



# The Great Eastern Shipping Company Limited

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

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

E-mail : shares@greatship.com ; Website : www.greatship.com

CIN : L35110MH1948PLC006472

## NOTICE

NOTICE is hereby given that the Sixty Eighth 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 Thursday, August 11, 2016 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, 2016, 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, 2016.
2. To appoint a Director in place of Mr. Tapas Icot (DIN: 00905882), who retires by rotation and being eligible, offers himself for re-appointment.
3. 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 (till the conclusion of the Annual General Meeting to be held in the Calendar year 2017) made at the Annual General Meeting of the Company held on September 25, 2014 be and is hereby ratified at a remuneration to be determined by the Board of Directors.”

4. 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



₹1, 500 crores (Rupees One Thousand 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 05, 2016.

*Registered Office :*

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By Order of the Board

**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 No. 4 herein above, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from August 05, 2016 to August 11, 2016 (both days inclusive).
6. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the 40<sup>th</sup> dividend for the year 1993-94 paid by the Company on October 05, 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, 2<sup>nd</sup> Floor, Next to Reserve Bank of India, CBD Belapur 400 614.
7. 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 2007- 08 (54<sup>th</sup> 3<sup>rd</sup> interim dividend) and 2008-09 (55<sup>th</sup> 1<sup>st</sup> interim dividend) to the Investor Education and Protection Fund (IEPF). The Company is in the process of transferring the 2008-09 (55<sup>th</sup> 2<sup>nd</sup> interim dividend) to the IEPF.  
  
All unclaimed dividend for the year 2008-09 (55<sup>th</sup> 3<sup>rd</sup> interim dividend) will be due for transfer to the IEPF on June 07, 2016. 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.
8. The information as required under Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Directors being appointed / re-appointed is annexed hereto.
9. 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.
10. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 all the business as per Item Nos. 1 to 4 hereinabove, is required to be transacted by electronic means through E-voting services provided by Karvy Computershare Private Ltd. (Karvy).



11. 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.
12. The process and manner for remote e-voting is as under:

**A. In case a Member receives an e-mail from Karvy (for Members whose e-mail addresses are registered with the Company/ Depository Participants):**

- (i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
- (ii) Enter the login credentials (i.e. User ID and Password mentioned above). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and Password for casting your vote.
- (iii) After entering these details appropriately, Click on "LOGIN".
- (iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- (v) You need to login again with the new credentials.
- (vi) On successful login, the system will prompt you to select the "EVENT" i.e., The Great Eastern Shipping Company Limited.
- (vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- (viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
- (ix) Voting has to be done for each item of the AGM Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
- (x) You may then cast your vote by selecting an appropriate option and click on "Submit".
- (xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).
- (xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e-mail ID: [dipti@mehta-mehta.com](mailto:dipti@mehta-mehta.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."

**(xiii) The remote e-voting period commences at 10.00 a.m. on Monday, August 08, 2016 and ends at 5.00 p.m. on Wednesday, August 10, 2016. The remote e-voting module will be disabled by Karvy for voting thereafter.**

**B. In case a Member receives physical copy of the Notice of AGM (for members whose email IDs are not registered with the Company/ Depository Participant)**

1. Initial Password is provided, as below, at the bottom of the Attendance Slip for the AGM.

| EVEN (Electronic Voting Event Number) | User ID | Password/PIN |
|---------------------------------------|---------|--------------|
| -                                     | -       | -            |

2. Please follow all steps from Sr. No. (i) to Sr. No. (xii) above in (A), to cast your vote.

**C. Any person who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Thursday, August 04, 2016 may obtain the User ID and Password in the manner as mentioned below:**

- a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD<space>E-voting Event Number + Folio No. or DP ID Client ID to +91 9212993399

Example for NSDL : MYEPWD<SPACE> IN12345612345678

Example for CDSL : MYEPWD<SPACE> 1402345612345678

Example for Physical : MYEPWD<SPACE> XXX1234567890

- b. If e-mail address of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

- c. Members may call Karvy's toll free number 1-800-3454-001.

- d. Members may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com). If the Member is already registered with the Karvy e-voting platform then such member can use his/her existing User ID and password for casting the vote through remote e-voting.

**D. Once a vote on Resolution is cast by the Member, the Member shall not be allowed to change it subsequently.**

**E. In case of any queries, please visit Help and Frequently Asked Questions (FAQs) section available at Karvy's website: <http://www.evoting.karvy.com>.**

13. 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.

