii) Foreign currency loans availed from banks carry interest rates of LIBOR plus 62 to 179 bps for USD loans and LIBOR plus 62 to 75 bps for JPY loans. Some loans are on fixed rates basis. The principal payments are due half yearly. These loans are secured by mortgage of specified ships and a financial covenant to maintain unencumbered assets. Previous year loans include a syndicated loan of USD 16 million from a consortium of banks against security by way of assignment of bank deposit of USD 2.50 million and a financial covenant inter-alia to maintain unencumbered assets of value not less than 1.25 times the said borrowing. The said loan was repaid during the current year and consequently the assignment of bank deposit of USD 2.50 million has been cancelled.
- (iv) The Company has swapped the loans taken in JPY currency into USD currency as a condition precedent to the loan agreements. Consequent thereto, the swap balances outstanding at the year end are shown as an adjustment to the borrowings.
- (v) The repayments are as under :

	(₹ in crores)	
	Current Year	Previous Year
Period of repayment		
- between one to three years	866.46	655.91
- between three to five years	538.44	658.13
- over five years	2099.84	1855.55
	3504.74	3169.59

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

Note 6 : Other Long-Term Liabilities

	(₹ in crores)	
	Current Year	Previous Year
(a) Trade Payables (see notes below)		
(i) Outstanding Dues to Micro, Small and Medium Enterprises	-	-
(ii) Other Trade payables	7.61	4.72
(b) Other Liabilities	28.17	28.48
	35.78	33.20

Notes :

- (i) According to the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006", no amount is overdue as on the reporting date, to Micro, Medium and Small Enterprises on account of principal or interest.
- (ii) Trade payables are subject to confirmation, reconciliation and adjustments, if any.

Note 7 : Provisions

	(₹ in crores)			
	Long-term Provisions		Short-term Provisions	
	Current Year	Previous Year	Current Year	Previous Year
(i) Provision for Employee Benefits	18.43	22.41	6.79	6.67
(ii) Vessel Performance/Offhire Claims	10.18	7.45	-	-
(iii) Provision for Mark to Market Losses on Derivative Contracts considered as Cash Flow Hedges	523.39	137.59	50.02	34.70
(iv) Proposed Equity Dividend	-	-	53.30	68.53
(v) Provision for Dividend Distribution Tax	-	-	7.58	7.75
	552.00	167.45	117.69	117.65

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

	(₹ in crores)	
	Current Year	Previous Year
Vessel performance/offhire claims -		
Provision have been recognised for the estimated liability for under-performance of certain vessels and offhire claims under dispute		
Opening balance	7.45	9.26
Additions during the year	4.52	3.56
Reversed/paid during the year	(1.79)	(5.37)
Closing balance	10.18	7.45

Note 8 : Trade Payables

	(₹ in crores)	
	Current Year	Previous Year
(a) Dues to Micro, Small and Medium enterprises	-	-
(b) Due to Subsidiary Companies	1.25	0.18
(c) Others	103.69	92.15
	104.94	92.33

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

Trade payables are subject to confirmation, reconciliation and adjustments, if any.

Note 9 : Other Current Liabilities

	(₹ in crores)	
	Current Year	Previous Year
(a) Current Maturities of Long Term Borrowings (note 5)	369.68	446.23
(b) Income Received in Advance	25.72	18.17
(c) Liabilities towards Investor Education and Protection Fund, not due		
- Unpaid dividend	7.69	7.84
(d) Other Liabilities	28.27	20.26
(e) Interest Accrued but not due on Borrowings	50.49	31.50
	481.85	524.00



(₹ in crores)

Notes :

- a) The ownership flats & buildings include ₹ 11,760 (Previous Year ₹ 11,760) being value of shares held in various co-operative societies.
- b) The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- c) In accordance with the Accounting Standard (AS-28), the Company had recognised an impairment loss of ₹ 85.70 crores in Ships under construction account during the previous year in respect of three very large crude carriers which were under construction and contracted to be sold in Financial Years 2011-12 and 2012-13. These advances were impaired on account of the agreed sale price being lower than the contracted purchase price. In the absence of uncertainty on the cash flows of the said sale and purchase transaction for one of the ships, the impairment in the value of the said ship under construction accounted in the previous year was reversed to the extent of ₹ 20.98 crores during the year. Impairment loss amounting to ₹ 37.15 crores related to two ships were initially transferred from Ships under construction account to Fleet Account on delivery from the shipyard and removed from the book value of the fleet on sale. The balance Impairment loss amounting to ₹ 27.57 crores relating to third ship to be delivered in Financial Year 2012-13 is carried forward under Ships under construction account.

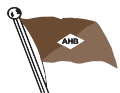
Note 11 : Non-current Investments

	Face Value ₹	Current Year		Previous Year	
		No. of shares	₹ in crores	No. of shares	₹ in crores
Trade Investments (valued at cost fully paid unless stated otherwise)					
Equity Shares : Unquoted					
Subsidiaries :					
- The Great Eastern Shipping Co. London Ltd. of Stg. Pound 10 each		16,000	0.26	16,000	0.26
- The Greatship (Singapore) Pte Ltd. of S\$ 1 each		500,000	1.14	500,000	1.14
- The Great Eastern Chartering L.L.C.(FZC) of AED 100 EACH		1,500	0.19	1,500	0.19
- Greatship (India) Ltd.	10	10,92,42,000	1268.56	10,37,82,000	1170.28
			1270.15		1171.87
Preference Shares : Unquoted					
Subsidiaries :					
- Greatship (India) Ltd.					
7.50% Cumulative Reddemable Preference Shares	10	8,80,00,000	264.00	8,80,00,000	264.00
22.50% Cumulative Redeemable Preference Shares	10	6,06,24,000	181.87	6,06,24,000	181.87
			445.87		445.87
			1716.02		1617.74
Aggregate amount of quoted investments			-		-
Aggregate amount of unquoted investments			1716.02		1617.74

Note 12 : Loans and Advances**(Unsecured - Considered Good, unless otherwise stated)****(₹ in crores)**

	Long-term Loans and Advances		Short-term Loans and Advances	
	Current Year	Previous Year	Current Year	Previous Year
(a) Security Deposits	1.26	1.18	4.48	5.19
(b) Loans and Advances to Related Parties (see note below)	-	-	1.84	-
(c) Advance Payment of Income-tax and Tax Deducted at Source (net of provision for tax)	9.99	3.36	-	-
(d) Inter-Corporate Deposits	-	-	90.00	-
(e) Other Advances	4.13	4.26	47.77	37.55
(Net of provision for doubtful long-term advances ₹ 0.44 crores, Previous Year ₹ 0.44 crores)				
	15.38	8.80	144.09	42.74

Note : Loans and Advances to Related Parties include amount receivable from Greatship (India) Limited.



Note 13 : Trade Receivables
(Unsecured)

(₹ in crores)

	Current Year	Previous Year
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	6.49	2.67
- Considered Doubtful	3.24	4.37
Others		
- Considered Good	78.08	50.66
- Considered Doubtful	1.04	0.08
	88.85	57.78
Less : Provision for Doubtful Receivables	4.28	4.45
	84.57	53.33

Trade receivables are subject to confirmation, reconciliation and adjustments, if any.

Note 14 : Other Assets

(Unsecured - considered good, unless otherwise stated)

(₹ in crores)

	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
(a) Non-current Bank Balances (note 16)	13.01	16.51		
(b) Others				
Interest Accrued on Fixed Deposits			19.72	6.40
	13.01	16.51	19.72	6.40

Note 15 : Inventories

(Valued at lower of cost and net realisable value)

(₹ in crores)

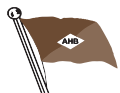
	Current Year	Previous Year
Fuel Oils	70.50	57.06
	70.50	57.06

Note 16 : Cash and Bank Balances**(₹ in crores)**

	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
Cash and Cash Equivalents :				
Balances with Banks :				
- On Current Accounts	-	-	492.03	61.02
- Deposits Original Maturity of less than three months	-	-	491.31	498.03
Units in Liquid Mutual Funds	-	-	1247.79	1684.57
Cash on Hand	-	-	0.01	0.02
	-	-	2231.14	2243.64
Other Bank Balances :				
Deposits having original maturity for more than 3 months but less than 12 months	-	-	617.73	223.59
Balances with Banks on Unpaid Dividend Account	-	-	7.69	7.84
Margin Money Deposits	13.01	16.51	40.10	12.46
	13.01	16.51	665.52	243.89
	13.01	16.51	2896.66	2487.53
Amount disclosed under non-current assets [note 14 (a)]	13.01	16.51	-	-
	-	-	2896.66	2487.53
Margin Money given as security :				
Margin Money Deposits include -				
(i) deposits placed with banks under a lien against facilities given by the banks.	13.01	16.51	40.10	-
(ii) deposit which is under lien as security against a syndicated loan	-	-	-	12.46

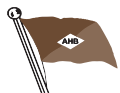
Details of Units in Liquid Mutual Funds (At lower of cost and fair value - fully paid) :

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Axis Fixed Term Plan Series 20 Fund - Dividend Payout	10	2,50,00,000	25.00	-	-
Baroda Pioneer FMP Series 1- Dividend Plan	10	-	-	1,00,00,000	10.00
Benchmark Gold Bees ETF	1000	-	-	91,710	17.34
Birla Sun Life Floating Rate Long Term Institutional Plan Daily Dividend	10	20,70,613	20.71	-	-
Birla Sunlife Dynamic Bond Fund - Retail Plan - Monthly Dividend	10	6,06,14,136	63.70	-	-
Birla Sun Life Fixed Term Plan Series Co Dividend-Payout	10	-	-	2,50,03,399	25.00
Birla Sunlife Floating Rate Fund - Short Term Plan - Institutional Plus - Daily Dividend	10	-	-	1,10,07,533	11.01
Birla Sun Life Gilt Plus - Regular - Quarterly Dividend - Reinvestment	10	2,04,82,648	25.01	-	-



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Birla Sunlife Income Fund - Quarterly Dividend - Reinvestment	10	-	-	3,31,88,790	37.18
Birla Sunlife Short Term Fund - Monthly Dividend - Reinvestment	10	4,89,02,406	56.06	-	-
Birla Sun Life Short Term Fund Growth	10	27,31,451	10.49	-	-
Birla Sunlife Income Plus - Quarterly Dividend - Reinvestment	10	4,41,14,892	53.67	16,94,901	2.00
Birla Sun Life Short Term FMP Series 7 Growth	10	-	-	2,50,00,000	25.00
Birla Sunlife Short Term Fmp Series 31 Dividend Payout	10	3,00,00,000	30.00	-	-
BSL Short Term Opportunities Fund - Institutional Growth	10	-	-	5,44,45,141	60.61
Canara Robeco Indigo Quaterly Dividend Fund	10	-	-	1,53,02,809	15.31
Canara Robeco Indigo Institutional Dividend Fund	10	1,57,33,614	15.79	-	-
DSP Black Rock FMP S32	10	1,10,00,000	11.00	-	-
DSP Black Rock FMP S33	10	1,50,00,000	15.00	-	-
DSP Black Rock FMP S36	10	1,00,00,000	10.00	-	-
DSP Black Rock Fixed Maturity Plan - Dividend Reinvestment	10	-	-	4,75,00,000	47.50
DSP Black Rock FMP-Series 12 - Dividend Payout	10	-	-	2,25,12,336	22.51
DWS Fixed Term Fund - Series 77 - Dividend Plan-Payout	10	-	-	2,50,00,000	25.00
DWS Fixed Term Fund Series 79 - Growth Plan	10	-	-	2,00,00,000	20.00
DWS Fixed Matuirty Plan Series 5 Dividend Plan-Payout	10	70,00,000	7.00	-	-
DWS Money Plus Fund - Institutionalplan Monthly Dividend Plan	10	-	-	5,09,39,672	51.34
Fidelity Fixed Maturity Plan Series 4 - Plan E - Dividend	10	-	-	3,40,00,000	34.00
Gold Bees	1000	1,92,532	44.93	-	-
ICICI Prudential Banking & PSU Debt Fund Premium Plus Daily Dividend	10	-	-	90,72,474	9.14
ICICI Prudential Banking And PSU Debt Fund Premium Plus Growth	10	-	-	14,06,75,261	149.39
ICICI Prudential Fixed Maturity Plan Series 53	10	-	-	5,20,00,000	52.00
ICICI Prudential Interval Fund Half Yearly Interval Plan-I Institutional Dividend	10	-	-	2,72,29,752	27.23
ICICI Prudential Interval Fund II Quaterly Interval Plan D Institutional Dividend	10	-	-	1,55,00,000	15.50
ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Cumulative	10	-	-	4,80,67,217	50.00
IDBI FMP Dividend Payout	10	-	-	90,89,983	9.09
IDBI Ultra Short Term Fund - Growth	10	-	-	1,46,41,146	15.00
IDFC - SSIF - Short Term - Plan A - Growth	10	4,19,35,030	51.70	-	-
IDFC Dynamic Bond Fund Plan B Growth	10	44,61,060	5.55	-	-
IDFC Dynamic Bond Fund - Plan B - Dividend	10	5,07,49,977	54.14	-	-
IDFC Money Manager Fund Investment Plan Inst. Plan B Daily Div	10	5,92,46,604	59.95	-	-

