



## THE GREAT EASTERN SHIPPING COMPANY LIMITED

Registered Office : Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400018

Tel No.: 022-66613000 / 24922100 | Fax No :022-24925900

Email: shares@greatship.com | Website : www.greatship.com

CIN : L35110MH1948PLC006472

## NOTICE

NOTICE is hereby given that the Sixty Seventh Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020 on Wednesday, August 12, 2015 at 3.00 p.m. (I.S.T.) to transact the following business :

1. To receive, consider and adopt :
  - a) the audited financial statements of the Company for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon; and
  - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2015.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. K. M. Sheth (DIN: 00022079), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution :
 

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) and the Rules framed thereunder, the appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W) as Auditors of the Company made at the Annual General Meeting of the Company held on September 25, 2014 be and is hereby ratified.”
5. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mrs. Rita Bhagwati (DIN: 06990589), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on November 14-16, 2014 and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from November 14, 2014.”
6. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:
 

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mr. Farrokh Kavarana (DIN:00027689), who was appointed as an Additional Director at the meeting of the

Board of Directors of the Company held on November 14-16, 2014 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from November 14, 2014."

7. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force), Dr. Shankar Acharya (DIN: 00033242), who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on February 05, 2015 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from February 05, 2015."

8. 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with and in accordance with the conditions specified in Schedule V to the said Act (including any modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded to the re-appointment of Mr. Bharat K. Sheth (DIN: 00022102) as a Whole time Director of the Company designated as 'Deputy Chairman & Managing Director' for a period of 5 years with effect from April 01, 2015 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. Bharat K. Sheth and the Board."

9. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provision of Section 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force), Mr. G. Shivakumar (DIN: 03632124) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on November 14-16, 2014 and who holds office as such upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. G. Shivakumar 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."

10. 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 Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013, read with and in accordance with the conditions specified in Schedule V to the said Act (including any modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded to the appointment of Mr. G. Shivakumar

(DIN: 03632124) as a Whole-time Director of the Company designated as 'Executive Director' for a period of 5 years with effect from November 14, 2014 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. G. Shivakumar and the Board."

11. To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and other applicable provisions of the Companies Act, 2013, the Company's Directors, who are neither in the whole time employment nor Managing Director(s), shall be paid remuneration, each year, by way of commission at a rate not exceeding one percent of the net profits of the Company for every financial year commencing from the financial year 2015-2016 and that such commission shall be paid to and distributed amongst the aforesaid Directors or such of them, in such amounts or in such proportions and in such manner as may be decided by the Board of Directors of the Company from time to time."

12. 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 Sections 42, 71 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to offer or invite subscriptions for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches, aggregating up to ₹ 500 crores (Rupees Five Hundred Crores only), on private placement, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company including as to when the said Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected with or incidental thereto."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Mumbai, May 29, 2015

By Order of the Board

*Registered Office :*

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

Tel : 022-66613000/24922100

Fax : 022-24925900

E-mail : shares@greatship.com

Web : www.greatship.com

CIN No. : L35110MH1948PLC006472

**Jayesh M. Trivedi**  
Company Secretary

## 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 Annual General Meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution / authority as applicable.
4. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, in respect of the business as per Item Nos. 5 to 12 herein above, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from August 06, 2015 to August 12, 2015 (both days inclusive).
6. The dividend declared at the Annual General Meeting will be made payable on or after August 13, 2015, 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 August 05, 2015 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.
7. 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.
8. 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 2006-07 (53rd final dividend), 2007-08 (54th 1st interim dividend) and 2007-08 (54th 2nd interim dividend) to the Investor Education and Protection Fund.  
  
All unclaimed dividend for the year 2007-08 (54th 3rd interim dividend) will be due for transfer to the Investor Education and Protection Fund on June 01, 2015. Shareholders who have not encashed the Dividend Warrants are requested to claim the amount from the Company's Share Department at the Registered Office of the Company.
9. The information as required under clause 49 (VIII)(E) of the Listing Agreement in respect of Directors being appointed / re-appointed is annexed hereto.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Annual General Meeting.

11. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges all the business as per Item Nos. 1 to 12 hereinabove, is required to be transacted by electronic means.
12. The Board of Directors of the Company has appointed Ms. Dipti Mehta, Practising Company Secretary, as Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
13. Process and manner for Members opting for remote e-voting is as under:
  - (A) In case of Members receiving e-mail from NSDL :
    - (i) Open the attached PDF file "GESCO.e-voting.pdf" with your DPID/Client ID (for shares held in demat mode) or Folio No. (for shares held in physical mode) as default password. The said file contains your "User ID" and "Password" for remote e-voting. This PDF file will not be sent if you are already registered with NSDL for e-voting, hence you are requested to use the existing password for casting the vote. If you have forgot your password, please reset your password by using "Forget User Details/ Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
    - (ii) Open internet browser by typing <https://www.evoting.nsdl.com>.
    - (iii) Click on "Shareholders Login".
    - (iv) Put User ID and Password as initial password as mentioned in step (i) above and login.
    - (v) Password Change Menu appears. Change the password with the new password of your choice with minimum 8 digits/characters or combination thereof.
    - (vi) Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
    - (vii) Home page of "remote e-voting" opens. Click on "remote e-voting-Active Voting Cycles".
    - (viii) Select "EVEN" (E-voting Event Number) of The Great Eastern Shipping Company Limited for casting your votes. For an EVEN, you can login any number of times on remote e-voting platform of NSDL till you have voted on the resolution during the remote e-voting period.
    - (ix) Now you are ready for "remote e-voting" as "Cast Vote" page opens.
    - (x) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xi) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [dipti@mehta-mehta.com](mailto:dipti@mehta-mehta.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
    - (xii) **The remote e-voting period commences at 10.00 a.m. on Saturday, August 08, 2015 and ends at 5.00 p.m. on Tuesday, August 11, 2015.** The remote e-voting module will be disabled by NSDL for voting thereafter.
  - (B) In case of Members not receiving e-mail from NSDL:

Please refer to the User ID and Password printed at the bottom of the Attendance Slip.

Please follow all steps from Sl. No. A (ii) to A (xii) above, to cast your vote.

- (C) In case you are already registered with NSDL, you can use your existing User ID and Password for casting your vote.
- (D) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and Remote E-voting User Manual for Shareholders available at the “Downloads” section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
14. The persons who have acquired shares and become members of the Company after dispatch of the notice of Annual General Meeting, may obtain User ID and Password for remote e-voting by sending request to the Company / Sharepro Services (India) Pvt. Ltd. either by way of a letter or by sending e-mail to [shares@greatship.com](mailto:shares@greatship.com) / [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com).
15. The facility for voting, either through electronic voting system or ballot or polling paper shall also be made available at the Annual General Meeting and the members attending the Annual General Meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the Annual General Meeting.
16. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.
17. A member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the Company as on August 05, 2015 ('cut-off date').
- A person whose name is recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on the 'cut-off date only' shall be entitled to avail the facility of remote e-voting as well as voting in the Annual General Meeting.
18. The Scrutinizer will submit her report addressed to Mr. K. M. Sheth, Chairman after completion of the scrutiny and the results of the voting will be announced on or before August 14, 2015.
19. Members are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically with respective Depository Participant (if holding shares in electronic form) or the Company / Sharepro Services (India) Pvt. Ltd. (if holding shares in physical form).

The requests to the Company / Sharepro Services (India) Pvt. Ltd. can either be sent by way of a letter or by sending e-mail to [shares@greatship.com](mailto:shares@greatship.com) / [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com).

## EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

### ITEM NOS. 5 to 7:

The Board of Directors of the Company, at their meeting held on November 14-16, 2014 appointed Mrs. Rita Bhagwati and Mr. Farrokh Kavarana as Additional Directors and Independent Directors of the Company.

The Board of Directors of the Company, at their meeting held on February 05, 2015 appointed Dr. Shankar Acharya as an Additional Director and Independent Director of the Company.

By virtue of the provisions of Section 161 of the Companies Act, 2013 (the Act), read with Article 95 of the Articles of Association of the Company, they will hold office upto the date of the Annual General Meeting.

As per Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years and shall not be liable to retire by rotation. In view of the same, it is proposed to appoint Mrs. Rita Bhagwati, Mr. Farrokh Kavarana and Dr. Shankar Acharya as Independent Directors of the Company to hold office for a term of five years.

All the aforesaid Independent Directors are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has also received declarations from them that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of aforesaid Independent Directors for the office of Independent Directors of the Company.

In the opinion of the Board, all the aforesaid Independent Directors are independent of the management and fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement.

Brief resume of all the aforesaid Independent Directors, nature of their expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are annexed to the Notice. The same may be treated as justification for their appointment as Independent Directors.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board of Directors commend the Resolutions set out at Item No. 5 to 7 of the accompanying Notice for the approval of the members.

Copy of the draft letter for appointment of aforesaid Independent Directors, setting out the terms and conditions, is available for inspection by members at the Registered Office of the Company.

Your Directors commend the Resolutions at Item Nos. 5 to 7 of the Notice for your approval.

All the aforesaid Independent Directors are interested, financially or otherwise, in the Resolutions as set out at Item No. 5 to 7 of the Notice with regard to their respective appointments. Their relatives may also be deemed to be interested in the Resolutions set out at Item Nos. 5 to 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, financially or otherwise, concerned or interested in the aforesaid resolutions.



**ITEM NO. 8:**

The Resolution at Item Nos. 8 of the Notice seek approval of the members in respect of the re-appointment of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director, who was appointed at the Annual General Meeting of the Company held on July 29, 2010 on the terms as contained in the Resolution passed at the said Annual General Meeting.

The Nomination and Remuneration Committee of the Company noted that the existing term of appointment of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director expires on March 31, 2015. The Nomination and Remuneration Committee has recommended re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman & Managing Director' for a period of 5 years with effect from April 01, 2015 on fresh terms, particulars of which are set out hereinafter. The Nomination and Remuneration Committee also recommended a revision in the remuneration payable to Mr. Bharat K. Sheth, with a view to align remuneration packages with the best corporate practices prevailing in the industry and particularly in the shipping industry globally.

In accordance with the recommendations of the Nomination and Remuneration Committee, the Board of Directors, at their meeting held on March 12, 2015, re-appointed Mr. Bharat K. Sheth as Deputy Chairman & Managing Director for a period of 5 years with effect from April 01, 2015 on fresh terms, particulars of which are as follows:

- (a) Salary: Consolidated Salary, including Company's contribution to Provident Fund, Superannuation Fund and all other allowances, as may be decided by the Board of Directors of the Company in the scale of ₹ 330 lakhs p.a. to ₹ 485 lakhs p.a.
- (b) Commission: Payment of Commission, calculated with reference to the net profit of the Company for each financial year and subject to the ceiling laid down in section 197 of the Companies Act, 2013, as may be fixed by the Board of Directors not exceeding three times the annual Consolidated Salary referred to at (a) above.
- (c) In addition, Mr. Bharat K. Sheth will be entitled to:
  - (i) Transportation/conveyance facilities as per the rules of the Company.
  - (ii) Telecommunication facilities at residence.
  - (iii) Leave encashment as per the rules of the Company.
  - (iv) Reimbursement of medical expenses incurred for himself and his family.
  - (v) Insurance cover as per the rules of the Company.
  - (vi) Housing Loan as per the rules of the Company.
  - (vii) Fees of Clubs subject to a maximum of two clubs.
  - (viii) Leave travel allowance as per the rules of the Company.
- (d) Expenses incurred by Mr. Bharat K. Sheth for Company's business and expenses incurred during business trips for travelling, boarding and lodging, including for his spouse shall be reimbursed and not be considered as perquisites.
- (e) Though not likely, in the event of absence or inadequacy of profit in any financial year, Mr. Bharat K. Sheth shall be paid aforesaid remuneration as minimum remuneration subject to the approval of the Central Government (if required).



- (f) In addition, Mr. Bharat K. Sheth shall also be entitled to bonafide payment (which shall include providing perquisites) by way of pension in respect of his past services to the Company in accordance with a scheme formulated by the Board of Directors from time to time, subject to the limits prescribed, if any, under the Companies Act, 2013.
- (g) In the event of loss of his office as a Wholetime Director, Mr. Bharat K. Sheth shall be paid compensation in the manner and to the extent provided under Sections 191 and 202 of the Companies Act, 2013.

Mr. Bharat K. Sheth has been Executive Director since 1989 and Managing Director of the Company since 1999. He has provided outstanding leadership as Deputy Chairman & Managing Director and has contributed significantly to the stability, progress and growth of the Company.

Your Directors commend the Resolution at Item No. 8 of the Notice for your approval.

Mr. Bharat K. Sheth may be deemed to be interested, financially or otherwise, in the aforesaid Resolution to the extent of his shareholding. Mr. K. M. Sheth and Mr. Ravi K. Sheth may also be deemed to be interested in the aforesaid resolution. Other relatives of Mr. Bharat K. Sheth may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested financially or otherwise in the aforesaid Resolution.

#### **ITEM NOS. 9 and 10:**

Mr. G. Shivakumar is a Bachelor of Commerce and a Post Graduate in Management from IIM Ahmedabad. He joined the Company as a management trainee immediately after completing his management in 1990, and had stints in key functions like Treasury, Corporate Finance, Human Resources, and Strategic Planning, besides being the Chief Financial Officer of the Company's wholly owned subsidiary, Greatship (India) Limited. He is currently designated as Group CFO.

Apart from the Company, Mr. G. Shivakumar is also on the Board of Directors of Great Eastern CSR Foundation, a wholly owned subsidiary of the Company. As on date, Mr. G. Shivakumar holds 57 equity shares in the Company.

The Board of Directors of the Company, at their meeting held on November 14-16, 2014 appointed Mr. G. Shivakumar as an Additional Director of the Company. By virtue of the provisions of Section 161 of the Companies Act, 2013 read with Article 95 of the Articles of Association of the Company, Mr. G. Shivakumar will hold office upto the date of the Annual General Meeting.

The Company has received a notice from a member under Section 160 of the Act, with requisite deposit, proposing the name of Mr. G. Shivakumar as a candidate for the office of Director of the Company.

The Board of Directors also appointed Mr. G. Shivakumar as an Executive Director of the Company for a period of 5 years with effect from November 14, 2015 on following terms:

- (a) Salary: Consolidated Salary, including Company's contribution to Provident Fund, Superannuation Fund and all other allowances, as may be decided by the Board of Directors of the Company in the scale of ₹ 120 lakhs p.a. to ₹ 195 lakhs p.a.

- (b) Commission: Payment of commission, calculated with reference to the net profit of the Company for each financial year, subject to the ceiling laid down in Section 197 of the Companies Act, 2013, as may be fixed by the Board of Directors not exceeding one time the annual Consolidated Salary referred to at (a) above.
- (c) In addition, Mr. G. Shivakumar will be entitled to following benefits as per the Rules of the Company:
  - (i) Transportation/conveyance facilities.
  - (ii) Telecommunication facilities at residence.
  - (iii) Leave encashment.
  - (iv) Reimbursement of medical expenses incurred for himself and his family.
  - (v) Insurance cover.
  - (vi) Housing Loan.
  - (vii) Membership fees of Clubs.
  - (viii) Gratuity.
  - (ix) Other benefits as may be applicable to his grade from time to time.
- (d) Expenses incurred by Mr. G. Shivakumar during business trips for travelling, boarding and lodging shall be reimbursed and shall not be considered as perquisites.
- (e) Though not likely, in the event of absence or inadequacy of profit in any financial year, Mr. G. Shivakumar, shall be paid aforesaid remuneration as a minimum remuneration, subject to the approval of the Central Government (if required).
- (f) Mr. G. Shivakumar shall be responsible for all such functions as may be delegated to him by the Managing Director and the Board of Directors from time to time.
- (g) The Company or Mr. G. Shivakumar shall be entitled to terminate this appointment by giving three months' notice in writing.

Your Directors commend the Resolutions at Item Nos. 9 and 10 of the Notice for your approval.

Mr. G. Shivakumar may be deemed to be interested, financially or otherwise, in the Resolutions as set out at Item Nos. 9 and 10 of the Notice with regard to his appointment. The relatives of Mr. G. Shivakumar may also be deemed to be interested in the Resolutions set out at Item Nos. 9 and 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolutions.

#### **ITEM NO. 11:**

At the Annual General Meeting of the Company held on July 29, 2010, members of the Company had approved the payment of remuneration to the Non-Wholetime Directors of the Company, i.e. the Directors other than the Managing Director(s) and Whole time Directors of the Company, by way of commission upto one percent of the net profits of the Company. This approval was granted for a period of 5 years from the financial year 2010-2011, while the Board was authorised to fix the actual amount and the manner of payment.

The role of Non-Wholetime Directors is not only restricted to formulating strategies and providing guidance, but also monitoring of various functions like compliances, internal audit, compensation, shareholders grievances, etc. The amount of time that needs to be devoted by the Non-Wholetime Directors has increased manifold over the period of years.

In view of the same, it is proposed to continue to compensate the Non-Wholetime Directors by way of commission at a rate not exceeding one percent of the net profits of the Company for every financial year commencing from the financial year 2015-2016. The Board of Directors are required to be authorised to decide the quantum of commission payable every year within the overall limits stipulated aforesaid.

The Board of Directors have over the last 3 years paid the following commission to the Non-Wholetime Directors:

Year	Net Profit of the Company* (₹ in lakhs)	Commission paid/payable (₹ in lakhs)	% of Net Profit
2012-13	10,757	43.25	0.40
2013-14	17,860	50.45	0.28
<b>2014-15</b>	<b>30,143</b>	<b>63.10</b>	<b>0.21</b>

\* As per Section 198 of Companies Act, 2013.

As per the provisions of Section 197 of the Companies Act, 2013 read with Article 93 of Articles of Association of the Company, such payment requires authorisation by the members of the Company by way of an ordinary Resolution.

Your Directors commend the Resolution at Item No. 11 of the Notice for your approval.

Following Non-Wholetime Directors of the Company namely, Mr. Berjis Desai, Mr. Cyrus J. Guzder, Mr. Vineet Nayyar, Mrs. Rita Bhagwati, Mr. Farrokh K. Kavarana and Dr. Shankar Acharya are interested, financially or otherwise, in the Resolution as set out at Item No. 11 of the Notice. Their relatives may also be deemed to be interested in the Resolution set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution.

#### ITEM NO. 12:

Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 prescribed, inter alia, under Section 42 of the Companies Act, 2013 deals with private placement of securities by a company. Sub-rule (2) of the said Rule 14 states that in case of an offer or invitation to subscribe for non-convertible debentures on private placement, the company shall obtain previous approval of its shareholders by means of a special resolution only once in a year for all the offers or invitations for such debentures during the year.

In order to augment long term resources for financing, inter alia, the ongoing capital expenditure and for general corporate purposes, the Company may offer or invite subscription for secured / unsecured redeemable non-convertible debentures, in one or more series / tranches on private placement, issuable / redeemable at par.

Accordingly, consent of the members is sought for passing a Special Resolution as set out at Item No. 12 of the Notice as enabling Resolution.

This Resolution enables the Board of Directors of the Company to offer or invite subscription for non-convertible debentures, as may be required by the Company, from time to time for a year from the conclusion of this Annual General Meeting.

Your Directors commend the Resolution at Item No. 12 of the Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the aforesaid Resolution.

By Order of the Board

Mumbai, May 29, 2015.

*Registered Office :*

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

Tel : 022-66613000/24922200

Fax : 022-24925900

E-mail : [shares@greatship.com](mailto:shares@greatship.com)

Web : [www.greatship.com](http://www.greatship.com)

CIN No. : L35110MH1948PLC006472

**Jayesh M. Trivedi**  
Company Secretary

## ANNEXURE TO NOTICE

### INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED

- A) **MR. K. M. SHETH** joined the Company in 1952 and was inducted on the Board of the Company in 1970. He became the 'Deputy Chairman and Managing Director' in 1975 and rose to become the 'Chairman and Managing Director' in 1992. He became Executive Chairman in 1999. With a view to reduce his day to day commitments, Mr. K. M. Sheth relinquished the office of the Whole-time Director with effect from September 01, 2014. He has been providing invaluable guidance to the Company in its strategic and decision making policies.

Previously, Mr. K. M. Sheth held the post of President of the Indian National Shipowners Association (INSA) and was the employers' group Chairman in the International Labour Organization (ILO) plenary session in Geneva. He continues to be Chairman of the South Asia Advisory Committee of Lloyds Register of Shipping and also Chairman of the South Asia Committee of Det Norske Veritas. He is also a member of the Indian Committee of Nippon Kaiji Kyokai, Japan and American Bureau of Shipping. He is also on the Board of Britannia Steamship Insurance Association Limited, London.

As on date, Mr. K. M. Sheth holds 20,58,133 equity shares in the Company.

- B) **MRS. RITA BHAGWATI** has more than 35 years of work experience in India and the United States in the central bank and in commercial and investment banking.

She has served as the regional economist for South Asia at the International Finance Corporation (IFC), the private sector arm of the World Bank. She helped guide IFC operations in South Asia by identifying growth sectors in South Asia, tracking macroeconomic and policy developments and screening potential investments for economic viability.

She spent two decades with the IFC, the Institute of International Finance and the World Bank, with a range of responsibility including South Asia, private sector development, project finance, strategic policy, coordinating among multilateral donors and designing and developing new products to collaborate with the private sector.

She began her career in one of India's largest commercial banks – the State Bank of India. She went on to serve for over a decade in the central bank, the Reserve Bank of India, where she rose to senior management levels. She initiated policy papers and collaborated with senior officials from the ministries of Finance, Commerce, Export-Import Bank, Export Credit Guarantee Corporation and commercial banks.

She holds an MA in Economics from the prestigious Delhi School of Economics, an MA in International Economics from the Fletcher School at Tufts University and an MBA from George Washington University.

She has recently joined Bower Group Asia, Washington D. C. as Advisor, Economic Policy and Financial Markets.

As on date, Mrs. Rita Bhagwati does not hold any equity shares in the Company.

Apart from the Company, Mrs. Rita Bhagwati is also on the Board of Directors of Indus Towers Ltd.

Apart from being a member of the Audit Committee of the Company, Mrs. Rita Bhagwati is also a chairman/member of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Indus Towers Ltd.	Nomination & Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member

- C) **MR. FARROKH KAVARANA** holds B.Com. (Hons.) from the University of Bombay and MBA from the Wharton School, University of Pennsylvania. He is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants of India.

Before joining the Tata Group in 1975, Mr. Farrokh Kavarana held key positions with McKinsey & Co. Inc., in London and Washington D.C. and The Bowater Corporation in UK and Europe. He was on the Board of various Tata Group companies including Tata Sons Limited and Tata Industries Limited, the apex holding companies of the Tata Group. Apart from the company, Mr. Farrokh Kavarana, is also on the Board of Directors of ACC Ltd.

Mr. Farrokh Kavarana is a recipient of the Dadaji Naoroji International Millennium Award 2005, and the Wharton India Alumni Award 2009.

As on date, Mr. Farrokh Kavarana holds 3,153 equity shares in the Company.

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

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
ACC Limited	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	Corporate Social Responsibility Committee	Member

- D) **DR. SHANKAR ACHARYA** is one of India's leading policy economists. As Chief Economic Adviser to the Government of India (1993-2001) he was deeply involved in the economic reforms of the 1990s. He also served as Member of the Securities and Exchange Board of India (SEBI), 1997-2000, as a member of the Prime Minister's Economic Advisory Council (2001-2003) and Member, Twelfth Finance Commission (2004). Earlier (1971-82 and 1991-92) he worked in the World Bank, where he led the World Development Report team for 1979 and was Research Adviser to the World Bank, 1979-82. He was Economic Adviser, Ministry of Finance, 1985-90.

Dr. Shankar Acharya has authored several books and numerous scholarly articles in academic journals.

Currently he is Honorary Professor at the Indian Council for Research on International Economic Relations (ICRIER) and (since 2006) non-executive Chairman of Kotak Mahindra Bank. He also serves on the governing boards of some corporates, academic institutions and charitable organizations. He recently completed four years as a member of the National Security Advisory Board (2009-2013) and is a member of the Reserve Bank's Advisory Committee on Monetary Policy since 2005. He is a member of the Aspen India-China and India-Turkey Dialogues and a member of the Indo-UK Round Table. He writes regularly in the Business Standard, is a frequent television commentator and a consultant to international organizations such as the World Bank and IMF. Dr. Acharya has a Ph.D (1972) from Harvard University and a B.A. (1967) from Oxford.

As on date, Dr. Shankar Acharya does not hold any equity shares in the Company.

Apart from the Company, Dr. Shankar Acharya is also on the Board of Directors of Kotak Mahindra Bank Limited.

Apart from being a member of the Nomination & Remuneration Committee of the Company, Dr. Shankar Acharya is also a chairman/member of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Kotak Mahindra Bank Limited	Nomination & Remuneration Committee	Member



## THE GREAT EASTERN SHIPPING COMPANY LIMITED

Registered Office : Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400018

Tel : 022-66613000 / 24922100 | Fax :022-24925900

Email: shares@greatship.com | Website : www.greatship.com

CIN : L35110MH1948PLC006472

### PROXY FORM

#### FORM NO. MGT-11

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No. / DP ID and Client ID: \_\_\_\_\_

I/We, being the Member(s) holding \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of First Proxy holder: \_\_\_\_\_, or failing him/her

2. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of Second Proxy holder: \_\_\_\_\_, or failing him/her

3. Name: \_\_\_\_\_ E-mail ID: \_\_\_\_\_

Address: \_\_\_\_\_

Signature of Third Proxy holder: \_\_\_\_\_ .

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 67th Annual General Meeting, to be held on Wednesday, August 12, 2015 at 3.00 p.m at Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description
1.	Adoption of audited standalone and consolidated financial statements for the financial year ended March 31, 2015, the reports of the Board of Directors and Auditors thereon.
2.	Declaration of Dividend.
3.	Re-appointment of Mr. K.M. Sheth as Director of the Company liable to retire by rotation.



Resolution No.	Description
4.	Ratification of appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai as Auditors of the Company.
5.	Appointment of Mrs. Rita Bhagwati as Independent Director of the Company.
6.	Appointment of Mr. Farrokh Kavarana as Independent Director of the Company.
7.	Appointment of Dr. Shankar Acharya as Independent Director of the Company.
8.	Re-appointment of Mr. Bharat K. Sheth as a Wholetime Director of the Company designated as 'Deputy Chairman & Managing Director'.
9.	Appointment of Mr. G. Shivakumar as Director of the Company liable to retire by rotation.
10.	Appointment of Mr. G. Shivakumar as a Wholetime Director of the Company designated as 'Executive Director'.
11.	Payment of commision to Non-Wholetime Directors at a rate not exceeding 1% of net profits of the Company for every financial year.
12.	Issue of secured/unsecured redeemable non – convertible debentures aggregating up to ₹500 crores.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015.

AFFIX  
REVENUE  
STAMP

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of  
first proxy holder

\_\_\_\_\_  
Signature of  
second proxy holder

\_\_\_\_\_  
Signature of  
third proxy holder

**Notes:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A proxy need not be a Member of the Company.
- In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



## THE GREAT EASTERN SHIPPING COMPANY LIMITED

Registered Office : Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai – 400018

Tel No.: 022-66613000 / 24922100 Fax No :022-24925900

Email: shares@greatship.com | Website : www.greatship.com

CIN : L35110MH1948PLC006472

### ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.  
JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL SLIP ON REQUEST

Folio No. /DP. ID\* & Client ID\* :

Name of the shareholder :

Address of the shareholder :

No. of Share(s) held :

I hereby record my presence at the 67th Annual General Meeting of the Company held on Wednesday, August 12, 2015 at 3.00 p.m. at Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai -400 020.

Signature of the shareholder or proxy\_\_\_\_\_

*\*Applicable for investors holding shares in electronic form.*

#### REMOTE ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD / PIN

**Note :** The Company is pleased to offer the option of remote e-voting facility to the Members. All the business, as set out in the Notice of the Annual General Meeting (AGM), may be transacted by remote e-voting. The remote e-voting will commence at 10.00 a.m. on Saturday, August 08, 2015 and will end at 5.00 p.m. on Tuesday, August 11, 2015. The remote e-voting module shall be disabled by the National Securities Depository Limited (NSDL) for voting thereafter. **Members desiring to exercise remote e-voting option may refer to the detailed procedure on electronic voting as provided in the Notice of AGM.**



The Great Eastern  
Shipping Co. Ltd.

# 67 ANNUAL REPORT 2014 – 2015



**JAG LALIT**, our Suezmax tanker discharging crude in freezing conditions, in February 2015





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## BOARD OF DIRECTORS



SITTING : LEFT TO RIGHT

CYRUS GUZDER | SHANKAR N ACHARYA | K M SHETH, *Chairman* | RITA BHAGWATI | BERJIS DESAI

STANDING : LEFT TO RIGHT

RAJIV LALL<sup>#</sup> | RAVI K SHETH | VINEET NAYYAR

BHARAT K SHETH, *Deputy Chairman & Managing Director* | FARROKH KAVARANA

TAPAS ICOT, *Executive Director & President (Shipping)* | G SHIVAKUMAR, *Executive Director & CFO*

## COMMITTEES

### Audit Committee

CYRUS GUZDER, *Chairman* | BERJIS DESAI | FARROKH KAVARANA | RITA BHAGWATI

### Stakeholders Relationship Committee

CYRUS GUZDER, *Chairman* | BHARAT K SHETH | G SHIVAKUMAR

### Nomination and Remuneration Committee

CYRUS GUZDER, *Chairman* | BERJIS DESAI | FARROKH KAVARANA | SHANKAR N ACHARYA

### Company Secretary

JAYESH M TRIVEDI

### REGISTERED OFFICE

Ocean House  
134/A, Dr. Annie Besant Road  
Worli, Mumbai 400 018  
CIN No. : L35110MH1948PLC006472  
Tel. : 022 6661 3000 / 2492 2100  
Fax : 022 2492 5900  
Email : [shares@greatship.com](mailto:shares@greatship.com)  
(Investor Relations)  
Web : [www.greatship.com](http://www.greatship.com)

### SHARE TRANSFER AGENT

Sharepro Services (India) Pvt. Ltd  
13 A/B, Samhita Warehousing Complex,  
2nd Floor, Sakinaka Telephone Exchange Lane  
Off Andheri Kurla Road, Sakinaka  
Andheri (E) Mumbai 400072  
Tel: 022-67720300/67720400  
Fax: 022-28591568  
Email: [sharepro@shareproservices.com](mailto:sharepro@shareproservices.com)

### AUDITORS

Kalyaniwalla & Mistry  
Kalpataru Heritage  
127, Mahatma Gandhi Road  
Mumbai 400001

<sup>#</sup> ceased to be a Director with effect from May 08, 2015

## CHAIRMAN'S STATEMENT



Dear Shareholders,

I am happy to report that the year's consolidated profit of ₹ 748.24 crores was your Company's highest since the global financial crisis of 2008. Your Board of Directors, with a view to reward the shareholders, on this improved performance, increased the rate of dividend from ₹ 9/- per share to ₹ 11/- per share. After consideration of the dividend declared, the year ended with a consolidated book value of ₹ 493/- versus ₹ 449/- at the start of the year. Your Company's consolidated balance sheet continues to be robust with a net debt equity ratio of 0.38:1. During the year, your Company added USD 267 million to the block of assets. As on March 31, 2015, the Company's outstanding order book was USD 180 million.

As you all are aware, both our core businesses are at the mercy of a host of global factors over which we have no control. These global factors, include geo-politics, trade dislocations, infrastructure efficiencies etc., to name a few, and add significant volatility to our business either for good or for bad. The question that, therefore, arises is this: how best can we build a sustainable business within this environment? In my opinion, there are 4 key areas of focus. First, it is important that the spread of capital allocation, over our different sub-sectors, be optimized to the best of our capabilities. This will often help in counter-balancing any sub-optimal return that arises from time to time in various sectors. Second is to continuously provide a high level of technical and operational efficiency that helps push us ahead of the queue with our customers. Third, we must always ensure a low cost asset base that will help the Company ride through difficult markets. Fourth, the Company's overall balance sheet should always be conservatively leveraged so that we are never forced into sub-optimal decision making and are always well positioned to build the business in challenging times.

I believe that the above factors are directly in our control and I have, therefore, requested your Company's management team to be focused on these parameters.

During the year, I am happy to inform our shareholders that we have set-up a Foundation under the name 'Great Eastern CSR Foundation' which will drive our CSR initiatives. This programme of the government has brought about a greater understanding and meaning to the pursuit of corporate profit. Even today there are a large number of under privileged people who clearly deserve a better life and it will be our earnest endeavor to reach out and help as many of these people as we can. Towards this I have communicated to our employees that profit should not be looked solely upon as return on capital but as an enabler to help these large sections of our society.

Finally, I would like to thank all my colleagues, ashore and floating and all our other stakeholders, for their valuable support to me and to the Company and request them to continue providing the same going forward.

Thank you!

With warm regards,

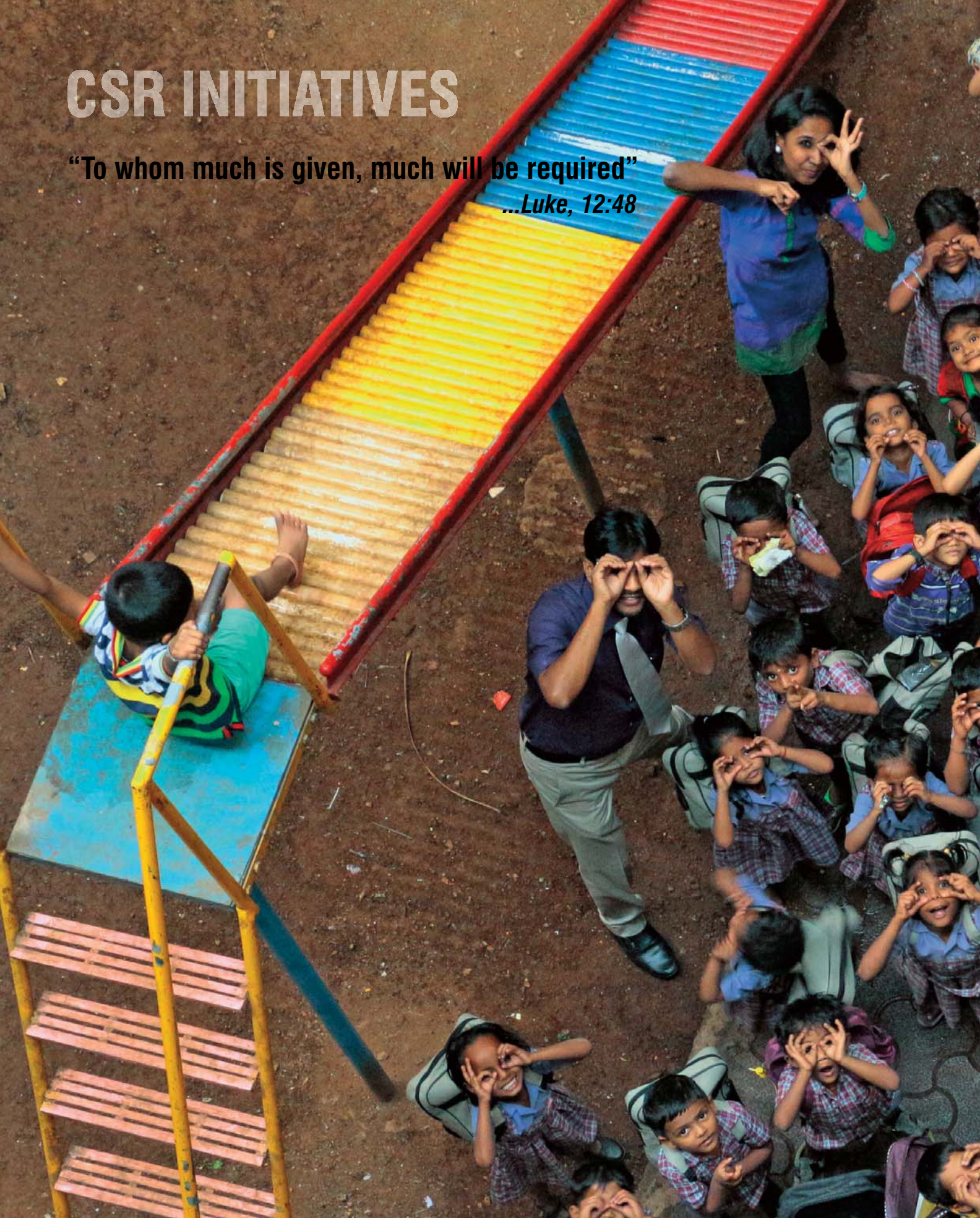
K M Sheth  
Chairman



# CSR INITIATIVES

**"To whom much is given, much will be required"**

*...Luke, 12:48*









## CORPORATE SOCIAL RESPONSIBILITY

The CSR Vision

*For Great Eastern Group, CSR means responsible business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled. At Great Eastern Group, CSR goes far beyond compliance and philanthropy. With the incorporation of the Great Eastern CSR Foundation, the Group aims to contribute significantly to the local community, both through direct funding and through volunteering of our employees.*

### 1. Objective

Great Eastern Group's primary CSR objectives are to:

- Demonstrate commitment to the common good of all stakeholders through responsible business practices and good governance.
- Actively support a development agenda to ensure sustainable and equitable change.
- Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
- Engender a sense of empathy and equity among all our employees to motivate them to give back to the society.

### 2. CSR Committee

The Board of Directors of the Company and Greatship (India) Limited (GIL) have constituted Committees of Directors, known as the Corporate Social Responsibility (CSR) Committees. The functions of the Committees will be as follows:

- Formulate and recommend the CSR policy
- To recommend to the Board the structure for carrying out CSR activities
- To set CSR budget for each year
- To monitor the CSR activities and report on it to the Board on a regular basis.

CSR Committee of the Company comprises of:

- Mr. Vineet Nayyar (Chairman)
- Mr. Cyrus Guzder
- Mr. Bharat K Sheth

CSR Committee of Greatship (India) Ltd. comprises of:

- Mr. Shashank Singh (Chairman)
- Mr. Mathew Cyriac
- Mr. P. R. Naware

### 3. Great Eastern CSR Foundation

In February 2015, the Company incorporated a wholly owned subsidiary, Great Eastern CSR Foundation to implement the Group's CSR Strategy. The Board of Directors of the Foundation consist of:

- Mr. P R Naware
- Mr. G Shivkumar
- Mr. Jayesh Trivedi
- Ms. Anjali Kumar

The Foundation's project management team consists of Mr. Unnikrishnan T.S. (Project Head) and Mr. Prabhira Correa.

### 4. Focus Areas

The Group's CSR efforts will be focused in the areas of:

1. Promoting education and knowledge enhancement, including but not limited to:
  - a. Establishment and management of educational and knowledge enhancement infrastructure.
  - b. Provision of financial or other assistance to the needy and/or deserving students.
  - c. Providing financial assistance to any agency involved in education, knowledge enhancement and sports.
  - d. Contribution to technology incubators located within academic institutions which are approved by the Central Government.
2. Eradicating hunger, poverty and malnutrition.
3. Promoting health care and sanitation.

### 5. NGO Partners

Corporate Social Responsibility (CSR) has acquired new dimensions in the recent years. Today, companies such as ours are proactively taking up this good hearted investment and giving a social value to our business endeavours.

However, in the current setting of general dissociation between Corporate India and the social sector, it is difficult to reach the right people considering the demography and diverse social problems of the country. Consequently, the Group, through the efforts of the Foundation, have identified and partnered with a number of different NGOs in the education sector. These NGOs or 'Partner Organizations' help the Company reach our target beneficiaries as they have unparalleled access and understanding of ground realities.

### PRATHAM

Great Eastern Foundation has partnered with Pratham to provide monetary and skill support for two of their Learning Centres and to improve the quality of education through intervention in a part of Government School.

The **Pratham Learning Centres** are places where children from the nearby slums are provided an environment and support to learn.

The school selected by Pratham for this intervention is Dr. Bhimrao Ambedkar Vidyalaya. The selection was also based on visits by Pratham and members of the Great Eastern Shipping Foundation.



### ABOUT PRATHAM

Pratham is an innovative learning organization created to improve the quality of education in India. As one of the largest non-governmental organizations in the country, Pratham focuses on high-quality, low-cost, and replicable interventions to address gaps in the education system. Established in 1995 to provide education to children in the slums of Mumbai, Pratham has grown both in scope and geographical coverage.

The mission to improve the quality of education in India and ensure that all children not only attend but also thrive in school is being accomplished by working in collaboration with the government, local communities, parents, teachers, volunteers, and civil society members. Our programmes aim to supplement rather than replace governmental efforts. They are implemented on a large scale to not only reach as many children as possible, but also to create an adoptable demonstration model for state governments.

### MUKTANGAN

The Foundation has also partnered with Muktangan, an education NGO.

Muktangan has partnered with BMC to run a number of municipal schools in Mumbai, one of which will be funded by the Foundation. This partnership will go beyond just funding. Muktangan encourages involvement with the students. In order to facilitate a holistic education, GE Shipping and GIL employees are encouraged to volunteer with the students of the school (through mentorship programs, career development etc) or provide their time and expertise to build the capacity of the trainee faculty through soft skills training and general awareness workshops / sessions.



**ABOUT MUKTANGAN**

Muktangan is a new model of education providing quality, child-centred, inclusive English-medium schooling to thousands of underprivileged children in Mumbai.

Started in response to the challenges inherent in the Indian education system, Muktangan's community-based, low-cost, inclusive, child-centred methodology has been researched over ten years in our Teacher Education Centre and 7 English-medium Municipal schools in Mumbai.