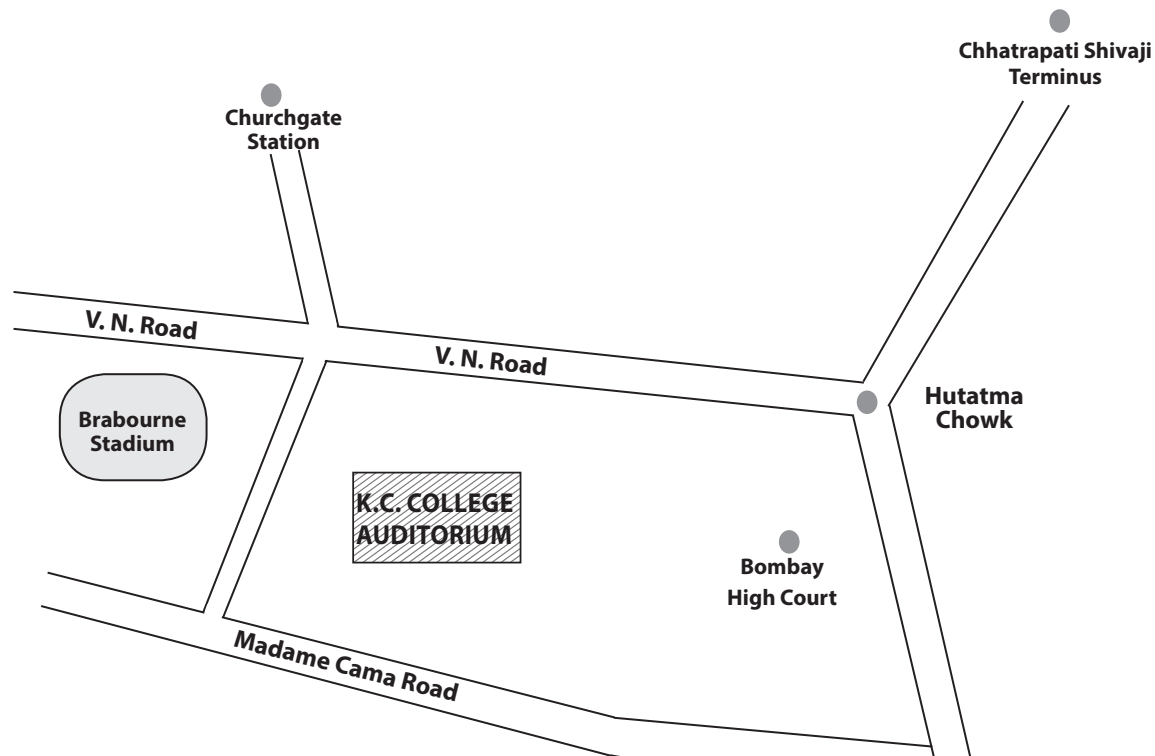
14. The members who have cast their vote by remote e-voting prior to the Annual General Meeting may also attend the Annual General Meeting but shall not be entitled to cast their vote again.

15. **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 04, 2016 ('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. A person who is not a member as on the cut off date should treat this Notice for information purposes only.



16. 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 13, 2016. The voting results shall be submitted to the Stock Exchanges. The same shall be displayed on the Notice Board of the Company at its Registered Office. The same shall also be placed on the website of the Company and Karvy's website.
17. 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).
18. The route map of the venue of the meeting is as follows:



# Explanatory Statement Under Section 102(1) of the Companies Act, 2013

## ITEM NO. 4:

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. 4 of the Notice as an 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. 4 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 05, 2016.

*Registered Office :*

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CIN : L35110MH1948PLC006472

**Jayesh M. Trivedi**  
Company Secretary



## Annexure to Notice

### INFORMATION AS REQUIRED AS PER REGULATION 36 (3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTOR BEING RE-APPOINTED

**MR. TAPAS ICOT** (age: 60 years) is currently the Executive Director and President (Shipping) of the Company. He joined the Company in 1991 as a Manager in the Claims Department and thereafter has been instrumental in key roles including creating a Strategic Planning Cell and heading the Commercial function of the Company. He was appointed as an Executive Director on the Board of the Company on August 12, 2014.