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
IDFC Money Manager Fund Investment Plan Institutional Plan B - Monthly Dividend Fund	10	-	-	2,31,96,232	23.35
IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvestment	1000	-	-	5,52,806	55.29
JP Morgan India Fixed Maturity Plan Institutional Growth Plan	10	-	-	3,00,00,000	30.00
JPM Fixed Maturity Plan Series 7 Dividend Plan Payout	10	4,10,08,116	41.01	-	-
JPM Fixed Maturity Plan Series 6 Growth Plan	10	88,17,000	8.82	-	-
Kotak Bond Short Term - Monthly Dividend	10	-	-	5,12,26,451	51.50
Kotak Credit Opportunities Fund - Growth	10	-	-	1,69,98,599	17.11
Kotak Credit Opportunities Fund - Weekly Dividend	10	-	-	4,14,37,183	41.44
Kotak Fixed Maturity Plan Series 10 - Dividend	10	-	-	2,50,00,000	25.00
Kotak Fixed Maturity Plan Series 11 - Dividend	10	-	-	2,50,00,000	25.00
Kotak Fmp Series 72 - Dividend	10	1,00,00,000	10.00	-	-
Kotak Fmp Series 66 - Growth	10	2,00,00,000	20.00	-	-
Kotak Quarterly Interval Plan Series 1 - Growth	10	96,38,490	13.62	-	-
Kotak Quarterly Interval Plan Series 5 - Growth	10	-	-	2,52,03,384	30.84
L&T FMP-V Dividend	10	3,50,00,000	35.00	-	-
Pramerica Short Term Floating Rate Fund Daily Dividend	1000	49,995	5.00	-	-
Pramerica Treasury Advantage Fund - Monthly Dividend Option - Reinvestment	1000	2,11,236	21.14	-	-
Pramerica Dynamic Bond Fund - Monthly Dividend	10	1,81,675	18.19	-	-
Reliance Fixed Horizon Fund XVI Series 4 - Dividend Plan	10	-	-	2,50,00,000	25.00
Reliance Fixed Horizon Fund XVI Series 5 - Dividend Plan	10	-	-	5,00,00,000	50.00
Reliance Fixed Horizon Fund XVII Series 1 - Dividend Plan	10	-	-	6,00,00,000	60.00
Reliance Fixed Horizon XVIII Series 1 Growth	10	-	-	1,50,00,000	15.00
Reliance Monthly Interval Fund Series 1 Institutional Dividend Plan	10	39,96,842	4.00	-	-
Reliance Fixed Horizon Fund - XXI Series 8 Dividend Plan	10	40,00,000	4.00	-	-
Reliance Fixed Horizon Fund - XIX Series 4 Dividend Plan	10	2,15,00,000	21.50	-	-
Reliance Monthly Interval Fund Series 1 Institutional Growth Plan	10	13,80,148	2.00	-	-
Religare Fixed Maturity Plan Series IV Plan B Dividend	10	-	-	3,00,03,680	30.00
Religare FMP Series V Plan C Growth- Growth Plan	10	-	-	2,50,00,000	25.00
Religare Fixed Maturity Series VIII Plan A Dividend Plan	10	2,50,00,000	25.00	-	-
Religare Fmp Series XI Plan E - Growth Plan	10	1,05,10,000	10.51	-	-
SBI Debt Fund Series - 13 - Dividend	10	-	-	5,20,00,000	52.00
SBI Debt Fund Series - 14 - Dividend	10	-	-	4,00,00,000	40.00
SBI Debt Fund Series -12 -Dividend	10	-	-	2,50,00,000	25.00



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
SBI Debt Fund Series- 40- Growth	10	-	-	2,16,20,000	21.62
SBI Debt Fund Series 59 Dividend	10	50,00,000	5.00	-	-
SBI Magnum Income Fund Savings Plus Bond Plan Daily Dividend	10	2,19,38,400	22.07	-	-
SBI Gold Fund Dividend	10	1,00,00,000	10.00	-	-
Tata Fixed Income Portfolio Fund Scheme C2 Regular Monthly	10	-	-	3,96,52,250	40.00
Tata Fixed Maturity Plan Series 28 Scheme C - Dividend	10	-	-	1,00,00,000	10.00
Tata Fixed Maturity Plan Series 28 Scheme A - Growth	10	-	-	5,00,10,667	50.01
Tata Treasury Manager SHIP Growth	1000	-	-	5,98,037	66.50
Tata Liquid Super High Investment Fund Daily Dividend	1000	62,837	7.00	-	-
Tata Gilt Securities Fund - Dividend	10	1,31,80,145	15.55	-	-
Tata Fixed Income Portfolio Fund Scheme C3 Growth	10	1,70,10,270	23.23	-	-
Tata Fixed Income Portfolio Fund Scheme A2 Growth	10	1,09,45,214	10.95	-	-
Tata Liquid Super High Investment Fund Growth	10	51,830	10.26	-	-
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan IV Institutional Dividend Plan	10	-	-	2,53,42,421	25.34
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan VII Institutional Growth Plan	10	-	-	3,71,99,865	38.50
UTI Fixed Income Interval Fund - Half Yearly Interval Plan Series - I - Institutional Dividend Plan	10	-	-	1,99,94,801	20.00
UTI Short Term Income Fund - Institutional Income Option - Reinvestment	10	-	-	1,87,77,038	19.14
UTI Fixed Income Interval Fund Quarterly Plan Series-III- Institutional Dividend Plan - Reinvestment	10	1,51,09,291	15.11	-	-
UTI Fixed Income Interval Fund Series II Quarterly Interval Plan VI -Institutional Dividend Plan Payout	10	99,97,401	10.00	-	-
UTI Fixed Term Income Fund Series XI - IV Dividend Plan Reinvestment	10	2,51,02,307	25.10	-	-
UTI Dynamic Bond Fund - Dividend Plan - Re-investment	10	7,30,51,091	74.69	-	-
UTI Dynamic Bond Fund - Growth Plan	10	14,38,47,546	165.61	-	-
UTI Short Term Income Fund - Institutional Income Option - Growth Plan	10	4,29,12,238	53.73	3,76,29,590	40.78
			1247.79		1684.57

Note 17 : Revenue from Operations

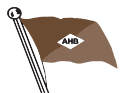
	(₹ in crores)	
	Current Year	Previous Year
(a) Revenue from -		
- Freight and Demurrage	1147.24	714.24
- Charter Hire	541.14	648.85
	1688.38	1363.09
(b) Other Operating Revenue	21.24	18.75
	1709.62	1381.84

Note 18 : Other Income

	(₹ in crores)	
	Current Year	Previous Year
(a) Profit on Sale of Ships/Other Assets (net)	77.24	105.69
(b) Gain on Foreign Currency Transactions (net)	-	10.66
(c) Dividend -		
- from Subsidiary Companies	45.24	6.60
- from Units in Mutual Funds	59.86	57.23
	105.10	63.83
(d) Interest Income -		
- on Fixed Deposits and Inter-corporate Deposits	51.95	34.53
- on Others	0.57	2.63
	52.52	37.16
(e) Profit on Sale of Units in Mutual Funds (net)	68.40	43.90
(f) Provision for Doubtful Debts and Advances Written Back	2.27	9.95
(g) Miscellaneous Income	1.08	9.03
	306.61	280.22

Note 19 : Employee Benefit Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Salaries, Wages and Bonus	174.18	185.10
(b) Contribution to Provident and Other funds	9.59	7.06
(c) Staff Welfare Expenses	13.70	11.86
	197.47	204.02



Note 20 : Other Expenses

		(₹ in crores)	
		Current Year	Previous Year
(a)	Fuel Oil and Water	379.78	256.16
(b)	Port, Light and Canal Dues	78.79	81.32
(c)	Stevedoring, Despatch and Cargo Expenses	5.82	2.56
(d)	Hire of Chartered Ships	263.76	15.76
(e)	Brokerage and Commission	15.05	12.93
(f)	Agency Fees	5.00	4.71
(g)	Consumption of Spares and Stores	106.09	99.01
(h)	Repairs and Maintenance -		
	- Fleet	84.00	65.32
	- Building	1.02	0.67
	- Others	6.56	5.38
		91.58	71.37
(i)	Insurance -		
	- Fleet Insurance and Protection Club Fees	25.19	28.84
	- Others	0.78	0.80
		25.97	29.64
(j)	Provision for diminution in the value of units in mutual funds	2.20	-
(k)	Rent	0.46	0.45
(l)	Rates and Taxes	0.30	0.18
(m)	Loss on Foreign Currency Transactions (net)	7.02	-
(n)	Bad Debts and Advances Written off	1.30	0.93
(o)	Provision for Doubtful Debts and Advances	2.11	2.78
(p)	Travelling Expenses	23.07	22.09
(q)	Payment to Auditor (see note below)	0.86	0.80
(r)	Miscellaneous Expenses	28.34	28.15
		1037.50	628.84
Note :			
Payment to Auditor as -			
	- Auditor	0.46	0.47
	- For Taxation Matters	0.35	0.29
	- For Company Law Matters	0.01	0.01
	- For Other Services	0.03	0.03
	- For Reimbursement of Expenses (Previous Year amount less than ₹ One Lakh)	0.01	-
		0.86	0.80

Note 21 : Finance Costs

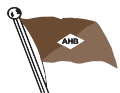
	(₹ in crores)	
	Current Year	Previous Year
Interest	199.92	162.82
Other Borrowing Costs	2.48	7.19
Exchange Difference to the extent considered as an adjustment to Borrowing Costs	91.66	1.89
	294.06	171.90
Less : Pre-delivery Interest Capitalised	14.28	26.64
	279.78	145.26

Note 22 : Tax Expenses

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Company has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus, income from the business of operating ships is assessed on the basis of the deemed Tonnage Income of the Company and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered necessary.

Note 23 : Basic and Diluted Earnings per Share

	(₹ in crores)	
	Current Year	Previous Year
(a) Net Profit After Tax (₹ in crores)	143.34	266.46
(b) Number of Equity Shares		
(i) Basic Earning per Share		
Number of Equity Shares as at the beginning of the year	15,22,89,684	15,22,89,684
Number of Equity Shares as at the end of the year	15,22,89,684	15,22,89,684
Weighted Average Number of Equity Shares	15,22,89,684	15,22,89,684
(ii) Diluted Earning per Share		
Weighted Average Number of Equity Shares	15,22,89,684	15,22,89,684
Add : Rights Shares kept in abeyance	3,26,530	3,26,530
Weighted Average Number of Equity Shares	15,26,16,214	15,26,16,214
(c) Face Value of Equity Share	₹ 10	₹ 10
(d) Earnings per Share		
- Basic	₹ 9.41	₹ 17.50
- Diluted	₹ 9.39	₹ 17.46

**Note 24 : Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"****A) Defined Contribution Plans :**

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

(₹ in crores)

	Current Year	Previous Year
Contribution to Employees Provident Fund	3.65	2.85
Contribution to Employees Superannuation Fund	2.95	2.93
Contribution to Employees Pension Scheme 1995	0.28	0.26
Contribution to Seamen's Provident Fund	0.37	0.47
Contribution to Seamen's Annuity Fund	0.65	0.69
Contribution to Seamen's Rehabilitation Fund	0.54	0.57
Contribution to Seamen's Gratuity Fund	0.09	0.84

B) Defined Benefit Plans and Other Long Term Benefits :

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

(₹ in crores)

Actuarial Assumptions for the year	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
(a) Discount Rate (p.a.)	8.50%	7.00%	8.50%	7.00%	8.50%	7.00%
(b) Rate of Return on Plan Assets	8.00%	7.00%	-	-	-	-
(c) Salary Escalation rate	4.00%-6.00%	4.00%	-	-	4.00%-6.00%	4.00%
(d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96
(e) Withdrawal rate	0.50%-9.50%	0.50%	-	-	0.50%-9.50%	0.50%
(f) Expected average remaining service(in years)	16.17	18.24	-	-	8.48	13.23

(i) Changes in present value of obligations :

(₹ in crores)

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Liability at the beginning of the year	12.56	10.73	18.97	20.89	2.53	2.56
Interest Cost	0.84	0.61	1.31	1.25	0.17	0.15
Current Service Cost	1.85	1.95	-	-	1.26	1.19
Benefits Paid	(1.30)	(0.97)	(0.20)	(0.20)	(0.05)	(0.05)
Actuarial (gain)/loss on obligations	(0.53)	0.24	(3.72)	(2.97)	(1.59)	(1.32)
Liability at the end of the year	13.42	12.56	16.36	18.97	2.32	2.53

(ii) Changes in Fair value of Plan Assets :**(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Fair Value of Plan Assets at the beginning of the year	17.15	16.78	-	-	-	-
Adjustment to Opening Balance	(2.81)	(2.02)	-	-	-	-
Expected Return on Plan Assets	1.10	1.00	-	-	-	-
Employer's Contribution	-	-	0.20	0.20	0.05	0.05
Benefits Paid	(1.30)	(0.97)	(0.20)	(0.20)	(0.05)	(0.05)
Actuarial gain/(loss) on Plan Assets	2.78	2.36	-	-	-	-
Fair Value of Plan Assets at the end of the year	16.92	17.15	-	-	-	-

(iii) Actuarial Experience Adjustment :**(₹ in crores)**

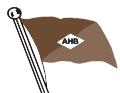
	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
(Gain)/loss on obligation due to change in assumption	(0.09)	(1.32)	-	-	0.15	(0.10)
Exeperience (gain)/loss on obligation	(0.44)	1.56	-	-	(1.74)	(1.23)
Actuarial gain/(loss) on Plan Assets	2.78	2.36	-	-	-	-

(iv) Actual Return on Plan Assets :**(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Expected Return on Plan Assets	1.10	1.00	-	-	-	-
Actuarial gain/(loss) on Plan Assets	2.78	2.36	-	-	-	-
Actual Return on Plan Assets	3.88	3.36	-	-	-	-

(v) Amount Recognised in the Balance Sheet :**(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Liability at the end of the year	13.42	12.56	16.36	18.97	2.32	2.53
Fair Value of Plan Assets at the end of the year	16.92	17.15	-	-	-	-
Unrecognised past service cost	-	-	-	-	-	-
Amount recognised in the Balance Sheet	(3.50)	(4.59)	16.36	18.97	2.32	2.53

**(vi) Expenses recognised in the Statement of Profit and Loss :****(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Current Service Cost	1.85	1.95	-	-	1.26	1.19
Interest Cost	0.84	0.61	1.31	1.25	0.17	0.15
Expected Return on Plan Assets	(1.10)	(1.00)	-	-	-	-
Net Actuarial (gain)/loss to be recognised	(3.31)	(2.12)	(3.72)	(2.97)	(1.59)	(1.32)
Expenses recognised in Statement of Profit and Loss Account	(1.72)	(0.56)	(2.41)	(1.72)	(0.16)	0.02

(vii) Basis used to determine expected rate of return on assets :

Expected rate of return on investments is determined based on the assessment made by the Company at the beginning of the year on the return expected on its existing portfolio since these are generally held to maturity, along with the estimated incremental investments to be made during the year.