**MASOOM**

The Foundation has partnered with Masoom to work with two night schools (one in Santacruz and one in Andheri, suburbs of Mumbai) to provide quality resources and support to the students.

These children are extremely hardworking young adults who work long hours during the day and come to school to finish their education post work hours.

It is expected that through the combined efforts of the NGO and the Foundation, more than 300 children will benefit from the resources and expertise provided by Masoom. As with all our other projects, employees from GE Shipping and GIL are encouraged to give their valuable time and support to assist these schools through the CSR Employee Engagement Program.

**ABOUT MASOOM**

Masoom works with the night school students to work on the academics and provide better career opportunities to them.

The 'Night School Transformation Program' is specifically tailored to meet the needs of the night school and the individual students who are mainly school dropouts from poor socio-economic background, most of them working during the day and supporting their families. The project follows a three-pronged Model to achieve its aim:

- Educational infrastructure building and support
- Capacity building support
- Advocacy



### 3.2.1 FOUNDATION

Great Eastern CSR Foundation will partially fund the Mahatma Jyotiba Phule Mumbai Public School. Through this endeavour, the Foundation aims to provide quality, holistic education to more than 480 children.

In addition to funding the School, the Foundation will also be funding the 'Sustained Mastery Program'. This program is focused on spreading best practices amongst teachers across the country.



### 3.2.1 Foundation

3.2.1. Education Foundation (also referred to as "3.2.1" / "the Foundation") works on addressing the problem of educational inequity in India. The NGO opened their first school (The Mahatma Jyotiba Phule Mumbai Public School) in June 2012, and are currently serving over 350 students across kindergarten, grade 1 and grade 2.



### TEACH FOR INDIA

Teach for India is probably one of India's best known not-for-profit education initiatives. In order to help the organization build a movement of leaders to eliminate educational inequity, Great Eastern CSR Foundation will be funding 46 fellows from Pune and Delhi.

The funds will go towards the recruitment, selection, training and placement of Fellows in under-resourced classrooms as full-time teachers for a period of two years.



### ABOUT TEACH FOR INDIA

Teach for India, a project of Teach To Lead, is a nationwide movement of outstanding college graduates and young professionals who will commit two years to teach full-time in under resourced schools and who will become lifelong leaders working from within various sectors towards the pursuit of equity in education.

Today, Teach For India is in 7 cities - Mumbai, Pune, Delhi, Hyderabad, Chennai, Ahmedabad and Bengaluru. They have a total of 910 Fellows and 660 Alumni working towards eliminating educational inequity.



**ASHOKA UNIVERSITY**

With the inequality in education becoming increasingly apparent, GE Shipping and its subsidiaries, through the Great Eastern Foundation, is providing scholarships to 34 students from low economic backgrounds.

The Foundation understands the importance of women empowerment, especially as the country is striving to shrug off its 'third-world' status. The foundation also realises that the first cobblestone on the long path towards equality is encouraging the education of women. Consequently, more than half of the scholarships provided have been given to women.

**ABOUT ASHOKA UNIVERSITY**

Ashoka University is a philanthropic initiative founded by eminent scholars and visionaries to provide a liberal education on par with the best universities around the world. The multi-disciplinary courses on critical thinking and social consciousness will instill a love of learning in our students. At Ashoka, motivated educators and bright students will learn from each other and establish a vibrant community of free-thinking individuals.

**THE SOCIAL IMPACT**

Significant impact would not have been expected at such a nascent stage in the Group's foray into the social sector. However, through the vision of the CSR Committee(s) and a passionate follow up by the CSR team, the Foundation has already made significant headway.

**3000**

underprivileged students will receive quality education

**46**

teachers will receive the training they need to mentor a new generation of young, educated Indians.

**5**

schools will receive much needed funding and assistance to run efficiently

**6. Employee Engagement**

Through the Foundation, the Group intends to proactively facilitate social volunteering opportunities for its employees. By nurturing a dynamic employee engagement culture in the Group, employees will be exposed to different social realities. Furthermore, by including employees as a key component in all CSR projects, the Foundation aims to move beyond basic compliance and foster a real sense of 'Corporate Social Awareness' in the organization.



जग लतीफ  
मुंबई  
JAG LATEEF  
MUMBAI  
IND 9268063



## BOARD'S REPORT

Your Directors are pleased to present the 67th Annual Report on the business operations and the Financial Statements of your Company for the financial year ended March 31, 2015.

### FINANCIAL PERFORMANCE

The financial results of the Company (standalone) for the financial year ended March 31, 2015 is presented below:

(₹ in crores)

	2014-15	2013-14
Total Revenue	2012.69	1780.25
Total Expenses	1679.39	1571.57
<b>Profit before tax</b>	<b>333.30</b>	208.68
Less : Tax Expenses	16.00	4.00
<b>Profit for the period</b>	<b>317.30</b>	204.68
Add : Profit as per last Balance Sheet	2881.56	2904.98
Less :		
- Transfer to Tonnage tax reserve	45.00	30.00
- Transfer to General reserve	-	21.00
- Transfer to Debenture redemption reserve	25.00	25.00
- Transfer to Capital redemption reserve	-	1.54
- Interim Dividend on Equity Shares	60.31	60.32
- Proposed Dividend on Equity Shares	105.54	75.39
- Dividend Distribution Tax	20.91	14.85
<b>Balance Carried Forward</b>	<b>2942.10</b>	2881.56

### DIVIDEND ON EQUITY SHARES

During the year, your Directors declared and paid an interim dividend of ₹ 4/- per share, resulting in an outflow of ₹ 67.31 crores (inclusive of tax on dividend), and recommend a final dividend of ₹ 7/- per share resulting in an outflow of ₹ 127.03 crores (inclusive of tax on dividend). The dividend will be paid after the shareholders approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be ₹ 194.34 crores (inclusive of tax on dividend). This represents a payout ratio of 61.25 % (previous year 77.56%).

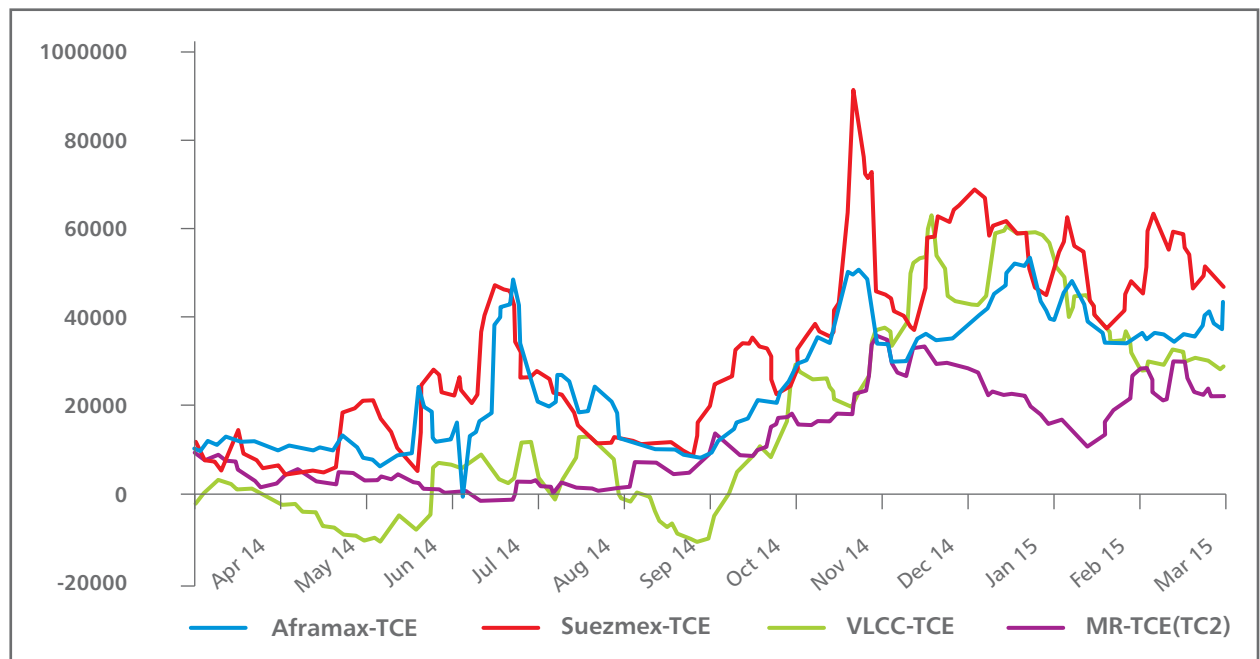
## MANAGEMENT DISCUSSION AND ANALYSIS

In FY 14-15, the Company recorded a total income of ₹ 2012.69 crores (previous year ₹ 1780.25 crores) and earned a PBIDT of ₹ 840.93 crores (previous year ₹ 780.84 crores).

### TANKER BUSINESS

#### MARKET TREND AND ANALYSIS

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



Source: Baltic Exchange

For the financial year, the spot earnings of the crude carriers were robust as compared to last year. The market started on a low note for the year, however, as the year progressed time charter rates went up by about 50%. The last quarter of the year was particularly strong for all classes of crude carriers as oil prices collapsed and demand for oil went up.

As the price of crude oil went down, the refining margins expanded all over the globe. This led to higher utilization and throughputs by the refineries and as a consequence better utilization of the product tanker fleet. As a result the earnings of the product tankers were healthy in the second half as compared to the first half of the financial year.

At the end of the FY15, the world tanker fleet increased by just 1.32 % to 491.71 mn dwt as against 485.31 mn dwt at the end of FY14.

### COMPANY PERFORMANCE

The tanker business accounted for around 85 % of the Company's operating revenues and 94 % of the operating profits.

In FY15, Crude tankers, inclusive of 'spot' and 'period' earned an average TCY of \$21,650 /day (previous year \$16,700/day). Product carriers, inclusive of 'spot' and 'period', earned an average TCY of \$16,050/day (previous year \$14,900/day).

**TANKER FLEET CHANGES**

As of March 31, 2015, the tanker fleet of your Company stood at 21 tankers aggregating 1.76 mn dwt, with an average age of 10.99 years as against 22 tankers aggregating 1.79 mn with an average age of 10.52 years as on March 31, 2014.

During the year, your Company took delivery of:

- 2004 built MR tanker, 'Jag Pranam' in Q3 FY15
- 1994 built VLGC 'Jag Vishnu' in Q2 FY15

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

- 1996 built MR tanker 'Jag Padma' in Q1 FY15
- 1991 built GP tanker 'Jag Prachi' in Q2 FY15
- 1990 built VLGC 'Jag Vidhi' in Q4 FY15

**OUTLOOK FOR THE TANKER MARKET**

Global oil supply is unpredictable, but the one that affects the tanker markets somewhat – not by creating uncertainty, but by making a difference to ton-miles depending on the source of supply. For e.g: ships carrying oil from Mexico are sailing to South Korea for the first time in more than two decades as the U.S. shale boom brings bargains from around the globe, opening up dormant trades.

Meanwhile, in the US, shale oil producers are scaling down the number of rigs drilling for oil in their response to the lower oil prices. Whether this actually brings down supply significantly or only cuts costs for the marginal barrel remains to be seen. Until now, none of the large oil producing nations has announced cuts in oil production.

Countries filling up their Strategic Petroleum Reserves (SPR) with cheap oil will further push demand for tankers. In China, the government continues to fill the second stage of its SPR. China's strategic stocks were estimated in January at more than 30 days' worth of crude imports. It plans to eventually build reserves of around 600 million barrels, or about 90 days of import cover. India is not lagging behind and hopes to fill about 40 million barrels in its SPRs by the end of the 2015.

Adding to that positive story is the Middle East export refinery expansions coming on stream in 2015. The Yanbu facility on the west coast of Saudi Arabia along the Red Sea expects to serve customers globally with 400,000 barrels per day of refined oil products. This lends further credence that oil-refinery dislocation theory is still very much alive, lifting hopes higher for oil product tanker demand going forward.

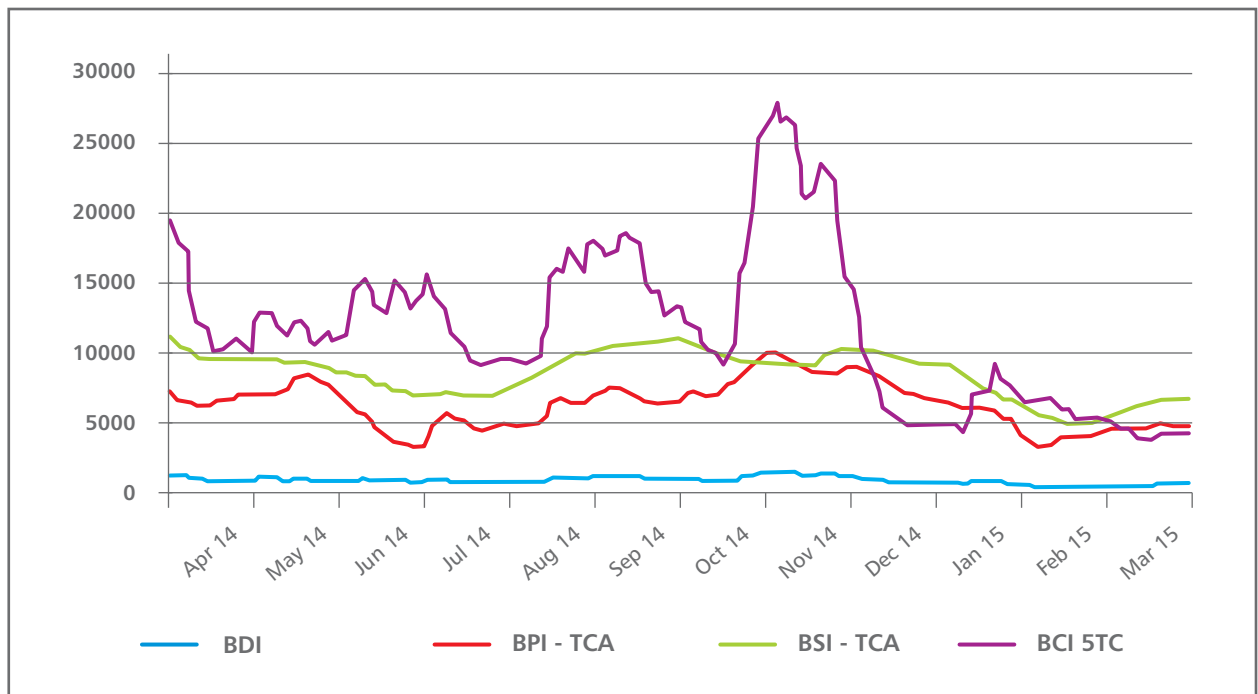
The outlook for crude tanker fleet utilization and spot tanker rates is expected to remain positive in FY16 based on continued increase in long-haul tanker demand as more crude oil moves from the Atlantic to the Pacific basins.

The global tanker orderbook stands at about 72 mn dwt or 15.5 % of the fleet at the end of March 2015 as against a 10 year average of 26% of the fleet.



**DRY BULK BUSINESS****MARKET TREND AND ANALYSIS**

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



Source: Baltic Exchange

The financial year 2015 has witnessed a steady sequential drop in earnings for the dry bulk ships except for a brief spike in Q3 FY15 which did not last long. Although the market experienced nervousness in earnings, in Q1 FY15 itself there was hope that Q3 FY15 would be much stronger owing to strong yearly seasonal factors.

The key factors that derailed the dry bulk freight market recovery were the relief of the grain port congestion in South America during the 2nd quarter, the lack of coal demand from China, the after-effect of the stockpiling ahead of the Indonesian ban on raw ore exports, disappointing Chinese growth and the continued robust fleet expansion.

At the end of the FY15, the world dry bulk fleet increased by 3.8% to 768.63 mn dwt as against 740.46 mn dwt at the end of FY14.

**COMPANY PERFORMANCE**

The dry bulk fleet contributed around 15% of the Company's operating revenues but just 6% of the operating profits.

In FY15, around 30% of the bulk carrier earnings were derived from the period market.

In FY15, the average TCY for dry bulk vessels, inclusive of 'spot' and 'period', was approximately \$9,860/day as compared to \$12,100/day in the previous year.



### DRY BULK FLEET CHANGES

As of March 31, 2015, the dry bulk fleet of your Company stood at 8 vessels aggregating 0.51mn dwt, with an average age of 6.35 years as compared to 8 vessels aggregating 0.62 mn dwt with an average age of 8.5 years on March 31, 2014.

During the year, your company took delivery of:

- 2006 built Supramax bulk carrier 'Jag Roopa' in Q2 FY15

During the year, your Company sold and delivered:

- 1996 built Capesize bulk carrier 'Jag Arjun' in Q4 FY15

### OUTLOOK FOR THE DRY BULK MARKET

The year FY16 is likely to be characterised by continuing weak demand and continuation of new ship deliveries. This will likely result in an "oversupplied" situation, which will continue to put downward pressure on freight rates. In order to get the oversupply position into balance, we will need to see increased amounts of scrapping. The early signs on this front are encouraging with about 9 mn dwt of bulk carriers being scrapped in Q4 FY15. However, this pace of scrapping needs to continue for FY16 and FY17 in order to have a tangible impact on fleet utilisation and as a result a positive impact on earnings.

The global bulk carrier order book stands at about 158.52 mn dwt or 21.4% of the fleet at the end of March 2014 as against a 10 year average of 39.9% of the fleet.

### ASSET VALUES

**Crude:** The second hand vessel values are higher by 15-20% on y-o-y basis. The Newbuilding prices continued to be steady throughout.

**LR:** The vessel values have held steady over the year on the second hand as well as Newbuilding side.

**MR:** Values here are softer by about 15% on y-o-y basis.

**Dry Bulk:** The financial year has seen a steady drop in values of dry bulk ships. Y-o-Y second hand vessels have lost about 40-50% of their value and new building prices are softer by about 10%.

### RISKS AND CONCERNS

Your Company has carried out a detailed exercise to identify the various risks faced by the Company, and has put in place mitigation, control and monitoring plans for each of the risks. The risks which in the opinion of the Board may threaten the existence of the Company have also been covered. Risk owners have been identified for each risk, and these risk owners will be responsible for controlling the respective risks. The efficacy of these processes will be monitored on a regular basis by Risk Committees for the different areas, and further reviewed by the Risk Management Committee consisting of the Compliance Officer and the three Whole-time Directors.

**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 the above risk by entering into time charters for part of its fleet. Your Company also believes that one of the main elements of risk management in shipping is the cost of the asset, and will endeavour to time acquisitions and sales in such a way as to reduce risk on the portfolio.

**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 drop in demand combined with inventories and increased new building deliveries, could negatively impact the demand for tankers.

**European financial crisis:** The on-going European financial crisis can further depress the already subdued demand in the Euro zone.

**Chinese economy:** As we have seen in the recent past, China has been the main driving factor of the shipping demand. The Chinese economy is currently experiencing headwinds in growth. If this downward shift were to prolong, this along with increased new building deliveries could have a very negative impact on shipping.

#### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has instituted internal financial control systems which are adequate for the nature of its business and the size of its operations. The policies and procedures adopted by the Company ensure the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information.

The systems include a range of activities such as approvals, authorizations, verifications, reconciliations, reviews of operating and financial performance, security of assets, segregation of duties, preventive and detective controls.

The systems have been well documented and communicated. They are also tested from time to time through internal as well as external audits.

The internal audit is carried out by a firm of external Chartered Accountants and covers all departments. In the beginning of the year, the scope of the internal audit exercise including the key business processes and selected risk areas to be audited are finalised in consultation with the Audit Committee. All significant audit observations and follow up actions thereon are reported to the Audit Committee.

The Audit Committee comprises of Mr. Cyrus Guzder (Chairman), Mr. Berjis Desai, Mr. Farrokh Kavarana and Mrs. Rita Bhagwati.

#### 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, 2013 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 of ₹ 748.24 crores for the year under review as compared to ₹ 573.95 crores for the previous year. The net worth of the group as on March 31, 2015 was ₹ 7,430.62 crores as compared to ₹ 6,772.85 crores for the previous year.

## **SUBSIDIARIES**

The statement containing the salient features of the financial statements of the Company's subsidiaries for the year ended March 31, 2015 has been attached along with the financial statements of the Company.

The report on performance of the subsidiaries is as follows:

### **Greatship (India) Limited, Mumbai**

Greatship (India) Limited (GIL), wholly owned subsidiary (WOS) of your Company and one of India's largest offshore oilfield services providers, had another year of strong financial performance. GIL recorded a profit after tax of ₹ 516.94 crores on a consolidated basis for the year ended March 31, 2015 as compared to ₹ 463.78 crores for the year ended March 31, 2014. The consolidated net worth of GIL as of March, 2015 was ₹ 3958.66 crores as compared to ₹ 3472.32 crores as of March, 2014.

During the year under review, GIL has taken delivery of a 2015 built mid-size Platform Supply Vessel - 'Greatship Prachi' and its subsidiary in Singapore has taken delivery of a 350-feet jack-up drilling rig - 'Greatdrill Chaaru'. With these additions, GIL, alongwith its subsidiaries, currently owns and operates twenty-two vessels and four jack up drilling rigs. The operating fleet of twenty two vessels comprises of five Platform Supply Vessels (PSVs), nine Anchor Handling Tug cum Supply Vessels (AHTSVs), two Multipurpose Platform Supply & Support Vessels (MPSSVs) and six ROV (Remotely Operated Vehicle) Support Vessels (ROVSVs).

GIL has the following wholly owned subsidiaries:

#### **a) Greatship Global Holdings Ltd. (GGHL), Mauritius**

The principal activity of GGHL is to invest in companies owning and operating drilling rigs and offshore vessels. GGHL is the holding company of Greatship Global Energy Services Pte. Ltd. (GGES), Singapore and Greatship Global Offshore Services Pte. Ltd. (GGOS), Singapore.

##### **i. Greatship Global Energy Services Pte. Ltd., Singapore**

The principal activity of GGES is to own, operate and charter mobile offshore drilling units. With the delivery of the jack-up drilling rig - 'Greatdrill Chaaru' from Lamprell Energy Ltd., GGES currently owns four Jack-up rigs which have been bareboat chartered to GIL. The Company's profit after tax for the current financial year amounted to USD 36.27 Mn as against the profit of USD 40.06 Mn the previous year.

##### **ii. Greatship Global Offshore Services Pte. Ltd., Singapore**

The principal activity of GGOS is to own, operate and charter offshore support vessels. GGOS owns and operates four offshore support vessels which include one Anchor Handling Tug cum Supply Vessel (AHTSV), two Multipurpose Platform Supply and Support Vessels (MPSSVs) and one ROV Support Vessel (ROVSV). The Company's profit after tax for the current financial year amounted to USD 18.75 Mn as against the profit of USD 10.32 Mn the previous year.

During the year under review, GGOS incorporated the below mentioned wholly owned subsidiary in Labuan, Malaysia on June 25, 2014.

##### **GGOS Labuan Ltd. (GGOLL), Malaysia**

GGOLL has been incorporated with a primary aim to establish closer ties, and provide offshore services, to the Malaysian market. However, it did not carry any operations during the year under review.

**b) Greatship (UK) Limited (GUK), United Kingdom**

The principal activity of GUK is to operate offshore support vessels. During the year under review, GUK continued to operate the two ROV Support Vessels (ROVSVs) inchartered from GIL. The Company's profit after tax for the current financial year amounted to USD 1.2 Mn as against the loss of USD 0.25 Mn in the previous year.

**The Greatship (Singapore) Pte. Ltd., Singapore**

The Greatship (Singapore) Pte. Ltd. is a wholly owned subsidiary of your Company. The Greatship (Singapore) Pte. Ltd. does shipping agency business for the ships owned by your Company. During the year ended March 31, 2015 there were 81 ship calls at Singapore. The company's profit after tax for the current financial year amounted to S\$ 0.15 Mn as against the profit of S\$ 0.09 Mn in the previous year.

**The Great Eastern Shipping Co. London Ltd., U.K.**

The Great Eastern Shipping Co. London Ltd. is a wholly owned subsidiary of your Company. It did not carry any operations during year ended March 31, 2015. The company's loss for the current financial year amounted to USD 0.04 Mn as against the loss of USD 0.03 Mn in the previous year.

**The Great Eastern Chartering LLC (FZC), U.A.E.**

The Great Eastern Chartering LLC (FZC), is a wholly owned subsidiary of your Company.

Chartering of ships is the main activity of this Company. Due to depressed freight markets during FY2014-15 the Company made a loss of USD 2.24 Mn. Currently, the Company has one in-chartered Suezmax tanker on 3 years charter with option to extend the charter by up to 2 additional years. The Company also has one Product Tanker on charter which is scheduled to be re-delivered to the Owners in early May 2015.

**The Great Eastern Chartering (Singapore) Pte. Ltd., Singapore**

The Great Eastern Chartering (Singapore) Pte. Ltd. is a wholly owned subsidiary of The Great Eastern Chartering LLC (FZC), U.A.E. The company's loss for the current financial year on account of operating expenses and futures trade amounted to USD 1.21 Mn as against the loss of USD 0.13 Mn in the previous year.

**Great Eastern CSR Foundation, India**

Great Eastern CSR Foundation was incorporated on February 26, 2015 as a wholly owned subsidiary of your Company under Section 8 of the Companies Act, 2013. All the CSR activities of your Company and its subsidiaries are handled by Great Eastern CSR Foundation. The first financial year of the company will close on March 31, 2016.

Details of CSR activities carried out by Great Eastern CSR Foundation are set out in the annual report on CSR activities which forms part of this Board's Report.

**DEBT EQUITY RATIO**

As on March 31, 2015, the Company's gross debt : equity ratio was 0.62:1 and net (of cash) debt : equity ratio was 0.04:1.

**QUALITY, SAFETY, TRAINING, HEALTH & ENVIRONMENT**

The focus has been on upgrading and maintaining the status of the Company's assets in best possible condition. Enhanced inspection and constant follow-up with other departments in the office to ensure that the issues pointed out during the inspections are closed out timely.

## **Training**

The Company has placed high priority for training of their personnel both while they are on the vessels and while they are on leave. Continuous training inculcates a safety culture for the seafarers which is very essential in their profession.

The Company has also started providing soft skill training to senior staff who have higher levels of responsibility on the vessels and those being readied to take up higher responsibility to improve their interpersonal skills and communication with shipmates and subordinates for effective leadership.

The Company's Learning Management System (LMS), the platform of which has been provided by Tata Interactive Systems Ltd., has been launched. This system helps ship's staff enhance their knowledge both in mandatory and non-mandatory courses and in turn improve their level of safety and operating competency. This system enables the sea-farer to access various training modules on the LMS either on board the ship or while on leave. Competence assessment for all officers before their promotion is also being conducted through the LMS.

The Company has also introduced "Promotion Logs" for officers who are aspiring for promotion to higher ranks. The officer is required to complete all the stipulated training modules satisfactorily under the supervision of a senior officer before he/she is considered eligible for promotion to higher ranks.

The Company has also reintroduced "On Board Training" for all officers and crew of the vessel where an external specialist trainer boards the vessel and provides training to the officers and crew while the vessel is out at sea on a voyage, with special emphasis on safety.

## **Energy efficiency of the ships**

The Company continues to follow initiatives to enhance energy efficiency of the ships. This effort would reduce the fuel burnt to carry a specific cargo for a specific distance which in turn reduces exhaust gas emission by the ship into the environment. A special department has been created in the office which closely monitors each vessel's performance and suggests methods for corrective actions when performance is seen dropping. This includes timely cleaning of ship's hull and propeller, use of high efficiency coating on the underwater portion of the ship and fitting other energy saving devices on the vessel.

## **IT INITIATIVES**

As a primary goal of focusing on Business Solutions, IT has continuously been developing and implementing new technology solutions, enabling the business to work more efficiently and effectively.

Some highlights of the major initiatives completed in this financial year are:

- **Connectivity between ship and shore over net**

The Company has completed direct connectivity (between ship and shore by using desk phone) of 26 ships out of 29 ships, which is a very creditable coverage.

The Company has also successfully experimented with connectivity from shore to ship (over net from mobile phone) which will again reduce the communication cost further. Because of low bandwidth at ship, the Company is not able to implement the same immediately. The Company will roll out the same technology as soon as the adequate bandwidth is available in near future.

- **Cloud Initiatives**

The Company has planned to introduce cloud solutions in phased manner. As a first step, the cloud set up has been introduced for data back up and parallel experiment is going on for moving our in-house development set up to cloud.

**HUMAN RESOURCES**

The Company firmly believes that engaged and competent employees are critical to fulfill its business objectives and hence all the HR initiatives were aimed at creating alignment and stimulation so that employees can fulfill their potential and deliver value for the enterprise.

Learning and development continued to be a focus area. The Company held leadership development programs for senior ranks for both shore and sailing staff. Learning Planet-an e learning platform became operational during the third quarter. The platform will aid in the learning and development of floating and shore staff through e-learning methodology. The initiative will enable virtual learning and resolve logistical difficulties in providing training.

A 360 degree feedback process aimed at developing middle and senior leadership through enhanced self awareness was launched during the year.

An employee town hall was held in January 2015 which enabled close interaction of the top management with all team members. Mr. Bharat K Sheth briefed the team about the current and emerging industry scenario and his expectations from the team to achieve higher standards. The address was followed by Q&A session.

To understand the employee pulse, the Company carried out an employee engagement study. The engagement level stood at healthy 65%.

Utilizing external consulting support, the Company completed a project to map different business processes and link them and create job descriptions for 40 unique roles in various functions. This project has helped the Company to improve performance management, recruitment and training processes by defining KPIs and competency requirements for the unique jobs.

Annual performance and compensation review was concluded in the month of June 2014.

A task force was set up to analyze issues regarding acquisition and retention of sea farers as shortage of good quality talent continued to be a challenge. The Company has commenced implementing the recommended action plans.

For the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Total number of shore employees: 198, Attrition stood at 5%

Total number of floating staff employed on permanent basis: 395

**GREAT EASTERN INSTITUTE OF MARITIME STUDIES (GEIMS)**

During the 9th year of operations of GEIMS, following further training facilities were added to enhance the quality of training being imparted:

- A modern ship's switchboard cum simulator containing High Voltage (6.6 KV) as well as Low Voltage (440 V) panels with simulated generators with associated distribution system, circuit breakers, alarms & controls was commissioned in February 2015. This will enable Engineer & Electrical cadets to understand as well as operate switchgear with real time parameters on current vessels, some of which are fitted with high voltage generation systems and modern electrical systems.
- The Techsim 5000 Engine Room Simulator facility was augmented to facilitate 10 cadet stations to enable a batch of 20 cadets to be trained at a time on ship's engine operation and systems.

- An 'on-line' examination system has been introduced for Engineer cadets with a view to monitor the progress of students on a regular and comprehensive basis.
- Enhancement of Internet Bandwidth from 4 mbps to 10 mbps was done.
- New Dell Sonic Wall NSA 2600 firewall for internet security was installed.
- Audio system in the Auditorium upgraded.
- Generation of online time table for classes and obtaining cadet feedback online with data retrieval activated.
- Commencement of digital library to facilitate cadets learning off hours.

During the year, 2 batches of TNOCs with a total of 120 cadets, 4 batches of GMEs with a total of 159 cadets and 2 batches of ETOs with a total of 79 cadets were trained. GEIMS has been functioning at full capacity and now GEIMS is having 10 batches with 400 students having trained 120 TNOC / 160 GME / 120 ETO. The total number of cadets trained so far is 2,512.

### **CORPORATE SOCIAL RESPONSIBILITY**

The Corporate Social Responsibility Committee comprises of Mr. Vineet Nayyar (Chairman), Mr. Cyrus Guzder and Mr. Bharat K. Sheth. Copy of the Corporate Social Responsibility Policy of the Company as recommended by the CSR Committee and approved by the Board is enclosed as 'Annexure A'. The CSR Policy is also available on the website of the Company : [www.greatship.com](http://www.greatship.com).

The Annual Report on CSR activities is enclosed herewith as "Annexure B".

### **DIRECTORS**

The Board of Directors appointed Mr Tapas Icot as Additional Director and Executive Director of the Company with effect from August 12, 2014.

Mr. Keki Mistry resigned from the Board of Directors of the Company with effect from September 29, 2014 citing his inability to continue, on account of increase in the responsibilities and work pressure because of which he was unable to devote the amount of time that was needed on the other Boards.

Your Directors place on record their appreciation for the valuable guidance and support extended by Mr. Keki Mistry during his tenure as an Independent Director.

Mrs. Rita Bhagwati and Mr. Farrokh Kavarana were appointed as Additional Directors and Independent Directors of the Company with effect from November 14, 2014.

The Board of Directors appointed Mr G. Shivakumar as Additional Director and Executive Director of the Company with effect from November 14, 2014. Mr. G Shivakumar is also Chief Financial Officer of Greatship (India) Ltd. (GIL), a wholly owned subsidiary of the Company, and is entitled to receive remuneration from it as per the terms of his appointment. During the year he received ₹ 40 lakhs as remuneration from GIL.

Ms. Asha Sheth resigned from the Board of Directors of the Company with effect from November 17, 2014 with a view to allow the younger generation to forge its mark on the Company and its governance. Your Directors place on record their appreciation for the valuable contribution during her long association with the Company as a Director.

Dr. Shankar Acharya was appointed as an Additional Director and Independent Director of the Company with effect from February 05, 2015.



The term of appointment of Mr. Bharat K. Sheth as 'Deputy Chairman & Managing Director' and that of Mr. Ravi K. Sheth as 'Executive Director' expired on March 31, 2015. Mr. Bharat K. Sheth was re-appointed as 'Deputy Chairman & Managing Director' for a period of 5 years with effect from April 01, 2015.

Mr. Ravi K. Sheth requested to be relieved from the position of the 'Executive Director' of the Company with a view to focus on the offshore business carried on by Greatship (India) Limited and its subsidiaries. His request was accepted by the Board and accordingly, Mr. Ravi K. Sheth ceased to be the 'Executive Director' of the Company w.e.f. April 01, 2015. He now continues to be the Non-Executive Director of the Company.

Your Directors place on record their appreciation for the valuable contribution by Mr. Ravi K. Sheth to the growth and progress of the Company in his capacity as 'Executive Director' of the Company.

All the new Directors, namely, Mrs. Rita Bhagwati, Mr. Farrokh Kavarana, Dr. Shankar Acharya and Mr. G. Shivakumar, being Additional Directors, cease to be the Directors of the Company on the date of the ensuing Annual General Meeting. Notices under section 160 of the Companies Act, 2013 have been received in respect of their appointment as Directors on the Board.

Re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman & Managing Director' and appointment of Mr. G. Shivakumar as an 'Executive Director' also requires your approval at the ensuing Annual General Meeting.

Mr. K. M. Sheth shall retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Necessary resolutions for the appointment / re-appointment of Mr. K. M. Sheth, Mr. Bharat K. Sheth (as Deputy Chairman & Managing Director), Mrs. Rita Bhagwati, Mr. Farrokh Kavarana, Dr. Shankar Acharya, Mr. G. Shivakumar have been included in the Notice convening the ensuing Annual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

## BOARD MEETINGS

During the year, 5 meetings of the Board were held. The details of Board meetings as well as Committee meetings are provided in the Corporate Governance Report.

## APPOINTMENT AND REMUNERATION POLICY FOR DIRECTORS AND SENIOR MANAGEMENT

The Nomination & Remuneration Committee has framed a policy for appointment of Directors. The Nomination & Remuneration Committee has also framed policies for remuneration of Directors, Key Managerial Personnel and other employees, which have been adopted by the Board.

The aforesaid policies are enclosed herewith as Annexure 'C' and 'D'.

The details of remuneration as required to be disclosed pursuant the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as Annexure 'E'.

## BOARD EVALUATION

Annual performance evaluation of Board, its committees (namely, Audit, Nomination & Remuneration, Corporate Social Responsibility and Stakeholders Relationship Committees) and all the Directors individually has been done in accordance with the Performance Evaluation Framework adopted by the Nomination & Remuneration Committee of the Company.



The Performance Evaluation Framework sets out the performance parameters as well as the process for performance evaluation to be followed. Performance evaluation forms were circulated to all the Directors to record their evaluation of the Board, its Committees and Non-executive Directors of the Company. The performance evaluation of the Company and Executive Directors was done on the basis of presentation made by the management.

Pursuant to the provisions of the Companies Act, 2013, a separate meeting of Independent Directors reviewed performance of the Company, Board as a whole and Non-Independent Directors (including Chairman) of the Company.

The Board of Directors reviewed the performance of Independent Directors and Committees of the Board. Nomination & Remuneration Committee also reviewed performance of the Company and every Director.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134 (3) of the Companies Act, 2013 the Board of Directors hereby state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) the directors had prepared the annual accounts on a going concern basis; and
- (e) the directors, in the case of a listed company, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CORPORATE GOVERNANCE**

Your Company has complied with all the mandatory provisions of Clause 49 of the Listing Agreement, relating to Corporate Governance. A separate section on Corporate Governance forms part of the Board's Report and the certificate from practicing Company Secretary confirming the compliance of conditions on Corporate Governance is included in the Annual Report.

### **VIGIL MECHANISM**

The Company has established a vigil mechanism (Whistle Blower Policy) for directors and employees to report genuine concerns. The Whistle Blower Policy provides for adequate safeguards against victimisation of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases.

A copy of the Whistle Blower Policy is available on the website of the Company : [www.greatship.com](http://www.greatship.com)

**RELATED PARTY TRANSACTIONS**

The Company has formulated policy on dealing with Related Party Transactions, a copy of which is available on the website of the Company: [www.greatship.com/investors](http://www.greatship.com/investors).

The particulars of contracts or arrangements with related parties in Form AOC 2 is annexed herewith as "Annexure F".

All the related party transactions have been entered into by the Company in the ordinary course of business and on arm's length basis. However, following transaction, though entered into in the ordinary course of business, may not strictly be treated on arm's length basis:

Taking a vessel on charter from a wholly owned subsidiary of the Company

The Company has taken on charter a suezmax vessel 'MV Erviken' from The Great Eastern Chartering LLC (FZC), a wholly owned subsidiary of the Company (GE Sharjah), with effect from April 3, 2015 for a period of 9 months (with option to extend upto 730 days). The Company runs a fleet of 4 suezmaxes similar to the said vessel and therefore, the Company is of the view that if the vessel runs as part of its fleet, it may fetch better returns as compared to GE Sharjah, running a single vessel. The Company has taken the vessel on charter at the same rate and on the same terms on which GE Sharjah has taken the vessel on charter from its owners.

**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in Form MGT 9 is enclosed herewith as "Annexure G".

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Particulars of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the financial statements.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS**

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION****Conservation of energy and Technology absorption**

In order to contribute to and prepare for a low carbon future, your Company has been undertaking various initiatives with regard to enhancing energy efficiency in its business operations.

**Energy Saving Devices**

During the financial year under consideration, following Energy Saving Devices were retrofitted for reducing fuel consumption of main propulsion system:

- a) The existing propeller of Jag Lavanya was replaced with a high efficiency Kappel Tip Fin Propeller during the vessel's dry docking making it the first large commercial vessel in the world to be retrofitted with such a propeller supplied by MAN Diesel & Turbo.
- b) Jag Lyall was retrofitted with Mewis Duct, a device which improves the flow of water on to the propeller and thus its efficiency.

Total cost incurred on above two equipments was USD 1,188,500.

For a typical Bulk Carrier or Oil Tanker loss of energy through hull resistance is around 30% and this increases with growth of hull roughness due to bio-fouling. To minimize growth of bio-fouling, Company has applied superior anti-fouling coatings on Jag Lyall, Jag Amisha and Jag Aparna during their respective dry dockings during the financial year.

The additional cost incurred for application of the superior anti-fouling coating was USD 185,000.

During the financial year saving of USD 1.11 million was achieved in fuel cost from energy saving retrofits and use of superior anti-fouling hull coatings alone. This fuel saving also resulted in reduction of CO<sub>2</sub> emission by 7008 MT.

### **Sensor Based Performance Monitoring System**

Your Company has installed sensor based Performance Monitoring System on 4 ships, Jag Lok, Jag Lalit, Jag Aditi and Jag Aarati, as a pilot project with a view to reduce fuel consumption and consequently green house gas emissions.

A Performance Monitoring System is an IT based system installed on board ship continuously gathering information through sensors of all relevant parameters i.e. fuel consumption rate, main engine power output, wind speed, dynamic trim etc. Thus it provides on board continuous overall ship status information through on-line processing of a complete set of relevant parameters. Availability of a prompt and continuous display of actual ship status allows shipboard staff to be constantly aware of real time vessel fuel efficiency performance and thus enable them to instantly evaluate the impact of any action they might take for improvement (such as trim variation, course deviation, engine speed etc.). The same data is transmitted to shore office through satellite communication for analysis with a view to enhance fuel efficiency.

The Performance Monitoring System hardware and software have been procured from Iceland based MARORKA ehf., a pioneer and market leader in this area of technology.

The total cost incurred is USD 412,500.

### **Establishment of Vessel Performance Management Cell**

Considering the growing importance of conservation of energy and its impact on sustainable development your Company has established Vessel Performance Management Cell with following objectives:

- Monitoring of Fuel Efficiency Performance of vessels;
- Establishing and monitoring related Operational KPIs;
- Identification and review of suitable Energy Saving Technologies for fleet vessels;
- Enhancing Fuel Efficiency of Vessels through retrofitment of Energy Saving Devices / Operational Measures;
- Training / Awareness building on Energy Efficiency of Personnel ashore and onboard vessels.