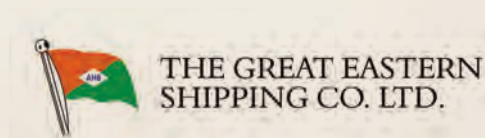
He is a Commerce Graduate with a Post Graduate Diploma in Management Studies and Masters in Financial Management from Mumbai University. He is an Associate of the Insurance Institute of India and a Fellow of the Indian Council of Arbitration.

Mr. Tapas Icot started his career with United India Insurance Co. Ltd. before moving into the shipping industry. He has had stints with India Steamship and Essar Shipping before joining the Company.

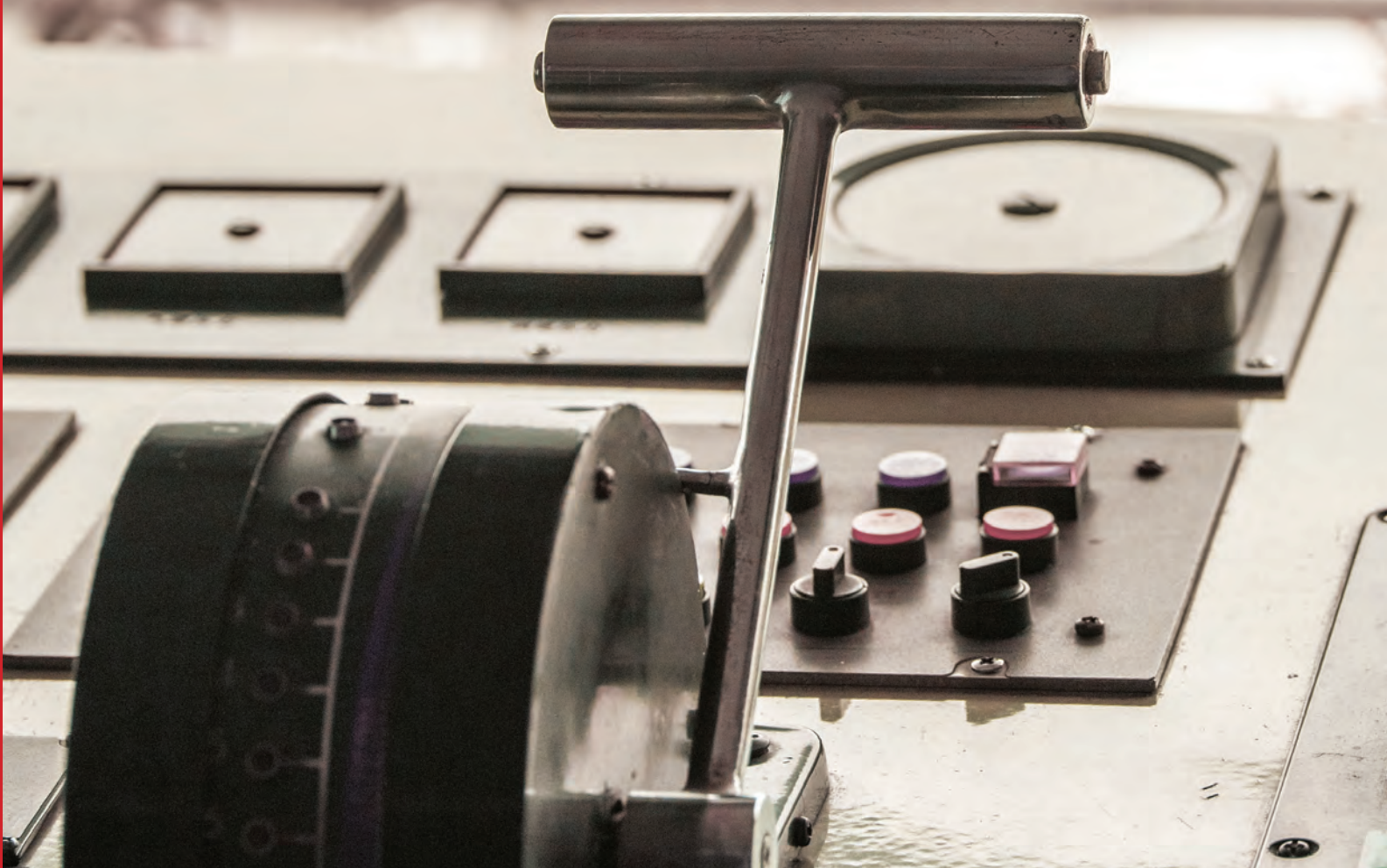
As on date, Mr. Tapas Icot holds 1,600 equity shares in the Company. He has attended all 5 Board meetings held during the financial year 2015-16.