(viii) General Description of Significant Defined Benefit Plans :**Gratuity Plan :**

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

Pension Plan :

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

Leave Encashment

All eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement or resignation subject to maximum accumulation allowed upto 15 days. The leave over and above 15 days is encashed and paid to employees on June 30th every year as per the last drawn basic salary, except for union category employees who had exercised an option to freeze the accumulated leave balance as on June 30, 2008 (over and above 15 days). This frozen accumulated leave balance will be encashed as per the last drawn basic salary at the time of superannuation, death, permanent disablement, resignation or promotion to the non-union category.

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

	Current Year	Previous Year
Government of India securities	8.00%	7.00%
State Government securities	4.00%	3.00%
Bonds	20.00%	18.00%
HDFC Defensive Managed Fund	68.00%	72.00%
Total	100.00%	100.00%

Note 25 : Segment information

The Company is considered to be a single segment company engaged in shipping business. Consequently, the Company has in its primary segment only one reportable business segment. As per AS-17 'Segment Reporting' if a single financial report contains both consolidated financial statement and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, information required to be presented under AS-17 'Segment Reporting' has been given in the consolidated financial statements.

Note 26 : Related Party Transactions**(I) List of Related Parties****(a) Parties where control exists :**

Subsidiary Companies :

The Great Eastern Shipping Co. (London) Ltd.

The Greatship (Singapore) Pte. Ltd.

The Great Eastern Chartering LLC (FZC)

Greatship (India) Ltd. and its subsidiaries :

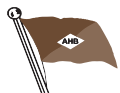
- Greatship Global Holdings Ltd., Mauritius.
- Greatship Global Energy Services Pte Ltd., Singapore.
- Greatship Global Offshore Services Pte Ltd., Singapore.
- Greatship DOF Subsea Projects Private Ltd., India. (upto 30th December, 2011)
- Greatship Subsea Solutions Singapore Pte. Ltd., Singapore.
- Greatship Subsea Solutions Australia Pty. Ltd., Australia.
- Greatship (UK) Ltd., UK.
- Greatship Global Offshore Management Services Pte. Ltd., Singapore.

(b) Other related parties with whom transactions have taken place during the year**(i) Key Management Personnel :**

- Mr. K. M. Sheth - Executive Chairman
- Mr. Bharat K. Sheth - Deputy Chairman and Managing Director
- Mr. Ravi K. Sheth - Executive Director

(II) Transactions with Related Parties :

Nature of Transaction	Subsidiary Companies		Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Services received	43.96	4.02	-	-	43.96	4.02
- The Great Eastern Chartering L.L.C. (FZC)						
₹ 40.48 crores (Previous Year : ₹ 'NIL')						
- The Greatship (Singapore) Pte Ltd.						
₹ 3.48 crores (Previous Year : ₹ 4.02 crores)						
Dividend income	45.24	6.60	-	-	45.24	6.60
- Greatship (India) Ltd.						
₹ 20.75 crores (Previous Year : ₹ 6.60 crores)						
- The Great Eastern Chartering L.L.C. (FZC)						
₹ 24.49 crores (Previous Year : ₹ 'NIL')						
Interest Income	-	0.37	-	-	-	0.37
- Greatship (India) Ltd.						
₹ 'NIL' (Previous Year : ₹ 0.37 crores)						



Previous Year

(₹ in crores)

Nature of Transaction	Subsidiary Companies		Key Management Personnel		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Reimbursement of expenses	2.47	0.15	-	-	2.47	0.15
- Greatship (India) Ltd.						
₹ 2.47 crores (Previous Year : ₹ 0.15 crores)						
Finance Provided to	98.28	561.05	-	-	98.28	561.05
Equity/preference shares contributions :						
- Greatship (India) Ltd.						
₹ 98.28 crores (Previous Year : ₹ 500.15 crores)						
ICD given & received back :						
- Greatship (India) Ltd.						
₹ 'NIL' (Previous Year : ₹ 60.90 crores)						
Advance received and given back	-	0.01	-	-	-	0.01
- Greatship (India) Ltd.						
₹ 'NIL' (Previous Year : ₹ 0.01 crores)						
Remuneration	-	-	8.66	9.30	8.66	9.30
- Mr. K. M. Sheth						
₹ 2.84 crores (Previous Year : ₹ 2.94 crores)						
- Mr. Bharat K. Sheth						
₹ 4.79 crores (Previous Year : ₹ 5.13 crores)						
- Mr. Ravi K. Sheth						
₹ 1.03 crores (Previous Year : ₹ 1.23 crores)						
Financial Guarantee given	123.22	124.73	-	-	123.22	124.73
- Greatship (India) Ltd.						
₹ 123.22 crores (Previous Year : ₹ 124.73 crores)						
Performance Guarantee given	491.03	573.77	-	-	491.03	573.77
- Greatship Global Energy Services Pte. Ltd.						
₹ 491.03 crores (Previous Year : ₹ 573.77 crores)						
Outstanding balance as on 31-03-2012 :						
Receivables	1.84	-	-	-	1.84	-
- Greatship (India) Ltd.						
₹ 1.84 crores (Previous Year : ₹ 'NIL')						
Payables	1.25	0.18	-	-	1.25	0.18
- The Greatship (Singapore) Pte. Ltd.						
₹ 0.45 crores (Previous Year : ₹ 0.18 crores)						
- The Great Eastern Chartering L.L.C. (FZC)						
₹ 0.80 crores (Previous Year : ₹ 'NIL')						

Note : The significant related party transactions are disclosed separately under each transaction. Dividend payments to Key Management Personnel have not been considered in the above disclosure.

Note 27 : Capital and Other Commitment

Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - ₹ 281.11 crores (Previous Year ₹ 1055.21 crores).

Note 28 : Contingent liabilities

		(₹ in crores)	
Sr. No.	Particulars	Current Year	Previous Year
(a)	Guarantees given by banks counter guaranteed by the Company.	0.60	0.55
(b)	Guarantees by bank given on behalf of a subsidiary company.	2.16	1.89
(c)	Guarantees given to banks on behalf of subsidiaries.	121.06	122.84
(d)	Sales Tax demands under BST Act, CST Act and VAT Act against which the Company has preferred appeals.	7.46	7.46
(e)	Lease Tax liability in respect of a matter decided against the Company, against which the Company has filed a revision petition in the Madras High Court.	17.40	17.40
(f)	Demand from the Office of the Collector & District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Company.	4.34	4.34

The Company has also provided performance guarantees in favour of parties which have contracted with its subsidiaries which would require it to assume the benefits and costs of these contracts in the event the subsidiaries are not able to fulfill the same, in which event, the Company does not expect any net liability or outflow of resources.

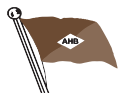
Note 29 : Hedging Contracts

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

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

1 Derivative Instruments Outstanding :**i) Cash Flow Hedges :****(a) Commodity Futures Contracts for Import of Bunker :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	13	-	4	-
No. of units in MT under above contracts	51000	-	16500	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	9.03	-	0.55	-
Maturity Period	Upto 2 Years	-	Upto 1 Year	-



(b) Forward Exchange Option Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	8	-	10
Foreign Currency Value (USD in million)	-	74.000	-	193.500
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	(52.69)	-	(46.89)
Maturity Period	-	Upto 1 Year	-	Upto 2 Years

(c) Interest Rate Swap Contracts :

Details	Current Year	Previous Year
Total No. of contracts outstanding	7	9
Principal Notional Amount (USD in million)	125.523	153.638
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(42.95)	(30.26)
Maturity Period	Upto 7 Years	Upto 8 Years

(d) Interest portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		6	6
Principal Notional Amount (JPY in million)	JPY/USD	13492.350	15890.535
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(37.78)	(31.68)
Maturity Period		Upto 6 Years	Upto 7 Years

(e) Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		13	11
Principal Notional Amount (₹ in crores)	INR/USD	1700.00	1500.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(449.03)	(64.00)
Maturity Period		Upto 11 Years	Upto 12 Years

ii) (a) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	6	-	22
Foreign Currency Value (USD in million)	-	16.000	-	107.000
Maturity Period	-	Upto 6 months	-	Upto 6 months

(b) Principal portion of Currency Swap Contracts :

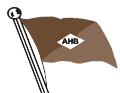
Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		6	6
Principal Notional Amount (JPY in million)	JPY/USD	13492.350	15890.535
Maturity Period		Upto 6 Years	Upto 7 Years

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 loss of ₹ 573.42 crores (Previous Year ₹ 172.28 crores) has been recorded in the Hedging Reserve Account.

In addition to above, the balance in Hedging Reserve Account also includes loss on cancellation of forward contracts amounting to ₹ 1.77 crores (previous year ₹ NIL) which will be recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition in accordance with the principles of hedge accounting enunciated in Accounting Standard ' (As) 30 - Financial Instruments : Recognition and Measurement ' as issued by the Institute of Chartered Accountants of India.

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

Details	Currency	Current Year in millions	Previous Year in millions
Loan Liabilities and Payables	AED	0.773	1.393
	AUD	0.113	0.018
	CAD	-	0.002
	CHF	0.002	0.066
	DKK	0.717	0.544
	EUR	0.241	0.459
	GBP	0.007	0.031
	JPY	41.037	41.978
	NOK	0.047	0.327
	SAR	-	0.003
	SEK	-	0.020
	SGD	1.267	0.562
	USD	817.717	825.438
Receivables	AED	0.462	0.060
	AUD	0.230	-
	EUR	0.010	0.357
	GBP	0.001	0.002
	JPY	16.996	21.406
	SEK	-	0.009
	SGD	0.084	0.032
	USD	7.115	3.427
Bank Balances	AED	0.190	0.022
	DKK	0.124	0.147
	EUR	0.097	0.175
	GBP	0.078	0.045
	NOK	0.159	0.136
	SGD	0.310	0.114
	USD	207.987	53.196

**Note 30**

- (a) As a result of the peculiarities of the trading pattern, it is not possible to identify the heads of expenses based on the locus of consumption. Therefore it would not be feasible to provide the information relating to imports calculated on C.I.F. basis as prescribed by revised Schedule VI.

₹ in crore
Current Year

(b) Expenditure in foreign currency :

Freight and Charter Hire	50.98
Fuel Expense	353.71
Stores and Spares	61.83
Repairs and Maintenance	64.97
Other Operating Expenses	199.06
Interest	32.55

(c) Earnings in Foreign Exchange :

Freight and Charter Hire	836.10
Profit on sale of Ships	72.55
Interest and Dividends	42.86

In the previous year, shipping companies were exempted to give information pursuant to Para 4D(a), (b), (c) and (e) of 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 the Ministry of Corporate Affairs on February 8, 2011.

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

Note 31

The adoption of the Revised Schedule VI does not impact recognition and measurement principles followed for preparation of Financial Statements and has no significant impact on the disclosures made in the Financial Statement.

All Assets and Liabilities have been classified as current or non current as per the Company's normal operating cycles and other criteria set out in the Revised Schedule VI to the Companies Act, 1956 which is applicable from the current year ended March 31, 2012.

Note 32 : Previous Year Regrouping

Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification as per the revised Schedule VI notified under The Companies Act, 1956 which is applicable from the current year.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	Greatship (India) Limited	Greatship Global Holdings Ltd. +	Greatship Offshore Services Pte. Ltd. \$	Greatship Global Energy Services Pte. Ltd. #	Greatship Subsea Solutions Singapore Pte. Ltd. *	Greatship Subsea Solutions Australia Pty. Limited **	Greatship (UK) Limited +	Greatship Global Offshore Management Services Pte. Ltd. *
Financial Year ended	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012	March 31, 2012
Date from which it became a Subsidiary	July 3, 1985	March 28, 1994	November 1, 2004	June 26, 2002	May 30, 2007	May 8, 2007	October 23, 2006	August 12, 2010	August 17, 2010	October 29, 2010	December 9, 2010
Extent of interest of the Holding Company in the Capital of the Subsidiary	100%	100%	100%	98.11%	98.11%	98.11%	98.11%	98.11%	98.11%	98.11%	98.11%
Net aggregate amount of the Subsidiary's profits less losses not dealt with in the Holding Company's Accounts (Standalone)	(i) Current Year ₹ 1,50,59,977	₹ 1,85,75,433	₹ 3,91,69,865	₹ 90,18,82,708	(₹ 22,16,844)	₹ 1,66,61,72,96	₹ 1,98,74,99,135	(₹ 18,00,52,974)	(₹ 48,14,06,615)	(₹ 38,93,19,511)	₹ 32,80,93,008
(ii) Previous Year since it became Subsidiary	₹ 4,36,87,215	₹ 49,54,63,66	₹ 1,34,19,70,685	₹ 17,51,98,816	(₹ 68,38,322)	₹ 11,49,64,925	₹ 11,61,14,25,50	₹ 13,14,87,90	(₹ 11,06,14,279)	(₹ 27,03,66,111)	₹ 75,92,384
Net aggregate amount of the Subsidiary's profits less losses dealt with in the Holding Company's Accounts (Standalone)	(i) Current Year	-	-	-	-	-	-	-	-	-	-
(ii) Previous Year since it became Subsidiary	-	-	-	-	-	-	-	-	-	-	-

Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs, the Board of Directors of the Company has given consent for not attaching the balance sheet of the subsidiaries with the balance sheet of the Company as required under Section 212 of the Companies Act, 1956 by passing a resolution at its meeting held on May 03, 2012.