Since then, among others, VPM Cell in co-ordination with IT Department has developed computer as well as mobile devices based tools for monitoring fuel efficiency performance of vessels with beneficial results.

**Reduction of Green House Gas Emission from Ships**

Carbon footprint of ships is measured in terms of Energy Efficiency Operational Indicator (EEOI) as per Guideline of International Maritime Organization MEPC.1/Circ.684. Your Company has in-house developed software for capturing the relevant data from individual ships and displaying the same in various report formats in a dashboard for analysis.

It shows CO<sub>2</sub> emission per tonne-mile of cargo moved by individual ships and fleet as whole over any selected given period of time. This is used to carry out trend analysis of CO<sub>2</sub> emission from individual ships as well as fleet as a whole.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

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

(₹ in lakhs)

(a)	Foreign Exchange earned on account of freight, charter hire earnings, etc.	123,385
(b)	Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc.	170,106

**AUDITORS**

M/s. Kalyaniwalla & Mistry, the Statutory Auditors of your Company, hold office until the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2017.

Necessary resolution for ratification of their appointment has been included in the Notice convening the ensuing Annual General Meeting.

**SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013, the Company appointed M/s. Mehta & Mehta, Company Secretaries to undertake the Secretarial Audit of the Company for the financial year ended March 31, 2015.

The Secretarial Audit Report is annexed herewith as "Annexure H".

**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**  
Chairman

Mumbai, May 07, 2015



## ANNEXURE 'A' TO BOARD'S REPORT

# CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. Preamble

The Great Eastern Shipping Company Limited (Great Eastern) has always been conscious of its role as a good corporate citizen, and has hitherto striven to fulfill this role by running its business with utmost care for the environment and all the stakeholders. This includes honesty and integrity in all its dealings with customers, vendors, employees and most importantly the government. This commitment is a critical cornerstone on which the Company was built and upon which it continues to grow.

It is Great Eastern's intention to increase the scope of its Corporate Social Responsibility (CSR) activities to cover other ways to give back to society.

Great Eastern's CSR policy has been developed in consonance with Section 135, Companies Act 2013 on CSR and accordance with CSR rules notified by the Ministry of Corporate Affairs, Government of India. It shall apply to all CSR Projects/Programmes undertaken by the Company as per liberal interpretations of activities listed in Schedule VII of the Act, within the geographical limits of India alone, towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

### 2. Vision Statement and Objective

For Great Eastern, CSR means responsible business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled. This policy, which has been formulated in alignment with the vision of the company, lays down guidelines and mechanisms to be adopted by the Company in order to carry out CSR Projects/Programs.

#### *The objectives of this policy are to –*

Demonstrate commitment to the common good through responsible business practices and good governance.

Actively support the state's development agenda to ensure sustainable and equitable change.

Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

Engender a sense of empathy and equity among employees of GES to motivate them to give back to the society.

The structure for identification of these causes, and the modalities of the investment in these causes, are spelled out in detail in the following sections.

### 3. CSR Amount

In every financial year starting 2014-15, Great Eastern will spend at least 2% of the average profits over the past three financial years on Corporate Social Responsibility (CSR) causes. The CSR spend/investment for each year will be approved by the CSR Committee and the Board will be kept informed.

In the event that the amount indicated above is not spent in its entirety in that year, the reasons thereof will be outlined in the Board's CSR report, as per Section 134 (3) (o).

In the event where the Company makes any surplus or profit from pursuing its CSR projects/programmes, these will not form part of the business profit (but will instead, be carried forward to the following year/s as part of either the CSR corpus or as a supplement to the budget).

#### 4. Focus Area

The Company's CSR efforts will be focused in the areas of:

1. Promoting education and knowledge enhancement, including but not limited to:
  - a. Establishment and management of educational and knowledge enhancement infrastructure.
  - b. Provision of financial or other assistance to the needy and/or deserving students.
  - c. Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.
  - d. Contribution to technology incubators located within academic institutions which are approved by the Central Government.
2. Eradicating hunger, poverty, and malnutrition
3. Promoting health care and sanitation

#### 5. Planning and Implementation

Implementation of the Great Eastern CSR strategy will involve several steps, as outlined below, and will be the responsibility of Great Eastern. Alternatively it may be implemented through a Foundation to be set up for the purpose.

Selection of Projects/Programs

1. Partner Organizations (PO) engaged in the aforementioned focus areas will be identified.
2. Post preliminary meetings with representatives from these organizations, POs will be required to send in detailed project proposals.
3. Projects will be rated in terms of cost, feasibility, scalability and impact.
4. Representatives will schedule and conduct scoping visits to the sites.
5. Following this, a Project Identification Report will be presented to CSR Committee.

#### 6. Board and CSR Committee

##### ***The Board:***

The Board of Great Eastern will be responsible for:

Approving the CSR policy as formulated by the CSR Committee

Ensuring, through the CSR Committee that in each financial year the Company spends at least 2% of the average profits over the past three financial years.

Ensuring, through the CSR Committee, that every financial year funds committed by the Company for CSR activities are utilized effectively.

Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.

##### ***The CSR Committee:***

The Board of Directors of the Company has constituted a Committee of Directors, known as the Corporate Social Responsibility (CSR) Committee. The functions of the Committee will be as follows:

Formulate and recommend the CSR policy of the Company

To recommend to the Board the structure for carrying out CSR activities

To set the Company's CSR budget for each year

To monitor the CSR activities of the Company, and report on it to the Board on a regular basis.

***The Great Eastern Shipping CSR committee comprises of:***

Mr. Vineet Nayyar (Chairman)

Mr. Cyrus J. Guzder

Mr. Bharat K Sheth

## **7. Monitoring and Evaluation**

**Monitoring:** The CSR Committee shall ensure monitoring of the projects supported by the Company's CSR activities, by:

- a. Periodic visits by staff from the Company/CSR Foundation
- b. Regular defined reports from the partner organisation on utilisation of funds
- c. Quantitative information - number of people affected, resources saved etc.
- d. Qualitative information (community feedback, visual documentation etc).

**Evaluation:** In order to assess the impact of its CSR Projects and Programmes, maximize outcomes and build-in sustainability, scalability and replicability, the following processes shall be undertaken:

Ensure that the projects/programmes undergo concurrent and final evaluation.

If required, engage credible third parties to undertake evaluation of all or selected projects/programmes.

## **8. Accounting & Auditing**

GES will follow the Accounting and Auditing Guidance Note/Standards duly approved by the Ministry of Corporate Affairs, Government of India.

## **9. Documentation and Reporting**

The CSR committee will prepare the annual CSR report. This report will:

Outline the company's CSR Policy, including overview of projects or programs proposed to be undertaken.

The composition of the CSR Committee.

Average net profit of the company for the last three financial years.

Prescribed CSR Expenditure (2% of the amount as in item 3 above).

Details of CSR spend during the financial year in such form as may be stipulated under the Companies Act, 2013.

## **10. Disclosure**

The Companies shall comply with Section 135 (2), 135 (4) (1) and 134 (3) (o) of the Act thereby ensuring that it makes a full disclosure of its CSR policy, strategy, projects/programmes, activities, monitoring mechanism, implementing agencies, expenditure details as well as the composition of the CSR Committee of the Board.

## ANNEXURE 'B' TO BOARD'S REPORT

## ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2014-15

1. The Corporate Social Responsibility Policy of the Company was approved by the Corporate Social Responsibility Committee at its meeting held on December 11, 2014 and the Board of Directors of the Company at their meeting held on February 05, 2015. Copy of the policy is available on the website of the Company : [www.greatship.com](http://www.greatship.com)

The policy applies to all CSR projects/programmes undertaken by the Company as per liberal interpretations of activities listed in Schedule VII of the Companies Act, 2013 within the geographical limits of India towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

As per the policy, in every financial year, the Company will spend at least 2% of the average profits over the past three financial years on Corporate Social Responsibility (CSR) causes.

The Company's CSR efforts will be focused in the areas of:

- i) Promoting education and knowledge enhancement, including but not limited to:
  - a. Establishment and management of educational and knowledge enhancement infrastructure.
  - b. Provision of financial or other assistance to the needy and/or deserving students.
  - c. Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.
  - d. Contribution to technology incubators located within academic institutions which are approved by the Central Government.
- ii) Eradicating hunger, poverty and malnutrition
- iii) Promoting health care and sanitation

The policy may be implemented directly by the Company or through Great Eastern CSR Foundation which has been specifically set up for the purpose.

2. The Corporate Social Responsibility Committee of the Company was constituted by the Board of Directors of the Company at its meeting held on May 07, 2014. The Committee comprises of Mr. Vineet Nayyar (Chairman), Mr. Cyrus Guzder and Mr. Bharat K. Sheth.
3. Average net profit of the Company calculated as per the provisions of Section 135 of the Companies Act, 2013 for last three financial years was ₹ 113.53 crore.
4. The prescribed CSR expenditure (2% of the average net profit as aforesaid) is ₹ 2.27 crore.
5. Details of CSR spent during the financial year are as follows:
  - (a) Total amount to be spent for the financial year 2014-15 : ₹ 2.27 crore.
  - (b) Amount unspent : Nil.
  - (c) Manner in which the amount was spent during the financial year is detailed below:

The Company has contributed the entire amount of ₹ 2.27 crore to Great Eastern CSR Foundation, a company incorporated under Section 8 of the Companies Act, 2013.

The details of amount spent by Great Eastern CSR Foundation are enclosed as Annexure to this report.

6. The Corporate Social Responsibility Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and Policy of the Company.

**Mr. Bharat K. Sheth**  
Deputy Chairman & Managing Director  
Mumbai, May 07, 2015

**Mr. Vineet Nayyar**  
Chairman of Corporate Social  
Responsibility Committee



ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2014-15

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or program (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
1	<p>Donation to the Ashoka University project of the International Foundation for Research and Education, New Delhi for providing scholarships to students of low economic status, at least half of whom will be female.</p> <p>The scholarship will cover Young India Fellowship students – Ashoka's postgraduate programme or such other programme as may be agreed from time to time.</p> <p>The scholarships can be nominated over a period of 3 years.</p>	Promoting education	Ashoka University campus is situated at Rajiv Gandhi Education City, Kundli, NCR	₹ 1 crore (to be contributed over a period of 3 financial years)	<p>Direct expenditure : ₹ 0.34 crore*</p> <p>Overheads: Nil.</p>	₹ 0.34 crore	Amount was contributed by Great Eastern CSR Foundation to International Foundation for Research and Education.

\* Great Eastern CSR Foundation is evaluating various projects and the balance amount will be spent during FY 2015-16.

## ANNEXURE 'C' TO BOARD'S REPORT

**POLICY FOR APPOINTMENT OF DIRECTORS  
AND BOARD DIVERSITY**

This policy has been recommended by the Nomination and Remuneration Committee of the Company ( Committee ) at its meeting held on February 05, 2015 and is applicable with effect from the said date.

**Purpose**

The primary objective of the Policy is to provide a framework and set standards for the appointment of high quality directors who should have the capacity and ability to lead the Company towards achieving sustainable development. The Company aims to achieve a balance of experience and skills amongst its directors.

**Qualifications**

The Company believes that its Board membership should comprise directors with an appropriate mix of skills, experience and personal attributes that allow the directors individually, and the Board collectively, to:

- discharge their responsibilities and duties under the law effectively and efficiently;

- understand the business of the Company and the environment in which the Company operates so as to be able to agree with management the objectives, goals and strategic direction which will maximise shareholder value; and

- assess the performance of management in meeting those objectives and goals.

The candidate for the position of Director in the Company should be a degree holder in any discipline relevant to the business of the Company for e.g., shipping, management, legal, finance, strategic planning, etc. Alternatively, the candidate should be regarded as an industry veteran or specialist in the relevant discipline.

The candidate should have considerable experience as an entrepreneur or of working at a board or senior management level in an organisation / firm of repute or government agency in India or abroad.

He should have demonstrated ability to work effectively with board of directors of a company.

**Attributes**

The candidate should possess excellent leadership skills. His interpersonal, communication and representational skills should be par excellence. He should have extensive team building and management skills. His personality should be influential.

He should possess high standards of ethics, personal integrity and probity.

**Independence**

In addition to the aforesaid criteria, the candidate for the position of Independent Director should fulfil the criteria as laid down in Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement with Stock Exchanges as may be amended or substituted from time to time.

**Diversity**

The Company considers that its diversity is a vital asset to the business. Building a diverse and inclusive culture is integral to the success of the Company. An inclusive culture helps the Company to respond to its diverse global customer base.

Ethnicity, age and gender diversity, without compromising on meritocracy, are areas of strategic focus for the composition of the Board. Achieving a balance of experience and skills amongst its Directors is also essential for leading the Company towards sustainable development.

The Committee shall give due regard for maintaining Board diversity while identifying and nominating candidates for appointment to the Board.

### **Appointment Process**

Matching the needs of the Company and enhancing the competencies of the Board are the basis for the Committee to select a candidate for appointment to the Board. In case required, the Committee may also take help from external consultants to identify potential directors.

Recommendations of the Committee shall be placed before the Board of Directors for its consideration.

When recommending a candidate for appointment, the Committee shall assess:

- a) The appointee against criteria described as aforesaid.
- b) The skills and experience that the appointee brings with him/her and how they will add value to the Board as a whole.
- c) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board.
- d) The Appointee s ability to exercise independent judgement.
- e) The time commitment required from the appointee to actively discharge his duties to the Company.
- f) Statutory provisions regarding Board composition.
- g) Cultural fit with the existing Board members and empathy to the Company s culture.

After considering the recommendations of the Committee, the decision on the appointment of the Directors shall be taken by the Board of Directors.

The appointment so made shall be subject to the approval of the shareholders.

After the Director is appointed, a formal letter of appointment shall be issued to him / her by the Company.

## ANNEXURE 'D' TO BOARD'S REPORT

**REMUNERATION POLICY FOR THE DIRECTORS,  
KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES**

This policy has been recommended by the Nomination and Remuneration Committee of the Company at its meeting held on February 05, 2015 and adopted by the Board of Directors of the Company at its meeting held on February 05, 2015 pursuant to Section 178 of the Companies Act, 2013 and is applicable with effect from the said date.

The policy is divided into separate sections for executive directors, non-executive directors and employees.

The remuneration of the executive directors is recommended by the Nomination and Remuneration Committee (the Committee) and approved by the Board of Directors (the Board) and shareholders of the Company within the overall limits as may be prescribed under applicable laws.

The remuneration of the non-executive directors is approved by the Board of Directors (the Board) and shareholders of the Company within the overall limits as may be prescribed under applicable laws.

This Policy is a forward-looking document. It is hereby clarified that existing obligations of the Company under existing contracts, pension scheme, etc. which are outstanding at the time this Policy is approved shall continue to be honoured by the Company. It is the Company's policy to honour in full any pre-existing obligations that have been entered into prior to the effective date of this Policy.

Whereas, while formulating this Policy, the Company is committed to full and transparent disclosures, certain parameters such as business targets etc. have not been disclosed as the same is not in the interests of the Company.

**I. EXECUTIVE DIRECTORS****Key principles**

Attracting and retaining top talent is a key objective of the Company's approach to remuneration. The Company's policy remains largely unchanged from that which it has applied for a number of years and its continuity has been a stabilizing force during the periods of turbulence. The core elements of salary, commission, benefits and pension continue to provide an effective, relatively simple, performance-based system that fits well with the nature of Company's business and strategy.

The remuneration policy for the executive directors has been consistently guided by following key principles, which represent the underlying approach of the Board and the Committee:

- a) The remuneration structure of executive directors is designed to reflect the nature of shipping business in which the Company operates. The shipping industry has long term business cycles, is capital intensive, highly regulated and has significant safety and environmental risks requiring specific entrepreneurial skills and experience, which the Company must attract and retain.
- b) A substantial proportion of executive directors' remuneration is linked to success in implementing the Company's strategy and varies with performance of the Company.
- c) There is quantitative and qualitative assessment of each executive director's performance.
- d) Total overall remuneration takes account of both the external market and company conditions to achieve a balanced and fair outcome.
- e) Ensuring that executive directors are remunerated in a way that reflects the company's long-term strategy. Consistent with this, a high proportion of executive directors' total remuneration has been, and will always be, strongly linked to the company's performance.



**Flexibility, judgement and discretion**

This Policy recognises that the Board and Committee shall undertake quantitative and qualitative assessments of performance in reaching its decisions. This involves the use of judgement and discretion within a framework that is approved by shareholders. The Board and Committee also need to be sufficiently flexible to take account of future changes in the industry environment and in directors remuneration practices generally.

The ability to exercise discretion, upwards or downwards, is important to ensure that a particular outcome is fair in light of the director's own performance and the Company's overall performance.

**Key considerations**

A wide range of factors shall be considered when determining the remuneration for executive directors. The competitive market for top executives both within the shipping sector and broader industrial corporations provides an important context. The Company believes that it has a duty to shareholders to ensure that the Company is competitive so as to attract and retain the high calibre executives required to lead the Company.

Decisions regarding remuneration for executive directors is the responsibility of the Committee. Executive directors are not consulted directly by the Committee when making policy decisions. Although the Committee may consider feedback from various sources which provide views on a wide range of points including pay.

**Elements of remuneration**

Executive directors' remuneration shall be divided into following elements:

**Consolidated Salary:**

Consolidated Salary provides base-level fixed remuneration to reflect the scale and dynamics of the business, and to be competitive with the external market.

Consolidated Salary shall include basic salary and Company's contribution to Provident Fund, Superannuation Fund and all other allowances payable from time to time.

While determining Consolidated Salary, salary levels and total remuneration paid by companies of similar size and stature engaged in shipping, offshore and other industries globally shall be considered by the Committee.

Scale of Consolidated Salary shall be fixed for a period of 5 years and shall be reviewed every five years thereafter or such other period as may be decided from time to time.

Actual Consolidated Salary payable every year shall be reviewed annually within the broader scale as aforesaid.

Company's contribution to Provident Fund, Superannuation Fund allowances, etc. shall be as per rules of the Company and determined as per the applicable laws, if any, from time to time.

**Benefits**

There are certain benefits, such as car-related benefits, insurance and medical benefits, home loan etc. which are made available by the Company to its employees generally in accordance its rules / terms of employment. Executive directors are entitled to receive those benefits.

Perquisites will be valued as per the provisions of Income-tax Act.

The Company shall provide following benefits to Managing Director(s):

- (i) Transportation/conveyance facilities.
- (ii) Telecommunication facilities at residence.
- (iii) Leave encashment as per the rules of the Company.
- (iv) Reimbursement of medical expenses incurred for himself and his family.
- (v) Insurance cover as per the rules of the Company.
- (vi) Housing Loan as per the rules of the Company.
- (vii) Fees of Clubs, subject to a maximum of two clubs, excluding membership of business clubs.
- (viii) Leave travel allowance as per the rules of the Company.

The Company shall provide following benefits to other Whole-time Directors as per rules of the Company:

- (i) Transportation/conveyance facilities
- (ii) Telecommunication facilities at residence
- (iii) Leave encashment
- (iv) Reimbursement of medical expenses incurred for himself and his family
- (v) Insurance cover
- (vi) Housing Loan
- (vii) Membership fees of Clubs
- (viii) Gratuity
- (ix) Other benefits as may be applicable to their respective grades

#### **Reimbursement:**

Reimbursement of expenses incurred by the Managing Director(s) during business trips for travelling, boarding and lodging, including for their respective spouses.

Reimbursement of expenses incurred by other Whole-time Directors during business trips for travelling, boarding and lodging.

#### **Commission**

It provides a variable level of remuneration dependent on short-term performance of the individual as well as the Company vis a vis industry performance globally. The test of performance by the Company is whether it is able to increase its profits when the industry environment is favourable and whether it is able to minimise its losses when the environment is harsh. The Company believes that performance of each and every employee of the Company contributes to its overall performance and hence should be rewarded suitably. Hence, the Company follows the policy of making payment of profit based commission to its executive directors annually.

Commission is decided based on performance of executive directors as well as the Company. Where possible, the Company uses quantifiable, hard targets that can be factually measured and objectively assessed. The Company also reviews the underlying performance of the group in light of the annual plan, competitors' results, etc.

Commission may vary from time to time but shall be maximum four times of the Consolidated Salary. Executive directors with large operating responsibilities may be entitled to more commission as compared to others.

**Pension**

Pension recognises and appreciates the experience, expertise, advice, efforts and contribution provided and made by executive directors to the Company during their long years of service with the Company and/or its wholly owned subsidiaries, whether in their capacity as executive directors or otherwise.

The Company may provide pension (which includes providing perquisites) to its eligible executive directors upon their ceasing to hold office in the Company in recognition of their past services in accordance with a scheme formulated by the Board of Directors.

**Review**

Salary reviews consider both external competitiveness and internal consistency when determining if any increases should be applied. Salary increases will be generally in line with all employee increases within the Company and other companies based in India and abroad.

Salaries are compared against other shipping and offshore majors, but the Company also monitors market practice among companies of a similar size, geographic spread and business dynamic to the Company.

Salary increases are not directly linked to performance. However a base-line level of personal contribution is needed in order to be considered for a salary increase and exceptional sustained contribution may be grounds for accelerated salary increases.

Specific measures and targets may be determined each year by the Committee. The principal measures of increments / bonus will be based on value creation and may include financial measures such as operational efficiency, operating cash flow, operating profit, cost management, project delivery, etc.

**II. NON-EXECUTIVE DIRECTORS**

The principle which underpins the board's policy for the remuneration of NEDs is that the remuneration should be sufficient to attract, motivate and retain world-class non-executive talent. The remuneration practice should also be consistent with recognized best practice standards for NED remuneration.

**Elements*****Sitting fees***

The NEDs are paid sitting fees for attending meetings of the Board of Directors. It is presently ₹ 75,000 per meeting.

***Commission***

It provides a variable level of remuneration dependent on short-term performance of the Company, i.e. net profits every year.

Quantum of basic Commission is determined by the Board on a year to year basis.

Audit Committee Chairman is paid an additional Commission of ₹ 6 lakhs p.a. over and above the Commission payable to him as a Director. The other members of the Audit Committee are paid an additional Commission of ₹ 2.50 lakhs p.a. over and above the Commission payable as a Director.

Nomination and Remuneration Committee Chairman is paid an additional Commission of ₹ 3 lakhs p.a. over and above the Commission payable to him as a Director. The other members of the Nomination and Remuneration Committee are paid an additional Commission of ₹ 1 lakh p.a. over and above the Commission payable as a Director.

Stakeholders Relationship Committee Chairman is paid an additional Commission of ₹ 75,000 p.a. over and above the Commission payable to him as a Director. The other members of the Stakeholders Relationship Committee are paid an additional Commission of ₹ 25,000 p.a. over and above the Commission payable as a Director.

#### **Reimbursements**

All reasonable out of pocket expenses incurred by NEDs in carrying out their duties are reimbursed. Outstation directors are paid city compensatory allowance.

The Company does not provide share options or retirement benefits to NEDs.

### **III) KEY MANAGERIAL PERSONNEL AND OTHER SENIOR MANAGEMENT EMPLOYEES**

#### **Objectives**

*The objectives of remuneration/compensation policy are broadly as stated below :*

1. To attract and retain best in class talent
2. Remain competitive to ensure business sustainability
3. To align employees to organizational performance.

#### **Guiding Principles**

*The policy rests on the following tenets :*

1. Internal equity
2. External competitiveness

#### **Structure of overall compensation**

1. Fixed Pay or CTC
2. Performance Incentive Pay (Variable Pay) linked to organizational and individual performance.
3. Other Benefits

Elements 1, 2 relate to monetary components. Some of the aspects of element 3 are based on grade entitlement.

#### **Applicability**

*Senior Manager and above grades*



## SALARY LINKED ELEMENTS

Salary Linked Elements	Limits / Remarks
Basic	25% of CTC (Fixed) Sr. Mgr to President
HRA	0-50% of basic (optional)
Car & related	Based on grade-wise eligibility (includes car value, insurance and running & maintenance expenses)
LTA / Medical	₹ 0-100,000/- P.A. (Optional)
Provident Fund	12% of Basic (Fixed)
Superannuation	0 or 15% of Basic (Optional)
National Pension System	0-10% of Basic (Optional)
Special Allowance	Difference between CTC and total of all other components

### Note:

#### LTA / Medical

Optional benefit upto a maximum limit of ₹100,000

Medical includes only domiciliary medical expenses (Doctor's fee, medical bills etc.)

LTA benefits can be claimed by submitting bills to accounts department.

Unclaimed portion to be paid on 30th June every year after tax deduction.

#### Provident Fund

Every employee will contribute 12% of his/her monthly basic salary

The Company on its part will make a matching contribution of 12% of the employee's basic salary.

Company's contribution will be adjusted from CTC of the employee.

#### Superannuation

The Company will contribute at the rate of 15% of an employee's basic salary towards Superannuation Fund.

Contribution will be adjusted against CTC of the employee

This component would be optional and an employee could choose not to avail the benefit.

#### Special Allowance

The difference between CTC and all other components would be treated as Special Allowance.

It is a balancing figure with no minimum or maximum limits.

**BENEFITS OUTSIDE SALARY**

- Executive Lunch
- Residence Telephone
- Life Cover
- Mobile Phone
- Corporate Club Membership
- Life cover 3 times CTC
- Housing loan Interest Subsidy
- Holiday Home
- Health Check ups
- Leave 30 days
- Gratuity

**Performance Incentive Pay (variable pay)**

This is determined based on individual and organizational performance- Individual performance is rated on a 5 point scale annually during the final review. Organizational performance is determined on the basis of ROCE and operational efficiencies. Combining both measures, the final PIP quantum is determined.

**IV) OTHER EMPLOYEES:**

Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

## ANNEXURE 'E' TO THE BOARD'S REPORT

### STATEMENT OF DISCLOSURE OF REMUNERATION

**Statement of Disclosure of Remuneration under Section 197 of Companies Act, 2013 and Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

1. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and percentage increase in the remuneration of each Director and Key Managerial Personnel (KMP) during the financial year 2014-15 are as follows:

Sr. No.	Name of Director /KMP	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in remuneration
1.	Mr. K. M. Sheth\$	Chairman	70.19:1	(38.46)
2.	Mr. Bharat K. Sheth	Deputy Chairman & Managing Director	242.69:1	27.85
3.	Mr. Tapas Icot*	Executive Director & President (Shipping)	58.21:1	21.85
4.	Mr. G. Shivakumar**	Executive Director & CFO	62.49:1	22.59
5.	Mr. Ravi K. Sheth\$\$	Director	-	-
6.	Mr. Berjis Desai	Independent Director	4.51:1	76.33
7.	Mr. Cyrus Guzder	Independent Director	5.66:1	92.78
8.	Mr. Farrokh Kavarana %	Independent Director	2.54:1	-
9.	Mrs. Rita Bhagwati%	Independent Director	1.52:1	-
10.	Dr. Shankar Acharya #	Independent Director	0.83:1	-
11.	Mr. Vineet Nayyar	Independent Director	3.68:1	68.75
12.	Ms. Asha V. Sheth++	Director	2.39:1	5.91
13.	Mr. Keki Mistry+	Independent Director	2.57:1	(18.56)
14.	Dr. Rajiv B. Lall	Independent Director	0.74:1	(66.25)
15.	Jayesh M. Trivedi	Company Secretary	28.10:1	12.59

\$ Non-executive Chairman w.e.f. September 01, 2014.

\* Appointed as Additional Director and Executive Director with effect from August 12, 2014.

\*\* Appointed as Additional Director and Executive Director with effect from November 14, 2014.

\$\$ Ceased to be Executive Director of the Company with effect from April 01, 2015. Considering the time and efforts spent by Mr. Ravi K. Sheth for the business of Greatship (India) Limited (GIL) and its subsidiaries, entire remuneration to Mr. Ravi K. Sheth is paid by GIL.

% Appointed as Additional Directors and Independent Directors with effect from November 14, 2014.

# Appointed as Additional Director and Independent Director with effect from February 05, 2015.

++ Resigned as the Director of the Company with effect from November 17, 2014.

+ Resigned as the Director of the Company with effect from September 29, 2014.

Notes : Considering the pattern of employment in the shipping business, the remuneration paid to members of the shipboard staff who have worked on board the Company's ships for only a short period during the year have not been considered for the purpose of calculating median remuneration.

2. The percentage increase in the median remuneration of employees in the financial year 2014-15 was 3.38%.
3. The Company had 593 permanent employees on the rolls of the Company as on March 31, 2015.
4. Relationship between average increase in remuneration of employees and Company performance:

The average increase in remuneration of employees was 9.94% during the financial year 2014-15.

As per the performance evaluation policy of the Company, remuneration payable by the Company (including variable pay) is linked to individual performance as well as performance of the Company. The performance of the Company is measured in terms of profitability, return on equity as well as financial strength, which were as follows:

(₹ in crore)			
Particulars	FY 2014-15	FY 2013-14	increase / decrease (%)
Revenue	2012.69	1780.25	13.06
EBITDA	840.93	780.84	7.69
Profit after tax	317.30	204.38	55.02
Return on Equity	6.52%	4.17%	56.35
Return on capital employed	6.28%	4.99%	25.85
EPS (₹)	21.04	13.50	55.85
Total Assets	9335.93	9389.99	(0.57)
Gross Debt/Equity Ratio	0.62	0.69	(10.14)

The increase in remuneration of employees is in line with the performance of the Company.

5. Comparison of remuneration of KMPs against the Company performance:  
The details of remuneration of KMPs have been elaborated in Form No. MGT 9 annexed to the Board's Report. The average increase in the remuneration of KMPs was 7.97 % during the financial year 2014-15. Considering business performance as well as performance ratings of the KMPs, the increase in the remuneration of KMPs is considered appropriate.
6. The Market Capitalization of the Company as on March 31, 2015 was ₹ 5513.92 crore as compared to ₹ 5139.24 crore as on March 31, 2014. Price earning ratio of the Company was 17.38 as at March 31, 2015 and was 25.25 as at March 31, 2014. The Company had made its last rights issue at ₹ 10 per equity share (at par). The market price of the equity shares of the Company on Bombay Stock Exchange as on March 31, 2015 (closing) was ₹ 365.70 per share. This results into an increase of 3557%.
7. The key parameters for variable component of remuneration availed by the Directors have been elaborated in the Corporate Governance Report.
8. The ratio of remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not applicable.
9. The Board of Directors hereby affirms that the remuneration is as per the remuneration policy of the Company.
10. The statement pursuant to Rule (5)(2) is enclosed.

## ANNEXURE TO STATEMENT OF DISCLOSURE OF REMUNERATION

Sr. No.	Name	Designation	Remuneration received (₹) Gross	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
<b>Directors:</b>								
1	# Sheth K M	Non-Executive Chairman	23,206,891	U.G.Com	63	01-Oct-1952	83	-
2	# Sheth B K	Deputy Chairman & Managing Director	80,233,895	B.Sc. (Scotland)	34	01-Oct-1981	57	-
3	Icot T	Executive Director & President (Shipping)	19,246,278	B. Com. (Hons.), All, DMS, FICA	37	20-Feb-1991	59	Essar Shipping Ltd.
4	Shivakumar G	Executive Director & CFO	20,660,863	B.Com., PGDM	25	16-Sep-2008	47	Greatship (India) Ltd.
<b>Shore Staff:</b>								
1	Bakshi U S	Deputy General Manager, Sale & Purchase	6,753,252	B.E., MBA	15	14-Feb-2000	40	Bank of Madura Ltd.
2	Birwadkar D D	Vice President, Fleet Management	10,928,210	1st Class MOT	32	28-Dec-2006	54	Anglo Eastern Ship Management Pvt. Ltd.
3	Bose I N	Asst. Vice President	6,598,598	B.E.	18	15-Mar-2007	65	Indian Register of Shipping
4	Cherian C K	General Manager, Materials Procurement	7,474,744	B.E., DMS	35	04-Sep-2000	58	Crompton Greaves Ltd.
5	Correa Pradeep	General Manager, Fleet Personnel	7,043,619	Master FG	35	26-Apr-2001	54	Varun Shipping Company Ltd.
6	Correa Prakash	Asst. Vice President, Tanker Operations (International)	11,316,662	Master FG	33	23-Jun-2004	56	Varun Shipping Company Ltd.
7	Das Mahapatra A	General Manager, Shipping	7,032,742	M.A., MBA	30	23-Dec-2005	55	Parekh Marine Agencies Pvt. Ltd.
8	Deb A K	General Manager - IT	7,122,038	B.Sc., MBA, Dip. in Systems Management	24	30-Dec-2008	50	Motilal Oswal Securities Ltd.
9	Dhyani P K	General Manager, Coastal Operations	8,011,756	Master FG	34	16-Apr-1979	58	-
10	Iyer R N	General Manager, Insurance & Claims	6,129,423	B.COM, LLB	16	03-Jul-2000	60	James Mackintosh & Co. Pvt. Ltd.
11	Kapila S K	Head - Tanker Division	8,306,904	B.Sc., PGDBM	27	04-May-1995	50	Shipping Corporation of India Ltd.
12	K Chandrasekharan V	General Manager, Quality & Technical Audit	7,302,126	B.E., MBA	34	01-Jul-2013	56	Greatship (India) Ltd.
13	Khanolkar K S	General Manager, Shipping	6,611,265	B.SC, 1st Class MOT	55	24-Sep-1986	55	Ajax Ship Management Co. Ltd.
14	Khot G P	General Manager	6,297,513	DIIM, B. TECH	44	01-Sep-1982	65	Self Employed
15	Lala A E	Deputy General Manager, Tanker Operations (Intl.)	6,139,586	Master FG	14-Jul-1980	58	-	BPL Mobile
16	Manalmaril S R	Head - Human Resources	6,930,515	B.TECH, PGD(PM&IR)	13	06-May-2005	48	-
17	Mehrotra M	General Manager, Tanker Technical	7,393,823	1st Class MOT	24	04-Apr-1989	49	-
18	Narayan A	Assistant General Manager, Chartering	6,011,701	B.E, MMS	16	01-Nov-2001	40	Jumbo International holdings limited
19	Sahu A K	General Manager, Tanker Technical	7,992,458	B.E., 1st Class MOT	34	29-Dec-1995	53	American Bureau of Shipping
20	Sequeira R C	Head - Bulker Division	10,010,818	B.Sc., MBA, LL.B.	38	18-Dec-2006	59	Noble Chartering Ltd., Hong Kong
21	Singh P K	Assistant General Manager, Technical-Tanker	3,624,558	B.E, MBA, 1ST CLASS MOT	7	01-Sep-2008	44	Fleet Management Ltd.
22	Sukthankar A L	General Manager, Accounts & MIS	7,536,959	B.COM, ACA	27	15-Sep-1997	51	The Indian Hotels Co. Ltd.
23	Trivedi J M	Vice President (Sec. & Legal) & Company Secretary	9,288,858	B.Com., BGL, FCS	35	19-Jul-2000	55	DCW Home Products Ltd.
24	Vaidyanathan R	General Manager	6,148,206	B.COM, ACA	33	16-Aug-1984	56	Jayantilal Thakkar & Co. Chartered Accountant



Sr. No.	Name	Designation	Remuneration received (₹) Gross	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
<b>Floating Staff:</b>								
1	#*Addanki R V	Chief Engineer	4,758,609	Class I (Motor)	10	29-Sep-2014	51	Anglo Eastern Ship Management Ltd.
2	Behera R	Chief Engineer	6,265,710	Class I (Motor)	15	10-Oct-2000	42	Pelican Marine Ship Management
3	#Borthwick R S	Master	7,002,044	Master (F.G)	17	17-Jul-2013	40	
4	Castelino P B	Master	8,757,848	Master (F.G)	27	27-Aug-1987	51	
5	#*Chowdhary J	Chief Officer	1,362,716	Master (F.G)	9	20-Jan-2015	29	
6	#Das J	Chief Engineer	6,245,490	Class I (Motor)	10	21-Mar-2014	57	Varun Shipping Co. Limited
7	#*Das P	Chief Engineer	1,594,571	Class I (Motor)	18	30-Jan-2015	43	India Steamship Co., Limited
8	#Gazder J D	Chief Engineer	6,006,680	Class I (Motor)	20	30-May-2008	43	Nico Middle East Ltd
9	Grevde V B	Chief Engineer	6,469,514	Class I (Motor)	11	14-Apr-2008	36	Mobil shipping Limited
10	#*Ghosh S	Chief Engineer	3,359,960	Class I (Motor)	14	27-Sep-2014	53	Ocs Services (India) Pvt Ltd
11	#Haridas K K	Master	6,889,432	Master (F.G)	15	12-Dec-2012	53	Sanmar Shipping Limited
12	#Irani D D	Master	6,210,083	Master (F.G)	10	12-Jul-2012	31	A.P. MOLLER
13	#Kattampallil A C	Master	7,673,096	Master (F.G)	35	24-Jan-2012	59	
14	#*Kaushtik N	2nd Engineer	3,122,620	Class II (Motor)	8	14-Oct-2014	29	Anglo Eastern Ship Management Ltd.
15	Khatri A	Chief Engineer	6,943,732	Class I (Motor)	17	21-Nov-2003	40	Company Unknown
16	*Komanath S P	2nd Engineer	783,967	Class II (Motor)	6	15-Feb-2015	35	Anglo Eastern Ship Management Ltd.
17	#*Kulkarni S P	Chief Engineer	1,297,441	Class I (Motor)	13	3-Feb-2015	48	D'Amico Ships (India) Pvt Limited
18	#*Madan R S	Chief Engineer	3,560,144	Class I (Motor)	17	23-Oct-2014	37	
19	#*Mallick D K	Chief Engineer	2,768,268	Class I (Motor)	15	09-Nov-2014	39	Anglo Eastern Ship Management Ltd.
20	#*Menezes L F	Master	5,111,867	Master (F.G)	11	12-Sep-2014	36	Mitsui O.S.K. Manning Services S.A.
21	Mukherjee K	Chief Engineer	6,425,544	Class I (Motor)	16	14-Jan-2006	41	The Shipping Corporation of India
22	#*Murali K K	Master	4,685,831	Master (F.G)	25	11-Apr-2012	47	Tanker Pacific Ship Management Limited
23	#Nair S S	Master	6,662,668	Master (F.G)	17	10-Nov-2012	38	Nortrans Pte Ltd.
24	#*Nagwekar V D	Chief Engineer	857,667	Class I (Motor)	15	25-Feb-2015	50	Samson Maritime Ltd
25	#Oberai A	Additional Master	8,557,778	Master (F.G)	13	31-Mar-2014	36	Bergesen A.S.
26	#*Plakkaparambil B U	Master	7,316,137	Master (F.G)	13	12-May-2014	50	Selandia Marine Services Pvt. Ltd.
27	#*Poswal R K	Additional Master	3,674,787	Master (F.G)	15	30-Sep-2014	41	
28	#*Ray A N	Chief Engineer	3,623,183	Class I (Motor)	8	18-Sep-2014	66	Varun Shipping Co. Limited
29	#*Rayat S S	Chief Engineer	528,617	Class I (Motor)	20	10-Oct-2007	46	Essar Shipping Limited
30	#*Roy R	2nd Engineer	5,821,025	Class II (Motor)	9	22-May-2014	34	Fleet Management Ltd.

Sr. No.	Name	Designation	Remuneration received (₹) Gross	Qualifications	Experience (Years)	Date of Commencement of Employment	Age (Years)	Last Employment Held
31	Rai S	Master	6,036,202	Master (FG)	21	19-Jan-2002	43	Herald Maritime Services
32	#*Sadaranandan M P	Chief Engineer	756,667	Class I (Motor)	18	25-Feb-2015	49	Selandia Marine Services Pvt. Ltd.
33	Semwal S	Chief Engineer	6,453,599	Class I (Motor)	19	12-Feb-1996	54	
34	Sethi H S	Master	8,003,466	Master (FG)	17	14-Jan-2014	35	Mms Maritime Agency Pvt. Ltd.
35	*Shahi S	Master	2,924,365	Master (FG)	32	15-May-2003	55	
36	#*Sharma A	Master	4,910,167	Master (FG)	17	23-Sep-2014	55	Wallem Ship Management Ltd
37	*Sharma B R	Chief Officer	2,251,149	Mate (FG.)	16	30-Nov-2014	37	American Eagle Tankers
38	*Singh A	Chief Engineer	2,500,311	Class I (Motor)	13	25-Nov-2014	36	Maersk India Limited
39	*Singh A	Chief Officer	772,375	Mate (FG.)	9	15-Feb-2015	28	
40	#*Singh R K	Chief Engineer	2,294,677	Class I (Motor)	5	18-Nov-2014	35	Accord Ship Management Pvt. Ltd
41	Singh S	Master	6,509,074	Master (FG)	11	27-Aug-2010	53	Executive Ship Management Pvt. Ltd.
42	Sinha A	Master	6,192,423	Master (FG)	18	02-May-1996	38	
43	#Telichari A R	Master	6,130,313	Master (FG)	20	27-Jul-2013	59	Anglo Eastern Ship Management Ltd.
44	#*Varadharajan A	2nd Engineer	2,197,946	Class I (Motor)	16	13-Dec-2014	39	
45	*Yadav P S	Master	4,631,060	Master (FG)	11	05-Aug-2014	46	Fleet Management Ltd.

## Notes :

\* Employed for part of the year.

# Nature of employment is contractual for these employees and non-contractual for others.

Percentage of equity shares held by the employees in the Company within the meaning of Rule 5(2)(iii) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014: N.A.