68<sup>TH</sup> ANNUAL REPORT 2015-16



AT THE **HELM**





# Chairman's Statement



Dear Shareholders,

Last year, I had shared with you that our consolidated profit of ₹ 748.24 crores was the highest since the Lehman crisis. This year, I am equally happy to report that not only have we surpassed it, but also that we have recorded a profit exceeding ₹ 1000 crores for only the third time in our history. Noting this commendable performance, and keeping in mind the immediate market outlook as well as the medium term capital needs of the Group, your Board of Directors enhanced the dividend from ₹ 11 per share to ₹ 13.50 per share. After consideration of the dividend declared, the Company ended the year with a consolidated book value of ₹ 549 per share, versus ₹ 493 per share at the end of last year.

Your Group today operates in various sub-sectors of the shipping and offshore industries. This diversification in activities usually balances out the volatility in earnings, whilst providing better optionality in our capital allocation process. Currently, however, all of our sub-sectors remain challenged, and in some cases earnings are at multi-decade lows. While this will clearly impact your Company's profitability, it will also provide opportunities to acquire assets at historically low prices. To me, this is one of the most important factors for long-term success in our business. However, while the benefits of investing cheaply and wisely may not necessarily be immediately visible, they will, in the long-run, determine eventual success. Rest assured that your management team will follow this philosophy scrupulously.

In these challenging markets, customers are more discerning with regard to quality of operations and delivery capability of their service providers. I am proud to report that your Group has built world class operational and technical capability, enabling it to work with the most demanding of customers. This helps the Group to obtain better utilisation of its assets as compared to most others.

Last year, I dwelt on the important subject of social responsibility. It is important that those of us who are more fortunate provide time and resources to those less fortunate. I am happy to report that your Group has already funded the GECSR Foundation to the extent of ₹ 13.51 crores, and disbursed a total of ₹ 7.08 crores to our NGO partners up to March 2016. While most of the initial activity was in the field of education, we intend to enlarge the scope of our CSR activities to cover other areas. We have already identified and engaged with NGOs working in areas like skill development and capability building in rural areas. The amounts spent have directly and indirectly impacted the lives of about 10,000 people. I am sure that one day, the cumulative effort of all of corporate India will significantly benefit large sections of 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 your Management team.

Thank you!  
With warm regards,

K. M. Sheth  
Chairman



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## Board of Directors

|                        |   |
|------------------------|---|
| Mr. K. M. Sheth        | Chairman                                  |
| Mr. Bharat K. Sheth    | Deputy Chairman & Managing Director       |
| Mr. Berjis Desai       |   |
| Mr. Cyrus Guzder       |   |
| Mr. Farrokh Kavarana   |   |
| Ms. Rita Bhagwati      |   |
| Dr. Shankar N. Acharya |   |
| Mr. Vineet Nayyar      |   |
| Mr. Ravi K. Sheth      |   |
| Mr. Tapas Icot         | Executive Director & President (Shipping) |
| Mr. 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

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Tel. : 022 66613000/24922100  
Fax : 022 2492 5900  
Email : shares@greatship.com  
(Investor Relations)  
Web : www.greatship.com

### Auditors

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



**First generation school-goers  
from Warli tribal families**









# Corporate Social Responsibility

Corporate Social Responsibility (CSR) at Great Eastern was on a notable growth curve in 2015-16 with the number of NGO partners going up from six to twelve. Similarly, the number of families being positively impacted by our education, health and livelihood/skilling initiatives went up from about 3000 to 10000 and more. There were also notable initiatives in the employee social volunteering front with the Great Eastern and Greatship employees proactively participating in various initiatives aimed at giving back to society.

The shared understanding at Great Eastern is that CSR is significant beyond the scope of compliance. We understand the inter-dependence between society and business and are committed to contribute our best to both these dimensions. By engaging in ethical and successful business on one hand and sincerely contributing to the creation of social infrastructure through CSR on the other hand, Great Eastern is taking steps towards a more equitable future.

## The CSR Vision

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

## OBJECTIVE

Great Eastern's primary CSR objectives 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 among employees of Great Eastern to motivate them to give back to the society.