+ Greatship Global Holdings Ltd. and Greatship (UK) Limited are wholly owned subsidiaries of Greatship (India) Limited.

\$ Greatship Global Offshore Services Pte. Ltd. is a wholly owned subsidiary of Greatship Global Holdings Ltd.

The entire share capital of Greatship Global Energy Services Pte. Ltd. is held by Greatship (India) Limited and Greatship Global Holdings Ltd.

* Greatship Subsea Solutions Singapore Pte. Ltd. and Greatship Global Offshore Management Services Pte. Ltd. are wholly owned subsidiaries of Greatship Global Offshore Services Pte. Ltd.

** Greatship Subsea Solutions Australia Pty. Limited is a wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte. Ltd.

For and on behalf of the Board

K. M. Sheth

Bharat K. Sheth

Keki Mistry

Mumbai, May 03, 2012

Executive Chairman

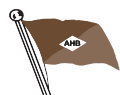
Deputy Chairman & Managing Director

Director

Jayesh M. Trivedi

Company Secretary

STATEMENT PURSUANT TO GENERAL CIRCULAR NO. 2/2011 DATED FEBRUARY 8, 2011 ISSUED BY MINISTRY OF CORPORATE AFFAIRS



THE GREAT EASTERN SHIPPING COMPANY LIMITED

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	Greatship (India) Limited	Greatship Global Holdings Ltd.	Greatship Global Offshore Services Pte. Ltd.	Greatship Global Energy Services Pte. Ltd.	Greatship Subsea Solutions Singapore Pte. Ltd.	Greatship Subsea Solutions Australia Pty. Limited	Greatship (UK) Limited	Greatship Global Offshore Management Services Pte. Ltd.
Capital	1.53	2.03	0.21	259.97	1130.56	615.95	605.29	15.26	14.25	2.54	0.56
Reserves	4.81	5.14	112.78	1780.88	(0.80)	16.97	301.59	(16.50)	(60.76)	(6.98)	4.15
Total Assets	6.36	7.50	127.32	3011.39	1493.61	1499.52	2238.13	150.20	87.95	46.10	41.83
Total Liabilities	6.36	7.50	127.32	3011.39	1493.61	1499.52	2238.13	150.20	87.95	46.10	41.83
Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-
Turnover	0.08	4.39	96.33	863.43	9.62	144.98	347.24	182.75	229.19	101.12	118.40
Profit/(Loss) before taxation	(0.15)	0.19	3.92	125.76	(0.02)	16.70	198.76	(17.85)	(48.14)	(3.89)	3.83
Provision for taxation	-	0.01	-	35.57	-	0.04	0.01	0.15	-	-	0.55
Profit/(Loss) after taxation	(0.15)	0.18	3.92	90.19	(0.02)	16.66	198.75	(18.01)	(48.14)	(3.89)	3.28
Dividend proposed/paid	-	-	25.44	22.27	-	-	-	-	-	-	-

Note: Figures relating to foreign subsidiaries are converted at year end exchange rates.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS THE GREAT EASTERN SHIPPING COMPANY LIMITED

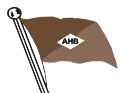
1. We have audited the attached consolidated Balance Sheet of THE GREAT EASTERN SHIPPING COMPANY LIMITED (the Company) and its subsidiaries (collectively referred to as the "Group") as at March 31, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto (Consolidated Financial Statements). These Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries included in the Consolidated Financial Statement whose financial statements reflect the Group's share of total assets of ₹ 2462.26 crores as at March 31, 2012, the Group's share of total revenues of ₹ 412.44 crores and net cash outflows amounting to ₹ 98 crores for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.
5. Based on our audit and on consideration of reports of other auditors on separate financial statements, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of The Great Eastern Shipping Company Limited and its subsidiaries as at March 31, 2012;
 - (b) in the case of the Consolidated Statement of Profit and Loss, of the consolidated profit for the year ended on that date; and
 - (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For and on behalf of

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

Daraius Z. Fraser
Partner
M. No.: 42454

Mumbai: May 3, 2012



CONSOLIDATED BALANCE SHEET AS ON MARCH 31, 2012.

		(₹ in crores)	
Particulars	Note No.	Current Year	Previous Year
EQUITIES AND LIABILITIES :			
I. Shareholders' Funds :			
(a) Share Capital	5	152.29	152.29
(b) Reserves and Surplus	6	5844.90	5878.37
		5997.19	6030.66
II. Minority Interest		43.77	37.62
III. Non-Current Liabilities :			
(a) Long-Term Borrowings	7	5672.46	5166.27
(b) Other Long Term Liabilities	8	35.78	33.20
(c) Long-Term Provisions	9	601.28	168.01
		6309.52	5367.48
IV. Current Liabilities :			
(a) Trade Payables	10	234.44	161.08
(b) Other Current Liabilities	11	936.82	911.01
(c) Short-Term Provisions	9	163.40	152.29
		1334.66	1224.38
TOTAL		13685.14	12660.14
ASSETS:			
I. Non-Current assets :			
(a) Fixed Assets	12		
(i) Tangible Assets		8779.80	7686.08
(ii) Intangible Assets		3.50	3.21
(iii) Non-current Asset Held for Sale		48.99	-
(iv) Capital Work-in-progress		644.76	1395.02
		9477.05	9084.31
(b) Deferred Tax Assets (net)		1.31	0.88
(c) Long-Term Loans and Advances	14	59.45	9.59
(d) Other Non-Current Assets	16	42.66	43.05
		9580.47	9137.83
II. Current Assets :			
(a) Inventories	17	113.32	103.38
(b) Trade Receivables	15	330.64	228.58
(c) Cash and Bank Balances	18	3446.01	3108.46
(d) Short-Term Loans and Advances	14	181.32	65.21
(e) Other Current Assets	16	33.38	16.68
		4104.67	3522.31
TOTAL		13685.14	12660.14
Summary of Significant Accounting Policies	1		

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

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi

Company Secretary

K. M. Sheth

Bharat K. Sheth

Keki Mistry

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai : May 3, 2012.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2012.

		(₹ in crores)	
Particulars	Note No.	Current Year	Previous Year
Income :			
I. Revenue from Operations	19	2955.49	2451.83
II. Other Income	20	284.35	310.97
III. Total Revenue (I + II)		3239.84	2762.80
Expenses :			
Employee Benefit Expenses	21	464.56	338.67
Other Expenses	22	1411.50	1149.18
Total Expenses		1876.06	1487.85
V. Earnings Before Finance Costs, Tax, Depreciation and Impairment Loss (III - IV)		1363.78	1274.95
VI. Depreciation		548.32	420.44
VII. Impairment/(Reversal of Impairment)		(1.00)	85.70
VIII. Finance Costs	23	437.31	239.66
IX. Profit Before Tax (V - VI - VII - VIII)		379.15	529.15
X. Tax expenses :			
- Current Tax		58.72	55.39
- Deferred Tax		(0.43)	(0.18)
- Tax for Prior Years		-	0.75
		58.29	55.96
XI. Profit After Tax (IX - X)		320.86	473.19
XII. Less : Minority Interest		4.31	4.49
XIII. Profit for the Year (XI - XII)		316.55	468.70
XIV. Earnings per Equity Share :			
(Face value per share ₹ 10)			
- Basic		₹ 20.79	₹ 30.78
- Diluted		₹ 20.74	₹ 30.71

Summary of Significant Accounting Policies

1

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

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi

Company Secretary

K. M. Sheth

Bharat K. Sheth

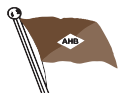
Keki Mistry

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai : May 3, 2012.



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

(₹ in crores)

	Current Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit Before Tax :	379.15	529.15
Adjustments For :		
Depreciation	548.32	420.44
Impairment/(Reversal of Impairment)	(1.00)	85.70
Interest Earned	(56.64)	(41.73)
Interest and Finance Charges	345.66	239.66
Dividend Income	(68.14)	(62.52)
Provision for Diminution in Value of Investments	-	6.26
Loss/(Profit) on Sale of Ships and Other Assets	(70.75)	0.68
ESOP Costs	(0.16)	0.10
Bad Debts/Advances Written Off/(Written Back) (net)	1.30	(7.64)
Provision for Doubtful Debts and Advances (net)	0.64	8.94
Provision for Loss on Onerous Incharter Hire Contracts Written Back	(6.45)	(5.01)
Revaluation of Foreign Currency Balances	(55.88)	(24.64)
Operating Profit Before Working Capital Changes	1016.05	1149.39
Adjustments For :		
Trade and Other Receivables	(189.73)	15.36
Inventories	(9.37)	(17.30)
Incomplete Voyages (net)	-	(4.51)
Trade and Other Payables	79.66	(73.63)
Cash Generated From Operations	896.61	1069.31
Tax Paid	(64.00)	(45.87)
Net Cash From Operating Activities	832.61	1023.44
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(1497.85)	(2562.12)
Sale Proceeds of Fixed Assets	1263.93	477.13
Placement of Deposits with maturity period of more than three months	(448.14)	-
Withdrawal of Deposits with maturity period of more than three months	-	685.68
Interest Received	44.16	48.66
Dividend Received	68.14	62.52
Net Cash From/(Used in) Investing Activities	(569.76)	(1288.13)
C. Cash Flow From Financing Activities		
Proceeds from Issue of Equity Shares	-	26.58
ESOP Expenses	(0.14)	-
Unpaid Dividend	0.15	(0.38)
Margin Money Deposit placed	(34.19)	(3.42)
Proceeds from Long Term Borrowings	713.00	1402.99

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2012. (CONTD.)

	(₹ in crores)	
	Current Year	Previous Year
Repayments of Long Term Borrowings	(867.93)	(714.28)
Repayment of Finance Lease Obligations	(5.81)	(82.50)
Dividend Paid	(118.23)	(184.81)
Dividend Distribution Tax Paid	(15.16)	(27.81)
Interest and Finance Charges Paid	(225.80)	(278.73)
Net Cash From/(Used In) in Financing Activities	(554.11)	137.64
Net increase/(decrease) in Cash and Cash Equivalents	(291.26)	(127.05)
Cash and Cash Equivalents as at April 1, 2011 (refer note)	2915.48	3042.53
Cash and Cash Equivalents as at March 31, 2012 (refer note)	2624.22	2915.48

Note :

Cash and Cash Equivalents	As at March 31, 2012	As at March 31, 2011
Cash and Cash Equivalents (note 18)	2646.47	2800.13
Effect of Exchange Rate Changes [(Gain)/Loss]	(22.25)	115.35
Cash and Cash Equivalents as restated	2624.22	2915.48

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Daraius Z. Fraser

Partner

Jayesh M. Trivedi

Company Secretary

For and on behalf of the Board

K. M. Sheth

Bharat K. Sheth

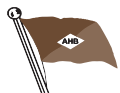
Keki Mistry

Executive Chairman

Deputy Chairman & Managing Director

Director

Mumbai : May 3, 2012.



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

Note 1 : Significant Accounting Policies

(a) Basis of Preparation :

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

(b) Use of Estimates :

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

(c) Tangible Fixed Assets :

Tangible fixed assets are stated at cost less accumulated depreciation and impairment. Cost includes expenses related to acquisition and borrowing costs during construction period. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of assets, to the extent not considered as an adjustment to the borrowing costs, are adjusted to the carrying cost of the assets. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on maintaining fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(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) Investments :

- (i) Investments are classified into cash equivalents, long term and current investments.
- (ii) Long term investments are carried at cost. Provision for diminution, if any, in the value of each long term investment is made to recognise a decline, other than of a temporary nature.
- (iii) Investments which are classified as cash equivalents and Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

(f) Inventories :

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

(g) Incomplete Voyages :

Incomplete voyages comprise of freight received and direct operating expenses in respect of voyages which are not complete as at the Balance Sheet date. The freight received for incomplete voyages is shown under 'Income Received in Advance' and the direct operating expenses incurred for incomplete voyages are shown under 'Other Advances'.

(h) Borrowing Costs :

Borrowing cost includes interest, ancillary cost incurred in connection with the arrangement of borrowings, and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition/construction of the qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction. All other borrowing costs are expensed in the period they occur.

(i) Revenue recognition :

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

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

Dividends : Dividend income is recognized when the company's right to receive dividend is established by the balance sheet date.