Remuneration received 'Gross' includes Salary, Allowances, Bonus/Commission, Company's contribution to Provident Fund, RPF Pension Fund, Superannuation Fund and National Pension Scheme, Taxable value of perquisites.

In the case of Shore-Staff, other terms and conditions are as per Company's service rules whereas for Floating Staff they are as per agreements with Maritime Union of India/National Union of Seafarers of India.

In addition to the above remuneration, employees are entitled to gratuity in accordance with the Company's rules.

Mr. B. K. Sheth and Mr. R. K. Sheth are the sons of Mr. K. M. Sheth, Chairman of the Company.

None of the other employees is related to any Director of the Company.

## ANNEXURE 'F' TO THE BOARD'S REPORT

**PARTICULARS OF CONTRACTS WITH RELATED PARTIES -  
FORM NO. AOC 2**

[Pursuant to Clause (h) of sub section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

**Form for disclosure of particulars of contracts / arrangements entered into by the Company with the related parties referred to in Subsection 1 of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

**Details of contracts/arrangements or transactions not at arm's length basis:** The details of the contract/ arrangement or transaction entered into during the year ended March 31, 2015, which was not at arm's length basis is as follows:

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of Contract / arrangement / transaction	Salient terms of contract / arrangement / transaction	Date of Board Approval	Amount (₹)
The Great Eastern Chartering L.L.C. (FZC)	Wholly owned subsidiary	A suezmax vessel 'MV Erviken' taken on charter	For a period of 9 months with effect from April, 2015 (with option to extend upto 730 days).	The vessel has been taken at the same rate and on the same terms on which the GE Sharjah has taken the vessel on charter from it's owners.	March 12, 2015	-

**Justification:**

The Company runs a fleet of 4 suezmaxes similar to the aforesaid vessel. The Company is of the view that if the vessel runs as a part of its fleet, it may fetch better returns as compared to The Great Eastern Chartering LLC (FZC) running a single vessel.

**Details of material contracts/arrangements or transactions at arm's length basis:**

The details of contracts/arrangements or transactions at arm's length basis and in the ordinary course of business of the Company for the year ended March 31, 2015 are as follows:

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of Contract / arrangement / transaction	Salient terms of contract / arrangement / transaction	Amount (₹ in crores)
The Greatship (Singapore) Pte. Ltd.	Wholly owned Subsidiary	Agency Fees	Several transactions during the year	Payment of fees for shipping agency services availed by the Company	1.25
The Greatship (Singapore) Pte. Ltd.	Wholly owned Subsidiary	Agency Disbursement	Several transactions during the year	Reimbursement of expenses incurred while rendering shipping agency services to the Company	5.59
The Greatship (Singapore) Pte. Ltd.	Wholly owned Subsidiary	Payables	-	Outstanding amount towards agency fees and disbursements	1.16
The Great Eastern Chartering L.L.C.	Wholly owned Subsidiary	Payables	-	Outstanding amount towards in-chartering of vessels by the Company	0.23
Greatship (India) Ltd.	Wholly owned Subsidiary	Sale of Training Slots	Several transactions during the year	Sale of training slots as per DG Shipping Rules	0.25

Name of Related Party	Nature of Relationship	Nature of Contract / arrangement / transaction	Duration of Contract / arrangement / transaction	Salient terms of contract / arrangement / transaction	Amount (₹ in crores)
Greatship (India) Ltd.	Wholly owned Subsidiary	Transfer of liability towards retirement benefit of employees	Several transactions during the year	Retirement benefits of employees transferred to the Company	0.02
Greatship (India) Ltd.	Wholly owned Subsidiary	Dividend Income	Several transactions during the year	Dividend received by the Company as per the terms of equity & preference shares held by the Company	63.69
Greatship (India) Ltd.	Wholly owned Subsidiary	Part redemption of preference shares	-	Proceeds of part redemption of preference shares received as per the terms of preference shares held by the Company	59.31
Greatship (India) Ltd.	Wholly owned Subsidiary	Financial Guarantee given	-	Outstanding amount of financial guarantees given by the Company	14.57
Greatship (India) Ltd.	Wholly owned Subsidiary	Receivables	-	Receivables towards reimbursement of expenses incurred by the Company	0.15
Great Eastern CSR Foundation	Wholly owned Subsidiary	Donation Given	-	Donation given pursuant to Section 135 of the Companies Act, 2013	2.27
Great Eastern CSR Foundation	Wholly owned Subsidiary	Investment in Equity Share Capital	-	Investment in 49,999 equity shares of ₹ 10/- each for cash at par	0.05
Mr. Rahul R. Sheth	Son of Mr. Ravi K. Sheth (Director of the Company)	Holding office or place of profit	With effect from October 1, 2014	Salary upto ₹ 25 lac and other benefits applicable to his grade from time to time	0.05

For and on behalf of the Board of Directors

Mumbai, May 07, 2015

**K.M. Sheth**  
Chairman

## ANNEXURE 'G' TO THE BOARD'S REPORT

**EXTRACT OF ANNUAL RETURN - FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i. CIN	L35110MH1948PLC006472
ii. Registration Date	03/08/1948
iii. Name of the Company	THE GREAT EASTERN SHIPPING COMPANY LIMITED
iv. Category/Sub-Category of the Company	PUBLIC COMPANY /LIMITED BY SHARES
v. Address of the Registered office and contact details	OCEAN HOUSE, 134/A, DR. ANNIE BESANT ROAD, WORLI, MUMBAI 400 018 TEL : 022-66613000 / 24922100 FAX : 022-24925900 E-MAIL : shares@greatship.com
vi. Whether listed Company	YES
vii. Name Address and Contact details of Registrar and Transfer Agent, if any	SHAREPRO SERVICES (INDIA) PVT. LTD. 13A/B, SAMHITA WAREHOUSING COMPLEX, 2ND FLOOR, SAKINAKA TELEPHONE EXCHANGE LANE, OFF ANDHERI-KURLA ROAD, SAKINAKA, ANDHERI (E), MUMBAI 400072. TEL : 022-67720300 / 67720400 Fax : 022-28591568 E-MAIL : sharepro@shareproservices.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the Business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Shipping	61100	86.16



**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name of the Company	Address	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	The Great Eastern Shipping Co. London Ltd.	The Galleries, Charters Road, Sunningdale Ascot, Berkshire SL59QJ		Subsidiary	100%	2(87)(ii)
2.	The Greatship (Singapore) Pte. Ltd.	15, Hoe Chiang Road, #06-03 Tower Fifteen, Singapore 089316		Subsidiary	100%	2(87)(ii)
3.	The Great Eastern Chartering LLC (FZC)	Executive Suite ZI-42, P.O. Box 9271, Sharjah, UAE		Subsidiary	100%	2(87)(ii)
4.	The Great Eastern Chartering (Singapore) Pte. Ltd.	15, Hoe Chiang Road, #06-03 Tower Fifteen, Singapore 089316		Subsidiary	100%	2(87)(ii)
5.	Greatship (India) Ltd.	Indiabulls Finance Centre Tower 3, 23rd floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013	U63090MH2002 PLC136326	Subsidiary	100%	2(87)(ii)
6.	Greatship Global Holdings Ltd. *	6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius		Subsidiary	100%	2(87)(ii)
7.	Greatship Global Offshore Services Pte. Ltd.*	15, Hoe Chiang Road, Tower Fifteen, #06-03, Singapore 089316		Subsidiary	100%	2(87)(ii)
8.	Greatship Global Energy Services Pte. Ltd.*	15, Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089316		Subsidiary	100%	2(87)(ii)
9.	GGOS Labuan Ltd.*	Lot A020, Level 1, Podium Level, Financial Park, Jalan Merdeka, 87000, Labuan F.T. Malaysia		Subsidiary	100%	2(87)(ii)
10.	Greatship (UK) Ltd.*	Tower Bridge House, St Katharine's Way, London E1W 1DD, United Kingdom		Subsidiary	100%	2(87)(ii)
11.	Great Eastern CSR Foundation.	Plot 134A, Ocean House, Dr. Annie Besant Road, New Worli Police Station, Shivaji Nagar, Worli, Mumbai 400018.	U85300MH2015 NPL262266	Subsidiary	100%	2(87)(ii)

\* Wholly owned subsidiaries of Greatship (India) Ltd.

## IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A Promoters									
(1) Indian									
a) Individual/HUF	42078909	0	42078909	27.91	41955268	0	41955268	27.83	-0.09
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	3901512	0	3901512	2.59	3901512	0	3901512	2.59	0
e) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	-	-	-	-	-	-	-	-	-
Sub- Total (A) (1)	45980421	0	45980421	30.50	45856780	0	45856780	30.41	-0.09
(2) Foreign									
a. NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e. Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A) = (A)(1) + (A) (2)	45980421	0	45980421	30.50	45856780	0	45856780	30.41	-0.09
B. Public Shareholding									
1.Institutions									
a. Mutual Funds	15565967	2780	15568747	10.22	22754277	2780	22757057	15.09	4.87
b. Banks/FI	282901	35030	317931	0.21	76325	35030	111355	0.07	-0.14
c. Central Govt		10262	10262	0.01	0	10262	10262	0.01	0
d. State Govts	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	7246541	409	7246950	4.81	5976444	409	5976853	3.96	-0.85
g. FIIs	36907701	19922	36927623	24.49	33313007	19850	33332857	22.11	-2.38
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. Others - IFC Washington	-	1052	1052	0.00	0	1052	1052	0.00	-
Sub-total (B) (1)	60003110	69455	60072565	39.84	62120053	69383	62189436	41.25	1.41
2. Non-Institutions									
a. Bodies Corp									
i Indian	9327374	66800	9394174	6.23	9356709	66760	9423469	6.25	0.02
ii Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	19394342	3573665	22968007	15.23	18539816	3321833	21861649	14.50	-0.73

**SHARE HOLDING PATTERN (CONTINUED)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	10042700	803902	10846602	7.19	9832120	403656	10235776	6.79	-0.40
c. Others (Specify)	-	-	-	-	-	-	-	-	-
Non Resident Individuals	1106071	92290	1198361	0.79	818683	92397	911080	0.60	-0.19
Overseas Body Corporate	0	1224	1224	0.00	0	1224	1224	0.00	0.00
Any other (Foreign National)	60	0	60	0.00	0	0	0	0.00	0.00
<b>Sub-Total (B)(2)</b>	<b>39870547</b>	<b>4537881</b>	<b>44408428</b>	<b>29.45</b>	<b>38547328</b>	<b>3885870</b>	<b>42433198</b>	<b>28.14</b>	<b>-1.31</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>99873657</b>	<b>4607336</b>	<b>104480993</b>	<b>69.30</b>	<b>100667381</b>	<b>3955253</b>	<b>104622634</b>	<b>69.39</b>	<b>0.09</b>
C Shares held by the Custodian for GDRs and ADRs									
i) Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
ii) Public	313707	1944	315651	0.21	295707	1944	297651	0.20	-0.01
<b>Grand Total (A+B+C)</b>	<b>146167785</b>	<b>4609280</b>	<b>150777065</b>	<b>100</b>	<b>146819868</b>	<b>3957197</b>	<b>150777065</b>	<b>100</b>	<b>0</b>

## ii) Shareholding of promoters

Sr. No	Shareholders Name	Shareholding at the Beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares Pledged/encumbered to total shares	
1	Bharat Kanaivalal Sheth	16,337,490	10.84		16,328,490	10.83		-0.01
2	Ravi Kanaivalal Sheth	14,362,504	9.53		14,362,504	9.53		0
3	Laadki Trading And Investments Ltd	3,124,981	2.07		3,124,981	2.07		0
4	AshaVasant Sheth	2,124,081	1.41		2,124,081	1.41		0
5	Kanaivalal Maneklal Sheth	2,058,133	1.37		2,058,133	1.37		0
6	Jyotsna Kanaivalal Sheth	1,167,968	0.77		1,167,968	0.77		0
7	Sachin Mulji	1,160,659	0.77		1,160,659	0.77		0
8	Ketaki Vasant Sheth	989,980	0.66		989,980	0.66		0
9	Sangita Mulji	582,415	0.39		582,415	0.39		0
10	Gopali Mulji	450,000	0.30		450,000	0.30		0
11	Kabir Mulji	529,615	0.35		529,615	0.35		0
12	Rosaleen Mulji	432,000	0.29		432,000	0.29		0
13	Gopa Investments Co (Pvt) Ltd	424,000	0.28		424,000	0.28		0
14	Purnima Sevantilal Sheth	323,526	0.21		320,185	0.21		0
15	Jyoti Bharat Sheth	137,796	0.09		137,796	0.09		0
16	Amita Ravi Sheth	183,808	0.12		183,808	0.12		0
17	RadhikaGhanshyam Sheth	228,203	0.15		228,203	0.15		0
18	SiddharthGhanshyam Sheth	219,320	0.15		111,580	0.07		-0.08
19	Ashadeep Investment Co Pvt Ltd	203,444	0.13		203,444	0.13		00
20	ArtiPankajPandey	194,686	0.13		194,686	0.13		0
21	NishaViraj Mehta	112,037	0.07		112,037	0.07		0
22	Nirja Bharat Sheth	105,317	0.07		105,317	0.07		0
23	Rahul Ravi Sheth	108,521	0.07		108,521	0.07		0
24	V J Share Trading & Investment Co Pvt Ltd	100,832	0.07		100,832	0.07		0
25	Pradeep Shantaram Padgaokar	151,282	0.10		151,282	0.10		0
26	Arjun Ravi Sheth	50,040	0.03		50,040	0.03		0
27	Anjali Ajay Nanavati	48,060	0.03		44,500	0.03		0
28	Thakkar Trading Pvt Ltd	44,655	0.03		44,655	0.03		0
29	Ghanshyam Sevantilal Sheth	10,468	0.01		10,468	0.01		0
30	Pankaj Ramsahai Pandey	11,000	0.01	0	11,000	0.01	0	0
31	A H Bhiwandiwalla Investments Pvt Ltd	3,600	0.00		3,600	0.00		0
	TOTAL	45,980,421	30.50	0	45,856,780	30.41	0	-0.09

## iii) Details of changes in Promoters Shareholding

Sr. No.	Name	Shareholding at the Beginning of the year		Date	Increase/Decrease (No. of shares)	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Bharat K. Sheth	16,337,490	10.84	11.12.2014	(9,000)	Transfer to family member	16,328,490	10.83
2.	Purnima Sevantilal Sheth	323,526	0.21	11.12.2014	(3,341)	Sale	320,185	0.21
3	Siddharth Ghanshyam Sheth	219,320	0.15	20.11.2014	(2,110)	Sale	217,210	0.14
				24.11.2014	(11,000)	Sale	206,210	0.14
				09.12.2014	(7,892)	Sale	198,318	0.13
				10.12.2014	(3,998)	Sale	194,320	0.13
				31.12.2014	(25,000)	Sale	169,320	0.11
				10.02.2015	(25,000)	Sale	144,320	0.10
				23.02.2015	(25,000)	Sale	119,320	0.08
				09.03.2015	(7,740)	Sale	111,580	0.07
4.	Anjali Ajay Nanavati	48,060	0.03	11.12.2014	(3,560)	Sale	44,500	0.03

## iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name	Shareholding at the Beginning of the year		Date +	Increase/Decrease (No. of shares) +	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	Nalanda India Equity Fund Limited	10,524,139	6.98	-	-	-	10,524,139	6.98
2.	ICICI Prudential Life Insurance Company Ltd	4,435,074	2.94	03.10.2014	58,559	Buy	4,493,633	2.98
				10.10.2014	1,006,557	Buy	5,500,190	3.65
				31.12.2014	3,300	Buy	5,503,490	3.65
3	Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund	4,800,000	3.18	-	-	-	4,800,000	3.18
4.	ICICI Prudential Dynamic Plan +	2,900,854	1.92	25.04.2014	(602,521)	Sale	2,298,333	1.52
				22.08.2014	352,381	Buy	2,650,714	1.76



Sr. No.	Name	Shareholding at the Beginning of the year		Date +	Increase/Decrease (No. of shares) +	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				14.11.2014	400,000	Buy	3,050,714	2.02
				27.02.2015	224,282	Buy	3,274,996	2.17
				13.03.2015	50,000	Buy	3,324,996	2.21
				20.03.2015	41,669	Buy	3,366,665	2.23
				27.03.2015	119,254	Buy	3,485,919	2.31
5.	General Insurance Corporation Of India	3,772,363	2.50	04.04.2014	(26,051)	Sale	3,746,312	2.48
				02.05.2014	(8,889)	Sale	3,737,423	2.48
				09.05.2014	(21,643)	Sale	3,715,780	2.46
				16.05.2014	(43,403)	Sale	3,672,377	2.44
				30.06.2014	(56,321)	Sale	3,616,056	2.40
				04.07.2014	(43,679)	Sale	3,572,377	2.37
				24.10.2014	(13,746)	Sale	3,558,631	2.36
				31.10.2014	(52,430)	Sale	3,506,201	2.33
				07.11.2014	(33,824)	Sale	3,472,377	2.30
6.	ICICI Prudential Value Discovery Fund +	2,400,000	1.59					
				28.11.2014	600,000	Buy	3,000,000	1.99
7.	UTI Dividend Yield Fund	2,826,000	1.87	13.06.2014	(243,000)	Sale	2,583,000	1.71
				12.09.2014	(9,000)	Sale	2,574,000	1.71
				27.02.2015	(36,000)	Sale	2,538,000	1.68
8.	ICICI Prudential Tax Plan*	1099857	0.72					
				23.05.2014	53,758	Buy	1,153,615	0.77
				01.08.2014	100,000	Buy	1,253,615	0.83
				15.08.2014	121,598	Buy	1,375,213	0.91
				22.08.2014	378,402	Buy	1,753,615	1.16
				29.08.2014	2,231	Buy	1,755,846	1.16
				05.09.2014	157,424	Buy	1,913,270	1.27
9.	National Westminster Bank Plc as Depository of First State Asia Pacific Fund a Sub Fund of First State Investments ICVC	1,611,469	1.07	-	-	-	1,611,469	1.07
10.	SBI Emerging Business Fund#	-	-					
				25.04.2014	679,000	Buy	679,000	0.45
				02.05.2014	38,538	Buy	717,538	0.48
				30.05.2014	114,115	Buy	831,653	0.55
				06.06.2014	178,288	Buy	1,009,941	0.67

Sr. No.	Name	Shareholding at the Beginning of the year		Date +	Increase/Decrease (No. of shares) +	Reasons +	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
				13.06.2014	195,434	Buy	1,205,375	0.80
				20.06.2014	126,934	Buy	1,332,309	0.88
				30.06.2014	167,691	Buy	1,500,000	0.99
				11.07.2014	200,000	Buy	1,700,000	1.13
				10.10.2014	(200,000)	Sale	1,500,000	0.99
11.	Life Insurance Corporation of India	1,832,900	1.22					
				19.09.2014	(21,164)	Sale	1,811,736	1.20
				30.09.2014	(168,932)	Sale	1,642,804	1.09
				03.10.2014	(200,000)	Sale	1,442,804	2.96
				10.10.2014	(150,000)	Sale	1,292,804	0.86
12.	First State Investments (Hongkong) Limited A/C First State Asian Equity Plus Fund #	2,399,931	1.59					
				17.10.2014	(28,006)	Sale	2,371,925	1.57
				31.10.2014	(476,158)	Sale	1,895,767	1.26
				14.11.2014	(506,383)	Sale	1,389,384	0.92
				21.11.2014	(233,866)	Sale	1,155,518	0.77
				28.11.2014	(1,155,518)	Sale	0	0.00
13.	Franklin Templeton Investment Funds#	3,100,483	2.06					
				25.04.2014	250,000	Buy	3,350,483	2.22
				01.08.2014	8,092	Buy	3,358,575	2.23
				08.08.2014	(409,292)	Sale	2,949,283	1.96
				15.08.2014	(693,300)	Sale	2,255,983	1.50
				22.08.2014	(588,700)	Sale	1,667,283	1.11
				29.08.2014	(368,000)	Sale	1,299,283	0.86
				31.10.2014	(64,832)	Sale	1,234,451	0.82
				28.11.2014	(231,700)	Sale	1,002,751	0.67
				13.02.2015	42,846	Buy	1,045,597	0.69
				27.02.2015	27,964	Buy	1,073,561	0.71

\*One of the top 10 shareholders as on March 31, 2015.

# One of the top 10 shareholders as on April 01, 2014.

+ Details taken from weekly beneficial positions received from the Depositories.

## v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the Beginning of the year		Date +	Increase/Decrease (No. of shares)	Reasons	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1.	K. M. Sheth	2,058,133	1.37	-	-	-	2,058,133	1.37
2.	Bharat K. Sheth	16,337,490	10.84	11.12.2014	(9,000)	Transfer to family member	16,328,490	10.83
3.	Ravi K. Sheth	14,362,504	9.53	-	-	-	14,362,504	9.53
4.	Berjis Desai	800	0.00	-	-	-	800	0.00
5.	Cyrus Guzder	986	0.00	-	-	-	986	0.00
6.	Farrokh Kavarana	3,153	0.00	-	-	-	3,153	0.00
7.	Rajiv Lall	500	0.00	-	-	-	500	0.00
8.	Rita Bhagwati	0	0.00	-	-	-	0	0.00
9.	Shankar Acharya	0	0.00	-	-	-	0	0.00
10.	Vineet Nayyar	23,005	0.02	-	-	-	23,005	0.02
11.	Keki Mistry*	640	0.00	-	-	-	NA	NA
12.	Asha Sheth*	2,124,081	1.41	-	-	-	NA	NA
13.	Tapas Icot	1,600	0.00	-	-	-	1,600	0.00
14.	G. Shivakumar	57	0.00	-	-	-	57	0.00
15.	Jayesh M. Trivedi	80	0.00	-	-	-	80	0.00

\*Ceased to be Directors during the year.

**V. INDEBTEDNESS**
**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in lacs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the Financial year</b>				
i) Principal Amount	186,245	145,000	-	331,245
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,200	3,862	-	5,062
<b>Total (i+ii+iii)</b>	<b>187,445</b>	<b>148,862</b>	<b>-</b>	<b>336,307</b>
<b>Change in Indebtedness during the Financial year</b>				
• Addition	21,493	-	-	21,493
• Reduction	(52,017)	-	-	(52,017)
• Exchange Diff Adj	6,212	-	-	6,212
<b>Net Change</b>	<b>(24,312)</b>	<b>-</b>	<b>-</b>	<b>(24,312)</b>
<b>Indebtedness at the end of the Financial year</b>				
i) Principal Amount	161,933	145,000	-	306,933
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,019	3,984	-	5,003
<b>Total (i + ii + iii)</b>	<b>162,952</b>	<b>148,984</b>	<b>-</b>	<b>311,936</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	K. M. Sheth@	Bharat K. Sheth	Ravi K. Sheth % **	Tapas Icot #	G. Shiva-kumar #	Total Amount
1	Gross Salary						
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961*	14,523,476	25,511,808	-	11,982,140	15,563,438	67,580,862
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,905,425	6,314,061	-	1,345,187	843,818	10,408,491
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961						
2	Stock Option			-			
3	Sweat Equity			-			
4	Commission						
	As % of profit	56,00,000	45,000,000	-	5,200,000	33,00,000	59,100,000
	Others, specify	-	-	-	-	-	-
5	Other benefits	1,177,990	3,408,025	-	718,949	953,607	6,258,572
	Total (A)	23,206,891	80,233,894	-	19,246,277	20,660,863	143,347,926
	Ceiling as per the Act (₹ in crores)						30.14

\* Salary excludes variable pay for previous financial year, i.e. FY 2013-14 and includes leave encashment for FY 2014-15.

# Mr. Tapas Icot and Mr. G. Shivakumar were appointed as Executive Directors during the year. Particulars of remuneration includes remuneration payable / paid to them w.e.f. 01.04.2015. They are also entitled to gratuity in accordance with the Company's rules.

@ Non-executive Chairman w.e.f. September 01, 2014.

% Non-executive Director w.e.f. April 01, 2015.

\*\* Considering the time and efforts spent by Mr. Ravi K. Sheth for the business of Greatship (India) Limited (GIL) and its subsidiaries, entire remuneration to Mr. Ravi K. Sheth is paid by GIL.

**Note:** The Remuneration Committee has formulated a Retirement Benefit Scheme for the eligible 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 eligible retiring Wholetime Directors. On the basis of an actuarial valuation, an amount of ₹ 9.82 crores (₹ 0.28 crores was provided during the previous year) has been provided during the year for pension payable to eligible Wholetime Directors on their retirement. During the year ₹ 85,07,648/- was paid to Mr. K. M. Sheth towards pension and other retirement benefits as per the Retirement Benefit Scheme.



**B. Remuneration to other Directors (non executive & independent directors)**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Asha Sheth	Rita Bhagwati	Farrokh Kavarana	Shankar Acharya	Berjis Desai	Cyrus Guzder	Rajiv Lall	Vineet Nayyar	Keki Mistry	Total Amount
1.	Independent Directors										
	Fee for attending Board and Committee meetings	-	126,000	189,000	126,000	315,000	315,000	63,000	315,000	126,000	1,575,000
	Commission	-	375,000	650,000	150,000	1,175,000	1,555,000	180,000	900,000	725,000	5,710,000
	Others please specify	-	-	-	-	-	-	-	-	-	-
	Total (1)	-	501,000	839,000	276,000	1,490,000	1,870,000	243,000	1,215,000	851,000	7,285,000
2.	Other Non-Executive Directors										
	Fee for attending Board and Committee meetings	189,000	-	-	-	-	-	-	-	-	-
	Commission	600,000	-	-	-	-	-	-	-	-	-
	Others please specify	-	-	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-	-	-
	Total (B) = (1 + 2)	789,000	501,000	839,000	276,000	1,490,000	1,870,000	243,000	1,215,000	851,000	8,074,000
	Total Managerial Remuneration (A+B)										151,421,926
	Overall Ceiling as per the Act (₹ in crores)										33.15

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd**

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel
1	Gross Salary	Mr. Jayesh Trivedi (Company Secretary)
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961*	8,381,192
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	495,354
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	
2	Stock Option	
3	Sweat Equity	
4	Commission <ul style="list-style-type: none"> <li>As % of profit</li> <li>Others, specify</li> </ul>	
5	Other please specify	412,312
	Total (A)	9,288,858

- Salary excludes variable pay for previous financial year, i.e. FY 2013-14. Mr. Jayesh Trivedi is also entitled to gratuity in accordance with the Company's rules.

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the companies Act	Brief Description	Details of penalty/punishment/Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>Company / Directors / Other officers in Default</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

## ANNEXURE 'H' TO THE BOARD'S REPORT SECRETARIAL AUDIT REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2015

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

The Great Eastern Shipping Company Limited,

134/A, Ocean House,

Dr. Annie Besant Road,

Worli, Mumbai – 400 018

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Great Eastern Shipping Company Limited (hereinafter referred as "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2015 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the Rules made under that Act;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (during the year under review not applicable to the Company);
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (during the year under review not applicable to the Company);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the year under review not applicable to the Company); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (during the year under review not applicable to the Company);

vi. Merchant Shipping Act, 1958 and rules there under;

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (during the year under review not applicable to the Company).
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further for meaningful participation at the meeting.

All decision of the Board is carried through unanimously. As per the records provided by the Company, none of member of the Board dissented on any resolution passed at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there was no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc.

For **Mehta & Mehta,**  
**Company Secretaries**  
(ICSI Unique Code P1996MH007500)

**Dipti Mehta**  
**Partner**  
**FCS No : 3667**  
**CP No. : 3202**

**Place : Mumbai**  
**Date : May 7, 2015**

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## ANNEXURE 'A' TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
The Great Eastern Shipping Company Limited,  
134/A, Ocean House,  
Dr. Annie Besant Road,  
Worli, Mumbai 400 018

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,  
Company Secretaries,  
(ICSI Unique Code P1996MH007500)

Dipti Mehta  
Partner

FCS No : 3667  
CP No. : 3202

Place : Mumbai  
Date : May 7, 2015

# Engine Control Room







## CORPORATE GOVERNANCE REPORT

### 1. COMPANY S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that sound corporate practices based on transparency, credibility and accountability are 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 its Board s integrity.

### 2. BOARD OF DIRECTORS

The current policy is to have an appropriate mix of Executive, Non-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 12 Directors as on March 31, 2015 of which 9 are Non-Executive Directors. The Company has 7 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, 2015 are as follows:

Name of the Director	No. of other Directorship(s)#	Other Committee Membership(s)@	Chairperson of other Committee(s)@	Shares of the Company held by the Non-Executive Directors
<b>Executive Directors (Promoters)</b>				
Mr. Bharat K. Sheth (DIN: 00022102)	1	-	-	-
<b>Executive Directors</b>				
Mr. Tapas Icot* (DIN:00905882)	-	-	-	-
Mr. G. Shivakumar** (DIN: 03632124)	-	-	-	-
<b>Non-Executive Directors (Promoters)</b>				
Mr. K. M. Sheth\$ (DIN: 00022079)	-	-	-	20,58,133
Mr. Ravi K. Sheth\$\$ (DIN: 00022121)	1	1	-	1,43,62,504
<b>Independent Directors</b>				
Mr. Berjis Desai (DIN: 00153675)	9	4	2	800
Mr. Cyrus Guzder (DIN: 00080358)	2	1	-	986
Mr. Farrokh Kavarana% (DIN: 00027689)	1	1	-	3,153
Dr. Rajiv B. Lall+ + + (DIN: 00131782)	5	1	1	500
Mrs. Rita Bhagwati% (DIN: 06990589)	1	-	-	0

Name of the Director	No. of other Directorship(s)#	Other Committee Membership(s)@	Chairperson of other Committee(s)@	Shares of the Company held by the Non-Executive Directors
Dr. Shankar Acharya ^ (DIN: 00033242)	2	1	1	0
Mr. Vineet Nayyar (DIN: 00018243)	6	1	-	23,005
Mr. Keki Mistry+ (DIN: 00008886)	NA	NA	NA	NA
<b>Non Executive Director (Promoter Group)</b>				
Ms. Asha V. Sheth++ (DIN: 00040381)	NA	NA	NA	NA

\* Appointed as Additional Director and Executive Director with effect from August 12, 2014.

\*\* Appointed as Additional Director and Executive Director with effect from November 14, 2014.

\$ Ceased to be Executive Director of the Company with effect from September 01, 2014.

\$\$ Ceased to be Executive Director of the Company with effect from April 01, 2015.

% Appointed as Additional Directors and Independent Directors with effect from November 14, 2014.

^ Appointed as Additional Director and Independent Director with effect from February 05, 2015.

+ Resigned as the Director of the Company with effect from September 29, 2014.

++ Resigned as the Director of the Company with effect from November 17, 2014.

+++ Resigned as the Director of the Company with effect from May 08, 2015.

# Excludes Directorships in private limited companies, foreign companies and Section 8 companies.

@ Includes memberships of Audit and Stakeholders Relationship Committee of other companies. Membership excludes Chairmanship of Committees.

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

Attention of the members is invited to the relevant items of the Notice of the Annual General Meeting seeking their approval for the appointment of Directors. The information as required under Clause 49 (VIII)(E) of the Listing Agreement is annexed to the Notice of the Annual General Meeting.

### Familiarization programmes for Independent Directors

The Company has a policy to keep the Independent Directors informed and updated about the business and the operations of the Company as well as the shipping industry, on a continuous basis.

Details of familiarization programmes for Independent Directors are available on website of the Company: [www.grestship.com/investors](http://www.grestship.com/investors).

### 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, 2015. 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, 2015, five (5) Board Meetings were held on May 07, 2014, August 12, 2014, November 14-16, 2014, February 5, 2015 and March 12, 2015. The attendance of Directors at the Board Meetings held during the year 2014-15 is as follows:

Name of the Director	No. of Meetings Attended
Mr. K. M. Sheth	5
Mr. Bharat K. Sheth	5
Mr. Berjis Desai	5
Mr. Cyrus Guzder	5
Mr. Farrokh Kavarana*	3
Dr. Rajiv B. Lall	1
Mrs. Rita Bhagwati*	2
Dr. Shankar Acharya*	2
Mr. Vineet Nayyar	5
Mr. Ravi. K. Sheth	5
Mr. Tapas Icot*	4
Mr. G. Shivakumar*	3
Ms. Asha V. Sheth#	3
Mr. Keki Mistry#	2

\* Appointed as Directors during the year

# Ceased to be Directors during the year

### 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. In line with the provisions of the Companies Act, 2013 and the new clause 49 of the listing agreement with the stock exchanges the Committee was reconstituted on April 21, 2014 with revised terms of reference.

##### Terms of Reference

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;



Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

Reviewing, with the management, the annual financial statements and auditor s report thereon before submission to the board for approval, with particular reference to:

Matters required to be included in the Director s Responsibility Statement to be included in the Board s report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

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

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

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

Compliance with listing and other legal requirements relating to financial statements

Disclosure of any related party transactions

Qualifications in the draft audit report

Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;

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

Review and monitor the auditor s independence and performance, and effectiveness of audit process;

Approval or any subsequent modification of transactions of the Company with related parties;

Scrutiny of inter-corporate loans and investments;

Valuation of undertakings or assets of the Company, wherever it is necessary;

Evaluation of internal financial controls and risk management systems;

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

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

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

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

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;

To review the functioning of the Whistle Blower mechanism;

Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

To review the following information:

Management discussion and analysis of financial condition and results of operations;

Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

Management letters / letters of internal control weaknesses issued by the statutory auditors;

Internal audit reports relating to internal control weaknesses;

The appointment, removal and terms of remuneration of the Chief internal auditor; and

The financial statements, in particular, the investments made by the unlisted subsidiary company;

Examination of financial statements and the auditor's report thereon;

Carrying out any other function as may be required by the Board of Directors of the Company from time to time or under any law for the time being in force.

## Composition of Audit Committee

The Committee comprises of 4 Independent Directors, namely, Mr. Cyrus Guzder (Chairman), Mr. Berjis Desai, Mr. Farrokh Kavarana and Mrs. Rita Bhagwati.

During the year, the Committee met five times on May 07, 2014, August 12, 2014, November 14, 2014, February 05, 2015 and March 12, 2015.

Details of attendance of the members at the Committee meetings held during the year 2014-15 is as follows:

	Mr. Cyrus Guzder (Chairman)*	Mr. Berjis Desai	Mr. Farrokh Kavarana#	Mr. Keki Mistry+	Mrs. Rita Bhagwati ++
Number of meetings attended	5	5	3	2	-

\* Appointed as Chairman of the Committee with effect from November 14, 2014.

# Appointed as member of the Committee with effect from November 14, 2014.

+ Ceased to be member of the Committee with effect from September 29, 2014.

++ Appointed as a member of the Committee with effect from May 7, 2015.

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) NOMINATION & REMUNERATION COMMITTEE**

In line with the provisions of the Companies Act, 2013 and the new clause 49 of the listing agreement with the stock exchanges the Committee was reconstituted on April 21, 2014 with revised terms of reference.

**Terms of Reference**

Formulation of the criteria for determining qualifications, positive attributes and independence of a director;

Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

Formulation of criteria for evaluation of Independent Directors and the Board;

Devising a policy on Board diversity;

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;

Carry out evaluation of every Director's performance;

Approval of payment of remuneration to Managing or Wholetime Directors including pension rights;

Decide and settle remuneration related matters and issues within the framework of the provisions and enactments governing the same.

Carrying out any other function as may be required by the Board of Directors of the Company from time to time or under any law for the time being in force.

**Composition of Nomination & Remuneration Committee**

The Committee comprises of 4 Independent Directors, namely, Mr. Cyrus Guzder (Chairman), Mr. Berjis Desai, Mr. Farrokh Kavarana and Dr. Shankar Acharya.

During the year, the Committee met five times on May 07, 2014, August 12, 2014, September 29, 2014, February 05, 2015 and March 12, 2015.

Details of attendance of members at the Committee meeting held during the year 2014-15 is as follows:

	Mr. Cyrus Guzder (Chairman)	Mr. Berjis Desai	Mr. Farrokh Kavarana <sup>#</sup>	Mr. Keki Mistry <sup>+</sup>	Dr. Shankar Acharya <sup>++</sup>
Number of meetings attended	5	5	2	3	-

<sup>#</sup> Appointed as member of the Committee with effect from November 14, 2014.

<sup>+</sup> Ceased to be member of the Committee with effect from September 29, 2014.

<sup>++</sup> Appointed as member of the Committee with effect from May 7, 2015.

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

**Remuneration Policy**

The Nomination & Remuneration Committee of the Board is constituted in compliance with SEBI guidelines. The Committee is fully empowered to frame the compensation structure for the

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.

Remuneration to Directors is paid as determined by the Board / Nomination & Remuneration Committee in accordance with the Remuneration Policy of the Company, which is disclosed as a part of Board's Report.

#### Details of Remuneration paid/to be paid to all Directors for FY 2014-15

Name of Director	Salary*	Benefits	Commission	Sitting Fees
Mr. K. M. Sheth	14,523,476	3,083,415	5,600,000	-
Mr. Bharat K. Sheth	25,511,808	9,722,086	45,000,000	-
Mr. Ravi K. Sheth **	-	-	-	-
Mr. Berjis Desai	-	-	1,175,000	315,000
Mr. Cyrus Guzder	-	-	1,555,000	315,000
Mr. Farrokh Kavarana	-	-	650,000	189,000
Dr. Rajiv B. Lall	-	-	180,000	63,000
Mrs. Rita Bhagwati	-	-	375,000	126,000
Dr. Shankar Acharya	-	-	150,000	126,000
Mr. Vineet Nayyar	-	-	900,000	315,000
Ms. Asha V. Sheth	-	-	600,000	189,000
Mr. Keki Mistry	-	-	725,000	126,000
Mr. Tapas Icot+	11,982,140	2,064,137	5,200,000	-
Mr. G. Shivakumar+	15,563,438	1,797,425	3,300,000	-
Total	67,580,862	16,667,063	65,410,000	1,764,000

\* Salary and benefits include contribution to provident fund and superannuation fund and does not include contribution to Retirement Benefit Scheme for Wholetime Directors.

\*\* Considering the time and efforts spent by Mr. Ravi K. Sheth for the business of Greatship (India) Limited (GIL) and its subsidiaries, entire remuneration to Mr. Ravi K. Sheth is paid by GIL.

+ Remuneration paid to Mr. Tapas Icot and Mr. G. Shivakumar includes the remuneration payable / paid to them w.e.f. 01.04.2014. They are also entitled to gratuity in accordance with the Company's rules.

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 eligible retiring Wholetime Directors. On the basis of an actuarial valuation, an amount of ₹ 9.81 crores (previous year ₹ 0.28 crores) was provided during the year for pension payable to Wholetime Directors on their retirement. During the year ₹ 8,507,648/- was paid to Mr. K. M. Sheth towards pension and other retirement benefits as per the Scheme.

The Company or Mr. Tapas Icot / Mr. G. Shivakumar shall be entitled to terminate their respective appointments by giving three months' notice in writing.

#### Parameters for performance evaluation of Board and Directors

The parameters for performance evaluation of Board and Directors as formulated by the Nomination & Remuneration Committee are as follows:

#### *Parameters for performance evaluation of Board*

Attribute	Description
Strategy & Business Plan Management	<p>The Board understands the interests and risk-returns philosophy of the shareholders and bases investment and financial plans on them</p> <p>The Board ensures the development of business strategy and plans to suit the economic environment and growth opportunities</p>
Risk Management	<p>The Board considers, understands, and approves the process implemented by management to effectively identify, assess, and respond to the organization's key risks.</p> <p>The Board, through its Audit Committee, exercises effective management of internal controls.</p>
Compliances & Governance	<p>The Board ensures compliances with corporate governance practices in line with applicable regulations and best-practices</p>
Business Performance	<p>The Board is effective in reviewing and setting long and short-term performance goals for the organization against the business strategy</p> <p>The Board is effective in monitoring business performance and guiding Management in prioritizing areas of focus and resolving business challenges</p>
Board Constitution & Functioning	<p>The Board comprises a set of directors that collectively possess the diversity of skills required for oversight and guidance to Management</p> <p>The processes of setting of Board meeting agenda and furnishing information required by the directors for discharging their duties is effective</p> <p>Board meetings are conducted with adequate length and quality of debates including involvement of all directors for effective and efficient decision making</p>

## *Parameters for performance evaluation of Executive Directors*

Parameter	Guidelines
Health, Safety and Environment (HSE) Performance & Compliances	HSE records and statutory compliances Maturity of HSE systems and programs
Financial Performance	Profitability & Return on equity Financial strength
Market Performance	Asset utilizations, day rates & TCY Market competitiveness in regions of interest
Operations, Assets & Cost Performance	Fleet uptime Maturity of technical management systems Maturity of cost optimization programs
Risk, Quality & Systems Management	Mitigation & management of major risks including statutory compliances Robustness of process controls Maturity of IT systems
People Management	Talent competitiveness & manpower availability Manpower competence & productivity Succession Planning

## *Parameters for performance evaluation of Independent Directors and Non-Executive Directors*

Attribute	Description
Independence (for Independent directors only)	Maintains independence as defined in section 149(6) of the Companies Act, 2013, and clause 49 of the Listing Agreement
Understanding of the business	Demonstrates required understanding of the business of the company and its environment, strategy and risks Possesses and applies breadth of experience in viewing issues from alternative perspectives
Time commitment	Dedicates the time required for attending Board / Board sub-committee meetings Prepares for the Board / Board sub-committee meetings on the agenda ahead of time
Integrity in functioning	Independent thinker who shares own views in Board discussions Demonstrates being an independent thinker, and avoids group-thinking

Attribute	Description
Application of insights	Applies own knowledge and insights on issues Flexible and responsive to change Is able to identify opportunities or risks that require closer scrutiny and probe further keeping in mind shareholders interests
Collective functioning	Works effectively collectively with Board members Asks deep questions without being confrontational

***Additional parameters for performance evaluation of Chairman***

Attribute	Description
Management of Board Agenda & Information Flow	Selection of issues & decisions as Board meeting agenda items Allocation of adequate time for debate on agenda items in Board meetings Collation and presentation of information required to Board members
Management of Board Meetings	Respecting diversity of views within Board members by conducting discussions including views from all Board members Managing discussions with efficiency to conclude clear decisions and action points
Team Leadership	Keeping the Board members committed to actively engage in their responsibilities with adequate dedication of time for Company familiarization, preparations and participation in meetings Drawing on the specific expertise & capabilities of each Director Resolving conflicts between opposing points of view, and converging on an approach to problems

**C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

In line with the provisions of the Companies Act, 2013 and the new clause 49 of the Listing Agreement with the stock exchanges the Committee was reconstituted on April 21, 2014 with revised terms of reference. The Stakeholders Relationship Committee oversees redressal of shareholders and investors grievances.