## GREAT EASTERN CSR FOUNDATION (GECSRF)

In February 2015, the Company incorporated a wholly owned not-for-profit subsidiary - Great Eastern CSR Foundation (GECSRF)- to implement the Company's CSR Strategy.

## FOCUS AREAS

The key thrust areas of GECSRF are Education, Health and Livelihood/Skilling.

### Education

- Promoting education for 'extremely vulnerable' children. Special focus shall be given to projects, which cater to the most vulnerable sections such as slum and street children, tribal children with little access to education etc.
- Promoting education for physically and mentally challenged children.
- General education promotion i.e. improving the quality of education and/or making education accessible among children from under-served sections of the population.

### Health:

- The focus will be on identifying projects where in GECSRF support to health, hygiene and nutrition activities directly compliment the educational access/progress of the target children.

### Livelihood/ Skilling:

- Support to livelihood promotion through community interventions.
- Skill training programs for youth with focus on facilitating livelihood (job/self-entrepreneurship).



## NGO PARTNERS

The details of NGOs supported by GECSRF are given below.

### 1. Ashoka University

#### 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. Their multi-disciplinary courses on critical thinking and social consciousness instil a love of learning in their students. At Ashoka, motivated educators and bright students learn from each other and establish a vibrant community of free-thinking individuals.

#### Our Support

GECSRF support is towards **providing scholarships to 34 students from low economic backgrounds.**

### 2. Masoom

#### About Masoom:

Masoom works with the night school students to work on 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



#### Our Support

GECSRF has partnered with Masoom to work with two night schools in Mumbai (one in Malad and one in Andheri) to provide quality resources and support to the students. These children are extremely hardworking and motivated 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 GECSRF, **more than 300 children will benefit from the resources and expertise provided by Masoom.**

### 3. Pratham

#### 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.

Their 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. Their 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.

#### Our Support

GECSRF has partnered with Pratham to provide support for two of their Learning Centres and to improve the quality of education through intervention in a part Government School in Chembur. **Through these interventions, more than 800 children from some of the most vulnerable backgrounds will receive high quality education and learning aids.**



#### 4. Teach For India

##### About TFI

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.



#### Our Support

In order to help the organization build a movement of leaders to eliminate educational inequity, **GECSRF is funding 46 Fellows from Pune and Delhi.** The funds are going towards the recruitment, selection, training and placement of Fellows in under-resourced classrooms as full-time teachers for a period of two years.

#### 5. Muktangan

##### 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 their Teacher Education Centre and 7 English-medium Municipal schools in Mumbai

#### Our Support

GECSRF has partnered with Muktangan to fund the running of the Muktangan School in Prabhadevi. **Through our funding, 400 children will receive high quality education and more than 51 teachers will receive the training needed to give them the skills needed to motivate and teach the children of Muktangan.**



## 6. 3.2.1 Education Foundation

### About 3.2.1 Education Foundation

3.2.1. Education 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.



### Our Support

GECSRF is partially funding 3.2.1 Foundation's Mahatma Jyotiba Phule Mumbai Public School. Through this endeavour, GECSRF aims to provide quality, holistic education to more than 350 children.

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

## 7. Tamarind Tree Foundation

### About Tamarind Tree Foundation

Founded by Ms. Michelle and Mr. Hemant Chawla, this School for tribal children is an initiative of the Tamarind Tree Trust, a non-profit organisation based in Dahanu, Maharashtra. Situated in Dahanu in Palghar District, this English medium school has classes from Nursery to Class 5. The school's aim has been to provide a good quality learning environment for the tribal children by combining technology based education with hands on activities such as farming, games and so on.



### Our Support

GECSRF has partnered with Tamarind Tree Foundation to help fund the running of the school. Our funding is ensuring that quality education is a reality for 165 children of a tribal community who are often neglected by the mainstream education system.





## 8. The Xavier's Resource Centre for the Visually Challenged (XRCVC)

### About XRCVC

XRCVC is part of St. Xavier's College and provides services and assistance for visually handicapped children across India. XRCVC works towards creating an enabling environment to facilitate the development of an inclusive society both at the micro as well as the macro levels thereby providing equal opportunities for holistic growth for the visually challenged

### **Our Support**

GECSRF has partnered with XRCVC to work towards providing Education Support to students with blindness and low vision as well as to spread awareness on inclusive education across mainstream schools in Mumbai. **This will have a direct impact to more than 250 children and indirect impact at a national level.**

## 9. Helen Keller Institute for Deaf & Deafblind

### About Helen Keller Institute

Helen Keller Institute works with deaf and deafblind children by providing a multitude of services such as counselling services, therapy, special education etc. It is the first institute in Asia to start a programme for deafblind children. Its commitment came from the belief that, "No one is incapable of being taught and no one can do without education". Helen Keller runs a robust special teachers training program that equips teachers with the skills required to work with children with multiple disabilities.