(i) Operating expenses :

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

(k) Leases :**(i) Finance lease**

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

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

(ii) Operating lease

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

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

(l) Employee Benefits :

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

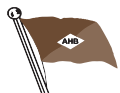
(iii) Other Long Term Benefits

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

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

(m) 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 The Institute of Chartered Accountants of India. 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.



(n) Depreciation :

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

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

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

(o) Asset Impairment :

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

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

(p) Foreign Exchange Transactions :

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets, to the extent not considered as an adjustment to the borrowing costs, are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/liability, but not beyond March 31, 2020 by recognition as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Statement of Profit and Loss.

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

(q) Derivative Financial Instruments and Hedging :

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

Cash Flow Hedge :

Commodity future contracts, forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, interest rate swaps and currency swaps which do not form an integral part of the loans, 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' as issued by the Institute of Chartered Accountants of India. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognized in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects Statement of Profit and Loss or is transferred to the cost of the hedged non-monetary asset upon acquisition. Gains or losses on the ineffective transactions are immediately recognised in the 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 transferred to the Statement of Profit and Loss immediately.

(r) Provision for Taxation :

Tax expense comprises both current and deferred tax.

Provision for current income-tax is made on the basis of the assessable income under the Income-tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.

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.

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.

(s) Provisions and Contingent Liabilities :

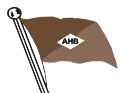
Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

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

Note 2 : Basis of Consolidation

The consolidated financial statements relate to The Great Eastern Shipping Company Ltd., (GESCO) the holding Company and its subsidiaries (collectively referred to as the Group). The consolidation of the financial statements of the Company with its subsidiaries has been prepared in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Exchange gains/(losses) arising on conversion are recognised under Foreign Currency Translation Reserve.



Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the respective dates on which investments are made by the Holding Company in the Subsidiary Companies and further movements in their share in the equity, subsequent to the date of investments.

Note 3 :

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Holding Company i.e. March 31, 2012.

Note 4 :

The subsidiary companies considered in these consolidated financial statements are :

Sr. No.	Name of the Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	The Great Eastern Shipping Co. London Ltd.	U.K.	100%	100%
2	The Greatship (Singapore) Pte. Ltd.	Singapore	100%	100%
3	The Great Eastern Chartering L.L.C. (FZC)	U.A.E.	100%	100%
4	Greatship (India) Ltd.	India	98.11%	98.01%
5	Greatship Global Energy Services Pte. Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Singapore		
6	Greatship Global Holdings Ltd. (wholly owned subsidiary of Greatship Global Holdings Ltd.)	Mauritius		
7	Greatship Global Offshore Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Holdings Ltd.)	Singapore		
8	Greatship DOF Subsea Projects Private Ltd. (wholly owned subsidiary of Greatship (India) Ltd.) (upto 30th December 2011)	India		
9	Greatship Subsea Solutions Singapore Pte. Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd.)	Singapore		
10	Greatship Subsea Solutions Australia Pty. Ltd. (wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte. Ltd.)	Australia		
11	Greatship (UK) Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	U.K.		
12	Greatship Global Offshore Management Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd.)	Singapore		

Note 5 : Share Capital

	Current Year		Previous Year	
	Nos.	(₹ in crores)	Nos.	(₹ in crores)
Authorised :				
Equity Shares of ₹ 10 each	30,00,00,000	300.00	30,00,00,000	300.00
Preference Shares of ₹ 10 each	20,00,00,000	200.00	20,00,00,000	200.00
	<u>50,00,00,000</u>	<u>500.00</u>	<u>50,00,00,000</u>	<u>500.00</u>
Issued :				
Equity Shares of ₹ 10 each	15,27,08,445	152.71	15,27,08,445	152.71
	<u>15,27,08,445</u>	<u>152.71</u>	<u>15,27,08,445</u>	<u>152.71</u>
Subscribed and Fully Paid :				
Equity Shares of ₹ 10 each	15,22,89,684	152.29	15,22,89,684	152.29
Less : Calls in Arrears (Amount : ₹ 'NIL', Previous Year amount : ₹ 31,491)	-	-	-	-
Add : Forfeited Shares (Amount : ₹ 30,358, Previous Year amount : ₹ 30,358)	2,518	-	2,518	-
	<u>15,22,92,202</u>	<u>152.29</u>	<u>15,22,92,202</u>	<u>152.29</u>

(a) Terms/rights attached to equity shares :

The Holding Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Interim dividend is paid as recommended by the Board of Directors.

During the year ended March 31, 2012, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 6.50 (Previous Year ₹ 8.00 per share).

In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the company, after distribution of all preferential amounts in proportion to their shareholding.

(b) Details of Shareholders holding more than 5% equity shares in the Holding Company :

	As on 31/03/2012		As on 31/03/2011	
	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10 each fully paid				
Mr. Bharat Kanaiyalal Sheth	1,59,35,607	10.46%	1,59,35,607	10.46%
Mr. Ravi Kanaiyalal Sheth	1,44,62,025	9.50%	1,44,62,025	9.50%
Nalanda India Equity Fund Limited	93,73,288	6.15%	-	-

(c) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

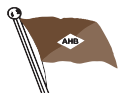
- (i) No shares were allotted pursuant to contracts without payment being received in cash
- (ii) No bonus shares have been issued
- (iii) No shares have been bought back

(d) There are no securities convertible into equity/preference shares

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

(f) Employee Stock Option Scheme :

All the ESOPs issued by Greatship (India) Limited (GIL) are in respect of GIL shares where each stock option is equivalent to one equity share. The employee stock options of the GIL are presently operated under five different Employee Stock Option Schemes ('Scheme/s') for the employees of GIL (including employees of parent company and subsidiaries). During the year under review, GIL has granted 205,900 options under ESOP 2010. The total options outstanding under the various Schemes as on March 31, 2012 are 16,55,600 options.



ESOPS are granted to employees on completion of one year of continued employment. The Remuneration Committee of the Board of Directors of GIL 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 of GIL 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 details of the various Schemes and movements during the year under review are summarised as under :

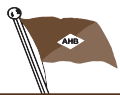
SR. NO.	PARTICULARS	ESOP 2007	ESOP 2007 - II	ESOP 2008 - I	ESOP 2008 - II	ESOP 2010
1	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	12/02/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09 18/03/10 30/04/10	23/09/10
2	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08	18/03/10
3	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08	23/04/10
4	Options approved*	10,00,000	2,00,000	1,00,000	17,10,000	10,28,900
5	Options outstanding at the beginning of the year	5,42,100	89,100	60,000	7,66,500	1,75,900
6	Options granted during the year	-	-	-	-	30/04/11 - 1,62,800 24/10/11 - 43,100
7	Options cancelled/forfeited during the year	-	-	-	60,900	16,300
8	Options Exercised during the year	1,06,700*	-	-	-	-
9	Options outstanding at the end of the year	4,35,400	89,100	60,000	7,05,600	3,65,500
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, 1,06,700 options were settled by payment of cash in accordance with the Scheme.

- (a) 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 ₹ 0.12 crores (Previous Year ₹ 0.24 crores). During the year an amount of ₹ 0.42 crores (Previous Year ₹ 0.14 crores) has been credited to compensation expense on reversal from share option outstanding account on account of option lapsed during the year. The cumulative amount of Employee Stock Option expense amortised upto March 31, 2012 of ₹ 2.12 crores (Previous Year ₹ 2.42 crores) is included in Share Options Outstanding Account under Reserves and Surplus.
- (b) 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 ₹ 0.15 crores (Previous Year ₹ 0.93 crores). The impact on EPS (basic) and EPS (diluted), had the fair value method been used, would be ₹ 0.014 (Previous Year ₹ 0.10) and ₹ 0.014 (Previous Year ₹ 0.10) respectively.

Note 6 : Reserves and Surplus

		(₹ in crores)	
		Current Year	Previous Year
(a)	Capital Reserve :		
	Balance as per last Financial Statement	18.93	18.93
(b)	Capital Redemption Reserve :		
	Balance as per last Financial Statement	238.54	238.54
(c)	Securities Premium Account :		
	Balance as per last Financial Statement	153.74	126.31
	Add : Premium on Shares issued during the year	-	27.43
		153.74	153.74
(d)	Debenture Redemption Reserve :		
	Balance as per last Financial Statement	57.50	57.50
	Add : Amount Transferred from Surplus	20.00	-
		77.50	57.50
(e)	Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961 :		
	Balance as per last Financial Statement	1036.85	976.85
	Add : Amount Transferred from Surplus	30.00	60.00
		1066.85	1036.85
	Less : Amount Transferred to General Reserve	445.00	-
		621.85	1036.85
(f)	Statutory Reserves :		
	Balance as per last Financial Statement	0.10	0.09
(g)	Foreign Currency Translation Reserve :		
	Balance as per last Financial Statement	39.67	53.29
	Add : Gain/(Loss) on Foreign Currency Translation	228.33	(13.62)
		268.00	39.67
(h)	Hedging Reserve Account (note 31) :		
	Balance as per last Financial Statement	(186.46)	(202.68)
	Add : Decrease/(Increase) during the Year (net)	(454.78)	16.22
		(641.24)	(186.46)
(i)	Employee Stock Options Outstanding :		
	Balance as per last Financial Statement	2.42	2.32
	Add : Compensation for Options granted during the Year	0.12	0.24
	Less : Reversal on account of Lapsed Stock Options	(0.42)	(0.14)
		2.12	2.42
(j)	General Reserve :		
	Balance as per last Financial Statement	1144.04	1105.04
	Add : Amount Transferred from Surplus	21.50	39.00
	Add : Transfer from Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961		
		445.00	-
		1610.54	1144.04
(k)	Surplus :		
	Balance as per last Financial Statement	3404.08	3177.76
	Add : Profit for the Year	316.55	468.70



	(₹ in crores)	
	Current Year	Previous Year
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961		
	30.00	60.00
	3690.63	3586.46
Less : Appropriations :		
Transfer to General Reserve	21.50	39.00
Transfer to Debenture Redemption Reserve	20.00	-
Interim Dividend on Equity Shares	45.69	53.30
Proposed Dividend on Equity Shares	53.72	68.95
Dividend Distribution Tax	22.03	21.13
	162.94	182.38
	3527.69	3404.08
(l) Minority Interest in the Reserves and Surplus	(32.87)	(31.03)
	5844.90	5878.37

Note 7 : Long-Term Borrowings

	(₹ in crores)			
	Non-current portion		Current maturities	
	Current Year	Previous Year	Current Year	Previous Year
(a) Bonds/Debentures :				
Secured :				
9.80% 2500 Redeemable Non-Convertible debentures of ₹ 10,00,000 each redeemable on July 03, 2019	250.00	250.00	-	-
[note (i) and (v) below]				
Unsecured :				
Redeemable Non-Convertible Debentures of ₹ 10,00,000 each -				
(i) 9.70 % 1000 Debentures redeemable on January 18, 2023	100.00	100.00	-	-
(ii) 9.70 % 1000 Debentures redeemable on January 07, 2023	100.00	100.00	-	-
(iii) 9.70 % 500 Debentures redeemable on April 25, 2021	50.00	-	-	-
(iv) 9.70 % 1500 Debentures redeemable on April 15, 2021	150.00	-	-	-
(v) 9.70 % 1000 Debentures redeemable on February 02, 2021	100.00	100.00	-	-
(vi) 9.60 % 2000 Debentures redeemable on November 10, 2019	200.00	200.00	-	-
(vii) 9.75 % 2500 Debentures redeemable on August 20, 2019	250.00	250.00	-	-
(viii) 9.35 % 1000 Debentures redeemable on February 08, 2019	100.00	100.00	-	-
(ix) 9.40 % 1000 Debentures redeemable on January 06, 2019	100.00	100.00	-	-
(x) 9.19 % 1000 Debentures redeemable on December 24, 2018	100.00	100.00	-	-
(xi) 9.35 % 1000 Debentures redeemable on February 08, 2018	100.00	100.00	-	-
(xii) 9.40 % 1000 Debentures redeemable on January 06, 2018	100.00	100.00	-	-
[note (ii) and (v) below]				
(b) Term Loans from Banks [notes (iii) to (v) below] :				
Secured :				
Foreign Currency Loans from Banks	4167.29	3871.02	787.68	832.25
Swap Adjustments (unsecured)	(269.47)	(273.38)	(56.65)	(47.50)
Subtotal :	3897.82	3597.64	731.03	784.75
(c) Finance Lease Obligations [note (vi)]	75.86	69.95	3.95	5.09
(d) Deferred Loss on Sale and Leaseback Transaction	(1.22)	(1.32)	(0.29)	(0.26)
Total (a + b + c + d)	5672.46	5166.27	734.69	789.58
Amount disclosed under the head "other current liabilities" [note 11(a), (b) and (c)]	-	-	734.69	789.58
	5672.46	5166.27	-	-

Notes :

- (i) 9.80% 2500 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000 each, redeemable on July 03, 2019, are secured by exclusive charge on specified ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the Company.
- (ii) The Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the Unsecured Debentures.
- (iii) Foreign currency loans availed from banks carry interest rates of LIBOR plus 62 to 600 bps for USD loans and LIBOR plus 62 to 75 bps for JPY loans. Some loans are on fixed rate basis. The principal payments are due quarterly/half yearly.

These loans are secured by mortgage of specified ships, a financial covenant to maintain unencumbered assets, assignment of shipbuilding contracts, assignment of earning, charge on earning account, assignment of swap contracts and insurance contracts/policies of specified vessels. The Holding Company has issued guarantees as securities for some loans.