**Terms of Reference**

Consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.



Carrying out any other function as may be required by the Board of Directors of the Company from time to time or under any law for the time being in force.

## Composition of the Committee

As on date the Committee comprises of 1 Non-Executive Directors and 2 Executive Directors namely Mr. Cyrus Guzder (Chairman), Mr. Bharat K. Sheth and Mr. G. Shivakumar.

The Committee met twice on May 07, 2014 and November 14, 2014. The details of attendance of the members at the Committee meetings held during the year 2014-15 is as follows:

	Mr. Cyrus Guzder (Chairman)	Mr. Bharat K. Sheth	Mr. G. Shivakumar*	Ms. Asha Sheth+
Number of meetings attended	2	2	-	2

\* Appointed as member of the Committee with effect from February 05, 2015.

+ Ceased to be member of the Committee with effect from November 17, 2014.

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

During the year under review, 10 complaints were received from investors which were replied / resolved to the satisfaction of the investors. 4 requests for transfer involving 406 shares and 13 requests for dematerialisation involving 4,198 shares were pending for approval as on March 31, 2015. 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 note on Risk Management is given in the Board's Report.

## 5. GENERAL MEETINGS

Next Annual General Meeting and date of Book Closure

Date	August 12, 2015
Time	3.00 p.m.
Venue	Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020
Dividend Payment Date	August 13, 2015
Date of Book closure	August 6, 2015 to August 12, 2015 (both days inclusive)

The Company shall provide to its members facility to exercise their right to vote at the ensuing Annual General Meeting by electronic means. Procedure for the same is set out in the Notice of Annual General Meeting.

None of the items to be transacted at the ensuing Annual General Meeting are required to be transacted only by means of voting through 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
64th Annual General Meeting	August 09, 2012 at 3.00 p.m.	Rama Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020	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 subsidiary of the Company.
65th Annual General Meeting	August 08, 2013 at 3.00 p.m.	Rama Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020	None
66th Annual General Meeting	September 25, 2014 at 3.00 p.m.	Patkar Hall, S.N.D.T. Women s University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020	Appointment of Mr. Tapas Icot as a Wholetime Director of the Company designated as Executive Director for a period of 5 years with effect from August 12, 2014.  Adoption of new Articles of Association.  According consent to the Board of Directors of the Company to borrow upto ₹6,000 crores.

All resolutions moved at the last Annual General Meeting held on September 25, 2014 were passed by electronic voting and ballot conducted at the Annual General Meeting.

All the Directors of the Company other than Mr. Keki Mistry, Dr. Rajiv B. Lall and Mr. Vineet Nayyar attended the last Annual General Meeting held on September 25, 2014.

The Company has not passed any resolutions through postal ballot in the last year.

**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, 2015.

## 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 Management Discussion & Analysis Report is a part of Annual Report	Yes

### Website of the Company: [www.greatship.com](http://www.greatship.com)

Your Company's official press releases are available and archived on the corporate website [www.greatship.com](http://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 2015
2nd Quarterly Result	First week of November 2015
3rd Quarterly Result	First week of February 2016
4th Quarterly Result	April / May 2016

### Listing on Stock Exchanges

Stock Exchange	Stock Code	ISIN NO.
BSE Ltd. 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	Non Convertible Debentures
Euro MTF Market-Luxembourg Stock Exchange, Kredietbank S.A. Luxembourg Societe Anonyme 43, Boulevard Royal, L-2955 Luxembourg, R. C. Luxembourg B 6395	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 a 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**

59,530 GDRs (equivalent to 2,97,651 equity shares) were outstanding as on March 31, 2015.

**Outstanding Warrants**

No Warrants were outstanding as on March 31, 2015.

**Plant Location**

The Company has no plants.

**Debenture Trustee**

IL&FS Trust Company Ltd.

The IL&FS Financial Centre, Plot C- 22,

G Block Bandra Kurla Complex,

Bandra(E), Mumbai 400051

Tel : 022 - 26593927

Fax : 022 - 26533297

Web : [www.itclindia.com](http://www.itclindia.com)

**Address for correspondence**

Company	Transfer Agent	
Share Department Ocean House, 134-A, Dr. Annie Besant Road, Worli, Mumbai - 400 018 Tel : 022-66613000/24922100 Fax : 022-24925900 E-mail : <a href="mailto:shares@greatship.com">shares@greatship.com</a>	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: <a href="mailto:sharepro@shareproservices.com">sharepro@shareproservices.com</a>	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 ₹ 42,48,921, ₹ 41,21,328 & ₹ 35,31,486 being unclaimed 53rd (Final dividend), 54th (1st Interim) and 54th (2nd Interim) dividend was transferred on September 12, 2014, December 11, 2014 and March 09, 2015 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 2008 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
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
2011	58	Final	09.08.2012	08.09.2019
2012	59 (I)	1st Interim	07.02.2013	08.03.2020
2012	59	Final	08.08.2013	09.09.2020
2013	60	Interim	06.02.2014	07.03.2021
2013	60	Final	25.09.2014	26.10.2021
2014	61	Interim	12.08.2014	13.09.2021

The following table gives the details of unclaimed dividend amount since 2008.

UNCLAIMED DIVIDEND AS OF MARCH 31, 2015								
Year	Div No.	Type	No of warrants issued	No of warrants unclaimed	% Unclaimed	Amount of dividend (₹ lakhs)	Dividend unclaimed (₹ lakhs)	% Unclaimed
2008	54	3rd INTERIM	98740	8756	8.87	11420	68.61	0.62
2009	55	INTERIM	102383	10264	10.03	3807	28.86	0.76
2009	55	2nd INTERIM	102554	10451	10.19	3807	29.11	0.76
2009	55	3rd INTERIM	102736	9936	9.67	4568	32.33	0.71
2010	56	FINAL	103472	9157	8.85	12183	77.26	0.63
2011	57	INTERIM	100936	10295	10.20	5330	40.27	0.76
2011	57	FINAL	95727	9877	10.32	6853	47.94	0.70
2011	58	INTERIM	93791	11093	11.83	4568	37.52	0.82
2012	58	FINAL	91277	10182	11.16	5330	40.37	0.76
2012	59	INTERIM	88563	11148	12.59	4569	37.45	0.82
2012	59	FINAL	85801	10468	12.20	6854	52.74	0.77
2013	60	INTERIM	81768	11292	13.81	6031	51.90	0.86
2013	60	FINAL	75993	10711	14.09	7538	62.46	0.83
2014	61	INTERIM	77023	10825	14.05	6031	51.32	0.85

**Equity Shares held in Unclaimed Suspense Account**

The details of unclaimed equity shares lying in the 'Unclaimed Suspense Accounts are as follows:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2014	3629	365,078
Number of shareholders who approached the Company for transfer of shares from suspense account during the year	36	4081
Number of shareholders to whom shares were transferred from suspense account during the year	36	4081
Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2015	3593	360,997

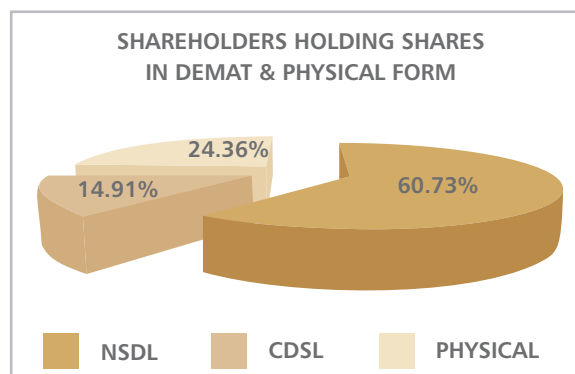
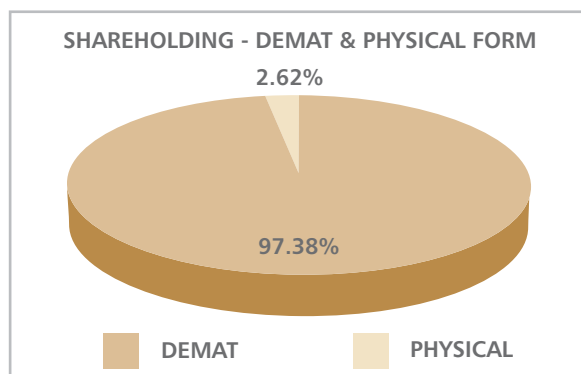
As per the requirements of the Listing Agreement, all corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall be credited to Unclaimed Suspense Account. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. As and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

The concerned shareholders are requested to claim their shares by writing to the Company/RTA.

**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 Dematerialized Form and Physical Form as on March 31, 2015****Shareholders holding shares in dematerialized form may note that:**

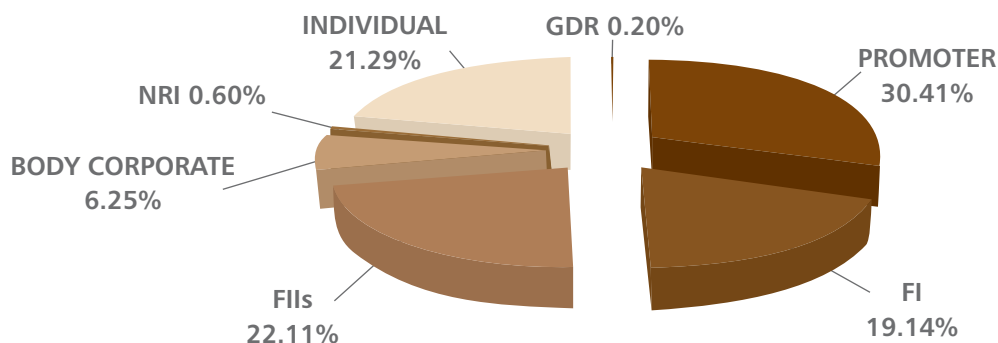
- Instructions regarding bank details which they wish to have incorporated on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.



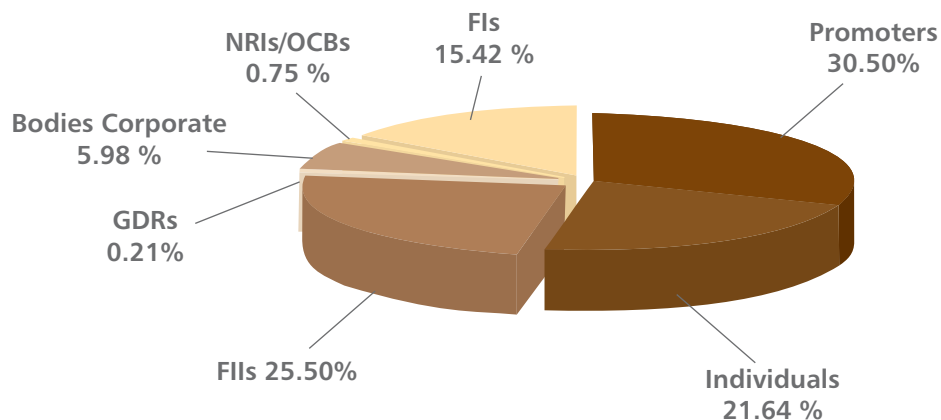
- Instructions already given by them for shares held in physical form will not automatically be applicable to the dividend paid on shares held in electronic form.
- Instructions regarding change of address, nomination and power of attorney should be given directly to the depository participants. The 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, 2015**



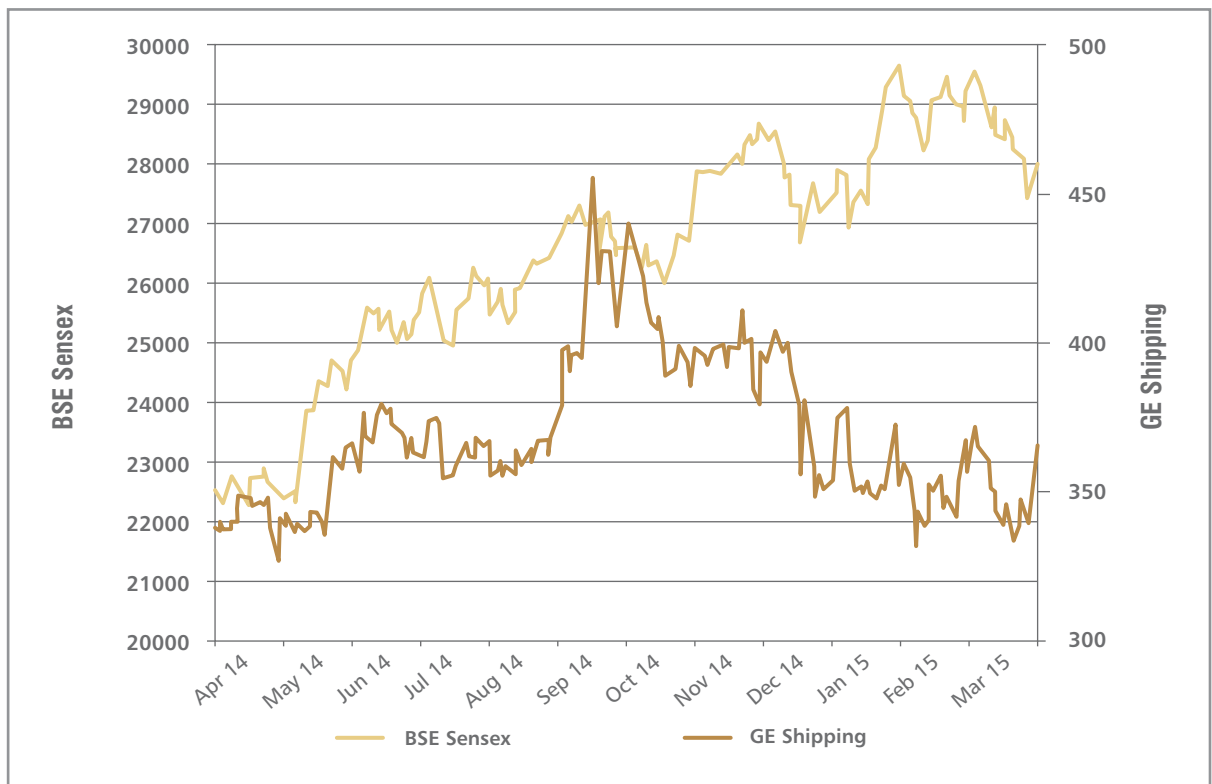
**SHAREHOLDING PATTERN AS ON MARCH 31, 2014**



## Distribution of Holdings as on March 31, 2015

No. of Shares Held		Share Holders		Shares	
From	To	Number	% to Total	Number	% to Total
1	500	61,905	85.834	7,239,984	4.802
501	1000	4,855	6.732	3,525,676	2.338
1001	2000	2,603	3.609	3,713,299	2.463
2001	3000	883	1.224	2,187,544	1.451
3001	4000	468	0.649	1,642,364	1.089
4001	5000	278	0.385	1,267,697	0.841
5001	10000	560	0.776	3,987,689	2.645
10001 and above		570	0.790	127,212,812	84.371
<b>TOTAL</b>		<b>72,122</b>	<b>100.00</b>	<b>150,777,065</b>	<b>100.00</b>

## Company's Share price compared to BSE Sensex



## Market Price Data - High / Low During Each Month in the Year 2014- 15

Month	High Price (₹)	Low Price (₹)	No .of Shares
Apr-14	360	327	1,923,780
May-14	376	329	543,577
Jun-14	384	355	370,942
Jul-14	394	350	255,589
Aug-14	374	346	936,991
Sep-14	467	355	715,641
Oct-14	445	384	761,763
Nov-14	422	376	1,344,713
Dec-14	412	346	527,475
Jan-15	391	347	542,793
Feb-15	370	327	361,443
Mar-15	377	330	451,887

## 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 is as follows:

### The Board

Mr. K M Sheth, Chairman of the Company, is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.

### Shareholders' rights

The financial results of the Company for every quarter are extensively published in the newspapers and are also uploaded on the Company's website. These are also available on website of the stock exchanges. In view of the same half yearly communication on financial results is not sent to each household of shareholders.

### 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.

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

Mr. K. M. Sheth holds the office of Chairman of the Company and Mr. Bharat K. Sheth holds the office of Deputy Chairman & Managing Director of the Company.

### Reporting of Internal Auditor

The internal auditor reports directly to the Audit Committee.

## DECLARATION REGARDING ADHERENCE TO THE COMPANY'S CODE OF CONDUCT

### 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 II (E) 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, 2015.

**For The Great Eastern Shipping Co. Ltd.**

**Bharat K. Sheth**

Deputy Chairman & Managing Director

Date: May 07, 2015

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of

The Great Eastern Shipping Company Limited

We have examined all relevant records of The Great Eastern Shipping Company Limited ("the Company") for the purposes of certifying compliances of the conditions of Corporate Governance under the Clause 49 of the Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited for the year ended March 31, 2015.

The compliances of conditions of Corporate Governance are the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliances of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In our opinion and to the best of our information and according to the information provided and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Agreement.

**For Mehta & Mehta**

Company Secretaries

**Dipti Mehta**

Partner

FCS: 3667

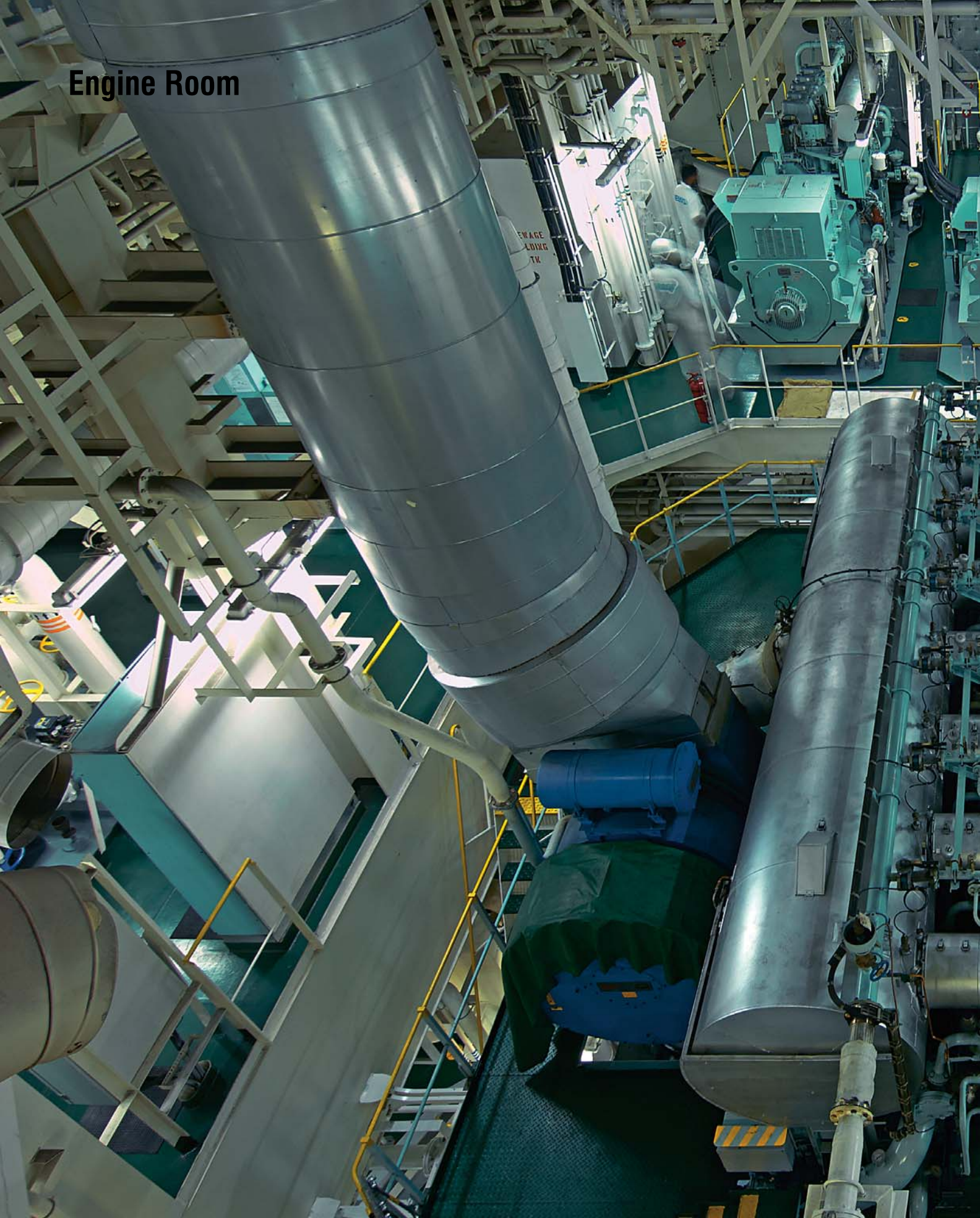
CP No: 3202

Date: 7th May, 2015

Place: Mumbai



# Engine Room









## FLEET AS ON MARCH 31, 2015

Category	Type	Vessel Name	DWT (MT)	Yr. Built	Av.Age (Yrs)
<b>CRUDE OIL CARRIERS</b>					
<b>SUEZMAX</b>					
		1 JAG LALIT	158,344	2005	
		2 JAG LOK	158,280	2005	
		3 JAG LATEEF	147,080	2000	
		4 JAG LAKSHITA	147,093	2000	
		<b>4</b>	<b>610,797</b>		<b>12.41</b>
<b>AFRAMAX</b>					
		1 JAG LYALL	110,537	2006	
		2 JAG LATA	105,716	2003	
		3 JAG LAXMI	105,051	1999	
		4 JAG LAVANYA	105,010	2004	
		<b>4</b>	<b>426,314</b>		<b>11.96</b>
Total Tonnage (dwt)	1,037,111				
No.of Ships	8				
Average Age (yrs)	12.2				
% of Total Tonnage	45.5				
<b>PRODUCT CARRIERS</b>					
<b>LONG RANGE ONE</b>					
		1 JAG AABHA	74,868	2008	
		2 JAG AANCHAL	74,811	2008	
		3 JAG AMISHA	74,889	2009	
		4 JAG APARNA	74,859	2009	
		<b>4</b>	<b>299,427</b>		<b>6.50</b>
<b>MEDIUM RANGE</b>					
		1 JAG PAHEL	46,319	2004	
		2 JAG PANKHI	46,345	2003	
		3 JAG PRANAM	48,694	2004	
		4 JAG PRAKASH	47,848	2007	
		5 JAG PUSHPA	47,848	2007	
		6 JAG PRERANA	47,848	2007	
		7 JAG PRABHA	47,999	2004	
		8 JAG PRANAV	51,383	2005	
		<b>8</b>	<b>384,284</b>		<b>9.87</b>
Total Tonnage (dwt)	683,711				
No.of Ships	12				
Average Age (yrs)	8.4				
% of Total Tonnage	30.0				

## FLEET AS ON MARCH 31, 2015

Category	Type	Vessel Name	DWT (MT)	Yr. Built	Av.Age (Yrs)
<b>GAS CARRIERS</b>					
<b>LPG CARRIERS</b>					
		1 JAG VISHNU	49,353	1994	
		<b>1</b>	<b>49,353</b>		<b>21.00</b>
Total Tonnage (dwt)	49,353				
No.of Ships	1				
Average Age (yrs)	21.0				
% of Total Tonnage	2.2				
<b>DRY BULK CARRIERS</b>					
<b>KAMSARMAX</b>					
		1 JAG AARATI	80,325	2011	
		2 JAG ADITI	80,325	2011	
		3 JAG ARYA	80,480	2011	
		<b>3</b>	<b>241,130</b>		<b>4.00</b>
<b>SUPRAMAX</b>					
		1 JAG RATAN	52,179	2001	
		2 JAG RAHUL	52,364	2003	
		3 JAG RISHI	56,719	2011	
		4 JAG RANI	56,719	2011	
		5 JAG ROOPA	52,454	2006	
		<b>5</b>	<b>270,435</b>		<b>8.45</b>
Total Tonnage (dwt)	511,565				
No.of Ships	8				
Average Age (yrs)	6.4				
% of Total Tonnage	22.4				
<b>FLEET TOTAL</b>					
Total Tonnage (dwt)	2,281,740				
No.of Ships	29				
Average Age (yrs)	9.9				

## ACQUISITIONS AND SALES DURING FY 2014-15

### ACQUISITIONS

Category	Type	Vessel Name	DWT (MT)	Yr. Built	Month of Acquisition
<b>Product Carriers</b>					
	Medium Range	Jag Pranam	48,694	2004	Dec-14
<b>Dry Bulk Carriers</b>					
	Supramax	Jag Roopa	52,454	2006	Sep-14
<b>Gas Carriers</b>					
	Very Large Gas Carrier	Jag Vishnu	49,353	1994	Jul-14

### SALES

Category	Type	Vessel Name	DWT (MT)	Yr. Built	Month of Sale
<b>Product Carriers</b>					
	Medium Range	Jag Padma	47,172	1996	May-14
	General Purpose	Jag Prachi	28,610	1991	Sep-14
<b>Dry Bulk Carriers</b>					
	Capesize	Jag Arjun	1,64,796	1996	Feb-15
<b>Gas Carrier</b>					
	Very Large Gas Carrier	Jag Vidhi	49,701	1990	Jan-15

## VESSELS ON ORDER AS ON MAY 07, 2015

Category	Type	No. of additions	Shipyard	DWT (MT)	Month of Contracting	Expected Delivery
<b>Dry Bulk Carriers</b>						
	Kamsarmax	2	Tsuneishi Shipbuilding Co. Ltd., Cebu	81,600	Jul-13	Q1 & Q2 FY16
	Kamsarmax	3	Jiangsu New Yangzi Shipbuilding Co. Ltd., China	82,000	Dec-13	Q1 & Q2 FY17
<b>Product Carriers</b>						
	Medium Range	1	STX Offshore & Shipbuilding Co. Ltd., Korea	51,300	Dec-12	Q4 FY16

## SUBSIDIARY FLEET AS ON MARCH 31, 2015

### GREATSHIP (INDIA) LIMITED AND ITS SUBSIDIARIES

Category	Vessel Name	Company #	DWT (MT)	Yr. Built	Av.Age (Yrs)
<b>OFFSHORE SUPPORT VESSELS</b>					
<b>Platform Supply Vessels</b>					
1	m.v. Greatship Disha	GIL	3,096	1999	
2	m.v. Greatship Dipti	GIL	3,228	2005	
3	m.v. Greatship Dhriti	GIL	3,330	2008	
4	m.v. Greatship Dhvani	GIL	3,330	2008	
5	m.v. Greatship Prachi	GIL	4,000	2015	
<b>5</b>			<b>16,984</b>		<b>8.00</b>
<b>Anchor Handling Tug cum Supply Vessels</b>					
1	m.v. Greatship Anjali	GIL	2,188	2008	
2	m.v. Greatship Amrita	GIL	2,045	2008	
3	m.v. Greatship Akhila	GIL	1,639	2009	
4	m.v. Greatship Asmi	GIL	1,634	2009	
5	m.v. Greatship Ahalya	GIL	1,643	2009	
6	m.v. Greatship Aarti	GIL	1,650	2009	
7	m.v. Greatship Vidya	GIL	3,289	2012	
8	m.v. Greatship Vimla	GIL	3,310	2012	
9	m.v. Greatship Aditi	GGOS	2,045	2009	
<b>9</b>			<b>19,443</b>		<b>5.56</b>
<b>Multi-purpose Platform Supply and Support Vessels</b>					
1	m.v. Greatship Maya	GGOS	4,350	2009	
2	m.v. Greatship Manisha	GGOS	4,221	2010	
<b>2</b>			<b>8,571</b>		<b>5.50</b>
<b>ROV Support Vessels</b>					
1	m.v. Greatship Ramya	GIL	3,676	2010	
2	m.v. Greatship Rohini	GIL	3,700	2010	
3	m.v. Greatship Rashi	GIL	3,700	2011	
4	m.v. Greatship Roopa	GIL	3,600	2012	
5	m.v. Greatship Rachna	GIL	3,600	2012	
6	m.v. Greatship Ragini	GGOS	3,600	2013	
<b>6</b>			<b>21,876</b>		<b>3.67</b>
<b>TOTAL OFFSHORE SUPPORT VESSELS</b>					
Number	<b>22</b>				
Total Tonnage (dwt)	<b>66,874</b>				
Average Age (years)	<b>5.59</b>				

## SUBSIDIARY FLEET AS ON MARCH 31, 2015

### GREATSHIP (INDIA) LIMITED AND ITS SUBSIDIARIES

Category	Vessel Name	Company #	DWT (MT)	Yr. Built	Av.Age (Yrs)
<b>DRILLING UNITS</b>					
<b>350 Jack Up Rig</b>					
1	Greatdrill Chitra	GGES	N.A.	2009	
2	Greatdrill Chetna	GGES	N.A.	2009	
3	Greatdrill Chaaya	GGES	N.A.	2013	
4	Greatdrill Chaaru	GGES	N.A.	2015	
<b>4</b>					<b>3.50</b>
<b>TOTAL DRILLING UNITS</b>					
Number	<b>4</b>				
Average Age (years)	<b>3.50</b>				

# GIL stands for 'Greatship (India) Limited';

GGOS stands for 'Greatship Global Offshore Services Pte. Ltd.'

GGES stands for 'Greatship Global Energy Services Pte. Ltd.'



## TRANSACTIONS DURING FY 2014-15

### GREATSHIP (INDIA) LIMITED AND ITS SUBSIDIARIES

Category	Vessel Name	Company #	DWT (MT)	Yr. Built	Av.Age (Yrs)
<b>ACQUISITIONS</b>					
<b>OFFSHORE SUPPORT VESSELS</b>					
	Platform Supply Vessels				
	1 m.v. Greatship Prachi	GIL	4,000	2015	Feb-15
<b>DRILLING UNIT</b>					
	350 Jackup Rig				
	1 Greatdrill Chaaru	GGES	N.A.	2015	Mar-15



PORTS OF  
NEW MANGALORE  
AND  
MANGALORE



## THE YEAR AT A GLANCE (STANDALONE)

	March 31, 2015		March 31, 2014	
	₹ (in crores)	US\$ (in millions)	₹ (in crores)	US\$ (in millions)
	(except for Earnings & Cash earnings per share)			
<b>For the year</b>				
Total Revenue	2012.69	329	1780.25	295
Operating Profit (PBIDT)	840.93	138	780.84	129
Net Profit	317.30	52	204.68	34
Cash Profit	636.35	104	563.85	94
PBIDT as a percentage of total revenue	41.78	41.78	43.86	43.86
Return on Equity (percentage)	6.52	6.52	4.17	4.17
Earnings per share (₹/US\$)	21.04	0.34	13.50	0.22
Cash earnings per share (₹/US\$)	42.20	0.69	37.20	0.62
Dividend amount (Including tax on dividend)	194.34	32	158.77	26
Capital Investment	516.93	85	558.39	93
<b>At the end of the year</b>				
Total assets	9335.93	1494	9389.99	1567
Fixed assets	4484.12	717	4583.13	765
Total debt	3069.33	491	3312.45	553
Net worth	4930.76	789	4806.32	802
Equity Capital	150.78	24	150.78	25

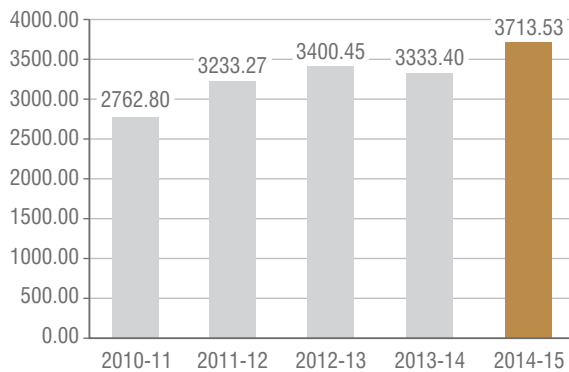
Figures in US\$ are arrived at by converting Rupee figures at the average conversion rate for all for the year items and at closing rate for all year end items, as given below, to facilitate comparison.

	₹ / US\$	
<b>Exchange Rate</b>	<b>2014-2015</b>	<b>2013-2014</b>
- Average	61.13	60.30
- Closing	62.50	59.92

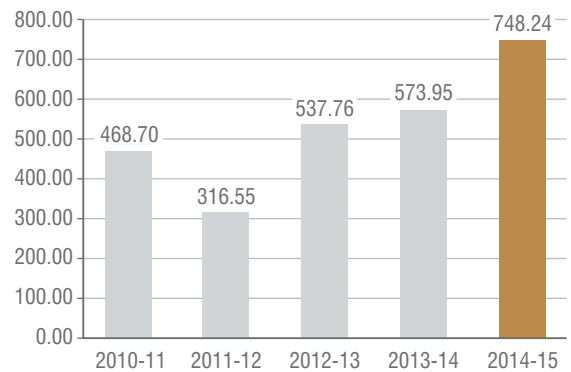


## FINANCIAL HIGHLIGHTS (CONSOLIDATED)

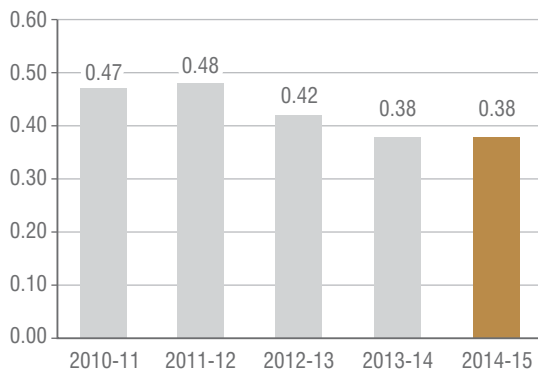
REVENUES ₹ in crores



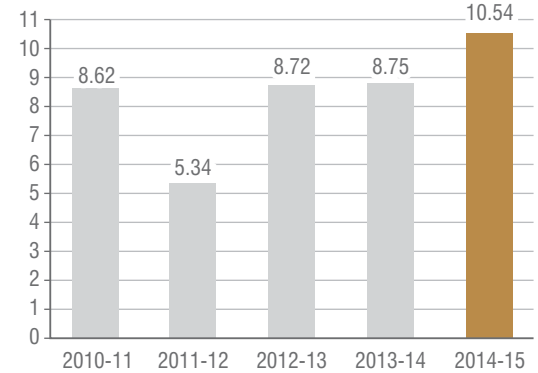
NET PROFIT FOR THE YEAR ₹ in crores



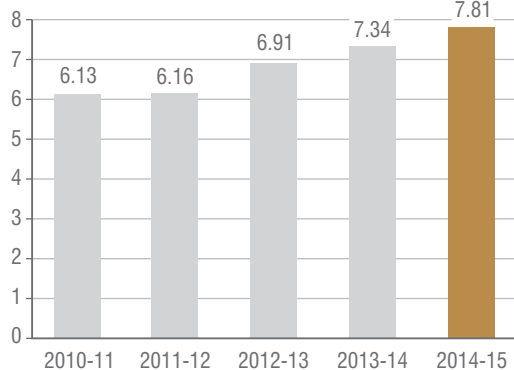
NET DEBT EQUITY RATIO



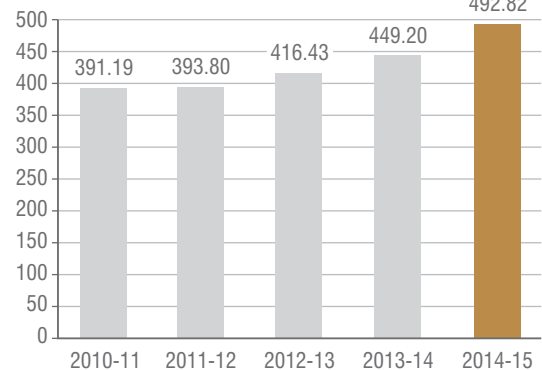
RETURN ON NET WORTH percent



RETURN ON CAPITAL EMPLOYED percent



BOOK VALUE PER SHARE ₹



## 5 YEARS AT A GLANCE (CONSOLIDATED)

(₹ in crores)

	2010-11	2011-12	2012-13	2013-14	2014-15
<b>PROFIT &amp; LOSS A/C</b>					
Total Revenues	2762.80	3233.27	3400.45	3333.40	3713.53
Operating profit (PBIDT)	1274.95	1363.79	1553.26	1673.35	1708.74
Net Profit (PAT)	468.70	316.55	537.76	573.95	748.24
<b>BALANCE SHEET</b>					
<b>What the Company owned</b>					
Fixed Assets	9084.31	9475.79	9703.89	10200.42	11114.89
Investments, net current assets and long term portion of current liabilities and provisions	2940.52	2969.75	3376.01	2689.91	2854.44
Deferred Taxation (Net)	0.88	1.31	1.18	1.95	0.90
<b>TOTAL</b>	<b>12025.71</b>	<b>12446.85</b>	<b>13081.08</b>	<b>12892.28</b>	<b>13970.23</b>
<b>What the Company owed</b>					
Loans (including current portion)	5957.43	6407.15	6739.32	6119.43	6539.61
Minority Interest	37.62	43.77	-	-	-
<b>TOTAL</b>	<b>5995.05</b>	<b>6450.92</b>	<b>6739.32</b>	<b>6119.43</b>	<b>6539.61</b>
<b>Shareholders' Funds</b>					
Equity Share Capital	152.29	152.29	152.32	150.78	150.78
Reserves & Surplus	5878.37	5843.64	6189.44	6622.07	7279.84
<b>TOTAL</b>	<b>6030.66</b>	<b>5995.93</b>	<b>6341.76</b>	<b>6772.85</b>	<b>7430.62</b>
Gross Debt-Equity ratio	0.99:1	1.07:1	1.06:1	0.90:1	0.88:1
Net Debt-Equity ratio	0.47:1	0.48:1	0.42:1	0.38:1	0.38:1
Return on Net worth (%)	8.62	5.34	8.72	8.75	10.54
Earnings per share (in ₹)	30.78	20.79	35.31	37.87	49.63



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE GREAT EASTERN SHIPPING COMPANY LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015, ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and 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 those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors of the Company as on March 31, 2015 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 27 to the Standalone Financial Statements.
    - ii) The Company has made provision, as required under the applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts, including derivative contracts. Refer Notes 2(o) and 28 to the Standalone Financial Statements.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Regn. No.: 104607W

**Daraius Z. Fraser**

Partner

M. No.: 42454

Mumbai : May 7, 2015.

## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the Members of the Company on the Standalone Financial Statements for the year ended March 31, 2015 :

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 period 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.
2. Inventory :
  - a) The Management has conducted physical verification of inventory at reasonable intervals.
  - 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.
  - c) The Company is maintaining proper records of inventory. The discrepancies noticed on physical verification were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
3. During the year, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. 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 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. 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.
6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of the Companies Act, in respect of any of the activities of the Company.
7. Statutory Dues :
  - a) According to the information and explanations given to us and on the basis of the records examined by us, the Company is regular in depositing undisputed statutory dues, including dues pertaining to 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, Value Added Tax or Cess outstanding on account of any dispute, other than the following :

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax	0.80 0.87	1998-99	The Sales Tax Appellate Tribunal
The Bombay Sales Tax Act, 1959	Sales Tax	0.07 0.07 0.09	1995-96 1996-97 1997-98	The High Court at Bombay
The Bombay Sales Tax Act, 1959	Sales Tax	3.86 0.70	1998-99	The Sales Tax Appellate Tribunal
The Bombay Sales Tax Act, 1959	Sales Tax	1.00	2001-02	Commissioner of Sales Tax (Appeals)
The Maharashtra VAT Act, 2005	VAT	0.00* 0.00*	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
The Central Excise and Customs Act, 1962	Service Tax	4.75	2005-06	Commissioner of Service Tax
Customs Act, 1962	Custom Duty regarding vessels at different ports	0.04	2009-10	Commissioner of Customs (Appeals), Jamnagar
		0.44 0.07	2010-11 2011-12	CESTAT, Ahmedabad
		0.02	2011-12	Commissioner of Customs (Appeals), Bhubaneswar
		5.56	2012-13	The High Court at Ahmedabad, Chennai and Bhubaneswar
		0.37	2012-13	Commissioner of Customs (Appeals), Jamnagar
		0.01	2013-14	Commissioner of Customs (Appeals), Kolkata
		0.79	2013-14	Commissioner of Customs (Appeals), Paradip
Income-tax Act, 1961	Income-tax	0.01	2005-06	Income Tax Appellate Tribunal, Mumbai
		0.64	2007-08	Income Tax Appellate Tribunal, Mumbai

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
Income-tax Act, 1961	Income-tax	3.97	2008-09	Income Tax Appellate Tribunal, Mumbai
		2.58	2009-10	Income Tax Appellate Tribunal, Mumbai
The Major Port Trusts Act, 1963	Wharfage Charges	0.99	2014-15	The High Court of Judicature at Madras

\*Amounts less than ₹ 0.01 Crore

- c) According to the information and explanations given to us, the amount required to be transferred to Investor Education and Protection Fund in accordance with relevant provisions of the Companies Act, 1956 (I of 1956) and Rules made thereunder has been transferred to such fund within time.
8. 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.
  9. 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.
  10. According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiary from banks are not prima facie prejudicial to the interest of the Company.
  11. According to the information and explanations given to us and the records examined by us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
  12. 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 **KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Regn. No.: 104607W

**Daraius Z. Fraser**

Partner

M. No.: 42454

Mumbai : May 7, 2015.