### **Our Support**

GECSRF is supporting the special teachers' training program which trains individuals to become fully capable of teaching deaf and deafblind (as well as other disabilities) children. **Through GECSRF funds, 25 special educator trainees will get support every year who upon completion of their course will serve the needy children across the country.**

## 10. Swades Foundation

### About Swades Foundation

Founded by Mr. Ronnie and Ms. Zarina Screwvala, the Swades Foundation operates with the aim to empower rural India. Swades runs a 360 degree model within the Raigad Region of Maharashtra. The model focuses on Agriculture & Livelihood, Education, Water & Sanitation, Community Mobilisation and Health & Nutrition.



### **Our Support**

GECSRF is funding Swades to implement the 360 degree program (holistic intervention with focus on education, health, sanitation, water, agriculture/livelihoods, etc.) in one Gram Panchayat and education and livelihood interventions in 5 Gram Panchayats in Raigad, Maharashtra. **GECSRF funding will go towards improving the lives of at least 1200 rural families.**

## 11. Antarang Foundation

### About Antarang Foundation

Antarang Foundation works with economically disadvantaged youth to help them transition from education to employment. Antarang works with the 14 – 25 year age continuum through 2 structured programs:

- Career Aware - 14-17 year old children are given 15 hours of training over 5 sessions on various subjects to help them chart their career.
- CareeReady – 17-25 year olds undergo 3 months of training (5 modules) on various subjects. They are then connected with mentors and potential employers.



### Our Support

GECSRF has partnered with Antarang foundation to ensure that youth between the age of 15-25 receive all the training, skills and mentorship they need to enter the workforce with necessary confidence. GECSRF funding is going towards supporting 18 CareeReady and 40 Career Aware groups which will result in **1360 children and youth receiving life skills and training to improve their chances of getting employment.**

## 12. Lend-A-Hand-India (LAHI)

### About LAHI

LAHI is an NGO founded by Mr. Raj Gilda & Ms. Sunanda Mane. Based out of Pune, LAHI works across Maharashtra, Karnataka, Goa, Gujarat, Uttar Pradesh, Madhya Pradesh. Their model is to integrate skill training from 9<sup>th</sup> class to 12<sup>th</sup> class, which has a proven impact on increasing attendance, reducing drop-out cases and most importantly equipping children with necessary skills and exposure to make right decisions on further education and/or livelihood post the completion of 12<sup>th</sup> class.

### Our Support

GECSRF funding is to support LAHI in implementing their integrated skilling program in 10 new schools and enhancing the quality of their ongoing work in another 10 schools across Maharashtra. **In just one year the program will benefit approx. 2200 children.**

## EMPLOYEE ENGAGEMENT

Over the last year, GECSRF has been proactively facilitating social volunteering opportunities for its employees. There is an evolving culture of 'social volunteering' at Great Eastern as employees have started actively participating in various social volunteering initiatives.

One of the key initiatives was to organize CSR exposure visits of employees wherein they were exposed to alternate realities of life through visits to old age homes, slum schools, etc. Reputed NGO leaders such as Ms. Shaheen Mistri from Teach for India and Mr. Deval Sanghvi from Dasra addressed the employees through an initiative known as 'CSR talks'.

In partnership with The Wishing Well Foundation, GECSRF held clothes and toy donation drives. Employees have been exceedingly generous and donated a huge number of items. GECSRF team has also held two blood donation drives in partnership with KEM hospital and the units of blood generously donated by our employees will be given free of charge to patients who cannot afford the high cost of transfusions.

GECSRF has partnered with 'ConnectFor', an online portal that facilitates social volunteering via systematically mapping the requirements of NGOs and the skillsets and interest areas of potential volunteers.