Previous year loans include a syndicated loan of USD 16 million from a consortium of banks against security by way of assignment of bank deposit of USD 2.50 million and a financial covenant inter-alia to maintain unencumbered assets of value not less than 1.25 times the said borrowing. The said loan was repaid during the current year and consequently the assignment of bank deposit of USD 2.50 million has been cancelled.

- (iv) The Company has swapped the loans taken in JPY currency into USD currency as a condition precedent to the loan agreements. Consequent thereto, the swap balances outstanding at the year end are shown as an adjustment to the borrowings.
- (v) The repayments are as under :

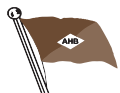
(₹ in crores)		
Period of repayment	Current Year	Previous Year
- between one to three years	1712.73	1256.29
- between three to five years	1310.84	1521.12
- over five years	2574.25	2320.23
	<u>5597.82</u>	<u>5097.64</u>

- (vi) The Group had entered into sale and leaseback agreement in respect of one offshore supply vessel with net book value of ₹ 94.64 crores. The gain/(loss) arising from the sale and leaseback transaction is deferred and amortised over the lease period of 8 years.

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

(₹ in crores)		
Details	Current Year	Previous Year
Due within one year	12.08	12.73
Due within two to five years	44.58	40.38
Due over five years	65.81	66.95
	<u>122.47</u>	<u>120.06</u>
Less : Interest on finance charges allocated to future periods	42.66	45.02
	<u>79.81</u>	<u>75.04</u>

The finance lease bears an effective interest rate of 10.30% (Previous Year 10.30%) per annum.



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

(₹ in crores)

Details	Current Year	Previous Year
Deferred (loss)	(1.80)	(1.77)
Transfer to Statement of Profit and Loss	0.29	0.19
	<u>(1.51)</u>	<u>(1.58)</u>

In 2009, one Subsidiary Company entered into lease agreement whereby the said Company sold and leased back a motor vessel with net book value of ₹ 94.64 crores. The loss arising from this sale and lease back transaction is deferred and amortised over the lease period of 8 years commencing from 10 September 2009.

(viii) The Group does not have any continuing default in repayment of loans and interest as at the reporting date.

Note 8 : Other Long-Term Liabilities

(₹ in crores)

	Current Year	Previous Year
(a) Trade Payables (see notes below)		
(i) Outstanding Dues to Micro, Small and Medium Enterprises	-	-
(ii) Other Trade Payables	7.61	4.72
(b) Other Liabilities	28.17	28.48
	<u>35.78</u>	<u>33.20</u>

Notes :

- According to the information available with the Company regarding the status of the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006', no amount is overdue as on the reporting date, to Micro, Medium and Small Enterprises on account of principal or interest.
- Trade payables are subject to confirmation, reconciliation and adjustments, if any.

Note 9 : Provisions

(₹ in crores)

	Long-term Provisions		Short-term Provisions	
	Current Year	Previous Year	Current Year	Previous Year
(i) Provision for Employee Benefits	18.58	22.56	18.82	14.19
(ii) Vessel Performance/Offhire Claims	10.18	7.45	-	-
(iii) Provision for Mark to Market Losses on Derivative Contracts considered as Cash Flow Hedges	572.52	138.00	76.24	57.93
(iv) Proposed Equity Dividend	-	-	53.72	68.95
(v) Provision for Dividend Distribution Tax	-	-	14.62	11.19
(vi) Provision for UK Tax 2008-09	-	-	-	0.03
	<u>601.28</u>	<u>168.01</u>	<u>163.40</u>	<u>152.29</u>

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

	(₹ in crores)	
	Current Year	Previous Year
Vessel performance/offhire claims -		
Provision have been recognised for the estimated liability for under-performance of certain vessels and offhire claims under dispute		
Opening balance	7.45	9.26
Additions during the year	4.52	3.56
Reversed/paid during the year	(1.79)	(5.37)
Closing balance	<u>10.18</u>	<u>7.45</u>

Note 10 : Trade Payables

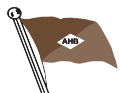
	(₹ in crores)	
	Current Year	Previous Year
(a) Dues to Micro, Small and Medium Enterprises	-	-
(b) Others	234.44	161.08
	<u>234.44</u>	<u>161.08</u>

Notes :

- (i) According to the information available with the Company regarding the status of the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006', no amount is overdue as on the reporting date, to Micro, Medium and Small Enterprises on account of principal or interest.
- (ii) Trade payables are subject to confirmation, reconciliation and adjustments, if any.

Note 11 : Other Current Liabilities

	(₹ in crores)	
	Current Year	Previous Year
(a) Current Maturities of Long Term Borrowings [note 7(b)]	731.03	784.75
(b) Current Maturities of Finance Lease Payables [note 7(c)]	3.95	5.09
(c) Current Maturities of Deferred Loss on Sale and Leaseback Transaction [note 7(d)]	(0.29)	(0.26)
(d) Income Received in Advance	25.72	25.77
(e) Liabilities towards Investor Education and Protection Fund, not due		
- Unpaid dividend	7.69	7.84
(f) Other Liabilities	82.18	45.89
(g) Interest Accrued but not due on Borrowings	63.66	41.93
(h) Liability Associated with Asset Held for Sale	22.88	-
	<u>936.82</u>	<u>911.01</u>



Note 12 : Fixed Assets

Particulars	Cost				Depreciation			Impairment			Net Book	
	As at April 1, 2011	Additions for the Year	Adjustments/ Deductions for the Year [Note (d)]	Other Adjustments	As at March 31, 2012	Upto March 31, 2011	Adjustments/ Deductions for Assets sold/ Discarded	For the year/ Transfer from Ships under Construction [Note (e)]	Adjustments/ Deductions for assets sold/ Discarded [Note (c)]	Upto March 31, 2012	As at March 31, 2012	As at March 31, 2011
Tangible Assets :												
Fleet	7915.25	2182.49	1416.97	370.52	9051.29	1896.38	255.22	454.63	2095.79	127.05	6828.45	5891.82
Plant and Equipment												
- Rigs	1656.73	-	76.60	233.41	1813.54	44.39	(5.65)	60.89	110.93	-	1702.61	1612.34
- Others	13.53	5.45	(76.60)	-	95.58	6.11	(6.01)	19.60	31.72	-	63.86	7.42
Leased Vessel	83.82	-	-	11.82	95.64	7.52	(1.37)	4.48	13.37	-	82.27	76.30
Land (Freehold and Perpetual Lease)	59.69	0.11	-	-	59.80	-	-	-	-	-	59.80	59.69
Ownership Flats and Buildings [Note (a)]	46.31	5.40	-	-	51.71	15.76	-	1.73	17.49	1.35	32.87	29.20
Furniture, Fixtures and Office Equipment	34.69	3.43	0.82	0.14	37.44	29.56	0.69	3.39	32.26	-	5.18	5.13
Vehicles	14.17	3.36	1.64	-	15.89	9.99	1.36	2.50	11.13	-	4.76	4.18
Total	9824.19	2200.24	1419.43	615.89	11220.89	2009.71	244.24	547.22	2312.69	128.40	8779.80	
Previous Year Figures	8540.16	2189.52	909.44	3.95	9824.19	2012.59	422.48	419.60	2009.71	128.40	-	7686.08
Intangible Assets :												
Software	4.45	1.38	-	0.01	5.84	1.24	-	1.10	2.34	-	3.50	-
Previous Year Figures	3.65	0.86	0.06	-	4.45	0.42	0.02	0.84	1.24	-	-	3.21
Non Current Asset Held For Sale [Net of Impairment Loss ₹ 21.37 Crores [Previous Year ₹ 'NIL']] [Note (g)]											48.99	-
Ships under construction/Capital Work-in-progress [Net of impairment loss ₹ 27.57 crores [Previous Year ₹ 85.70 crores]] [Note (c) and (f)]											644.76	1395.02
Grand Total											9477.05	9084.31

Notes :

- The ownership flats and buildings include ₹ 11,760 (Previous Year ₹ 11,760) being value of shares held in various co-operative societies.
- The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- In accordance with the Accounting Standard (AS-28), the Company had recognised an impairment loss of ₹ 85.70 crores in Ships under construction Account during the previous year in respect of three very large crude carriers which were under construction and contracted to be sold in Financial Years 2011-12 and 2012-13. These advances were impaired on account of the agreed sale price being lower than the contracted purchase price. In the absence of uncertainty on the cash flows of the said sale and purchase transaction for one of the ships, the impairment in the value of the said ship under construction accounted in the previous year was reversed to the extent of ₹ 20.98 crores during the year. Impairment loss amounting to ₹ 37.15 crores related to two ships were initially transferred from Ships under construction Account to Fleet Account on delivery from the shipyard and removed from the book value of the fleet on sale. The balance Impairment loss amounting to ₹ 27.57 crores relating to third ship to be delivered in Financial Year 2012-13 is carried forward under Ships under construction.
- Adjustments/deductions for the year include certain Plant and Equipment amounting to ₹ 76.60 crores in the Rigs classified from Rigs to Plant and Equipment for a more accurate presentation of category of assets.
- During the current year, the Group has revised the life of Plant and Equipment on Rigs from 30 years to 3 to 10 years. The impact of increase in depreciation due to change in life of Plant and Equipment on Rigs of ₹ 16.49 crores has been considered in Statement of Profit and Loss.
- During the current year, the Group has terminated ship building contracts with third parties relating to the two vessels under construction. The accumulated costs related to the said vessels amounted to ₹ 86.82 crores (Previous Year ₹ 'NIL').
- Subsequent to the termination of shipbuilding contracts relating to the two vessels under construction and approval of the Group's management, the related equipments designed for the said vessels were reclassified to Non Current Assets Held for Sale. Liabilities directly associated with Non Current Assets Held for Sale are ₹ 22.88 crores (Previous Year ₹ 'NIL').

Note 13 : Non-current Investments

	Current Year		Previous Year	
	No. of shares	Rs. in crores	No. of shares	Rs. in crores
Trade Investments (valued at cost, fully paid unless stated otherwise)				
Equity Shares : Unquoted				
Seachange Maritime L.L.C.	11,04,000	61.06	11,04,000	53.51
Less : Provision for Diminution in Value of Investment		61.06		53.51
		-		-

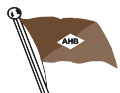
Note 14 : Loans and Advances**(Unsecured - Considered Good, unless otherwise stated)****(₹ in crores)**

	Long-term Loans and Advances		Short-term Loans and Advances	
	Current Year	Previous Year	Current Year	Previous Year
(a) Security Deposits	2.66	5.33	8.59	5.39
(b) Advance Payment of Income-tax and Tax Deducted at Source (net of provision for tax)	4.73	-	-	-
(c) Inter-Corporate Deposits	-	-	90.00	-
(d) Amount recoverable on termination of Ship building contract	47.93	-	-	-
(e) Other Advances	4.13	4.26	82.73	59.82
(Net of provision for doubtful long-term advances ₹ 0.44 crores, Previous Year ₹ 0.44 crores; and net of provision for doubtful short-term advances ₹ 6.80 crores, Previous Year ₹ 6.48 crores)				
	59.45	9.59	181.32	65.21

Note 15 : Trade Receivables**(Unsecured)****(₹ in crores)**

	Current Year	Previous Year
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	10.56	6.22
- Considered Doubtful	38.00	39.48
Others		
- Considered Good	320.08	222.10
- Considered Doubtful	1.04	0.08
	369.68	267.88
Less : Provision for Doubtful Receivables	39.04	39.30
	330.64	228.58

Trade receivables are subject to confirmation, reconciliation and adjustments, if any.



Note 16 : Other Assets

(Unsecured - considered good, unless otherwise stated)

(₹ in crores)

	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
(a) Non-current Bank Balances (note 18)	13.01	16.51	-	-
(b) Unamortised Ancilliary Cost of arranging the Borrowings	29.65	26.54	5.95	5.47
(c) Others				
- Interest Accrued on Fixed Deposits	-	-	19.77	6.62
- Prepayments	-	-	7.66	4.59
	-	-	27.43	11.21
	42.66	43.05	33.38	16.68

Note 17 : Inventories

(Valued at lower of cost and net realisable value)

(₹ in crores)

	Current Year	Previous Year
(a) Stores and Spares on Board Rig	34.33	36.46
(b) Fuel Oils	78.99	66.92
	113.32	103.38

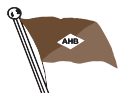
Note 18 : Cash and Bank Balances

(₹ in crores)

	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
Cash and Cash Equivalents :				
(a) Balances with Banks :				
- On Current Accounts	-	-	807.23	405.25
- Deposits Original Maturity of less than three months	-	-	523.80	595.81
(b) Units in Liquid Mutual Funds	-	-	1315.39	1799.01
(c) Cash on Hand	-	-	0.05	0.06
	-	-	2646.47	2800.13
Other Bank Balances :				
(a) Deposits having original maturity for more than 3 months but less than 12 months	-	-	724.85	270.19
(b) Balances with Banks on Unpaid Dividend Account	-	-	7.69	7.84
(c) Margin Money Deposits	13.01	16.51	67.00	30.30
	13.01	16.51	799.54	308.33
	13.01	16.51	3446.01	3108.46
Amount disclosed under non-current assets [note 16 (a)]	13.01	16.51	-	-
	-	-	3446.01	3108.46
Margin Money given as security :				
Margin Money Deposits include -				
(i) deposits placed with banks under a lien against facilities given by the banks.	13.01	16.51	40.10	-
(ii) deposit which is under lien as security against a syndicated loan	-	-	-	12.46
(iii) deposit with banks in margin / reserve accounts	-	-	26.90	-