## BALANCE SHEET

AS AT MARCH 31, 2015

(₹ in crores)

Particulars	Note No.	Current Year	Previous Year
<b>EQUITY AND LIABILITIES :</b>			
<b>I. Shareholders' Funds :</b>			
(a) Share Capital	3	150.78	150.78
(b) Reserves and Surplus	4	4779.98	4655.54
		4930.76	4806.32
<b>II. Non-Current Liabilities :</b>			
(a) Long-Term Borrowings	5	2568.90	2804.96
(b) Long-Term Provisions	6	24.09	14.66
		2592.99	2819.62
<b>III. Current Liabilities :</b>			
(a) Trade Payables	7	113.91	125.96
(b) Other Current Liabilities	8	638.32	623.64
(c) Short-Term Provisions	6	1059.95	1014.45
		1812.18	1764.05
<b>TOTAL</b>		<b>9335.93</b>	<b>9389.99</b>
<b>ASSETS :</b>			
<b>I. Non-Current Assets :</b>			
(a) Fixed Assets	9		
(i) Tangible Assets		4257.53	4441.90
(ii) Intangible Assets		0.35	0.03
(iii) Capital Work-in-progress		226.24	141.20
		4484.12	4583.13
(b) Non-Current Investments	10	1665.66	1739.11
(c) Long-Term Loans and Advances	11	38.20	22.59
		6187.98	6344.83
<b>II. Current Assets :</b>			
(a) Current Investments	12	1149.58	1051.91
(b) Inventories	13	52.83	71.43
(c) Trade Receivables	14	133.91	42.80
(d) Cash and Bank Balances	15	1716.96	1754.98
(e) Short-Term Loans and Advances	11	83.10	114.23
(f) Other Current Assets	16	11.57	9.81
		3147.95	3045.16
<b>TOTAL</b>		<b>9335.93</b>	<b>9389.99</b>
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report attached hereto

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W  
**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

**Jayesh M. Trivedi**  
Company Secretary  
**G. Shivakumar**  
Executive Director & CFO

For and on behalf of the Board

**K. M. Sheth**  
Chairman  
**Bharat K. Sheth**  
Deputy Chairman & Managing Director  
**Cyrus Guzder**  
Director



## STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2015

(₹ in crores)

Particulars	Note No.	Current Year	Previous Year
<b>Income :</b>			
I. Revenue from Operations	17	1734.08	1492.58
II. Other Income	18	278.61	287.67
III. Total Revenue (I + II)		2012.69	1780.25
<b>IV. Expenses :</b>			
Employee Benefit Expenses	19	240.93	205.79
Other Expenses	20	930.83	793.62
Total Expenses		1171.76	999.41
<b>V. Earnings Before Depreciation, Impairment Loss, Finance Costs and Tax (III - IV)</b>		<b>840.93</b>	<b>780.84</b>
VI. Depreciation		319.05	360.01
VII. Reversal of Impairment		-	(0.84)
VIII. Finance Costs	21	188.58	212.99
<b>IX. Profit Before Tax (V - VI - VII - VIII)</b>		<b>333.30</b>	<b>208.68</b>
<b>X. Tax Expenses :</b>			
- Current Tax		25.00	4.00
- MAT Credit Utilised		(9.00)	-
<b>XI. Profit for the Year (IX - X)</b>		<b>317.30</b>	<b>204.68</b>
<b>XII. Earnings per Equity Share :</b>	22		
(Face value per share ₹ 10 )			
- Basic		₹ 21.04	₹13.50
- Diluted		₹ 21.00	₹13.48
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report attached hereto

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W  
**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

**Jayesh M. Trivedi**  
Company Secretary

**G. Shivakumar**  
Executive Director & CFO

For and on behalf of the Board

**K. M. Sheth**  
Chairman

**Bharat K. Sheth**  
Deputy Chairman & Managing Director

**Cyrus Guzder**  
Director

## CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015

(₹ in crores)

	Current Year	Previous Year
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax	333.30	208.68
Adjustments For :		
Depreciation	319.05	360.01
Reversal of Impairment	-	(0.84)
Interest Earned	(54.46)	(40.91)
Interest and Finance charges	188.58	212.99
Dividend Income	(92.04)	(110.71)
Diminution in Value of Investments	0.68	11.01
Profit on sale of Investments (Net)	(71.99)	(60.73)
(Profit) / Loss on sale of Ships and Other Assets (Net)	2.18	(9.03)
Bad Debts and Advances Written Off	0.76	0.10
Provision for Doubtful Debts and Advances (Net)	(1.33)	10.11
Equity Share Buy Back Expenses	-	0.98
Revaluation of Foreign Currency Balances	(39.81)	(111.68)
Operating Profit Before Working Capital Changes	584.92	469.98
Adjustments For :		
(Increase) / Decrease in Trade and Other Receivables	(60.86)	28.15
(Increase) / Decrease in Inventories	18.60	2.54
Increase / (Decrease) in Trade and Other Payables	15.60	(54.10)
Cash Generated from Operations	558.26	446.57
Adjustments For :		
Direct Taxes Paid	(28.14)	(17.12)
<b>Net Cash From Operating Activities</b>	<b>530.12</b>	<b>429.45</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(447.35)	(367.98)
Sale Proceeds of Fixed Assets	291.18	133.93
Redemption proceeds of Investment in Preference Shares in a subsidiary	59.31	59.31
Acquisition of Equity Shares in a subsidiary	(0.05)	-
Purchase of Current Investments	(2994.12)	(3456.37)
Sale of Current Investments	2951.95	4347.69
Withdrawal / (Placement) of Deposits (Net)	413.00	(977.61)
Disposal of Long Term Investment	30.00	-
Placement of Deposits with Bank towards acquisition of ships	-	(16.00)
Interest Received	52.70	35.62
Dividend Received	92.04	110.71
<b>Net Cash From / (Used in) Investing Activities</b>	<b>448.66</b>	<b>(130.70)</b>

(₹ in crores)

	Current Year	Previous Year
<b>C. Cash Flow From Financing Activities</b>		
Buy back of equity share capital	-	(41.26)
Equity Share Buy back Expenses	-	(0.98)
Proceeds from Long-Term Borrowings	214.93	-
Repayments of Long-Term Borrowings	(520.17)	(512.41)
Dividend Paid	(135.36)	(128.59)
Dividend Distribution Tax Paid	(12.24)	(10.25)
Interest and Finance Charges Paid	(197.04)	(215.67)
<b>Net Cash From / (Used in) Financing Activities</b>	<b>(649.88)</b>	<b>(909.16)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>328.90</b>	<b>(610.41)</b>
<b>Cash and Cash Equivalents as at April 01, 2014</b>	<b>197.34</b>	<b>807.75</b>
<b>Cash and Cash Equivalents as at March 31, 2015</b>	<b>526.24</b>	<b>197.34</b>

Note :	As at Mar 31, 2015	As at Mar 31, 2014
<b>Cash and Cash Equivalents</b>		
Cash and Cash Equivalents (Refer Note 15)	713.04	337.72
Revaluation of Foreign Currency Balances [(Gain) / Loss]	(186.80)	(140.38)
<b>Cash and Cash Equivalents as restated</b>	<b>526.24</b>	<b>197.34</b>

As per our Report attached hereto

For KALYANIWALLA & MISTRY  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

**Jayesh M. Trivedi**  
Company Secretary

**G. Shivakumar**  
Executive Director & CFO

For and on behalf of the Board

**K. M. Sheth**  
Chairman

**Bharat K. Sheth**  
Deputy Chairman & Managing Director

**Cyrus Guzder**  
Director

## NOTES TO FINANCIAL STATEMENTS

### FOR THE YEAR ENDED MARCH 31, 2015.

#### **Note 1 : Corporate Information**

The Great Eastern Shipping Company Ltd. (the Company) is a public limited company registered in India under the provisions 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 :**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis to comply in all material aspects with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013.

All assets and liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of services rendered and the time between the rendering of the services and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities.

##### **(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 result could differ from the estimates.

##### **(c) Tangible Fixed Assets :**

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and installation of the concerned assets, borrowing costs during construction period and excludes any duties/taxes recoverable and capital subsidy/grant received. 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. Exchange differences on repayment and year end translation of foreign currency liabilities and fair value gains or losses on qualifying cash flow hedges, that are transferred from Hedging Reserve relating to acquisition of depreciable capital assets are adjusted to the carrying cost of the assets.

##### **(d) Intangible Fixed Assets :**

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

**(e) Investments :**

- (i) Investments are classified into Current and Non-Current Investments.
- (ii) Investments intended to be held for a period less than twelve months or those maturing within twelve months from the Balance Sheet date are classified as 'Current Investments'. Investments which are classified as Current Investments are stated at lower of cost and net realisable value and the resultant decline, if any, is charged to the Statement of Profit and Loss.
- (iii) Investments other than Current Investments are classified as 'Non-Current Investments'. Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each Non-Current Investment is made to recognise a decline, other than of a temporary nature.

**(f) Inventories :**

Inventories of fuel oil are carried at lower of cost and net realisable value. Cost is ascertained on first-in-first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

**(g) 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'.

**(h) Borrowing Costs :**

Borrowing costs include interest and ancillary cost incurred in connection with the arrangement of borrowings. 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. Other borrowing costs are recognised in the period in which they occur except for transaction costs which are amortised over the period of the loan.

**(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 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.

**(j) Operating Expenses :**

- (i) Fleet direct operating expenses are charged to the Statement of Profit and Loss on completed voyage basis.
- (ii) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss.
- (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.

- (iv) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on completed voyage basis. In case, the vessel is not fixed for next voyage as on the period-end date, the consumption cost is charged to the Statement of Profit and Loss as period cost from the date of previous voyage till the period-end date. If the vessel is fixed for next voyage by the period-end date, the bunker consumption cost for the period from the date of previous voyage till the period-end date is carried forward as incomplete voyage expense as per the accounting policy on "Incomplete Voyages".
- (v) Dry-dock expenditure is recognised in the Statement of Profit and Loss to the extent of material supplied and services rendered in case of non yard expenses. Yard material and service expenses are recognised in the Statement of Profit and Loss on completion of Dry-dock.

**(k) Employee Benefits :**

**(i) Short-Term Employee Benefits :**

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

**(ii) Post Employment 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.

**a) Defined Contribution Plan**

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

**b) Defined Benefit Plan**

Retirement benefits in the form of Gratuity 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.

**c) 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/loss, comprising of experience adjustments and the effects of changes in actuarial assumptions is immediately recognised in the Statement of Profit and Loss.



**(l) Depreciation on Fixed Assets :**

- (i) Depreciation is provided on Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life. The estimated useful life of the assets are as under :

Asset Type	Estimated Useful Life
<b>Tangible Assets :</b>	
Fleet	
- Crude Oil and Product Tankers	20 years
- Dry Bulk Carriers *	23 years
- Gas Carriers	30 years
- Speed Boats	13 years
Leasehold Land	Lease period
Ownership Flats and Buildings	60 years
Furniture & Fixtures, Office Equipment, etc.*	5 years
Computers	
- Servers and Networks	6 years
- End User Devices	3 years
Vehicles *	4 years
Mobiles *	2 years
Plant and Equipment *	10 years
<b>Intangible Assets :</b>	
Software	5 years

- (ii) Estimated useful life of the Fleet and Ownership Flats and Buildings is considered from the year of build. Estimated useful life in case of all other assets is considered from the date of acquisition by the Company.
- (iii) Residual value in case of Fleet is estimated initially as amount equal to product of long tonnes and estimated scrap value per long tonne based on previous ten years moving average of scrap rates. In case of other assets the residual value, being negligible has been considered as Nil.
- (iv) \*For these class of assets, based on internal technical assessment and past experience, the management believes that the useful lives as given above best represent the period over which the management expects the use of the assets. Hence, the useful lives for the assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

**(m) 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. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

## **(n) Foreign Exchange Transactions :**

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Non monetary items, which are measured in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year end are translated at closing rates. The difference in translation of long term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of 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.

## **(o) Derivative Financial Instruments and Hedging :**

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions, 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 marked to market. 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 risk 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'. The gains or losses on designated hedging instruments that qualify as effective hedges are recorded in the Hedging Reserve and are recognised in the

Statement of Profit and Loss in the same period or periods during which the hedged transaction affects the 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 hedged transactions are immediately recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur, the gains or losses that were previously recognised in the Hedging Reserve are transferred to the Statement of Profit and Loss immediately.

**Fair Value Hedge :**

Foreign exchange forward and option contracts outstanding at the Balance Sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the Statement of Profit and Loss.

**(p) 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. 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.
- (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-tonnage 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.

**(q) 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.

**(r) Earnings per share :**

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

**Note 3 : Share Capital**

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
<b>Authorised :</b>				
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
<b>Issued :</b>				
Equity Shares of ₹ 10 each	15,11,63,426	151.16	15,11,63,426	151.16
	15,11,63,426	151.16	15,11,63,426	151.16
<b>Subscribed and Fully Paid :</b>				
Equity Shares of ₹ 10 each	15,07,77,065	150.78	15,07,77,065	150.78
Add : Forfeited shares (Amount : ₹ 30,358, Previous Year amount : ₹ 30,358)	2,518	-	2,518	-
	15,07,79,583	150.78	15,07,79,583	150.78

**Reconciliation of the shares outstanding at the beginning and at the end of the financial year :**

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
<b>Equity Shares :</b>				
<b>Issued :</b>				
Balance as per the last financial statement	15,11,63,426	151.16	15,27,08,445	152.70
Less : Shares bought back [Refer Note (b) below]	-	-	15,45,019	1.54
Closing balance	15,11,63,426	151.16	15,11,63,426	151.16
<b>Subscribed and Fully Paid :</b>				
Balance as per the last financial statement	15,07,77,065	150.78	15,23,22,084	152.32
Less : Shares bought back	-	-	15,45,019	1.54
Closing balance	15,07,77,065	150.78	15,07,77,065	150.78

**(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, 2015, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 11.00 per share. (Previous Year ₹ 9.00 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) Pursuant to the approval of the Board of Directors for buyback of equity shares, during the previous year the Company has bought back 15,45,019 equity shares of ₹ 10 each at an average price of ₹ 267.14 per share aggregating to ₹ 41.26 crores and the same have been extinguished.**

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

	As on 31/03/2015		As on 31/03/2014	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid				
Mr. Bharat Kanaiyalal Sheth	1,63,28,490	10.83%	1,63,37,490	10.84%
Mr. Ravi Kanaiyalal Sheth	1,43,62,504	9.53%	1,43,62,504	9.53%
Nalanda India Equity Fund Limited	1,05,24,139	6.98%	1,05,24,139	6.98%

## (d) 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) 15,45,019 equity shares have been bought back during the financial year 2013-14.

## (e) There are no securities convertible into equity/preference shares.

(f) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,53,522 (Previous Year 2,53,522) rights equity shares of the Company have been kept in abeyance in accordance with Section 126(b) of the Companies Act, 2013 till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. 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	240.08	238.54
Add : Amount Transferred from Surplus	-	1.54
	240.08	240.08
(c) Securities Premium :		
Balance as per last Financial Statement	86.59	126.31
Less : Amount utilised for buyback of equity shares	-	39.72
	86.59	86.59
(d) Debenture Redemption Reserve :		
Balance as per last Financial Statement	117.50	92.50
Add : Amount Transferred from Surplus	25.00	25.00
	142.50	117.50

(₹ in crores)

	Current Year	Previous Year
(e) Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 :		
Balance as per last Financial Statement	100.00	340.00
Add : Amount Transferred from Surplus	45.00	30.00
	145.00	370.00
Less : Amount Transferred to General Reserve	-	270.00
	145.00	100.00
(f) Hedging Reserve (Refer Note 28) :		
Balance as per last Financial Statement	(911.44)	(712.17)
Add : Decrease/(Increase) during the year (Net)	(6.35)	(199.27)
	(917.79)	(911.44)
(g) Foreign Currency Monetary Item Translation Difference Account :		
Balance as per last Financial Statement	(23.19)	(15.13)
Debit balance added during the year	(3.94)	(12.01)
Less : Transferred to Statement of Profit and Loss during the year	4.19	3.95
	(22.94)	(23.19)
(h) General Reserve :		
Balance as per last Financial Statement	2148.46	1857.46
Add : Amount Transferred from Surplus	-	21.00
Add : Transfer from Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961	-	270.00
	2148.46	2148.46
(i) Surplus :		
Balance as per last Financial Statement	2881.56	2904.98
Add : Profit for the Year	317.30	204.68
Less : Transfer to Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961	45.00	30.00
	3153.86	3079.66
Less : Appropriations :		
Transfer to General Reserve	-	21.00
Transfer to Debenture Redemption Reserve	25.00	25.00
Transfer to Capital Redemption Reserve	-	1.54
Interim Dividend on Equity Shares	60.31	60.32
Proposed Dividend on Equity Shares	105.54	75.39
Dividend Distribution Tax	20.91	14.85
	211.76	198.10
	2942.10	2881.56
	4779.98	4655.54



## Note 5 : Long-Term Borrowings

(₹ in crores)

	Non-Current portion		Current Maturities	
	Current Year	Previous Year	Current Year	Previous Year
<b>(a) Bonds/Debentures :</b>				
<b>Secured :</b>				
9.80% 2500 Redeemable Non-Convertible Debentures of ₹ 10,00,000 each redeemable on July 03, 2019	250.00	250.00	-	-
[Refer Notes (i) and (v) below]				
<b>Unsecured :</b>				
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	50.00	-	-
(iv) 9.70% 1500 Debentures redeemable on April 15, 2021	150.00	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	-	-
[Refer Notes (ii) and (v) below]				
<b>(b) Term Loans from Banks</b>				
<b>[Refer notes (iii) to (v) below] :</b>				
Foreign Currency Loans from Banks (secured)	864.87	1136.82	494.11	518.75
Swap Adjustments (unsecured)	4.03	(31.86)	6.32	(11.26)
	868.90	1104.96	500.43	507.49
<b>Total (a + b)</b>	<b>2568.90</b>	<b>2804.96</b>	<b>500.43</b>	<b>507.49</b>
Amount disclosed under the head "Other Current Liabilities" (Refer Note 8)	-	-	500.43	507.49
	2568.90	2804.96	-	-

**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 70 bps for JPY loans. Some loans are on fixed rates basis. The principal repayments are due quarterly and half yearly.

These loans are secured by mortgage of specified ships and a financial covenant to maintain unencumbered assets.

- (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	716.41	634.10
- between three to five years	1248.22	847.35
- over five years	604.27	1323.51
	2568.90	2804.96

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

**Note 6 : Provisions**

(₹ in crores)

	Long-Term Provisions		Short-Term Provisions	
	Current Year	Previous Year	Current Year	Previous Year
(a) Provision for Employee Benefits	24.09	14.66	12.14	7.44
(b) Vessel Performance/Offhire Claims (Refer Note below)	-	-	2.82	7.74
(c) Provision for Mark to Market Losses on Derivative Contracts	-	-	917.96	911.07
(d) Proposed Equity Dividend	-	-	105.54	75.39
(e) Provision for Dividend Distribution Tax	-	-	21.49	12.81
	24.09	14.66	1059.95	1014.45

**Note :**

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
<b>Vessel performance/offhire claims -</b>		
Provision have been recognised for the estimated liability for under-performance of certain vessels and offhire claims under dispute		
Opening balance	7.74	5.06
Additions during the year	-	3.89
Reversed/paid during the year	(4.92)	(1.21)
Closing balance	2.82	7.74

**Note 7 : Trade Payables**

(₹ in crores)

	Current Year	Previous Year
(a) Dues to Micro, Small and Medium enterprises	-	-
(b) Due to Subsidiary Companies	1.39	0.64
(c) Others	112.52	125.32
	113.91	125.96

**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, Small and Medium Enterprises on account of principal or interest.
- (ii) Trade payables are subject to confirmation, reconciliation and adjustments, if any.

**Note 8 : Other Current Liabilities**

(₹ in crores)

	Current Year	Previous Year
(a) Current Maturities of Long-Term Borrowings (Refer Note 5)	500.43	507.49
(b) Income Received in Advance	45.69	23.30
(c) Liabilities towards Investor Education and Protection Fund, not due - Unclaimed dividend	6.58	6.92
(d) Other Liabilities	35.59	35.31
(e) Interest Accrued but not due on Borrowings	50.03	50.62
	638.32	623.64

**Note 9 : Fixed Assets**

(₹ in crores)

Particulars	Cost				Depreciation/Impairment				Net Block		
	As at April 01, 2014	Additions during the Year	Deductions during the Year	Other Adjustments [Refer Note (e)]	As at March 31, 2015	Upto March 31, 2014	Other Adjustments [Refer Note (d)]	For the Year	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets :											
Fleet	6415.15	353.81	529.73	57.28	6296.51	2091.90	236.60	315.04	2170.34	4126.17	4323.25
Land											
(Freehold and Perpetual Lease)	59.80	-	-	-	59.80	-	-	-	-	59.80	59.80
Ownership Flats and Buildings [Refer Note (a)]	54.97	0.09	-	-	55.06	21.78	-	(3.01)	18.77	36.29	33.19
Plant and Equipment	27.10	8.83	0.22	-	35.71	7.80	0.13	3.13	10.80	24.91	19.30
Furniture, Fixtures and Office Equipment	31.01	3.72	2.80	-	31.93	27.30	2.76	2.03	26.57	5.36	3.71
Vehicles	11.92	4.28	3.01	-	13.19	9.27	2.91	1.83	8.19	5.00	2.65
SUB - TOTAL (A)	6599.95	370.73	535.76	57.28	6492.20	2158.05	242.40	319.02	2234.67	4257.53	4441.90
Intangible Assets :											
Software	0.04	0.35	-	-	0.39	0.01	-	0.03	0.04	0.35	0.03
SUB - TOTAL (B)	0.04	0.35	-	-	0.39	0.01	-	0.03	0.04	0.35	0.03
GRAND - TOTAL (A + B)	6599.99	371.08	535.76	57.28	6492.59	2158.06	242.40	319.05	2234.71	4257.88	
Previous Year Figures	6634.14	251.17	470.85	185.53	6599.99	2144.84	346.79	360.01	2158.06		4441.93
Ships Under Construction/Capital Work-in-progress											
										226.24	141.20
										4484.12	4583.13

**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.
- Consequent to Schedule II of the Companies Act, 2013, becoming applicable with effect from April 01, 2014, depreciation for the year ended March 31, 2015, has been provided on the basis of the useful lives and residual values as prescribed in Schedule II; except in case of certain types of assets where, based on past experience, the Company has adopted useful lives and residual values other than those prescribed in Schedule II. Consequent to the change in the estimate of useful life and residual value, depreciation for the current year is lower by ₹ 51.17 crores and profit for the year is higher to that extent.
- Impairment loss amounting to ₹ NIL (Previous year ₹ 1.35 crores) relating to a property recognised in an earlier year was reversed in view of appreciation in the market value of the property.
- Other Adjustments comprise of fluctuation of the rupee against foreign currencies and losses/(gains) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets and losses/(gains) on forward contracts for hedging capital commitments for acquisition of depreciable assets.
- Company has changed the method of calculating depreciation for ownership flats and buildings from Written Down Value Method to Straight Line Method with effect from April 01, 2014. Consequent to the change in method, depreciation for the current year is lower by ₹ 4.38 crores and the profit for the year is higher to that extent.

## Note 10 : Non-Current Investments

	Face Value ₹	Current Year		Previous Year	
		No. of shares	₹ in crores	No. of shares	₹ in crores
<b>Trade Investments</b> (valued at cost, fully paid unless stated otherwise)					
<b>Equity Shares : Unquoted</b>					
Subsidiaries :					
- Greatship (India) Ltd.	10	11,13,45,500	1305.14	11,13,45,500	1305.14
- 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		5,00,000	1.15	5,00,000	1.15
- The Great Eastern Chartering L.L.C.(FZC) of AED 100 each		1,500	0.19	1,500	0.19
			1306.74		1306.74
<b>Preference Shares : Unquoted</b>					
Subsidiary :					
- Greatship (India) Ltd. 7.50% Cumulative Redeemable Preference Shares	10	5,90,00,000	177.00	7,35,00,000	220.50
22.50% Cumulative Redeemable Preference Shares	10	6,06,24,000	181.87	6,06,24,000	181.87
			358.87		402.37
<b>Other Investments :</b>					
Subsidiary :					
- Great Eastern CSR Foundation	10	49,999	0.05	-	-
Investment in Structured Gold Linked Non-Convertible Debentures : Unquoted					
- redeemable on April 22, 2015	100000	-	-	1,500	15.00
- redeemable on May 22, 2015 (call option exercised during the year)	100000	-	-	1,500	15.00
The debentures had a Commodity Linked Variable component payable on the redemption date along with the redemption amount, being the face value of the debentures.					
			1665.66		1739.11
Aggregate amount of Quoted investments			-		-
Aggregate amount of Unquoted investments			1665.66		1739.11
Aggregate provision for diminution in value of investments			-		-

**Note 11 : 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 (Net of provision for doubtful long-term deposits ₹ 0.44 crores, Previous Year ₹ 0.44 crores)	1.06	1.00	6.88	6.78
(b) Advance Payment of Income-tax and Tax Deducted at Source (Net of provision for tax ₹ 96.36 crores, Previous Year ₹ 80.33 crores)	32.34	20.20	-	-
(c) Other Advances (Net of provision for doubtful short-term advances ₹ 2.63 crores, Previous Year ₹ 1.89 crores)	4.80	1.39	76.22	107.45
	38.20	22.59	83.10	114.23

**Note 12 : Current Investments**
**(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
<b>Investments in Mutual Funds :</b>					
<b>Unquoted</b>					
Baroda Pioneer PSU Bond Fund - Plan B Growth	10	1,47,67,483	22.04	1,25,64,114	17.00
Birla Sun Life Short Term Fund -Growth - Direct Plan	10	78,90,248	40.00	-	-
Birla Sun Life Income Plus - Growth - Direct Plan*	10	1,09,93,863	66.25	-	-
Birla Sun Life Income Plus - Quarterly Dividend - Direct Plan	10	-	-	4,81,92,605	60.49
Birla Sun Life Short Term Fund - Monthly Dividend	10	-	-	5,69,77,078	66.58
BNP Paribas Government Securities Fund Direct Growth	10	70,51,309	8.50	-	-
BNP Paribas Government Securities Fund Monthly Dividend Reinvestment	10	-	-	1,78,54,952	17.80
BNP Paribas Medium Term Income Fund - Direct Plan - Growth*	10	2,50,00,000	25.00	2,50,00,000	25.00
BNP Paribas Short Term Income Fund Direct Plan - Monthly Dividend Reinvestment	10	-	-	3,14,35,572	31.85
BNP Paribas Short Term Income Fund - Direct Plan - Growth	10	1,39,49,936	21.78	-	-



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
DSP BlackRock Treasury Bill Fund - Direct Plan - Daily Dividend	10	-	-	1,39,66,969	14.02
DWS Banking & PSU Debt Fund - Direct Plan - Growth	10	4,33,48,117	52.58	-	-
DWS Medium Term Income Fund - Direct Plan - Growth	10	2,15,05,931	25.00	-	-
Goldman Sachs Mutual Fund - Gold Benchmark Exchange Traded Scheme Units	1000	1,31,010	31.43	1,53,607	37.41
HDFC Gilt Fund - Long Term Plan - Direct Plan - Growth	10	1,45,21,076	40.67	-	-
HDFC Liquid Fund Direct Plan Daily Dividend	10	-	-	39,26,839	4.00
HSBC Flexi Debt Fund - Growth Direct Plan	10	35,75,828	6.98	-	-
ICICI Prudential Blended Plan B Direct Plan - Daily Dividend Option-I	10	-	-	4,90,63,054	49.58
ICICI Prudential Blended Plan B - Direct Plan - Growth Option - I	10	6,02,93,860	118.98	4,09,48,395	74.95
ICICI Prudential Dynamic Bond Fund - Direct Plan - Growth	10	1,04,85,049	16.49	-	-
ICICI Prudential Gilt Fund Investment Plan PF Option - Direct	10	89,90,347	24.00	-	-
ICICI Prudential Short Term Gilt Fund - Direct Plan - Growth*	10	58,65,125	19.22	-	-
ICICI Prudential Long Term Gilt Fund - Direct Plan - Growth	10	2,21,10,931	92.46	2,23,57,622	89.07
ICICI Prudential Long Term Gilt Fund Investment - Direct Plan - Dividend	10	-	-	1,86,45,698	22.57
IDFC - Super Saver Income Fund - Short Term Plan - Growth - (Direct Plan)*	10	1,89,82,320	50.00	2,53,18,824	63.73
IDFC Banking Debt Fund - Direct Plan - Daily - Dividend	10	-	-	2,41,01,755	24.13
IDFC Government Securities Fund - Investment Plan - Growth - (Direct Plan)	10	7,40,09,535	109.85	1,49,96,130	20.94
JPMorgan India Active Bond Fund - Direct Plan - Growth Option	10	1,23,78,173	19.00	-	-
Kotak Flexi Debt Scheme Plan A - Direct Plan - Growth*	10	3,17,99,897	54.15	-	-
Kotak Gilt (Investment Regular) - Direct Plan - Growth	10	1,49,58,439	68.92	1,46,02,561	59.53
Kotak Gilt (Investment Regular) - Direct Plan - Quarterly Dividend	10	-	-	5,43,29,910	63.98
Kotak Mahindra Asset Management Company Limited - Kotak Gold ETF - Open Ended Scheme	1000	4,597	1.11	4,597	1.23
L&T Gilt Fund Direct Plan Quarterly Dividend	10	-	-	91,98,185	11.15
PineBridge India Short Term Fund Direct Growth	1000	-	-	1,22,711	18.13
Reliance Dynamic Bond Fund - Direct Quarterly Dividend Plan	10	-	-	1,45,47,732	14.83
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	10	-	-	1,07,50,994	28.22

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹in crores	No. of Units	₹in crores
Reliance Short Term Fund - Direct Plan - Growth Plan - Growth Option	10	98,16,858	25.80	-	-
Reliance Short Term Fund - Direct Plan - Monthly Dividend Plan	10	-	-	2,48,81,557	26.73
SBI Short Term Debt Fund - Direct Plan - Growth	10	63,92,164	10.25	-	-
SBI Magnum Gilt Fund - Long Term - Direct Plan - Growth	10	4,95,85,897	141.41	1,38,84,709	34.87
SBI Magnum Gilt Fund - Short Term - Direct Plan - Dividend	10	-	-	4,02,01,603	46.68
SBI Magnum Gilt Fund - Short Term - Direct Plan - Growth	10	47,60,298	13.57	-	-
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Daily Dividend Reinvestment	1000	-	-	2,48,449	25.09
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth	1000	-	-	28,820	6.32
SBI Premier Liquid Fund - Direct Plan - Daily Dividend Reinvestment	1000	-	-	92,299	9.26
SBI Short Term Debt Fund - Direct Plan - Weekly Dividend	10	-	-	8,23,61,989	86.77
Tata Short Term Bond Fund Direct Plan Growth	1000	31,86,369	8.25	-	-
UTI Gilt Advantage Fund - Long Term - Direct Plan - Growth	10	1,18,61,592	35.89	-	-
<b>Total Unquoted Investments</b>			<b>1149.58</b>		<b>1051.91</b>
Aggregate amount of Quoted Investments			-		-
Aggregate amount of Unquoted Investments			<b>1149.58</b>		<b>1051.91</b>
			<b>1149.58</b>		<b>1051.91</b>
Aggregate Diminution in Value of Investments considered above			<b>0.68</b>		<b>11.01</b>

**Note :**

\* Mutual Funds aggregating to ₹ 180.95 crores of the above have been placed under lien with Citi Bank N.A for facilities given by bank.

**Note 13 : Inventories**

(Valued at lower of cost and net realisable value)

(₹ in crores)

	Current Year	Previous Year
Fuel Oils	52.83	71.43
	52.83	71.43

**Note 14 : 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	1.93	0.71
- Considered Doubtful	8.55	9.33
Others		
- Considered Good	131.98	42.09
- Considered Doubtful	4.54	5.52
	147.00	57.65
Less : Provision for Doubtful Receivables	13.09	14.85
	133.91	42.80

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

**Note 15 : Cash and Bank Balances**

(₹ in crores)

	Current Year	Previous Year
<b>Cash and Cash Equivalents :</b>		
(a) Balances with Banks in Current Accounts	338.02	337.70
(b) Deposits having maturity of less than 3 months	375.00	-
(c) Cash on Hand	0.02	0.02
	713.04	337.72
<b>Other Bank Balances :</b>		
(a) Deposits having maturity period of more than 3 months but less than 12 months	785.16	1189.92
(b) Balances with Banks - Unclaimed Dividend	6.58	6.92
(c) Balances with Banks committed towards acquisition of ships	-	16.00
(d) Margin Money Deposits (include deposits placed with banks under a lien against facilities given by the banks.)	212.18	204.42
	1003.92	1417.26
	1716.96	1754.98

**Note 16 : Other Current Assets  
(Unsecured - Considered good)**

(₹ in crores)

	Current Year	Previous Year
Interest Accrued	11.57	9.81
	11.57	9.81

**Note 17 : Revenue from Operations**

(₹ in crores)

	Current Year	Previous Year
(a) Revenue from -		
- Freight and Demurrage	1243.71	925.72
- Charter Hire	464.61	524.00
	1708.32	1449.72
(b) Other Operating Revenue	25.76	42.86
	1734.08	1492.58

**Note 18 : Other Income**

(₹ in crores)

	Current Year	Previous Year
(a) Profit on Sale of Ships/Other Assets (Net)	-	9.03
(b) Gain on Foreign Currency Transactions (Net)	56.68	77.25
(c) Dividend -		
- from Subsidiary Companies	63.69	70.78
- from Units in Mutual Funds	28.35	39.93
	92.04	110.71
(d) Interest Income -		
- on Bank Deposits	53.41	40.89
- on Others	1.05	0.02
	54.46	40.91
(e) Profit on Sale of Current Investments / Premium on redemption of preference shares [Net of Diminution in Value of Current Investments ₹ 0.68 crores, (Previous Year ₹ 11.01 crores)]	71.31	49.72
(f) Provision for Doubtful Debts and Advances Written Back (Net)	1.33	-
(g) Miscellaneous Income	2.79	0.05
	278.61	287.67

**Note 19 : Employee Benefit Expenses**

(₹ in crores)

	Current Year	Previous Year
(a) Salaries, Wages and Bonus	218.51	183.23
(b) Contribution to Provident and Other funds	7.37	7.72
(c) Staff Welfare Expenses	15.05	14.84
	240.93	205.79

## Note 20 : Other Expenses

(₹ in crores)

	Current Year	Previous Year
(a) Fuel Oil and Water	453.69	364.40
(b) Port, Light and Canal Dues	112.89	102.96
(c) Stevedoring, Despatch and Cargo Expenses	3.10	5.11
(d) Hire of Chartered Ships	-	11.40
(e) Brokerage and Commission	14.33	12.60
(f) Agency Fees	6.64	6.18
(g) Consumption of Spares and Stores	108.51	107.34
(h) Repairs and Maintenance -		
- Fleet	124.21	87.31
- Building	4.70	1.79
- Others	8.62	6.99
	137.53	96.09
(i) Insurance -		
- Fleet Insurance and Protection Club Fees	30.38	29.94
- Others	1.02	0.95
	31.40	30.89
(j) Loss on Sale of Ships/Other Assets (Net)	2.18	-
(k) Rent	0.09	0.08
(l) Rates and Taxes	0.41	0.75
(m) Bad Debts and Advances Written off	0.76	0.10
(n) Provision for Doubtful Debts and Advances (Net)	-	10.11
(o) Travelling Expenses	26.87	25.13
(p) Payment to Auditor (Refer Note below)	1.13	1.08
(q) Miscellaneous Expenses	31.30	19.40
	930.83	793.62
<b>Note :</b>		
Payment to Auditor as -		
- Auditor	0.75	0.62
- For Taxation Matters	0.22	0.44
- For Other Services	0.16	0.02
- For Reimbursement of Expenses (amount less than ₹ One Lakh)	-	-
	1.13	1.08

**Note 21 : Finance Costs**

(₹ in crores)

	Current Year	Previous Year
Interest	196.02	215.95
Other Borrowing Costs	0.43	0.32
	196.45	216.27
Less : Pre-delivery Finance Costs Capitalised	7.87	3.28
	188.58	212.99

**Note 22 : Basic and Diluted Earnings per Share**

	Current Year	Previous Year
(a) Net Profit After Tax (₹ in crores)	317.30	204.68
(b) Number of Equity Shares		
(i) Basic Earning per Share		
Number of Equity Shares as at the beginning of the year	15,07,77,065	15,23,22,084
Less : Shares bought back	-	15,45,019
Number of Equity Shares as at the end of the year	15,07,77,065	15,07,77,065
Weighted Average Number of Equity Shares	15,07,77,065	15,15,70,512
(ii) Diluted Earning per Share		
Weighted Average Number of Equity Shares	15,07,77,065	15,15,70,512
Add : Rights Shares kept in abeyance	2,94,130	2,94,130
Weighted Average Number of Equity Shares	15,10,71,195	15,18,64,642
(c) Face Value of Equity Share	₹ 10	₹ 10
(d) Earnings per Share		
- Basic	₹ 21.04	₹ 13.50
- Diluted	₹ 21.00	₹ 13.48

**Note 23 : Disclosure pursuant to Accounting Standard (AS) 15, 'Employee Benefits' (Revised)**
**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	2.54	2.77
Contribution to Employees Superannuation Fund	3.14	3.15
Contribution to Employees Pension Scheme 1995	0.45	0.27
Contribution to Employees Gratuity Fund	(0.06)	0.52
Contribution to National Pension Scheme	0.28	-
Contribution to Seamen's Provident Fund	0.41	0.38
Contribution to Seamen's Annuity Fund	0.55	0.58
Contribution to Seamen's Rehabilitation Fund	0.45	0.49
Contribution to Seamen's Gratuity Fund	0.10	0.09



**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 under the Projected Unit Credit method, based on the following assumptions :

Actuarial Assumptions	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	7.80%	8.50%	7.80%	8.50%	7.80%	8.50%
(b) Rate of Return on Plan Assets	-	8.00%	-	-	-	-
(c) Salary Escalation rate	4.00%-6.00%	4.00%-6.00%	-	-	6.00%	6.00%
(d) Mortality	IALM - Ultimate 2006-08	LIC- Ultimate 94-96	LIC- Ultimate 96-98	LIC- Ultimate 96-98	IALM - Ultimate 2006-08	LIC- Ultimate 94-96
(e) Withdrawal rate	0.50%-7.00%	0.50%-7.33%	-	-	1.33%-7.00%	2.00%-7.33%
(f) Expected average remaining service (in years)	21.96	16.55	-	-	8.38	8.12

**(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	15.36	14.17	13.41	13.79	1.53	1.93
Interest Cost	12.36	11.20	1.09	1.09	0.13	0.15
Current Service Cost	2.30	2.10	-	-	1.33	1.14
Benefits Paid	(1.35)	(0.88)	(1.07)	(0.20)	(0.03)	(0.03)
Benefits Transferred in	0.02	0.11	-	-	-	0.01
Benefits Transferred out	-	(0.01)	-	-	-	-
Actuarial (gain)/loss on obligations	(11.49)	(11.33)	9.84	(1.27)	(1.92)	(1.67)
Liability at the end of the year	17.20	15.36	23.27	13.41	1.04	1.53

**(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	17.58	16.97	-	-	-	-
Adjustment to Opening Balance	(5.58)	(4.55)	-	-	-	-
Expected Return on Plan Assets	0.91	0.96	-	-	-	-
Employer's Contribution	-	-	1.07	0.20	0.03	0.03
Benefits Paid	(1.35)	(0.88)	(1.07)	(0.20)	(0.03)	(0.03)
Actuarial gain/(loss) on Plan Assets	7.97	5.08	-	-	-	-
Fair Value of Plan Assets at the end of the year	19.53	17.58	-	-	-	-

**(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	0.85	(0.57)	-	-	0.04	(0.04)
Experience (gain)/loss on obligation	(12.35)	(10.77)	-	-	(1.96)	(1.63)
Actuarial gain/(loss) on Plan Assets	7.97	5.08	-	-	-	-

**(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	0.91	0.96	-	-	-	-
Actuarial gain/(loss) on Plan Assets	7.97	5.08	-	-	-	-
Actual Return on Plan Assets	8.88	6.04	-	-	-	-

**(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	17.20	15.36	23.27	13.41	1.04	1.53
Fair Value of Plan Assets at the end of the year	19.53	17.58	-	-	-	-
Amount not recognised in the Balance Sheet	0.11	-	-	-	-	-
Amount recognised in the Balance Sheet	(2.22)	(2.22)	23.27	13.41	1.04	1.53

**(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	2.30	2.10	-	-	1.33	1.14
Interest Cost	12.36	11.20	1.09	1.09	0.13	0.15
Expected Return on Plan Assets	(0.91)	(0.96)	-	-	-	-
Net Actuarial (gain)/loss to be recognised	(19.46)	(16.41)	9.84	(1.27)	(1.92)	(1.67)
Expenses recognised in Statement of Profit and Loss	(5.71)	(4.07)	10.93	(0.18)	(0.46)	(0.38)

**(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.

**Retirement Benefit Scheme including Pension Plan :**

Under the Company's Retirement Benefit Scheme for the Whole-time Directors, all the eligible 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 or death while in office, in which case, the benefits shall start on his retirement due to such physical disability or death. The benefits are in the form of monthly pension @ 50% of his last drawn monthly salary subject to maximum of ₹ 1.25 crores p.a. (previous year ₹ 0.75 crore 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. Benefits include reimbursement of medical expense for self and spouse, overseas medical treatment upto ₹ 0.50 crore for self/spouse, office space including office facilities in the Company's office premises. Benefits also include use of Company's car including reimbursement of driver's salary and other related expenses during his lifetime and in the event of his demise, his spouse will be entitled to avail the said benefit during her lifetime.