OC-35

NO SMOKING  
BE ALERT PREVENT POLLUTION

ORIENTAL

जग पुनीत

JAG PUNIT





**Mr. Bharat K. Sheth and team at the delivery of  
Jag Punit - Medium Range Product Carrier : Acquired in April 2016**

# Board's Report

Your Directors are pleased to present the 68<sup>th</sup> Annual Report on the business operations and the Financial Statements of your Company for the financial year ended March 31, 2016.

## FINANCIAL PERFORMANCE

The financial results of the Company (standalone) for the financial year ended March 31, 2016 are presented below:

|  | (₹ in crores)  |         |
|--|----------------|---------|
|  | 2015-16        | 2014-15 |
| Total Revenue                              | 2295.30        | 2012.69 |
| Total Expenses                             | 1666.40        | 1679.39 |
| <b>Profit before tax</b>                   | <b>628.90</b>  | 333.30  |
| Less : Tax Expenses                        | 19.00          | 16.00   |
| <b>Profit for the period</b>               | <b>609.90</b>  | 317.30  |
| Add : Profit as per last Balance Sheet     | 2942.10        | 2881.56 |
| Less :                                     |                |         |
| - Transfer to Tonnage tax reserve          | 125.00         | 45.00   |
| - Transfer to Debenture redemption reserve | 25.00          | 25.00   |
| - Interim Dividend on Equity Shares        | 203.55         | 60.31   |
| - Proposed Dividend on Equity Shares       | -              | 105.54  |
| - Dividend Distribution Tax                | 26.52          | 20.91   |
| <b>Balance Carried Forward</b>             | <b>3171.93</b> | 2942.10 |

The net worth of the Company as on March 31, 2016 was ₹ 5203.64 crores as compared to ₹ 4930.76 crores for the previous year.

## DIVIDEND ON EQUITY SHARES

During the year, your Directors declared and paid two interim dividends of ₹ 6 per share and ₹ 7.50 per share respectively. The aggregate outflow on account of the equity dividend for the year was ₹ 243.95 crores (inclusive of tax on dividend). This represents a payout ratio of 40% (previous year 61.25%).

The Board does not recommend any final dividend for the year under review.