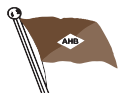
Details of Units in Liquid Mutual Funds (At lower of cost and fair value - fully paid) :

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Axis Fixed Term Plan Series 20 Fund - Dividend Payout	10	2,50,00,000	25.00	-	-
Baroda Pioneer FMP Series 1- Dividend Plan	10	-	-	1,00,00,000	10.00
Benchmark Gold Bees ETF	1000	-	-	91,710	17.34
Birla Sun Life Floating Rate Long Term Institutional Plan Daily Dividend	10	20,70,613	20.71	-	-
Birla Sunlife Dynamic Bond Fund - Retail Plan - Monthly Dividend	10	6,06,14,136	63.70	-	-
Birla Sun Life Fixed Term Plan Series Co Dividend-Payout	10	-	-	2,50,03,399	25.00
Birla Sun Life Savings Fund - Instl. - DDR	10	-	-	32,26,114	3.23
Birla Sun Life Short Term FMP Series 7 Growth	10	-	-	2,50,00,000	25.00
Birla Sunlife Floating Rate Fund - Short Term Plan - Institutional Plus - Daily Dividend	10	-	-	1,10,07,533	11.01
Birla Sun Life Floating Rate Fund-STP-IP-Daily Dividend -Reinvestment	100	8,04,136	8.04	-	-
Birla Sun Life Gilt Plus - Regular - Quarterly Dividend - Reinvestment	10	2,04,82,648	25.01	-	-
Birla Sunlife Income Fund - Quarterly Dividend - Reinvestment	10	-	-	3,31,88,790	37.18
Birla Sunlife Short Term Fund - Monthly Dividend - Reinvestment	10	4,89,02,406	56.06	-	-
Birla Sun Life Short Term Fund Growth	10	27,31,451	10.49	-	-
Birla Sunlife Income Plus - Quarterly Dividend - Reinvestment	10	4,41,14,892	53.67	16,94,901	2.00
Birla Sunlife Short Term Opportunities	10	-	-	1,00,28,900	10.04
Birla Sunlife Short Term Fmp Series 31 Dividend	10	3,00,00,000	30.00	-	-
BSL Short Term Opportunities Fund - Institutional Growth	10	-	-	5,44,45,141	60.61
Canara Robeco Indigo Quaterly Dividend Fund	10	-	-	1,53,02,809	15.31
Canara Robeco Treasury Advantage Super IP DDR	10	-	-	26,70,807	3.31
Canara Robeco Treasury Advantage Super Institutional Daily Dividend Reinvestment Fund	1000	41,359	5.13	-	-
Canara Robeco Floating Rate Short Term Daily Dividend Reinvestment Fund	10	97,92,406	10.05	-	-
Canara Robeco Interval Series 2 - Quarterly Plan 2 - Institutional Dividend Fund	10	50,00,000	5.00	-	-
Canara Robeco Indigo Institutional Dividend Fund	10	1,57,33,614	15.79	-	-
DSP Black Rock FMP S32 - D	10	1,10,00,000	11.00	-	-
DSP Black Rock FMP S33 - D	10	1,50,00,000	15.00	-	-
DSP Black Rock FMP S36 - D	10	1,00,00,000	10.00	-	-
DSP Black Rock Fixed Maturity Plan 3M Series 28 - Dividend Reinvestment	10	-	-	4,75,00,000	47.50
DSP Black Rock FMP-Series 12 - Dividend Payout	10	-	-	2,25,12,336	22.51
DWS Fixed Term Fund - Series 77 - Dividend Plan	10	-	-	2,50,00,000	25.00



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
DWS Fixed Term Fund Series 79 - Growth Plan	10	-	-	2,00,00,000	20.00
Dws Fixed Maturity Plan Series 5 Dividend Plan	10	70,00,000	7.00	-	-
DWS Money Plus Fund - Institutionalplan Monthly Dividend Plan	10	-	-	5,09,39,672	51.34
Fidelity Fixed Maturity Plan Series 4 - Plan E - Dividend	10	-	-	3,40,00,000	34.00
Gold Bees	1000	1,92,532	44.93	-	-
ICICI Prudential Banking & PSU Debt Fund Premium Plus Daily Dividend	10	-	-	90,72,474	9.14
ICICI Prudential Banking And PSU Debt Fund Premium Plus Growth	10	-	-	14,06,75,261	149.39
ICICI Prudential Blended Plan B Institutional Daily Dividend Option - II	10	51,01,811	5.11	-	-
ICICI Prudential Fixed Maturity Plan Series 53 - Plan C Dividend	10	-	-	5,20,00,000	52.00
ICICI Prudential FRF - Plan D	100	-	-	2,721,206	27.22
ICICI Prudential Interval Fund II Quarterly Interval Plan D IP DDR	10	-	-	1,53,09,679	15.31
ICICI Prudential Interval Fund Half Yearly Interval Plan-I Institutional Dividend	10	-	-	2,72,29,752	27.23
ICICI Prudential Interval Fund II Quaterly Interval Plan D Institutional Dividend	10	-	-	1,55,00,000	15.50
ICICI Prudential Interval Fund II Quarterly Interval Plan D Institutional Cumulative	10	-	-	4,80,67,217	50.00
IDBI FMP Series-I (February 2011)-A- Dividend Payout	10	-	-	90,89,983	9.09
IDBI Ultra Short Term Fund - Growth	10	-	-	1,46,41,146	15.00
IDFC - SSIF - Short Term - Plan A - Growth	10	4,19,35,030	51.70	-	-
IDFC Dynamic Bond Fund Plan B Growth	10	44,61,060	5.55	-	-
IDFC Dynamic Bond Fund - Plan B - Dividend	10	5,07,49,977	54.14	-	-
IDFC Money Manager Fund Investment Plan Inst. Plan B Daily Div	10	5,92,46,604	59.95	-	-
IDFC Money Manager Fund Investment Plan Institutional Plan B - Monthly Dividend Fund	10	-	-	2,31,96,232	23.35
IDFC Money Mgr Treasury Plan DDR	10	-	-	46,45,996	4.68
IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvestment	1000	-	-	5,52,806	55.29
IDFC Ultra Short Term Fund Daily Dividend	10	20,72,559	2.08	-	-
JP Morgan India Fixed Maturity Plan Institutional Growth Plan	10	-	-	3,00,00,000	30.00
JPM Fixed Maturity Plan Series 7 Dividend Plan	10	4,10,08,116	41.01	-	-
JPM Fixed Maturity Plan Series 6 Growth Plan	10	88,17,000	8.82	-	-
Kotak Bond Short Term - Monthly Dividend	10	-	-	5,12,26,451	51.50
Kotak Credit Opportunities Fund - Growth	10	-	-	1,69,98,599	17.11
Kotak Credit Opportunities Fund - Weekly Dividend	10	-	-	4,14,37,183	41.44

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Kotak Fixed Maturity Plan Series 10 - Dividend	10	-	-	2,50,00,000	25.00
Kotak Fixed Maturity Plan Series 11 - Dividend	10	-	-	2,50,00,000	25.00
Kotak Flexi Debt IP DDR	10	-	-	90,81,536	9.13
Kotak FMP Series 72 - Dividend	10	1,00,00,000	10.00	-	-
Kotak FMP Series 66 - Growth	10	2,00,00,000	20.00	-	-
Kotak Quarterly Interval Plan Series 1 - Growth	10	96,38,490	13.62	-	-
Kotak Quarterly Interval Plan Series 2 - Dividend	10	19,99,944	2.00	-	-
Kotak Quarterly Interval Plan Series 4 - Dividend	10	59,98,320	6.00	-	-
Kotak Quarterly Interval Plan Series 5 - Growth	10	-	-	2,52,03,384	30.84
L&T FMP-V Dividend	10	3,50,00,000	35.00	-	-
Pramerica Short Term Floating Rate Fund Daily Dividend	1000	49,995	5.00	-	-
Pramerica Treasury Advantage Fund - Monthly Dividend Option - Reinvestment	1000	2,11,236	21.14	-	-
Pramerica Dynamic Bond Fund - Monthly Dividend	10	1,81,675	18.19	-	-
Rel. Fixed Horizon Fund XVIII Sr 6) - DDR	10	-	-	1,50,00,000	15.00
Reliance Fixed Horizon Fund XVI Series 4 - Dividend Plan	10	-	-	2,50,00,000	25.00
Reliance Fixed Horizon Fund XVI Series 5 - Dividend Plan	10	-	-	5,00,00,000	50.00
Reliance Fixed Horizon Fund XVII Series 1 - Dividend Plan	10	-	-	6,00,00,000	60.00
Reliance Fixed Horizon XVIII Series 1 Growth	10	-	-	1,50,00,000	15.00
Reliance Liquidity Fund-Daily Dividend Reinvestment Option	10	55,58,489	5.56	-	-
Reliance Liquid Fund - Treasury Plan-Institutional Option - Daily Dividend Option	10	13,22,364	2.02	-	-
Reliance Monthly Interval Fund Series 1 Institutional Dividend Plan	10	39,96,842	4.00	-	-
Reliance Fixed Horizon Fund - Xxi Series 8 Dividend Plan	10	40,00,000	4.00	-	-
Reliance Fixed Horizon Fund - Xix Series 4 Dividend Plan	10	2,15,00,000	21.50	-	-
Reliance Monthly Interval Fund Series 1 Institutional Growth Plan	10	13,80,148	2.00	-	-
Reliance Money Manager Fund Institution Option DDR	1000	-	-	20,084	2.01
Reliance Monthly Interval Fund Series I - Inst. Plan - Dividend Re-Inv Plan	10	-	-	1,03,10,246	10.31
Religare Fixed Maturity Plan Series IV Plan B Dividend	10	-	-	3,00,03,680	30.00
Religare FMP Series V Plan C 3 Months Growth-Growth Plan	10	-	-	2,50,00,000	25.00
Religare Fixed Maturity Series Viii Plan A Dividend Plan	10	2,50,00,000	25.00	-	-



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Religare FMP Series Xi Plan E - Growth Plan	10	1,05,10,000	10.51	-	-
SBI Debt Fund Series - 13 - Dividend	10	-	-	5,20,00,000	52.00
SBI Debt Fund Series - 14 - Dividend	10	-	-	4,00,00,000	40.00
SBI Debt Fund Series -12 -Dividend	10	-	-	2,50,00,000	25.00
SBI Debt Fund Series- 40- Growth	10	-	-	2,16,20,000	21.62
SBI Debt Fund Series 59 Dividend	10	50,00,000	5.00	-	-
SBI Magnum Income Fund Fr Savings Plus Bond Plan Daily Dividend	10	2,19,38,400	22.07	-	-
SBI Gold Fund Dividend	10	1,00,00,000	10.00	-	-
Sundaram Money Fund Super Institutional Daily Dividend Reinvestment	10	30,64,991	3.09	-	-
Tata Fixed Income Portfolio Fund Scheme C2 Regular Monthly	10	-	-	3,96,52,250	40.00
Tata Fixed Maturity Plan Series 28 Scheme A - Growth	10	-	-	5,00,10,667	50.01
Tata Fixed Maturity Plan Series 28 Scheme C - Dividend	10	-	-	1,00,00,000	10.00
TATA Treasury Manager SHIP Growth	1000	-	-	5,98,037	66.50
TATA Liquidity Management Fund - Daily Dividend	1000	60,154	6.03	-	-
Tata Liquid Super High Investment Fund Daily Dividend	1000	62,837	7.00	-	-
Tata Gilt Securities Fund - Dividend	10	1,31,80,145	15.55	-	-
Tata Fixed Income Portfolio Fund Scheme C3 Growth	10	1,70,10,270	23.23	-	-
Tata Fixed Income Portfolio Fund Scheme A2 Growth	10	1,09,45,214	10.95	-	-
Tata Liquid Super High Investment Fund Growth	10	51,830	10.26	-	-
UTI Fixed Income Interval Fund - Half Yearly Interval Plan Series - I - Institutional Dividend Plan	10	-	-	1,99,94,801	20.00
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan IV Institutional Dividend Plan	10	-	-	2,53,42,421	25.34
UTI Fixed Income Interval Fund - Series II - Quarterly Interval Plan VII Institutional Growth Plan	10	-	-	3,71,99,865	38.50
UTI Floating Rate Fund (STP) IP DDR	1000	-	-	15,032	1.50
UTI Short Term Income Fund - Institutional Income Option - Growth Plan	10	4,29,12,238	53.73	3,76,29,590	40.78
UTI Short Term Income Fund - Institutional Income Option - Reinvestment	10	-	-	1,87,77,038	19.14
UTI Treasury Advantage Fund - IP - DDR	1000	-	-	1,26,965	12.70
UTI Fixed Income Interval Fund Quarterly Plan Series -III- Institutional Dividend Plan - Re-investment	10	1,51,09,291	15.11	-	-

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
UTI Fixed Income Interval Fund Series II Quarterly Interval Plan VI -Institutional Dividend Plan Payout	10	99,97,401	10.00	-	-
UTI Fixed Term Income Fund Series XI - IV Dividend Plan Reinvestment	10	2,51,02,307	25.10	-	-
UTI Dynamic Bond Fund - Dividend Plan - Re-investment	10	7,30,51,091	74.69	-	-
UTI Dynamic Bond Fund - Growth Plan	10	14,38,47,546	165.61	-	-
UTI Money Market Fund - Institutional Daily Dividend - Re-Investment	1000	74,686	7.49	-	-
			1315.39		1799.01