**Leave Encashment :**

All eligible union grade employees had an option to freeze the accumulated leave balance as on June 30, 2008. Such 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.

With effect from April 01, 2012, all eligible non-union employees have an option to freeze their leave accumulation days on 30th June every year and such frozen accumulated leave balance will be encashed as per the basic salary of the June of the relevant year for which leave was frozen at the time of superannuation, death, permanent disablement or resignation.

For all union and non-union grade employees, maximum leave that can be carried forward is 15 days.

The leave over and above 15 days is encashed and paid to employees on June 30th of every year.

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

	Current Year	Previous Year
Government of India securities	6.00%	6.00%
State Government securities	1.00%	1.00%
Bonds	13.00%	12.00%
HDFC Defensive Managed Fund	80.00%	81.00%
Total	100.00%	100.00%

## Note 24 : 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 Accounting Standard (AS) 17, 'Segment Reporting' if a single financial report contains both consolidated financial statements 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 Accounting Standard (AS) 17, 'Segment Reporting' has been given in the consolidated financial statements.

## Note 25 : 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 L.L.C. (FZC) and its subsidiary :

- The Great Eastern Chartering (Singapore) Pte. Ltd., Singapore
- Great Eastern CSR Foundation, India (incorporated on 26/02/2015)

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 (UK) Ltd., UK.
- GGOS Labuan Ltd., Malaysia. (incorporated on 25/06/2014).

#### (b) Other related parties :

##### (i) Key Management Personnel/Directors :

Mr. K. M. Sheth	- Chairman
Mr. Bharat K. Sheth	- Deputy Chairman and Managing Director
Mr. Ravi K. Sheth	- Executive Director (Upto March 31, 2015)
Mr. G. Shivakumar	- Executive Director and CFO
Mr. Tapas Icot	- Executive Director and President - Shipping
Mr. Jayesh Trivedi	- Company Secretary

##### (ii) Relatives of Key Management Personnel/Directors :

Mr. Rahul R. Sheth	- Son of Executive Director
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## (II) Transactions with Related Parties :

(₹ in crores)

Nature of Transaction	Subsidiary Companies		Key Management Personnel & their Relatives		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Services received from</b> - The Greatship (Singapore) Pte. Ltd.	6.84	5.35	-	-	6.84	5.35
<b>Dividend income</b> - Greatship (India) Ltd. ₹ 63.69 crores (Previous Year : ₹ 64.78 crores) - The Greatship (Singapore) Pte. Ltd. ₹ 'NIL' (Previous Year : ₹ 6.00 crores)	63.69	70.78	-	-	63.69	70.78
<b>Services rendered to</b> - Greatship (India) Ltd.	0.25	0.60	-	-	0.25	0.60
<b>Contribution towards CSR</b> - Great Eastern CSR Foundation	2.27	-	-	-	2.27	-
<b>Reimbursement of expenses from</b> - Greatship (India) Ltd.	-	0.53	-	-	-	0.53
<b>Part redemption of preference shares in</b> - Greatship (India) Ltd.	59.31	59.31	-	-	59.31	59.31
<b>Investment in Equity Share Capital</b> - Great Eastern CSR Foundation	0.05	-	-	-	0.05	-
<b>Purchase of fixed assets from</b> - Greatship (India) Ltd.	-	0.17	-	-	-	0.17
<b>Sale of fixed assets to</b> - Greatship (India) Ltd.	-	0.06	-	-	-	0.06
<b>Remuneration</b>						
<b>Non-Executive Chairman</b> - Mr. K. M. Sheth* (Period: 1-Sep-14 to 31-Mar-15)	-	-	5.78	-	5.78	-
<b>Executive Directors</b> - Mr. K. M. Sheth (Executive Chairman Upto 31-Aug-14) ₹ 2.32 crores (Previous Year : ₹ 3.45 crores) - Mr. Bharat K. Sheth* ₹ 12.91 crores (Previous Year : ₹ 6.42 crores) - Mr. Tapas Icot (Period: 12-Aug-14 to 31-Mar-15) ₹ 1.43 crores (Previous Year : ₹ 'NIL') - Mr. G. Shivakumar (Period: 14-Nov-14 to 31-Mar-15) ₹ 0.86 crores (Previous Year : ₹ 'NIL')	-	-	17.52	9.87	17.52	9.87
<b>Key Management Personnel</b> - Mr. G. Shivakumar (Upto 13-Nov-14) ₹ 1.21 crores (Previous Year : ₹ 1.14 crores) - Mr. Jayesh Trivedi ₹ 0.93 crores (Previous Year : ₹ 0.67 crores)	-	-	2.14	1.81	2.14	1.81
<b>Relatives of Key Management Personnel/Directors</b> - Mr. Rahul R. Sheth	-	-	0.05	-	0.05	-
<b>Transfer of liability towards retirement benefits of employees to</b> - Greatship (India) Ltd.	-	0.01	-	-	-	0.01

(₹ in crores)

Nature of Transaction	Subsidiary Companies		Key Management Personnel & their Relatives		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Transfer of liability towards retirement benefits of employees from</b> - Greatship (India) Ltd.	0.02	0.12	-	-	0.02	0.12
<b>Outstanding balance as on 31-03-2015 :</b>						
<b>Receivables</b> - Greatship (India) Ltd.	0.15	0.36	-	-	0.15	0.36
<b>Payables</b> - The Greatship (Singapore) Pte. Ltd. ₹ 1.16 crores (Previous Year : ₹ 0.42 crores) - The Great Eastern Chartering L.L.C. (FZC) ₹ 0.23 crores (Previous Year : ₹ 0.22 crores)	1.39	0.64	-	-	1.39	0.64
<b>Financial Guarantee given</b> - Greatship (India) Ltd.	14.57	97.58	-	-	14.57	97.58
<b>Performance Guarantee given</b> - Greatship (India) Ltd.	-	1523.53	-	-	-	1523.53

**Notes :**

- Dividend payments to Key Management Personnel have not been considered in the above disclosure.
- \*The above includes, provision for retirement pension benefits payable ₹ 9.81 crores (previous year ₹ 0.28 crore) on the basis of actuarial valuation as per the revised Retirement Benefits Scheme approved by the Board of Directors.

**Note 26 : Capital and Other Commitment**

Estimated amount of contracts, net of advances paid thereon amounting to ₹ 214.46 crores (Previous Year ₹ 135.23 crores), remaining to be executed on capital account and not provided for ₹ 911.09 crores (Previous Year ₹ 1103.64 crores).



## Note 27 : Contingent Liabilities

(₹ in crores)

Sr. No.	Particulars	Current Year	Previous Year
<b>Claims against the Company, not acknowledged as debts :</b>			
(a)	Sales Tax demands under BST Act, CST Act and VAT Act against which the Company has preferred appeals.	7.46	7.46
(b)	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
(c)	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
(d)	Demand for Custom Duty disputed by the Company [The Company has given bank guarantees amounting to ₹ 3.63 crores (Previous Year ₹ 3.63 crores) against the said Custom Duty demand which are included under 'Guarantees' below]	7.29	7.29
(e)	Service Tax Demands disputed by the Company	4.75	4.75
(f)	Income Tax Demands for various Assessment Years disputed by the Company	3.02	5.47
(g)	Demand for wharfage charges against which Company has tendered a Bank Guarantee. Stay obtained under a Writ Petition filed against Chennai Port Trust for restraining encashment of Bank Guarantee.	0.99	-
<b>Guarantees :</b>			
(a)	Guarantees given by banks counter guaranteed by the Company.	79.65	75.20
(b)	Guarantees given to banks on behalf of subsidiaries.	14.57	97.58

## Note 28 : 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 foreign exchange forward contracts, currency and interest rate swaps and options for trading or speculation purposes.

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

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

# 1 Derivative Instruments/Forward Contracts 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	4	-	2	-
No. of units in MT under above contracts	12000	-	7500	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(0.13)	-	0.41	-
Maturity Period	Upto 1 Year	-	Upto 1 Year	-

### (b) Interest Rate Swap Contracts :

Details	Current Year	Previous Year
Total No. of contracts outstanding	5	7
Principal Notional Amount (USD in million)	47.568	95.260
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(3.37)	(17.74)
Maturity Period	Upto 4 Years	Upto 5 Years

### (c) Interest portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		3	3
Principal Notional Amount (JPY in million)	JPY/USD	4890.307	6587.291
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(9.40)	(21.46)
Maturity Period		Upto 3 Years	Upto 4 Years

### (d) Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		13	13
Principal Notional Amount (₹ in crores)	INR/USD	1700.00	1700.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(904.89)	(872.65)
Maturity Period		Upto 8 Years	Upto 9 Years

## ii) Fair Value Hedges :

## (a) Forward Exchange Option Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	1	-	8
Foreign Currency Value (USD in million)	-	12.000	-	81.000
Gain/(loss) recognised in the Statement of Profit and Loss during the year (₹ in crores)	-	(0.18)	-	0.36
Maturity Period	-	Upto 1 Year	-	Upto 1 Year

## iii) (a) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	12	-	-
Foreign Currency Value (USD in million)	-	60.000	-	-
Maturity Period	-	Upto 1 Year	-	-

## (b) Spot Currency Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	1	-
Foreign Currency Value (USD in million)	-	-	2.043	-
Maturity Period	-	-	Upto 1 Month	-

## (c) Principal portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		3	3
Principal Notional Amount (JPY in million)	JPY/USD	4890.307	6587.291
Maturity Period		Upto 3 Years	Upto 4 Years

The derivative/forward contracts mentioned under (i) Cash Flow Hedges above, 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 hedged instruments that qualify as effective cash flow hedges. The mark-to-market loss / (gain) on these foreign exchange derivative/forward contracts outstanding as on March 31, 2015, amounting to loss of ₹ 917.79 crores (Previous Year : loss of ₹ 911.44 crores) has been recorded in the Hedging Reserve.

The interest rate swaps are entered into to hedge floating quarterly and half yearly interest payments on borrowings. Fair value gains and losses on the interest rate swaps recognised in Hedging Reserve are transferred to the Statement of Profit and Loss as part of interest expense over the period of borrowings.

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

The derivative contracts mentioned under (ii) Fair Value Hedges above, having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions, have been designated as hedged instruments that qualify as effective fair value hedges. The mark-to-market loss / (gain) on these foreign exchange derivative contracts outstanding as on March 31, 2015 amounting to loss of ₹ 0.18 crores (Previous Year : gain of ₹ 0.36 crores) has been recorded in the Statement of Profit and Loss.

## 2 Un-hedged Foreign Currency Exposures as on March 31, 2015 :

Details	Currency	Current Year	Previous Year
		in millions	in millions
Loan Liabilities and Payables	AED	0.646	1.509
	AUD	0.007	0.001
	CAD	-	0.005
	CHF	0.001	0.024
	DKK	0.734	0.710
	EUR	0.369	0.798
	GBP	0.047	0.028
	JPY	54.443	54.369
	NOK	0.477	0.385
	SEK	0.004	0.004
	SGD	3.313	1.352
	USD	607.493	655.809

Details	Currency	Current Year	Previous Year
		in millions	in millions
Receivables	AED	0.088	0.207
	EUR	0.928	0.694
	GBP	0.042	0.005
	JPY	6.208	1.867
	NOK	0.249	0.018
	SGD	0.534	0.062
	USD	13.847	12.085
Bank Balances	AED	0.406	0.880
	DKK	0.070	0.127
	EUR	0.269	0.104
	GBP	0.081	0.086
	NOK	0.243	0.108
	SGD	0.153	0.037
	USD	177.720	172.421

**Note 29**

- (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 Schedule III to the Companies Act, 2013.

	(₹ in crores)	
	Current Year	Previous Year
(b) <b>Expenditure in Foreign Currency :</b>		
Fuel	360.08	334.42
Stores and Spares	93.05	70.25
Repairs and Maintenance	105.71	74.79
Other Operating Expenses	206.35	200.19
Finance Costs	185.29	209.04
(c) <b>Earnings in Foreign Exchange :</b>		
Freight and Charter Hire	909.56	782.79
Profit on Sale of ships	-	8.79
Interest and Dividends	24.45	24.40
Other Operating Income	4.44	30.89
Other Income	0.32	0.01
(d) The Company has not remitted any amount in foreign currencies on account of dividend during the year.		

**Note 30 : Particulars of loans, guarantees and investments covered under Section 186 of the Companies Act, 2013.**

- (a) No loans have been given to subsidiaries during the year.
- (b) The particulars of the Company's investments in wholly owned subsidiaries are disclosed in Note 10.
- (c) The Company has also provided corporate guarantees to the lender banks of the subsidiaries for availing term loans for acquisition of assets.

**Note 31 : Corporate Social Responsibility (CSR)**

Consequent to the requirement of Section 135 of the Companies Act, 2013, the Company has set up the Great Eastern CSR Foundation with an initial corpus of ₹ 5 Lakhs, 99.99% of which is contributed by the Company and 0.01% has been contributed by its wholly owned subsidiary, Greatship (India) Limited.

The areas of CSR activities to be undertaken by the Foundation are :

- (a) Promoting education and knowledge enhancement, including but not limited to :
  - (i) Establishment and management of educational and knowledge enhancement infrastructure.
  - (ii) Provision of financial or other assistance to the needy and/or deserving students.
  - (iii) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.
  - (iv) Contribution to technology incubators located within academic institutions which are approved by the Central Government.
- (b) Eradicating hunger, poverty and malnutrition.
- (c) Promoting health care and sanitation.

The Company has contributed ₹ 2.27 crores to the Great Eastern CSR Foundation during the financial year, included in Miscellaneous Expenses (Refer Note 20).

**Note 32 : General**

Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.



## STATEMENT PERTAINING TO SUBSIDIARIES

## Form AOC -I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]  
STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/JOINT VENTURES  
Part 'A' : Subsidiaries

1.	Name of the subsidiary	The Great Eastern Shipping Co. (London) Ltd.	Greastship (Singapore) Pte. Ltd	Great Eastern Chartering L.L.C (FZC)	The Great Eastern Chartering (Singapore) Pte. Ltd.	Great Eastern CSR Foundation	Greastship (India) Limited	Greastship Global Holdings Ltd.	Greastship Global Offshore Services Pte. Ltd.	Greastship Global Energy Services Pte. Ltd.	Greastship (UK) Limited	GGOS Labuan Ltd.*
2.	Reporting period	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015
3.	Reporting currency	USD	SGD	USD	USD	INR	INR	USD	USD	USD	USD	USD
4.	Exchange Rate as on 31.03.2015	₹ 62.50	₹ 45.54	₹ 62.50	₹ 62.50	₹ 1	₹ 1	₹ 62.50	₹ 62.50	₹ 62.50	₹ 62.50	₹ 62.50
5.	Share capital	1.89	2.28	0.26	12.50	0.05	230.97	1388.76	444.13	1056.03	3.13	-
6.	Reserves & surplus	5.28	1.69	121.26	(8.40)	5.97	2024.63	(0.15)	232.73	1068.10	3.57	-
7.	Total assets	7.17	4.76	133.85	4.15	6.03	3555.28	1390.27	975.72	4344.13	56.10	-
8.	Total Liabilities	-	0.79	12.34	0.05	0.01	1299.68	1.66	298.86	2220.00	49.41	-
9.	Investments	-	-	4.10	-	-	100.40	-	-	-	-	-
10.	Turnover	0.06	7.02	111.74	-	6.33	1332.94	2.80	276.21	429.97	140.01	-
11.	Profit/(loss) before taxation	(0.24)	0.78	(14.01)	(7.59)	5.97	205.96	(0.18)	117.24	222.91	9.57	-
12.	Provision for taxation	-	0.07	-	-	-	30.08	-	1.92	(0.06)	1.97	-
13.	Profit after taxation	(0.24)	0.71	(14.01)	(7.59)	5.97	175.88	(0.18)	115.32	222.97	7.61	-
14.	Proposed dividend	-	-	-	-	-	82.05	-	-	-	-	-
15.	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

## Notes :

- a) \*GGOS Labuan Ltd. is yet to commence operations as on the date of this statement.  
b) Figures include foreign currency translation adjustment.

## Part 'B' : Not Applicable

For and on behalf of the Board

**K. M. Sheth**  
Chairman

**Bharat K. Sheth**  
Deputy Chairman & Managing Director

**Cyrus Guzder**  
Director

**Jayesh M. Trivedi**  
Company Secretary

**G. Shivakumar**  
Executive Director & CFO







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## AUDITOR'S REPORT

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT EASTERN SHIPPING COMPANY LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act"), that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2015, their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements/financial information of five subsidiaries whose financial statements/financial information reflect total assets of ₹ 5500.49 crores as at March 31, 2015, total revenues of ₹ 935.98 crores and net cash flows amounting to ₹ 109.75 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and its subsidiary company incorporated in India, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the separate financial statements of certain subsidiaries, as noted in the Other Matters paragraph above, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.



- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2015, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on March 31, 2015, from being appointed as a Director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the separate financial statements of certain subsidiaries, as noted in the Other Matters paragraph above :
  - i) The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 30 to the Consolidated Financial Statements.
  - ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable laws or Accounting Standards for material foreseeable losses, if any, on long term contracts, including derivative contracts. Refer Notes 1(q) and 31 to the Consolidated Financial Statements.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements in our Independent Auditors Report to the Members of the Company on the Consolidated Financial Statements for the year ended March 31, 2015 :

### 1. Fixed Assets :

- a) The Holding Company and its subsidiary company incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Holding Company and its subsidiary company incorporated in India have a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Holding Company and its subsidiary company incorporated in India and the nature of its assets. The discrepancies if any, noticed on such verification were not material and have been properly dealt with in the books of account.

### 2. Inventory :

- a) The Management of the Holding Company and its subsidiary company incorporated in India has conducted physical verification of inventory at reasonable intervals.
  - b) The procedures of physical verification of inventories followed by the Management of the Holding Company and its subsidiary company incorporated in India are reasonable and adequate in relation to their size and the nature of their respective businesses.
  - c) The Holding Company and its subsidiary company incorporated in India are maintaining proper records of inventory. The discrepancies noticed on physical verification were not material in relation to their operations and the same have been properly dealt with in their respective books of account.
3. The Holding Company and its subsidiary company incorporated in India have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act. Therefore, the provisions of sub-clause (a) and (b) of paragraph 3 (iii) of the Order are not applicable.
  4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Holding Company and its subsidiary company incorporated in India and the nature of their businesses, for the purchases of inventory, fixed assets and for the sale of goods and services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control systems.
  5. In our opinion and according to the information and explanations given to us, the Holding Company and its subsidiary company incorporated in India have not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder. 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.
  6. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of Section 148 of the Companies Act, in respect of any of the activities of the Holding Company or its subsidiary company incorporated in India.

### 7. Statutory Dues :

- a) According to the information and explanations given to us and on the basis of the records examined by us, the Holding Company and its subsidiary company incorporated in India are generally regular in depositing undisputed statutory dues, including dues pertaining to 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 the Holding Company's activities. The Holding 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 explanation given to us and on the basis of the records examined by us, there are no dues of Income-tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Value Added Tax or Cess outstanding on account of any dispute, other than the following in respect of the Holding Company and its subsidiary company incorporated in India :

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
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	
		3.86	1998-99	The Sales Tax Appellate Tribunal
		0.70		
		1.00	2001-02	The Commissioner of Sales Tax (Appeal)
The Central Sales Tax Act, 1956	Sales Tax	0.80	1998-99	The Sales Tax Appellate Tribunal
The Maharashtra VAT Act, 2005	Sales Tax	83.51	2008-09	Deputy Commissioner
		0.00*	2009-10	Sales Tax Officer
		0.00*	2010-11	
The Maharashtra Land Revenue Code, 1966	Transfer charges for office premises under a 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
The Central Excise and Customs Act, 1962	Service Tax	4.75	2005-06	Commissioner of Service Tax
		0.22	2007-08	Pending adjudication
		138.13	2008-09 to 2012-13	Pending adjudication
		35.61	2007-08 to 2012-13	Pending adjudication
		21.94	2009-10	High Court, Mumbai
		58.21	2013-14	Show Cause cum Demand notice received
		51.95	2013-14	Show Cause cum Demand notice received
Customs Act, 1962	Custom Duty regarding vessels at different ports	0.04	2009-10	Commissioner of Customs (Appeals), Jamnagar
		0.44	2010-11	CESTAT, Ahmedabad
		0.07	2011-12	
		14.55	2010-11	Show Cause notice received
		0.02	2011-12	Commissioner of Customs (Appeals), Bhubaneswar
		5.56	2012-13	The High Court at Ahmedabad, Chennai and Bhubaneswar
		0.37	2012-13	Commissioner of Customs (Appeals), Jamnagar
		0.01	2013-14	Commissioner of Customs (Appeals), Kolkata
		0.79	2013-14	Commissioner of Customs (Appeals), Paradip
		1.10	2009-10 to 2014-15	Various Forums

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
The Major Port Trusts Act, 1963	Wharfage Charges	0.99	2014-15	The High Court of Judicature at Madras
The Income-tax Act, 1961	Income-tax	7.75	2009-10	Income Tax Appellate Tribunal
		11.75	2010-11	Dispute Resolution Panel
		0.01	2005-06	Income Tax Appellate Tribunal, Mumbai
		0.64	2007-08	Income Tax Appellate Tribunal, Mumbai
		3.97	2008-09	Income Tax Appellate Tribunal, Mumbai
		2.58	2009-10	Income Tax Appellate Tribunal, Mumbai

\*Amounts less than ₹ 0.01 crore

- c) According to the information and explanations given to us and on the basis of the records examined by us, the amount required to be transferred to the Investor Education and Protection Fund, if any, in accordance with relevant provisions of the Companies Act, 1956 (I of 1956) and the Rules made thereunder has been transferred to such fund within time.
8. The Holding Company and its subsidiary company incorporated in India do not have accumulated losses as at the end of the financial year, nor have they incurred cash losses in the current financial year or in the immediately preceding financial year.
9. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default by the Holding Company and its subsidiary company incorporated in India in repayment of dues to banks, financial institutions or debenture holders.
10. According to the information and explanations given to us on the basis of the records examined by us, the terms and conditions of guarantees given by the Holding Company for loans taken by its subsidiary from banks are not prima facie prejudicial to the interest of the Holding Company. The subsidiary company incorporated in India has not given any guarantee for loans taken by others from banks or financial institutions.
11. According to the information and explanations given and the records examined by us, the term loans obtained by the Holding Company and its subsidiary company incorporated in India, were applied for the purpose for which the loans were obtained.
12. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given by the Management, no fraud on, or by the Holding Company or its subsidiary company incorporated in India, has been noticed or reported during the year.

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2015.

(₹ in crores)

Particulars	Note No.	Current Year	Previous Year
<b>EQUITY AND LIABILITIES :</b>			
<b>I. Shareholders' Funds :</b>			
(a) Share Capital	5	150.78	150.78
(b) Reserves and Surplus	6	7279.84	6622.07
		7430.62	6772.85
<b>II. Non-Current Liabilities :</b>			
(a) Long-Term Borrowings	7	5462.62	4975.98
(b) Long-Term Provisions	8	33.38	29.21
		5496.00	5005.19
<b>III. Current Liabilities :</b>			
(a) Trade Payables	9	215.45	210.03
(b) Other Current Liabilities	10	1293.76	1328.75
(c) Short-Term Provisions	8	1099.32	1059.91
		2608.53	2598.69
<b>TOTAL</b>		<b>15535.15</b>	<b>14376.73</b>
<b>ASSETS :</b>			
<b>I. Non-Current Assets :</b>			
(a) Fixed Assets	11		
(i) Tangible Assets		10887.19	9840.58
(ii) Intangible Assets		1.07	1.60
(iii) Capital Work-in-progress		226.63	358.24
		11114.89	10200.42
(b) Non-Current Investments	12	-	30.00
(c) Deferred Tax Assets (Net)	13	0.90	1.95
(d) Long-Term Loans and Advances	14	32.63	26.02
(e) Other Non-Current Assets	15	132.23	109.45
		11280.65	10367.84
<b>II. Current Assets :</b>			
(a) Current Investments	16	1249.98	1111.55
(b) Inventories	17	140.08	139.68
(c) Trade Receivables	18	334.62	274.97
(d) Cash and Bank Balances	19	2380.15	2322.82
(e) Short-Term Loans and Advances	14	129.49	143.17
(f) Other Current Assets	15	20.18	16.70
		4254.50	4008.89
<b>TOTAL</b>		<b>15535.15</b>	<b>14376.73</b>
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 **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

**Jayesh M. Trivedi**  
Company Secretary

**G. Shivakumar**  
Executive Director & CFO

**K. M. Sheth**  
Chairman

**Bharat K. Sheth**  
Deputy Chairman & Managing Director

**Cyrus Guzder**  
Director

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015.

(₹ in crores)

Particulars	Note No.	Current Year	Previous Year
<b>Income :</b>			
I. Revenue from Operations	20	3438.03	3091.86
II. Other Income	21	275.50	241.54
III. Total Revenue (I + II)		3713.53	3333.40
<b>IV. Expenses :</b>			
Employee Benefit Expenses	22	557.85	506.86
Other Expenses	23	1446.94	1153.19
<b>Total Expenses</b>		<b>2004.79</b>	<b>1660.05</b>
<b>V. Earnings Before Depreciation, Impairment Loss, Finance Costs and Tax (III - IV)</b>		<b>1708.74</b>	<b>1673.35</b>
VI. Depreciation		610.03	658.03
VII. Impairment		-	7.28
VIII. Finance Costs	24	300.58	374.89
<b>IX. Profit Before Tax (V - VI - VII - VIII)</b>		<b>798.13</b>	<b>633.15</b>
<b>X. Tax Expenses :</b>			
- Current Tax		57.82	54.52
- Deferred Tax		1.07	(0.77)
- Tax for Prior Years		-	5.45
- MAT Credit Utilised		(9.00)	-
		49.89	59.20
<b>XI. Profit for the year (IX - X)</b>		<b>748.24</b>	<b>573.95</b>
<b>XII. Earnings per Equity Share :</b>	25		
(Face value per share ₹ 10)			
- Basic		₹ 49.63	₹ 37.87
- Diluted		₹ 49.53	₹ 37.79
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements

As per our Report attached hereto

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W  
**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

**Jayesh M. Trivedi**  
Company Secretary

**G. Shivakumar**  
Executive Director & CFO

For and on behalf of the Board

**K. M. Sheth**  
Chairman

**Bharat K. Sheth**  
Deputy Chairman & Managing Director

**Cyrus Guzder**  
Director

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2015.

(₹ in crores)

	Current Year	Previous Year
<b>A. Cash Flow From Operating Activities</b>		
Net Profit Before Tax :	798.13	633.15
Adjustments For :		
Depreciation	610.03	658.03
Impairment	-	7.28
Interest Earned	(60.33)	(48.32)
Interest and Finance Charges	300.58	378.79
Dividend Income	(29.50)	(40.98)
Diminution in Value of Investments	0.68	11.01
Profit on Sale of Investments (Net)	(56.28)	(45.40)
Profit on Sale of Ships and Other Assets (Net)	(19.40)	(10.75)
Bad Debts/Advances Written Off	18.58	0.10
Provision/(Reversal of Provision) for Doubtful Debts and Advances (Net)	(15.42)	10.97
Provision for Incharter Hire Contracts Written Back	-	(0.15)
Equity Shares Buy Back Expenses	-	0.98
Excess provision of expenses written back	(0.49)	-
Realised loss on future trades	3.66	-
Provision for impairment losses on future trades	3.58	-
Revaluation of Foreign Currency Balances	(51.99)	(114.14)
Operating Profit Before Working Capital Changes	1501.83	1440.57
Adjustments For :		
(Increase)/Decrease in Trade & Other Receivables	(71.20)	(64.27)
(Increase)/Decrease in Inventories	(0.32)	(6.58)
Increase/(Decrease) in Trade and Other Payables	81.46	57.39
Cash Generated From Operations	1511.77	1427.11
Adjustments For :		
Direct Taxes Paid	(63.19)	(69.52)
<b>Net Cash From Operating Activities</b>	<b>1448.58</b>	<b>1357.59</b>
<b>B. Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets	(1550.63)	(622.79)
Sale Proceeds of Fixed Assets	315.51	136.21
Purchase of Current Investments	(3308.94)	(3653.66)
Sale of Current Investments	3220.51	4567.54
Withdrawal / (Placement) of Deposits (Net)	430.25	(843.98)
Disposal of Long-Term Investments	30.00	-
Placement of Deposits with Bank towards acquisition of ships	-	(16.00)
Interest Received	55.23	43.55
Dividend Received	29.50	40.98
<b>Net Cash From/(Used in) Investing Activities</b>	<b>(778.57)</b>	<b>(348.15)</b>



(₹ in crores)

	Current Year	Previous Year
<b>C. Cash Flow From Financing Activities</b>		
Buy back of equity share capital	-	(41.26)
Equity Share Buy back Expenses	-	(0.98)
Proceeds from Long-Term Borrowings	2089.00	250.21
Repayments of Long-Term Borrowings	(1848.68)	(1391.77)
Dividend Paid	(135.36)	(128.59)
Dividend Distribution Tax Paid	(23.06)	(13.53)
Interest and Finance Charges Paid	(310.18)	(371.16)
<b>Net Cash From/(Used In) in Financing Activities</b>	<b>(228.28)</b>	<b>(1697.08)</b>
<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>441.73</b>	<b>(687.64)</b>
<b>Cash and Cash Equivalents as at April 01, 2014</b>	<b>651.92</b>	<b>1339.56</b>
<b>Cash and Cash Equivalents as at March 31, 2015</b>	<b>1093.65</b>	<b>651.92</b>

Note :	As at Mar 31,2015	As at Mar 31,2014
<b>Cash and Cash Equivalents</b>		
Cash and Cash Equivalents (Refer Note 18)	1342.35	838.21
Revaluation of Foreign Currency Balances [(Gain) / Loss]	(248.70)	(186.29)
<b>Cash and Cash Equivalents as restated</b>	<b>1093.65</b>	<b>651.92</b>

As per our Report attached hereto

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 7, 2015.

**Jayesh M. Trivedi**  
Company Secretary

**G. Shivakumar**  
Executive Director & CFO

For and on behalf of the Board

**K. M. Sheth**  
Chairman

**Bharat K. Sheth**  
Deputy Chairman & Managing Director

**Cyrus Guzder**  
Director

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2015

### Note 1 : Significant Accounting Policies

#### (a) Basis of Preparation :

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis to comply in all material aspects with Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the provisions of the Companies Act, 2013.

All assets and liabilities have been classified as Current and Non-Current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of services rendered and the time between the rendering of the services and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve months for the purpose of Current and Non-Current classification of assets and liabilities.

#### (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, if any. Cost includes expenses related to acquisition and installation of the concerned assets, borrowing costs during construction period and excludes any duties/taxes recoverable and capital subsidy/grant received. 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. Exchange differences on repayment and year end translation of foreign currency liabilities and fair value gains or losses on qualifying cash flow hedges that are transferred from Hedging Reserve relating to acquisition of depreciable capital asset are adjusted to the carrying cost of the assets.

#### (d) Intangible Fixed Assets :

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

#### (e) Investments :

- (i) Investments are classified into Current and Non-Current Investments.
- (ii) Investments intended to be held for a period less than twelve months or those maturing within twelve months from the Balance Sheet date are classified as 'Current Investments'. Investments which are classified as Current Investments are stated at lower of cost and net realisable value and the resultant decline, if any, is charged to the Statement of Profit and Loss.
- (iii) Investments other than Current Investments are classified as 'Non-Current Investments'. Non-Current Investments are carried at cost. Provision for diminution, if any, in the value of each Non-Current Investment is made to recognise a decline, other than of a temporary nature.

**(f) Inventories :**

Inventories of fuel oil on vessels and stores & spares on rigs are carried at lower of cost and net realisable value. Cost is ascertained on first-in-first out basis for fuel oil and on weighted average basis for stores & spares on rigs. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

**(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 costs include interest and ancillary cost incurred in connection with the arrangement of borrowings. 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 except for transaction costs which are amortised over the period of the loan.

**(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 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.

**(j) Operating Expenses :**

- (i) Fleet direct operating expenses are charged to the Statement of Profit and Loss on completed voyage basis.
- (ii) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss. Spares on board Rigs are charged to the Statement of Profit and Loss 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.
- (iv) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on completed voyage basis. In case, the vessel is not fixed for next voyage as on the period-end date, the consumption cost is charged to the Statement of Profit and Loss as period cost from the date of previous voyage till the period-end date. If the vessel is fixed for next voyage by the period-end date, the bunker consumption cost for the period from the date of previous voyage till the period-end date is carried forward as incomplete voyage expense as per the accounting policy on "Incomplete Voyages".
- (v) Dry-dock expenditure is recognised in the Statement of Profit and Loss to the extent of material supplied and services rendered in case of non yard expenses. Yard material and service expenses are recognised in the Statement of Profit and Loss on completion of Dry-dock.

## (k) Leases :

### (i) Finance lease :

Lease of assets where the Company assumes substantially the risk and rewards of ownership 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.

Gain/(loss) arising from sale and finance leaseback of the vessel is determined based on fair values. Sale proceeds in excess of fair values and the 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 are classified as operating leases.

Rentals payables under operating leases are charged to Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

## (l) Employee Benefits :

### (i) Short-Term Employee Benefits :

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

### (ii) Post Employment 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.

#### a) Defined Contribution Plan

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

#### b) Defined Benefit Plan

Retirement benefits in the form of Gratuity 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.

#### c) 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/loss, comprising of experience adjustments and the effects of changes in actuarial assumptions is 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 ICAI. The intrinsic value of the option is recognised as employee compensation with a credit to employee stock option outstanding account. The employee compensation is charged to the Statement of Profit and Loss over the vesting period of the option.

**(n) Depreciation :**

- (i) Depreciation is provided on Straight Line Method basis so as to write off the original cost of the asset less its estimated residual value over the estimated useful life or at the estimated useful life as prescribed under the Schedule II to the Companies Act, 2013, whichever is lower. The basis for charging depreciation and the estimated useful life of the assets is as under:

Asset Type	Estimated Useful life
<b>Tangible Assets :</b>	
Fleet	
- Crude Oil and Product Tankers	20 years
- Dry Bulk Carriers*	23 years
- Gas Carriers	30 years
- Speed Boats	13 years
- Offshore Supply Vessels	20 years
Modern Rig	30 years
Leasehold Land	Lease period
Ownership Flats and Buildings	60 years
Leasehold Improvements	5 years
Furniture & Fixtures, Office Equipment, etc.*	5 years
Computers	
- Servers and Networks	6 years
- End User Devices	3 years
Vehicles*	4 years
Mobiles*	2 years
Plant & Equipment*	3 to 10 years
<b>Intangible Assets :</b>	
Software	5 years

- (ii) Estimated useful life of the Fleet and Ownership Flats and Buildings is considered from the year of build. Estimated useful life in case of all other assets is considered from the date of acquisition by the Company.

- (iii) Residual value in case of Fleet is estimated initially as amount equal to product of long tonnes and estimated scrap value per long tonne based on previous ten years moving average of scrap rates. In case of other assets the residual value, being negligible has been considered as Nil.
- (iv) Residual value in case of Offshore Supply Vessels is estimated on the basis of Light displacement weight (LDT) of the vessels and the prevailing average rate for steel scrap.
- (v) The residual value in case of rigs has been estimated at 5% of the cost of rig.
- (vi) \*For these class of assets, based on internal technical assessment and past experience, the management believes that the useful lives as given above, best represents the period over which the management expects the use of the assets. Hence, the useful lives for the assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

**(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. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

**(p) Foreign Exchange Transactions :**

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Non monetary items, which are measured in terms of historical costs denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the 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 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. Exchange differences arising on a monetary item that, in substance, forms part of the Company's net investment in a non integral foreign operation are accumulated in Foreign Currency Translation Reserve until the disposal of net investment. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the Statement of Profit 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 :**

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 marked to market. 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 Accountants of India. The gains or losses on designated hedging instruments that qualify as effective hedges are recorded in the Hedging Reserve and are recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects 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 hedge transactions are immediately recognised in the Statement of Profit and Loss. When a forecasted transaction is no longer expected to occur the gains or losses that were previously recognised in the Hedging Reserve are transferred to the Statement of Profit and Loss immediately.

**Fair Value Hedge :**

Foreign exchange forward and option contracts outstanding at the Balance Sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the Statement of Profit and Loss.

**(r) Taxation :**

Tax expense comprises both current and deferred tax.

- (i) Current income tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws enacted or substantially enacted as at the Balance Sheet date. 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. Foreign tax is recognised on accrual basis in accordance with the respective laws.

- (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-tonnage 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.

**(t) Earnings per share :**

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

**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.

In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.

**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, 2015.

**Note 4 :**

The subsidiary companies considered in these consolidated financial statements are :

Sr. No.	Name of the Company	Country of Incorporation	Ownership in % either directly or through Subsidiaries	
			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%
3a.	The Great Eastern Chartering (Singapore) Pte. Ltd. [wholly owned subsidiary of The Great Eastern Chartering L.L.C. (FZC)]	Singapore	100%	100%
4.	Greatship (India) Ltd.	India	100%	100%
4a.	Greatship Global Holdings Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Mauritius	100%	100%
	i) Greatship Global Energy Services Pte. Ltd. (subsidiary of Greatship Global Holdings Ltd. (89.31%) and Greatship (India) Ltd (10.69%))	Singapore	100%	100%
	ii) Greatship Global Offshore Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Holdings Ltd.)	Singapore	100%	100%
	1. GGOS Labuan Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd.) (incorporated 25/06/2014)	Malaysia	100%	-
4b.	Greatship (UK) Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	U.K.	100%	100%
5.	Great Eastern CSR Foundation (incorporated on 26/02/2015)	India	100%	-

**Note 5 : Share Capital**

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
<b>Authorised :</b>				
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
<b>Issued :</b>				
Equity Shares of ₹10 each	15,11,63,426	151.16	15,11,63,426	151.16
	15,11,63,426	151.16	15,11,63,426	151.16
<b>Subscribed and Fully Paid :</b>				
Equity Shares of ₹10 each	15,07,77,065	150.78	15,07,77,065	150.78
Add : Forfeited Shares (Amount : ₹30,358, Previous Year amount : ₹30,358)	2,518	-	2,518	-
	15,07,79,583	150.78	15,07,79,583	150.78

**Reconciliation of the shares outstanding at the beginning and at the end of the financial year :**

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
<b>Equity Shares :</b>				
<b>Issued :</b>				
Balance as per the last financial statement	15,11,63,426	151.16	15,27,08,445	152.70
Less : Shares bought back [Refer Note (b) below]	-	-	15,45,019	1.54
Closing balance	15,11,63,426	151.16	15,11,63,426	151.16
<b>Subscribed and Fully Paid :</b>				
Balance as per the last financial statement	15,07,77,065	150.78	15,23,22,084	152.32
Less : Shares bought back	-	-	15,45,019	1.54
Closing balance	15,07,77,065	150.78	15,07,77,065	150.78

**(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, 2015, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 11.00 (Previous Year ₹ 9.00 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) Pursuant to the approval of the Board of Directors for buyback of equity shares during the previous year, the Company has bought back 15,45,019 equity shares of ₹ 10 each at an average price of ₹ 267.14 per share aggregating to ₹ 41.26 crores and the same have been extinguished.**
**(c) Details of Shareholders holding more than 5% equity shares in the Holding Company :**

	As on 31/03/15		As on 31/03/14	
	Nos.	% holding	Nos.	% holding
Equity Shares of ₹ 10 each fully paid				
Mr. Bharat Kanaiyalal Sheth	1,63,28,490	10.83%	1,63,37,490	10.84%
Mr. Ravi Kanaiyalal Sheth	1,43,62,504	9.53%	1,43,62,504	9.53%
Nalanda India Equity Fund Limited	1,05,24,139	6.98%	1,05,24,139	6.98%

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

- No shares were allotted pursuant to contracts without payment being received in cash.
- No bonus shares have been issued.
- 15,45,019 equity shares have been bought back during the financial year 2013-14.

**(e) There are no securities convertible into equity/preference shares.**

(f) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,53,522 (Previous Year 2,53,522) rights equity shares of the Company have been kept in abeyance in accordance with Section 126(b) of the Companies Act, 2013, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. Additional 40,608 (Previous Year 40,608) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

(g) Employee Stock Option Scheme :

The employee stock options of Greatship (India) Limited (GIL) were granted under five different Employee Stock Option Schemes ('Scheme/s') to the employees of GIL, the Holding Company and the subsidiaries. ESOP 2008 - I Scheme was closed in the year 2012 with the encashment of all the options under the scheme. All the ESOPs are in respect of GIL's shares where each stock option is equivalent to one equity share.

As per the Encashment Scheme approved in the year 2012, the option grantees under all Schemes would be given an opportunity to encash all or part of their vested options (net of encashed) as on March 31, 2015. Accordingly, the Board of Directors have at their meeting held on April 27, 2015 approved the said encashment proposal. If there is no IPO by March 31, 2018, similar window would be opened to encash the remaining stock options (there would be no unvested stock options at that time),

During the year under review, no grant of stock options were made under any of the Employee Stock Option Schemes ('Scheme/s') to the employees of the GIL, the Holding Company and the subsidiaries, in line with the GIL's decision not to make any further grants under the existing Schemes. A total of 14,280 options were forfeited and 18,260 options were exercised, during the year under review on resignation of employees, making the total options outstanding as on March 31, 2015 to 811,880.

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 - II	ESOP 2010
1.	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09 18/03/10 30/04/10	23/09/10 30/04/11 24/10/11 27/04/12
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	18/03/10
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	23/04/10
4.	Options approved*	10,00,000	2,00,000	17,10,000	10,28,900
5.	Options outstanding at the beginning of the year	96,420	25,600	4,23,300	2,99,100
6.	Options granted during the year	-	-	-	-

SR. NO.	PARTICULARS	ESOP 2007	ESOP 2007 - II	ESOP 2008 - II	ESOP 2010
7.	Options cancelled/forfeited during the year	-	-	5,000	9,280
8.	Options exercised during the year	8,260 *	-	10,000 *	
9.	Options encashed during the year	-	-	-	-
10.	Options outstanding at the end of the year	88,160	25,600	4,08,300	2,89,820
11.	Exercise Price/Weighted Average Exercise Price	100	100	135	135
12.	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
13.	Exercisable at end of the year	-	-	-	-
14.	Method of Settlement	Equity/Cash	Equity	Equity/Cash	Equity
15.	Vesting period from the date of grant	20% equally over a period of five years	One year	20% equally over a period of five years	20% equally over a period of five years
16.	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 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, 18,260 stock options were settled by payment of cash in accordance with the Scheme.

The Employee Stock Option Schemes had been accounted on the intrinsic value method upto the year ended March 31,2015. The compensation expense amount which is the difference between the exercise price of the option and the intrinsic value of the shares was amortised over the vesting period. Pursuant to the encashment scheme for Employee Stock Options (ESOPs) introduced by GIL during the year 2012, 7,65,940 options were encashed at the fair value determined under the Scheme. Since the



encashment scheme approved in the year 2012 provided for another window to be opened to allow encashment of stock options that have vested as on March 31, 2015, the liability in respect of the outstanding options has also been measured at the fair value determined in accordance with the encashment scheme and the difference in the fair value and the exercise price is amortised over vesting period.

The cumulative amount of employee stock option expense amortised upto March 31, 2015 of ₹ 1.37 crores (Previous year ₹ 9.30 crores) is included in Long term provisions and ₹ 9.80 crores in Short term provisions (Previous year ₹ 'NIL').

**Note 6 : Reserves and Surplus**

(₹ in crores)

	Current Year	Previous Year
(a) Capital Reserve :		
Balance as per last Financial Statement	21.04	21.04
(b) Capital Redemption Reserve :		
Balance as per last Financial Statement	240.08	238.54
Add : Amount Transferred from Surplus	-	1.54
	240.08	240.08
(c) Securities Premium :		
Balance as per last Financial Statement	114.02	153.74
Less : Amount utilised for buyback of equity shares	-	39.72
	114.02	114.02
(d) Debenture Redemption Reserve :		
Balance as per last Financial Statement	117.50	92.50
Add : Amount Transferred from Surplus	25.00	25.00
	142.50	117.50
(e) Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 :		
Balance as per last Financial Statement	207.00	436.85
Add : Amount Transferred from Surplus	80.00	65.00
	287.00	501.85
Less : Amount Transferred to General Reserve	-	294.85
	287.00	207.00
(f) Statutory Reserves :		
Balance as per last Financial Statement	0.12	0.12
Add : Adjustment on account of exchange difference	0.01	-
	0.13	0.12

(₹ in crores)

	Current Year	Previous Year
(g) Foreign Currency Translation Reserve :		
Balance as per last Financial Statement	574.73	353.15
Add : Gain/(Loss) on Foreign Currency Translation	100.23	221.58
	674.96	574.73
(h) Hedging Reserve (Refer Note 31) :		
Balance as per last Financial Statement	(936.54)	(775.22)
Add : Decrease/(Increase) during the year (Net)	9.68	(161.32)
	(926.86)	(936.54)
(i) Foreign Currency Monetary Item Translation Difference Account :		
Balance as per last Financial Statement	(23.19)	(15.13)
Debit balance added during the year	(3.94)	(12.01)
Less : Transferred to Statement of Profit and Loss during the year	4.19	3.95
	(22.94)	(23.19)
(j) General Reserve :		
Balance as per last Financial Statement	2206.39	1867.54
Add : Amount Transferred from Surplus	-	44.00
Add : Transfer from Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961	-	294.85
	2206.39	2206.39
(k) Surplus :		
Balance as per last Financial Statement	4100.92	3816.32
Add : Profit for the Year	748.24	573.95
Less : Transfer to Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961	80.00	65.00
	4769.16	4325.27
Less : Appropriations :		
Transfer to General Reserve	-	44.00
Transfer to Debenture Redemption Reserve	25.00	25.00
Transfer to Capital Redemption Reserve	-	1.54
Interim Dividend on Equity Shares	60.31	60.32
Proposed Dividend on Equity Shares	105.54	75.39
Dividend Distribution Tax	34.79	18.10
	225.64	224.35
	4543.52	4100.92
	7279.84	6622.07

**Note 7 : Long-Term Borrowings**

(₹ in crores)

	Non-Current Portion		Current Maturities	
	Current Year	Previous Year	Current Year	Previous Year
<b>(a) Bonds/Debentures :</b>				
<b>Secured :</b>				
9.80% 2500 Redeemable Non-Convertible Debentures of ₹10,00,000 each redeemable on July 03, 2019 [Refer Notes (i) and (v) below]	250.00	250.00	-	-
<b>Unsecured :</b>				
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	50.00	-	-
(iv) 9.70% 1500 Debentures redeemable on April 15, 2021	150.00	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 [Refer Notes (ii) and (v) below]	100.00	100.00	-	-
<b>(b) Term Loans from Banks :</b>				
Foreign Currency Loans from Banks (secured)	3758.59	3307.84	1070.67	1154.71
Swap Adjustments (unsecured) [Refer Notes (iii) to (v) below]	4.03	(31.86)	6.32	(11.26)
	3762.62	3275.98	1076.99	1143.45
<b>Total (a + b)</b>	5462.62	4975.98	1076.99	1143.45
Amount disclosed under the head "Other Current Liabilities" (Refer Note 10)	-	-	1076.99	1143.45
	5462.62	4975.98	-	-

**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 500 bps for USD loans and LIBOR plus 62 to 70 bps for JPY loans. Some loans are on fixed rates basis. The principal repayments are due quarterly and 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.

- (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 of Bonds/Debentures and Term Loans from Banks are as under :

(₹ in crores)

	Current Year	Previous Year
Period of repayment		
- between one to three years	2242.05	1696.04
- between three to five years	2450.05	1658.72
- over five years	770.52	1621.22
	5462.62	4975.98

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

**Note 8 : Provisions**

(₹ in crores)

	Long-Term Provisions		Short-Term Provisions	
	Current Year	Previous Year	Current Year	Previous Year
(a) Provision for Employee Benefits	33.38	29.21	22.27	7.73
(b) Vessel Performance / Offhire Claims (Refer Note below)	-	-	2.82	7.74
(c) Provision for Mark to Market Losses on Derivative Contracts	-	-	933.32	945.42
(d) Proposed Equity Dividend	-	-	105.54	75.39
(e) Provision for Dividend Distribution Tax	-	-	35.37	23.63
	33.38	29.21	1099.32	1059.91

**Note:**

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
<b>Vessel performance/offhire claims -</b>		
Provision has been recognised for the estimated liability for under-performance of certain vessels and offhire claims under dispute		
Opening balance	7.74	5.06
Additions during the year	-	3.89
Reversed/paid during the year	(4.92)	(1.21)
Closing balance	2.82	7.74

### Note 9 : Trade Payables

(₹ in crores)

	Current Year	Previous Year
(a) Sundry Creditors	215.45	210.03
	215.45	210.03

### Note :

- (i) Trade payables are subject to confirmation, reconciliation and adjustments, if any.

### Note 10 : Other Current Liabilities

(₹ in crores)

	Current Year	Previous Year
(a) Current Maturities of Long - Term Borrowings [Refer Note 7] *	1076.99	1143.45
(b) Income Received in Advance	45.69	23.30
(c) Liabilities towards Investor Education and Protection Fund, not due - Unclaimed dividend	6.58	6.92
(d) Deposits Received	6.25	3.62
(e) Other Liabilities	94.80	84.32
(f) Interest Accrued but not due on Borrowings	63.45	67.14
	1293.76	1328.75

\* **Note :** Current Maturities of Long-Term Borrowings include ₹ 'NIL' (previous year ₹ 270.55 crores) relating to a long-term borrowing reclassified as current as on the Balance Sheet date due to proposed refinancing arrangement.

**Note 11 : Fixed Assets**

(₹ in crores)

Particulars	Cost				Depreciation/Impairment				Net Block		
	As at April 01, 2014	Additions during the Year	Deductions during the Year	Other Adjustments [Note (e)]	As at March 31, 2015	Upto March 31, 2014	Adjustments /Deductions [Note (d)]	For the Year	Upto March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets :											
Fleet	9426.73	479.56	530.07	112.00	9488.22	2648.48	251.93	469.40	2865.95	6622.27	6778.25
Plant and Equipment											
- Rigs	3146.55	1119.61	-	135.48	4401.64	325.06	(16.42)	105.83	447.31	3954.33	2821.49
- Others	210.85	89.31	1.65	6.37	304.88	78.19	(1.76)	29.71	109.66	195.22	132.66
Land (Freehold and Perpetual Lease)	59.80	-	-	-	59.80	-	-	-	-	59.80	59.80
Ownership Flats and Buildings [Note (a)]	54.97	0.09	-	-	55.06	21.78	-	(3.01)	18.77	36.29	33.19
Furniture, Fixtures and Office Equipment	44.15	4.39	3.07	0.06	45.53	34.17	2.98	4.13	35.32	10.21	9.98
Vehicles	16.95	7.18	3.77	-	20.36	11.74	3.58	3.13	11.29	9.07	5.21
SUB-TOTAL (A)	12960.00	1700.14	538.56	253.91	14375.49	3119.42	240.31	609.19	3488.30	10887.19	9840.58
Intangible Assets :											
Software	6.06	0.65	1.37	-	5.34	4.46	1.03	0.84	4.27	1.07	1.60
SUB-TOTAL (B)	6.06	0.65	1.37	-	5.34	4.46	1.03	0.84	4.27	1.07	1.60
GRAND-TOTAL (A+B)	12966.06	1700.79	539.93	253.91	14380.83	3123.88	241.34	610.03	3492.57	10888.26	
Previous Year Figures	12462.45	280.64	482.68	705.65	12966.06	2778.07	320.34	666.15	3123.88		9842.18
Ships Under Construction/Capital Work-in-progress										226.63	358.24
										11114.89	10200.42

**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 Holding Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- Consequent to Schedule II of The Companies Act, 2013, becoming applicable with effect from April 01, 2014, depreciation for the year ended March 31, 2015, has been provided on the basis of the useful lives and residual values as prescribed in Schedule II; except in case of certain types of assets where, based on past experience, the Group has adopted useful lives and residual values other than those prescribed in Schedule II. Consequent to the change in the estimate of useful life and residual value, depreciation for the current year is lower by ₹ 64.74 crores and profit for the year is higher to that extent.
- Impairment loss amounting to ₹ NIL (Previous year ₹ 1.35 crores) relating to a property recognised in an earlier year was reversed in view of appreciation in the market value of the property.
- Other Adjustments include amount of exchange loss/(gain) on account of fluctuation of the rupee against foreign currencies and losses/(gains) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets, losses/(gains) on forward contracts for hedging capital commitments for acquisition of depreciable assets and exchange difference on translation of foreign currency balances of the foreign subsidiaries.
- The Holding Company has changed the method of calculating depreciation for ownership flats and buildings from Written Down Value Method to Straight Line Method with effect from April 01, 2014. Consequent to this change in method, depreciation for the current year is lower by ₹ 4.38 crores and profit for the year is higher to that extent.



**Note 12 : Non - Current Investments**

(₹ in crores)

	Current Year		Previous Year	
	No. of shares	₹ in crores	No. of shares	₹ in crores
<b>Trade Investments</b> (valued at cost, fully paid unless stated otherwise)				
<b>Equity Shares : Unquoted</b>				
Seachange Maritime L.L.C.	11,04,000	75.00	11,04,000	71.90
Less : Provision for Diminution in Value of Investment		75.00		71.90
		-		-
<b>Other Investments</b>				
<b>Investment in Structured Gold Linked Non-Convertible Debentures : Unquoted</b>				
- redeemable on April 22, 2015	-	-	1,500	15.00
- redeemable on May 22, 2015 (call option exercised during the year)	-	-	1,500	15.00
The debentures had a Commodity Linked Variable component payable on the redemption date along with the redemption amount, being the face value of the debentures.				
		-		30.00

**Note 13 : Deferred Tax Assets (Net)**

Deferred tax asset in respect of the non-tonnage income of the Group for the year is comprised of :

(₹ in crores)

Particulars	Current Year	Previous Year
Difference in depreciation as per books and tax depreciation	0.84	0.88
Losses for set off	-	0.97
Expenditure allowable for tax purposes on payment basis	0.06	0.10
	0.90	1.95

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 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 (Net of provision for doubtful long-term deposits ₹ 0.44 crores, Previous Year ₹ 0.44 crores)	2.57	2.49	20.23	6.92
(b) Advance Payment of Income-tax and Tax Deducted at Source (Net of provision for tax ₹ 291.36 crores, Previous Year ₹ 244.10 crores)	24.99	10.75	-	-
(c) Capital Advances	0.42	11.39	-	-
(d) Other Advances (Net of Provision for Doubtful Short-Term Advances ₹ 4.90 crores, Previous Year ₹ 2.23 crores)	4.65	1.39	109.26	136.25
	32.63	26.02	129.49	143.17

**Note 15 : Other Assets**

(Unsecured - Considered good)

(₹ in crores)

	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
(a) Non-Current Bank Balances (Refer Note 18 )	103.20	77.98	-	-
(b) Unamortised Ancillary Cost of arranging borrowings	20.64	26.36	7.36	6.06
(c) Interest Accrued	8.39	5.11	12.82	10.64
	132.23	109.45	20.18	16.70

**Note 16 : Current Investments**

(At lower of cost and fair value - fully paid)

(₹ in crores)

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
<b>Investments in Mutual Funds :</b>					
<b>Unquoted</b>					
Baroda Pioneer PSU Bond Fund - Plan B Growth	10	1,47,67,483	22.04	1,25,64,114	17.00
Birla Sun Life Cash Plus - Growth - Regular Plan	100	-	-	21,90,945	45.00

(₹ in crores)

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹in crores	No. of Units	₹in crores
Birla Sun Life Cash Plus - DD Regular Plan Reinvestment	100	-	-	5,08,889	5.10
Birla Sun Life Floating Rate Fund-STP-IP-Daily Dividend	100	-	-	2,50,547	2.51
Birla Sun Life Short Term Fund - Growth - Direct Plan	10	78,90,248	40.00	-	-
Birla Sun Life Income Plus - Growth - Direct Plan*	10	1,09,93,863	66.25	-	-
Birla Sun Life Income Plus - Quarterly Dividend - Direct Plan	10	-	-	4,81,92,605	60.49
Birla Sun Life Short Term Fund - Monthly Dividend	10	-	-	5,69,77,078	66.58
BNP Paribas Government Securities Fund Direct Growth	10	70,51,309	8.50	-	-
BNP Paribas Government Securities Fund Monthly Dividend Reinvestment	10	-	-	1,78,54,952	17.80
BNP Paribas Medium Term Income Fund - Direct Plan - Growth*	10	2,50,00,000	25.00	2,50,00,000	25.00
BNP Paribas Short Term Income Fund Direct Plan - Monthly Dividend Reinvestment	10	-	-	3,14,35,572	31.85
BNP Paribas Short Term Income Fund - Direct Plan - Growth	10	1,39,49,936	21.78	-	-
DSP BlackRock Treasury Bill Fund - Direct Plan - Daily Dividend	10	-	-	1,39,66,969	14.02
DWS Banking & PSU Debt Fund - Direct Plan - Growth	10	4,33,48,117	52.58	-	-
DWS Medium Term Income Fund - Direct Plan - Growth	10	2,15,05,931	25.00	-	-
Goldman Sachs Mutual Fund - Gold Benchmark Exchange Traded Scheme Units	1000	1,31,010	31.43	1,53,607	37.41
HDFC Cash Management Fund Savings Plan - Daily Dividend Reinvestment	10	2,93,93,268	31.26	-	-
HDFC Gilt Fund - Long Term Plan - Direct Plan - Growth	10	1,45,21,076	40.67	-	-
HDFC Liquid Fund Direct Plan Daily Dividend	10	-	-	39,26,839	4.00
HSBC Flexi Debt Fund - Growth Direct Plan	10	35,75,828	6.98	-	-
ICICI Prudential Blended Plan B Direct Plan - Daily Dividend Option-I	10	-	-	4,90,63,054	49.58
ICICI Prudential Blended Plan B - Direct Plan - Growth Option - I	10	6,02,93,860	118.98	4,09,48,395	74.95
ICICI Prudential Dynamic Bond Fund - Direct Plan - Growth	10	1,04,85,049	16.49	-	-
ICICI Prudential Gilt Fund Investment Plan PF Option - Direct	10	89,90,347	24.00	-	-
ICICI Prudential Liquid-Regular Plan-Daily Dividend	100	-	-	3,00,659	3.01

(₹ in crores)

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
ICICI Prudential Money Market Fund - Regular Plan Daily Dividend	100	15,01,097	15.03	-	-
ICICI Prudential Short Term Gilt Fund - Direct Plan - Growth*	10	58,65,125	19.22	-	-
ICICI Prudential Long Term Gilt Fund - Direct Plan - Growth	10	2,21,10,931	92.46	2,23,57,622	89.07
ICICI Prudential Long Term Gilt Fund Investment - Direct Plan - Dividend	10	-	-	1,86,45,698	22.57
IDFC Cash Fund-Daily Dividend (Regular Plan)	1000	1,00,233	10	-	-
IDFC - Super Saver Income Fund - Short Term Plan - Growth - (Direct Plan)*	10	1,89,82,320	50.00	2,53,18,824	63.73
IDFC Banking Debt Fund - Direct Plan - Daily - Dividend	10	-	-	2,41,01,755	24.13
IDFC Government Securities Fund - Investment Plan - Growth - (Direct Plan)	10	7,40,09,535	109.85	1,49,96,130	20.94
JPMorgan India Active Bond Fund - Direct Plan - Growth Option	10	1,23,78,173	19.00	-	-
Kotak Flexi Debt Scheme Plan A - Direct Plan - Growth*	10	3,17,99,897	54.15	-	-
Kotak Gilt (Investment Regular) - Direct Plan - Growth	10	1,49,58,439	68.92	1,46,02,561	59.53
Kotak Gilt (Investment Regular) - Direct Plan - Quarterly Dividend	10	-	-	5,43,29,910	63.98
Kotak Liquid Scheme Plan A-Daily Dividend	1000	1,63,928	20.05	-	-
Kotak Mahindra Asset Management Company Limited - Kotak Gold ETF - Open Ended Scheme	1000	4,597	1.11	4,597	1.23
L&T Gilt Fund Direct Plan Quarterly Dividend	10	-	-	91,98,185	11.15
PineBridge India Short Term Fund Direct Growth	1000	-	-	1,22,711	18.13
Reliance Dynamic Bond Fund - Direct Quarterly Dividend Plan	10	-	-	1,45,47,732	14.83
Reliance Liquid Fund Treasury Plan - Institutional Option-Daily Dividend	1000	1,30,873	20.01	-	-
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	10	-	-	1,07,50,994	28.22
Reliance Short Term Fund - Direct Plan - Growth Plan - Growth Option	10	98,16,858	25.80	-	-
Reliance Short Term Fund - Direct Plan - Monthly Dividend Plan	10	-	-	2,48,81,557	26.73
SBI Short Term Debt Fund - Direct Plan - Growth	10	63,92,164	10.25	-	-
SBI Magnum Gilt Fund - Long Term - Direct Plan - Growth	10	4,95,85,897	141.41	1,38,84,709	34.87
SBI Magnum Gilt Fund - Short Term - Direct Plan - Dividend	10	-	-	4,02,01,603	46.68

(₹ in crores)

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
SBI Magnum Gilt Fund - Short Term - Direct Plan - Growth	10	47,60,298	13.57	-	-
SBI Magnum Insta Cash Fund Liquid Floater - Regular Plan Daily Dividend	1000	39,833	4.02	-	-
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Daily Dividend Reinvestment	1000	-	-	2,48,449	25.09
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth	1000	-	-	28,820	6.32
SBI Premier Liquid Fund - Direct Plan - Daily Dividend Reinvestment	1000	-	-	92,299	9.26
SBI Short Term Debt Fund - Direct Plan -Weekly Dividend	10	-	-	8,23,61,989	86.77
Sundaram Ultra Short Term Fund Regular -Daily Dividend Reinvestment	10	-	-	40,06,570	4.02
Tata Short Term Bond Fund Direct Plan Growth	1000	31,86,369	8.25	-	-
UTI Gilt Advantage Fund - Long Term - Direct Plan - Growth	10	1,18,61,592	35.89	-	-
<b>Total unquoted Investments</b>			<b>1249.98</b>		<b>1111.55</b>
Aggregate amount of Quoted Investments			-		-
Aggregate amount of Unquoted Investments			<b>1249.98</b>		<b>1111.55</b>
			<b>1249.98</b>		<b>1111.55</b>
Aggregate Diminution in Value of Investments considered above			<b>0.68</b>		<b>11.01</b>

**Note :**

\* Mutual Funds aggregating to ₹ 180.95 crores of the above have been placed under lien with Citi Bank N.A for facilities given by bank.

**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	67.28	55.67
(b) Fuel Oils	72.80	84.01
	<b>140.08</b>	<b>139.68</b>

**Note 18 : 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	11.72	2.51
- Considered Doubtful	13.75	29.41

(₹ in crores)

	Current Year	Previous Year
Others		
- Considered Good	322.90	272.46
- Considered Doubtful	4.54	5.52
	352.91	309.90
Less : Provision for Doubtful Receivables	18.29	34.93
	334.62	274.97

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

**Note 19 : Cash and Bank Balances**

(₹ in crores)

	Non-Current		Current	
	Current Year	Previous Year	Current Year	Previous Year
<b>Cash and Cash Equivalents :</b>				
(a) Balances with Banks in Current Accounts	-	-	730.71	612.52
(b) Deposits having maturity period of less than 3 months	-	-	611.60	225.60
(c) Cash on Hand	-	-	0.04	0.09
<b>Sub-Total (A)</b>	-	-	1342.35	838.21
<b>Other Bank Balances :</b>				
(a) Deposits with maturity period of more than 12 months	100.00	77.98	-	-
(b) Deposits having maturity period of more than 3 months but less than 12 months	-	-	792.36	1221.49
(c) Balances with Banks - Unclaimed Dividend	-	-	6.58	6.92
(d) Balances with Banks committed towards acquisition of ships	-	-	-	16.00
(e) Margin Money Deposits	3.20	-	238.86	240.20
<b>Sub-Total (B)</b>	103.20	77.98	1037.80	1484.61
<b>TOTAL (A + B)</b>	103.20	77.98	2380.15	2322.82
Less : Amount disclosed under Non-Current Assets [Refer Note 15 (a)]	103.20	77.98	-	-
	-	-	2380.15	2322.82
<b>Margin Money given as security :</b>				
Margin Money Deposits comprise of -				
(i) deposits placed with banks under a lien against facilities given by the banks.	-	-	212.18	204.42
(ii) deposit with banks in margin / reserve accounts	3.20	-	26.68	35.78



**Note 20 : Revenue from Operations**

(₹ in crores)

	Current Year	Previous Year
(a) Revenue from -		
- Freight and Demurrage	1325.60	944.59
- Charter Hire	2082.37	2104.59
	3407.97	3049.18
(b) Other Operating Revenue	30.06	42.68
	3438.03	3091.86

**Note 21 : Other Income**

(₹ in crores)

	Current Year	Previous Year
(a) Profit on Sale of Ships/Other Assets (Net)	19.39	10.75
(b) Gain on Foreign Currency Transactions (Net)	91.02	99.46
(c) Dividend from Units in Mutual Funds	29.50	40.98
(d) Interest Income -		
- on Bank Deposits	59.28	48.30
- on Others	1.05	0.02
	60.33	48.32
(e) Profit on Sale of Current Investments/Premium on redemption of preference shares [Net of Diminution in Value of Current Investments ₹ 0.68 crores (Previous Year ₹ 11.01 crores)]	55.60	34.39
(f) Provision for Doubtful Debts and Advances Written Back (Net)	15.42	-
(g) Miscellaneous Income	4.24	7.64
	275.50	241.54

**Note 22 : Employee Benefit Expenses**

(₹ in crores)

	Current Year	Previous Year
(a) Salaries, Wages and Bonus	506.67	449.95
(b) Contribution to Provident and Other funds	13.28	12.51
(c) Employee Stock Option Scheme	2.01	6.88
(d) Staff Welfare Expenses	35.89	37.52
	557.85	506.86

**Note 23 : Other Expenses**

(₹ in crores)

	Current Year	Previous Year
(a) Fuel Oil and Water	506.50	395.66
(b) Port, Light and Canal Dues	127.83	108.20
(c) Stevedoring, Despatch and Cargo Expenses	3.10	5.11
(d) Hire of Chartered Ships	119.30	79.22
(e) Brokerage and Commission	20.54	17.67
(f) Agency Fees	12.22	8.44
(g) Consumption of Spares and Stores	211.57	200.95
(h) Repairs and Maintenance -		
- Fleet	174.17	123.53
- Building	4.78	1.95
- Others	10.08	9.05
	189.03	134.53
(i) Insurance -		
- Fleet Insurance and Protection Club Fees	66.13	63.11
- Others	2.41	2.31
	68.54	65.42
(j) Rent	6.55	6.30
(k) Rates and Taxes	0.49	0.77
(l) Bad Debts and Advances Written off	18.58	0.10
(m) Provision for Doubtful Debts and Advances (Net)	-	10.97
(n) Travelling Expenses	46.59	40.72
(o) Loss on cancellation of Hedging Contract	6.45	3.90
(p) Expenses on CSR activities	0.34	-
(q) Miscellaneous Expenses	109.31	75.23
	1446.94	1153.19

**Note 24 : Finance Costs**

(₹ in crores)

	Current Year	Previous Year
Interest	288.26	346.54
Other Borrowing Costs	20.19	31.63
	308.45	378.17
Less : Pre-delivery Finance Costs Capitalised	7.87	3.28
	300.58	374.89

**Note 25 : Basic and Diluted Earnings per Share**

	Current Year	Previous Year
(a) Net Profit After Tax (₹ in crores)	748.24	573.95
(b) Number of Equity Shares		
(i) Basic Earning per Share :		
Number of Equity Shares as at the beginning of the year	15,07,77,065	15,23,22,084
Less : Shares bought back	-	15,45,019
Number of Equity Shares as at the end of the year	15,07,77,065	15,07,77,065
Weighted Average Number of Equity Shares	15,07,77,065	15,15,70,512
(ii) Diluted Earning per Share :		
Weighted Average Number of Equity Shares	15,07,77,065	15,15,70,512
Add : Rights Shares kept in abeyance	2,94,130	2,94,130
Weighted Average Number of Equity Shares	15,10,71,195	15,18,64,642
(c) Face Value of Equity Share	₹ 10	₹ 10
(d) Earnings per Share		
- Basic	₹ 49.63	₹ 37.87
- Diluted	₹ 49.53	₹ 37.79

**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
<b>Revenue :</b>						
Total Revenue	2120.78	1810.34	1672.69	1604.43	3793.47	3414.77
Less : Inter Segment Revenue					79.94	81.37
Net Revenue					3713.53	3333.40
<b>Results :</b>						
Profit before interest and tax	431.83	326.77	666.88	681.27	1098.71	1008.04
Less : Interest					300.58	374.89
Total Profit before tax					798.13	633.15
Provision for taxation :						
- Current tax					57.82	54.52
- Deferred Tax					1.07	(0.77)
- Tax for Prior Years					-	5.45
- MAT Credit Utilised					(9.00)	-
Net Profit					748.24	573.95

(₹ in crores)

	Shipping		Offshore		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Other Information :</b>						
Assets	7788.38	7804.55	7721.78	6561.43	15510.16	14365.98
Liabilities	1279.31	1211.72	285.61	272.73	1564.92	1484.45
Capital Expenditure	513.40	558.39	1309.69	766.63	1823.09	1325.02
Depreciation	319.05	360.01	290.98	298.02	610.03	658.03

**b) Secondary segment reporting by geographical segment :**
**(i) Segment-wise Revenue :**

(₹ in crores)

	Current Year	Previous Year
Revenue - outside India	1642.02	1399.41
Revenue - within India	2071.51	1933.99
	3713.53	3333.40

- (ii) Substantial assets of the Group are ships/rigs, which are operating across the world, in view of which they cannot be identified by any particular geographical segment.
- (iii) In view of (ii) above the total cost incurred during the year, geographical segment-wise is not ascertainable.

**Note 27 : Operating Lease**
**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
(a) Total Future Minimum Lease payments		
- Not later than 1 year	6.65	5.26
- Later than 1 year and not later than 5 years	3.91	8.46
- Later than 5 years	-	-

- (b) Lease payments recognised in the Statement of Profit and Loss for the year ₹ 6.51 crores (Previous Year ₹ 6.31 crores)
- (c) Vessels taken/given on time charter hire are considered as operating lease.

**Note 28 : Related Party Transactions**

(I) List of Related Parties:

(a) Key Management Personnel/ Directors & their Relatives :

Mr. K. M. Sheth	- Chairman
Mr. Bharat K. Sheth	- Deputy Chairman and Managing Director
Mr. Ravi K. Sheth	- Executive Director
Mr. G Shivakumar	- Executive Director and CFO
Mr. Tapas Icot	- Executive Director and President - Shipping
Mr. Jayesh Trivedi	- Company Secretary
Ms. Nirja B. Sheth	- Daughter of Deputy Chairman and Managing Director
Mr. Rahul R. Sheth	- Son of Executive Director

(II) Transactions with Related Parties :

(₹ in crores)

Nature of Transaction	Key Management Personnel/ Directors & their Relatives	
	Current Year	Previous Year
<b>Remuneration</b>		
<b>Non Executive Chairman</b>	<b>5.78</b>	-
- Mr. K. M. Sheth* (Period : 1-Sep-14 to 31-Mar-15)		
<b>Executive Directors</b>	<b>27.56</b>	15.48
- Mr. K. M. Sheth (Executive Chairman upto 31-Aug-14) ₹ 2.32 crores (Previous Year : ₹ 3.45 crores)		
- Mr. Bharat K. Sheth* ₹ 12.91 crores (Previous Year : ₹ 6.42 crores)		
- Mr. Ravi K. Sheth ₹ 10.04 crores (Previous Year : ₹ 5.61 crores)		
- Mr. Tapas Icot (Period : 12-Aug-14 to 31-Mar-15) ₹ 1.43 crores (Previous Year : ₹ 'NIL')		
- Mr. G. Shivakumar (Period : 14-Nov-14 to 31-Mar-15) ₹ 0.86 crores (Previous Year : ₹ 'NIL')		
<b>Key Management Personnel</b>	<b>2.54</b>	1.81
- Mr. G. Shivakumar (Period : Upto 13-Nov-14) ₹ 1.21 crores (Previous Year : ₹ 1.14 crores)		
- Mr. G. Shivakumar (paid by a subsidiary company) ₹ 0.40 crores (Previous Year : ₹ 'NIL')		
- Mr. Jayesh Trivedi ₹ 0.93 crores (Previous Year : ₹ 0.67 crores)		
<b>Relative of Key Management Personnel/Directors</b>	<b>0.22</b>	0.15
- Ms. Nirja B. Sheth ₹ 0.17 crores (Previous Year : ₹ 0.15 crores)		
- Mr. Rahul R. Sheth ₹ 0.05 crores (Previous Year : ₹ 'NIL')		

**Notes :**

- Dividend payments to Key Management Personnel have not been considered in the above disclosure.
- \*The above includes, provision for retirement pension benefits payable ₹ 9.81 crores (previous year ₹ 0.28 crore) on the basis of actuarial valuation as per the revised Retirement Benefits Scheme approved by the Board of Directors.

**Note 29 : Capital and Other Commitment**

Estimated amount of contracts, net of advances paid thereon amounting to ₹ 214.88 crores (Previous Year ₹ 138.92 crores), remaining to be executed on capital account and not provided for ₹ 913.69 crores (Previous Year ₹ 1946.14 crores).

**Note 30 : Contingent Liabilities**

(₹ in crores)			
Sr. No.	Particulars	Current Year	Previous Year
	<b>Claims against the Group, not acknowledged as debts :</b>		
(a)	Sales Tax demands under BST Act, CST Act and VAT Act	90.98	90.98
(b)	Lease Tax liability in respect of a matter decided against a Company in the Group, against which the respective Company has filed a revision petition in the Madras High Court.	-	17.40
(c)	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 a Company in the Group.	4.34	4.34
(d)	Service Tax Demands disputed by the respective Companies	310.81	205.95
(e)	Income Tax Demands for various Assessment Years disputed by the respective Companies	22.52	15.10
(f)	Demand for Custom Duty disputed by the respective Companies [The Holding Company has given bank guarantees amounting to ₹3.63 crores (Previous Year ₹3.63 crores) against the said Custom Duty demand which are included under 'Guarantees' below]	22.94	8.25
(g)	Demand for wharfage charges against which a Company in the Group has tendered a Bank Guarantee. Stay obtained under Writ Petition filed against Chennai Port Trust for restraining encashment of Bank Guarantee.	0.99	-
	<b>Guarantees :</b>		
(a)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the respective Companies in the Group.	273.51	254.37
(b)	Guarantees given to banks on behalf of subsidiaries.	14.57	97.58
(c)	Letter of credit issued by banks	-	8.60

**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 respective Companies of the Group have identified certain derivative contracts entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and interest swaps as hedged instruments that qualify as effective cash flow hedges. The mark to market gain/(loss) on such derivative contracts is recorded in the Hedging Reserve.

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



1. Derivative Instruments/Forward Contracts 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	4	-	2	-
No. of units in MT under above contracts	12000	-	7500	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(0.13)	-	0.41	-
Maturity Period	Upto 1 Year	-	Upto 1 Year	-

(b) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	12	-	-
Foreign Currency Value (USD in million)	-	12.00	-	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	0.33	-	-
Maturity Period	-	Upto 1 Year	-	-

(c) Forward Exchange Option Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	-	25
Foreign Currency Value (USD in million)	-	-	-	17.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	-	-	0.63
Maturity Period	-	-	-	Upto 1 year

(d) Interest Rate Swap Contracts :

Details	Current Year	Previous Year
Total No. of contracts outstanding	19	26
Principal Notional Amount (USD in million)	272.568	420.260
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(8.99)	(34.97)
Maturity Period	Upto 5.5 Years	Upto 7 Years

**(e) Interest portion of Currency Swap Contracts :**

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		8	8
Principal Notional Amount (JPY in million)	JPY/USD	7864.307	10473.291
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(13.18)	(29.96)
Maturity Period		Upto 4 Years	Upto 5 Years

**(f) Currency Swap Contracts :**

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		13	13
Principal Notional Amount (₹ in crores)	INR/USD	1700.00	1700.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(904.89)	(872.65)
Maturity Period		Upto 8 Years	Upto 9 Years

**ii) Fair Value Hedges :**
**(a) Forward Exchange Option Contracts :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	1	-	8
Foreign Currency Value (USD in million)	-	12.00	-	81.00
Gain/(loss) recognised in the Statement of Profit and Loss during the year (₹ in crores)	-	(0.18)	-	0.36
Maturity Period	-	Upto 1 Year	-	Upto 1 Year

**iii) (a) Forward Exchange Contracts :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	12	-	-
Foreign Currency Value (USD in million)	-	60.00	-	-
Maturity Period	-	Upto 1 Year	-	-

**(b) Spot Currency Contracts :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	1	-
Foreign Currency Value (USD in million)	-	-	2.043	-
Maturity Period	-	-	Upto 1 Month	-

**(c) Principal portion of Currency Swap Contracts :**

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		8	8
Principal Notional Amount (JPY in million)	JPY/USD	7864.307	10473.291
Maturity Period		Upto 4 Years	Upto 5 Years

The derivative/forward contracts mentioned under (i) Cash Flow Hedges above, 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 these foreign exchange derivative/forward contracts outstanding as on March 31, 2015 amounting to loss of ₹ 926.86 crores (Previous Year : loss of ₹ 936.54 crores) has been recorded in the Hedging Reserve.

The interest rate swaps are entered into to hedge floating quarterly and half yearly interest payments on borrowings. Fair value gains and losses on the interest rate swaps recognised in Hedging Reserve are transferred to the Statement of Profit and Loss as part of interest expense over the period of borrowings.

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

The derivative contracts mentioned under (ii) Fair Value Hedges above, having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions, have been designated as hedged instruments that qualify as effective fair value hedges. The mark-to-market loss / (gain) on these foreign exchange derivative contracts outstanding as on March 31, 2015 amounting to loss of ₹ 0.18 crores (Previous Year : gain of ₹ 0.36 crores) has been recorded in the Statement of Profit and Loss.

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

Details	Currency	Current Year	Previous Year
		in millions	in millions
Loan Liabilities and Payables	AED	1.646	1.509
	AUD	0.007	0.001
	BRL	19.000	33.000
	CAD	-	0.005
	CHF	0.001	0.024
	DKK	0.734	0.710
	EUR	0.369	0.798
	GBP	0.047	0.028
	JPY	69.443	60.369
	NOK	1.477	0.385
	SEK	0.004	0.004
	SGD	4.313	2.352
	USD	1169.493	1120.809
	ZAR	-	1.000
Receivables	AED	0.088	0.207
	BRL	5.000	22.000
	EUR	0.928	0.694
	GBP	0.042	0.005
	JPY	6.208	1.867
	NOK	0.249	0.018
	SGD	0.534	0.062
	USD	47.847	39.085
Bank Balances	AED	0.406	0.880
	DKK	0.070	0.127
	EUR	0.269	0.104
	GBP	0.081	0.086
	NOK	0.243	0.108
	SGD	1.153	1.037
	USD	276.720	256.421

The unhedged foreign currency exposures have been given in respect of currencies other than reporting currency of the respective enterprise.

**Note 32 : Corporate Social Responsibility (CSR)**

Consequent to the requirement of Section 135 of the Companies Act, 2013, the Group has set up the Great Eastern CSR Foundation with an initial corpus of ₹5 Lakhs, 99.99% of which is contributed by the Company and 0.01% has been contributed by Greatship (India) Limited.

The areas of CSR activities to be undertaken by the Foundation are :

- (a) Promoting education and knowledge enhancement, including but not limited to :
  - (i) Establishment and management of educational and knowledge enhancement infrastructure.
  - (ii) Provision of financial or other assistance to the needy and/or deserving students.
  - (iii) Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.
  - (iv) Contribution to technology incubators located within academic institutions which are approved by the Central Government.
- (b) Eradicating hunger, poverty and malnutrition.
- (c) Promoting health care and sanitation.

**Note 33 : Additional Information, as required under Schedule III to the Companies Act, 2013**

Name of Enterprise	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	₹ in crores	As % of Share in profit or loss	₹ in crores
<b>Parent</b>				
The Great Eastern Shipping Co. Ltd.	66.36%	4930.76	42.41%	317.30
<b>Indian Subsidiaries</b>				
Greatship (India) Ltd.	53.27%	3958.66	69.09%	516.94
Great Eastern CSR Foundation.	0.08%	6.02	0.80%	5.97
<b>Foreign Subsidiaries</b>				
The Great Eastern Shipping Co. London Ltd.	0.10%	7.17	(0.03%)	(0.23)
The Greatship (Singapore) Pte. Ltd.	0.05%	3.97	0.10%	0.74
The Great Eastern Chartering L.L.C. (FZC)	1.64%	121.52	(1.73%)	(12.91)
	121.50%	9028.10	110.64%	827.81
Intercompany Eliminations/ Adjustments	(21.50%)	(1597.48)	(10.64%)	(79.57)
<b>Total</b>	<b>100.00%</b>	<b>7430.62</b>	<b>100.00%</b>	<b>748.24</b>

**Note 34 : General**

The Consolidated Financial Statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements. Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.



## NOTES







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