Note 19 : Revenue from Operations

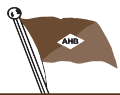
	(₹ in crores)	
	Current Year	Previous Year
(a) Revenue from -		
- Freight and Demurrage	1158.69	859.09
- Charter Hire	1775.56	1573.82
	2934.25	2432.91
(b) Other Operating Revenue	21.24	18.92
	2955.49	2451.83

Note 20 : Other Income

	(₹ in crores)	
	Current Year	Previous Year
(a) Profit on Sale of Ships/Other Assets (net)	71.11	124.39
(b) Gain on Foreign Currency Transactions (net)	6.75	12.60
(c) Dividend from Units in Mutual Funds	68.14	62.52
(d) Interest Income -		
- on Fixed Deposits and Inter-corporate Deposits	56.02	38.98
- on Others	0.62	2.63
	56.64	41.61
(e) Profit on Sale of Units in Mutual Funds (net)	68.40	43.91
(f) Provision for Loss on Onerous Incharter Hire Contract Written Back (net)	6.45	5.01
(g) Provision for Doubtful Debts and Advances Written Back	4.01	9.97
(h) Miscellaneous Income	2.85	10.96
	284.35	310.97

Note 21 : Employee Benefit Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Salaries, Wages and Bonus	415.91	311.00
(b) Contribution to Provident and Other funds	17.00	9.22
(c) Employee Stock Option Scheme	(0.16)	0.10
(d) Staff Welfare Expenses	31.81	18.35
	464.56	338.67



Note 22 : Other Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Fuel Oil and Water	415.99	307.64
(b) Port, Light and Canal Dues	80.54	96.16
(c) Stevedoring, Despatch and Cargo Expenses	6.48	2.89
(d) Hire of Chartered Ships	312.69	315.92
(e) Brokerage and Commission	16.13	14.82
(f) Agency Fees	4.41	4.61
(g) Consumption of Spares and Stores	164.98	138.03
(h) Repairs and Maintenance -		
- Fleet	105.31	74.92
- Building	1.02	0.67
- Others	6.56	5.38
	112.89	80.97
(i) Insurance -		
- Fleet Insurance and Protection Club Fees	47.50	50.20
- Others	0.78	0.80
	48.28	51.00
(j) Provision for the diminution in the value of units in mutual funds	2.20	6.26
(k) Rent	62.89	8.47
(l) Rates and Taxes	0.30	0.18
(m) Bad Debts and Advances Written off	1.89	0.93
(n) Provision for Doubtful Debts and Advances	4.64	10.33
(o) Travelling Expenses	40.90	30.73
(p) Miscellaneous Expenses	136.29	80.24
	1411.50	1149.18

Note 23 : Finance Costs

Interest	313.46	255.53
Other Borrowing Costs	9.37	12.77
Exchange Difference to the extent considered as an adjustment to Borrowing Costs	129.01	1.89
	451.84	270.19
Less : Pre-delivery Interest Capitalised	14.53	30.53
	437.31	239.66

Note 24 : Tax expenses

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Group has opted for computation of its income from Indian shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships is assessed on the basis of the deemed Tonnage Income and no deferred tax is applicable to such income as there are no timing differences. Deferred tax asset in respect of non-tonnage income as at the end of the year is ₹ 1.31 crores. (Previous Year ₹ 0.88 crores).

Deferred Tax asset in respect of the non-tonnage income of the Group for the period is comprised of :

	(₹ in crores)	
Particulars	Current Year	Previous Year
Difference in depreciation as per books and tax depreciation	1.19	0.88
Expenditure allowable for tax purposes on payment basis	0.12	-
	1.31	0.88

Charter hire income of the Singapore subsidiaries is exempt from income tax under section 13A of Singapore Income Tax Act as income is derived from rigs/vessels operating outside the limits of the port of Singapore. Future tax benefits arising from

excess of tax written down value over book value of assets have not been recognised since there is no reasonable certainty of their recovery in future years.

No deferred tax asset has been recognised for Mauritian subsidiary as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

Note 25 : Basic and Diluted Earnings per Share

	Current Year	Previous Year
(a) Net Profit After Tax (₹ in crores)	316.55	468.70
(b) Number of Equity Shares		
(i) Basic Earning per Share :		
Number of Equity Shares as at the beginning of the year	15,22,89,684	15,22,89,684
Number of Equity Shares as at the end of the year	15,22,89,684	15,22,89,684
Weighted Average Number of Equity Shares	15,22,89,684	15,22,89,684
(ii) Diluted Earning per Share :		
Weighted Average Number of Equity Shares	15,22,89,684	15,22,89,684
Add : Rights Shares kept in abeyance	3,26,530	3,26,530
Weighted Average Number of Equity Shares	15,26,16,214	15,26,16,214
(c) Face Value of Equity Share	₹ 10	₹ 10
(d) Earnings per Share :		
- Basic	₹ 20.79	₹ 30.78
- Diluted	₹ 20.74	₹ 30.71

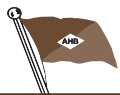
Note 26 : Segment Reporting

a) Primary segment reporting by business segment :

(₹ in crores)

	Shipping		Offshore		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue :						
Total Revenue	2033.36	1855.39	1227.40	914.56	3260.76	2769.95
Less : Inter Segment Revenue					20.92	7.16
Net Revenue					3239.84	2762.79
Results :						
Profit before tax and interest	402.42	431.49	414.04	337.32	816.46	768.81
Less : Interest					437.31	239.66
Total Profit before tax					379.15	529.15
Provision for taxation :						
- Current tax					58.72	55.39
- Deferred Tax					(0.43)	(0.18)
Profit for the year after tax :					320.86	473.94
Less : Prior period adjustments					-	0.75
Less : Minority Interest					4.31	4.49
Net Profit					316.55	468.70

(₹ in crores)



	Shipping		Offshore		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Other Information :						
Assets	8341.42	8142.99	5338.99	4517.18	13680.41	12660.17
Liabilities	936.82	531.43	343.98	142.20	1280.80	673.63
Capital Expenditure	1161.34	1077.91	668.27	1496.08	1829.61	2573.99
Depreciation	357.13	303.06	191.19	117.38	548.32	420.44

b) Secondary segment reporting by geographical segment :

(i) Segment-wise Revenue :

(₹ in crores)

	Current Year	Previous Year
Revenue - outside India	1450.66	1325.27
Revenue - within India	1789.18	1437.53
	3239.84	2762.80

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

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

Note 27 : Operating Lease

a) Operating Lease Commitments – where the Group is a lessee

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

(₹ in crores)

Details	Current Year	Previous Year
(i) Total Future Minimum Lease payments		
- Not later than 1 year	7.11	8.14
- Later than 1 year and not later than 5 years	19.28	3.46
- Later than 5 years	-	-
(ii) Lease payments recognised in the Statement of Profit and Loss for the year ₹ 7.30 crores (Previous Year ₹ 165.35 crores)		

(b) Operating Lease Commitments – where the Group is a lessor

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

(₹ in crores)

Details	Current Year	Previous Year
Due within One Year	-	20.85
Due within two to five years	-	-

Note 28 : Related Party Transactions

(I) List of Related Parties

Related parties with whom transactions have taken place during the year

(a) Key Management Personnel :

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

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

(II) Transactions with Related Parties :

Nature of Transaction	(₹ in crores)	
	Key Management Personnel	
	Current Year	Previous Year
Remuneration	13.86	12.49
- Mr. K. M. Sheth ₹ 2.84 crores (Previous Year : ₹ 2.94 crores)		
- Mr. Bharat K. Sheth ₹ 4.79 crores (Previous Year : ₹ 5.13 crores)		
- Mr. Ravi K. Sheth ₹ 5.03 crores (Previous Year : ₹ 3.68 crores)		
- Mr. P. R. Naware ₹ 1.07 crores (Previous Year : ₹ 0.68 crores)		
- Ms. Nirja B. Sheth ₹ 0.13 crores (Previous Year : ₹ 0.06 crores)		

Note : Dividend payments to Key Management Personnel have not been considered in the above disclosure.

Note 29 : Capital and Other Commitment

Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - ₹ 1492.05 crores (Previous Year ₹ 2050.39 crores).

Note 30 : Contingent liabilities

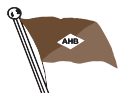
Sr. No.	Particulars	(₹ in crores)	
		Current Year	Previous Year
(a)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Group.	127.30	55.03
(b)	Guarantees given to banks on behalf of subsidiaries.	121.06	122.84
(c)	Sales Tax demands under BST Act, CST Act and VAT Act against which the Group has preferred appeals.	7.46	7.46
(d)	Lease Tax liability in respect of a matter decided against the Group, against which the Group has filed a revision petition in the Madras High Court.	17.40	17.40
(e)	Demand from the Office of the Collector and District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Group.	4.34	4.34
(f)	Custom Duty Payable for clearance of a vessel under DFCEC Scheme.	8.82	8.82
(g)	Service Tax demand/notice for services provided by Drilling units	27.25	27.25
(h)	Demand for Custom Duty disputed by the Group.	0.12	0.12

The Holdings Company has also provided performance guarantees in favour of parties which have contracted with its subsidiaries which would require it to assume the benefits and costs of these contracts in the event the subsidiaries are not able to fulfill the same, in which event, the Holding Company does not expect any net liability or outflow of resources.

Note 31 : Hedging Contracts

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

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



1 Derivative Instruments Outstanding :

i) Cash Flow Hedges :

a) Commodity Futures Contracts for Import of Bunker :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	13	-	4	-
No. of units in MT under above contracts	51000	-	16500	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	9.03	-	0.55	-
Maturity Period	Upto 2 Years	-	Upto 1 Year	-

(b) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	1	-	1
Foreign Currency Value (USD in million)	-	6.000	-	12.000
Amount recognised in Hedging Reserve (loss)/gain (Rs. in crores)	-	(2.66)	-	(0.24)
Maturity Period	-	Upto 1 Year	-	Upto 2 Years

(c) Cross Currency Forward Exchange Contracts :

Details	Current Year	Previous Year
Total No. of contracts outstanding	1	4
Cross Currency Australian Dollars to US Dollars (in millions)	1.038	-
Cross Currency Singapore Dollars to US Dollars (in millions)	-	27.690
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	0.06	5.55
Maturity Period	Upto 3 Months	Upto 6 Months

(d) Forward Exchange Option Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	13	-	15
Foreign Currency Value (USD in million)	-	98.000	-	241.500
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	(62.96)	-	(48.03)
Maturity Period	-	Upto 1 Year	-	Upto 2 Years

(e) Interest Rate Swap Contracts :

Details	Current Year	Previous Year
Total No. of contracts outstanding	17	19
Principal Notional Amount (USD in million)	376.301	444.258
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(93.10)	(51.82)
Maturity Period	Upto 9 Years	Upto 10 Years

(f) Interest portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		11	11
Principal Notional Amount (JPY in million)	JPY/USD	19203.977	22514.730
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(40.81)	(28.47)
Maturity Period		Upto 7 Years	Upto 8 Years

(g) Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		13	11
Principal Notional Amount (₹ in crores)	INR/USD	1700.00	1500.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(449.03)	(64.00)
Maturity Period		Upto 11 Years	Upto 12 Years

ii) (a) Forward Exchange Contracts :

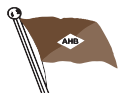
Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	6	-	22
Foreign Currency Value (USD in million)	-	16.000	-	107.000
Maturity Period	-	Upto 6 months	-	Upto 6 months

(b) Principal portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		11	11
Principal Notional Amount (JPY in million)	JPY/USD	19203.977	22514.730
Maturity Period		Upto 7 Years	Upto 8 Years

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 loss of ₹ 639.47 crores (Previous Year ₹ 186.46 crores) has been recorded in the Hedging Reserve Account.

In addition to above, the balance in Hedging Reserve Account also includes loss on cancellation of forward contracts amounting to ₹ 1.77 crores (Previous Year ₹ 'NIL') which will be recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition in accordance with the principles of hedge accounting enunciated in Accounting Standard '(AS) 30 – Financial Instruments : Recognition and Measurement' as issued by the Institute of Chartered Accountants of India.



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

Details	Currency	Current Year in millions	Previous Year in millions
Loan Liabilities and Payables	AED	0.773	1.433
	AUD	7.278	2.528
	BRL	7.399	-
	CAD	-	0.002
	CHF	0.002	0.066
	DKK	0.717	0.544
	EUR	0.241	0.649
	GBP	0.568	0.091
	JPY	41.037	36.275
	NOK	0.047	0.457
	SAR	-	0.003
	SEK	-	0.040
	SGD	4.355	1.382
	USD	1337.289	981.928
	ZAR	-	0.010
Receivables	AED	0.462	0.060
	AUD	2.825	1.980
	BRL	6.222	-
	EUR	0.010	0.357
	GBP	0.001	0.312
	JPY	16.996	21.406
	SEK	-	0.009
	SGD	0.084	0.282
	USD	53.270	33.847
Bank Balances	AED	0.190	0.022
	AUD	2.699	0.140
	DKK	0.124	0.147
	EUR	0.097	0.175
	GBP	0.078	0.085
	NOK	0.159	0.136
	SGD	0.310	1.244
	USD	270.974	80.916

Note 32

The adoption of the Revised Schedule VI does not impact recognition and measurement principles followed for preparation of Consolidated Financial Statements and has no significant impact on the disclosures made in the Consolidated Financial Statements.

All Assets and Liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956, which is applicable from the current year ended March 31, 2012.

Note 33 : Previous Year Regrouping

Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification as per the Revised Schedule VI notified under The Companies Act, 1956 which is applicable from the current year.





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