# Management Discussion and Analysis

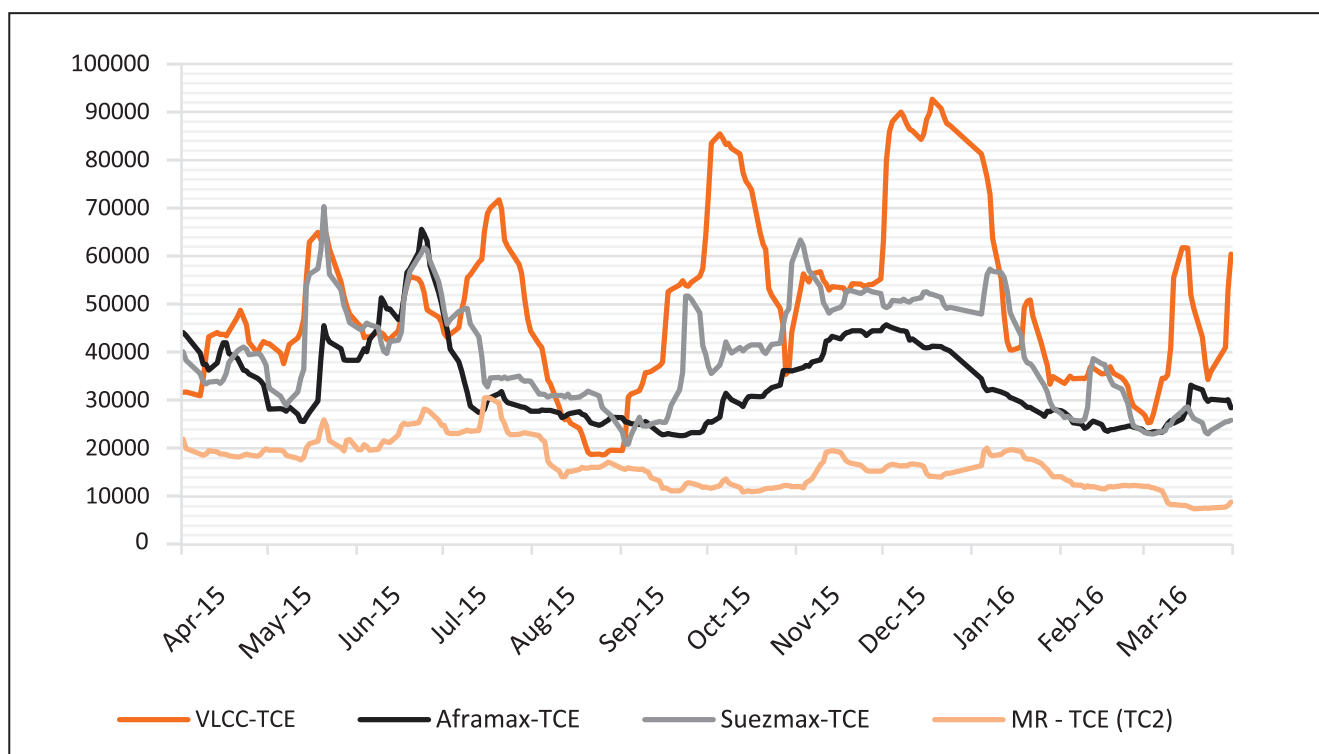
## COMPANY PERFORMANCE

In Financial Year (FY) 15-16, the Company recorded a total income of ₹ 2295.30 crores (Previous year ₹ 2012.69 crores) and earned a PBIDT of ₹ 1,153.13 crores (previous year ₹ 840.93 crores).

## TANKER BUSINESS

### MARKET TREND AND ANALYSIS

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



Source: Baltic Exchange

The strong earnings for crude tankers in FY 2016 were, principally due to the following factors:

- All oil producing nations upped their production levels and then continued their record high production even as oil prices fell.
- The surplus in crude availability translated directly into higher volumes shipped around the world, as refinery margins soared, demand spiked at lower prices, refinery maintenance was postponed and plants ran at historically high rates across the board.
- The lower oil prices spurred large scale stock-building (Commercial and Strategic).
- The crude fleet growth was modest in FY 2016 coming in at about 2.8 %.
- The earnings were also helped by the drop in the price of bunkers in tandem with oil prices from more than \$300/tonne at the start of FY2016 to less than \$ 200/tonne by the end of FY 2016.

Similar to the crude tankers, the product tankers undoubtedly benefitted from the fall in oil prices. The chief factors for healthy product tanker earnings in FY 2016 were:

- The sector continued to benefit due to the general trend of refining centres shifting from oil consuming countries to oil producing countries as refineries that recently opened up in Middle East propelled tonne mile higher.
- Falling feedstock prices led to record high global refinery runs, which produced large amounts of products in refining centres all around the globe.
- Strong cash flows from refining margins delayed some seasonal maintenance and even postponed permanent closures of refineries in Europe thus pushing more products onto the market.

Arguably, the strength of earnings for product tankers was less pronounced as compared to crude tankers as net fleet growth was high at about 7 % but charter rates were at their highest levels since 2008.

Overall, the world tanker fleet grew by about 4 % to 511 Mn dwt by the end of the financial year.

## COMPANY PERFORMANCE

The tanker business accounted for around 90% of the Company's operating revenues and 92% of the operating profits.

In FY16, crude tankers, inclusive of 'spot' and 'period', earned an average TCY of \$ 31,913 /day (previous year \$21,650/day). Product carriers, inclusive of 'spot' and 'period', earned an average TCY of \$ 20,155 /day (previous year \$16,050/day).

## TANKER FLEET CHANGES

As of 31st March 2016, the tanker fleet of your Company stood at 22 tankers aggregating 1.81 Mn dwt, with an average age of 11.96 years as against 21 tankers aggregating 1.76 Mn dwt with an average age of 10.99 years as on 31st March 2015.

During the year, your Company took delivery of:

- 2005 built MR tanker, 'Jag Padma' in Q4 FY16.

## OUTLOOK FOR THE TANKER MARKET

Currently, it seems that none of the oil producing nations are willing to cut their oil output inspite of the low oil prices. This position, along with potential increase of about 1 Mn barrels per day in supply from Iran as a result of end of the sanctions regime means that we are likely to see oil prices remaining soft during the year. As a result, we may see the following scenario in Cal Year (Cal) 2016.

- Sustained weakness in oil prices may keep on increasing global crude trade.
- Continued high refinery runs on the back of high margins
- Continued Commercial and Strategic stockpiling although at a lower pace than 2015

As a result, the crude tanker demand appears to be positively placed going into Cal 2016, although, with higher fleet growth, the average earnings are likely to be lower in comparison with Cal 2015.

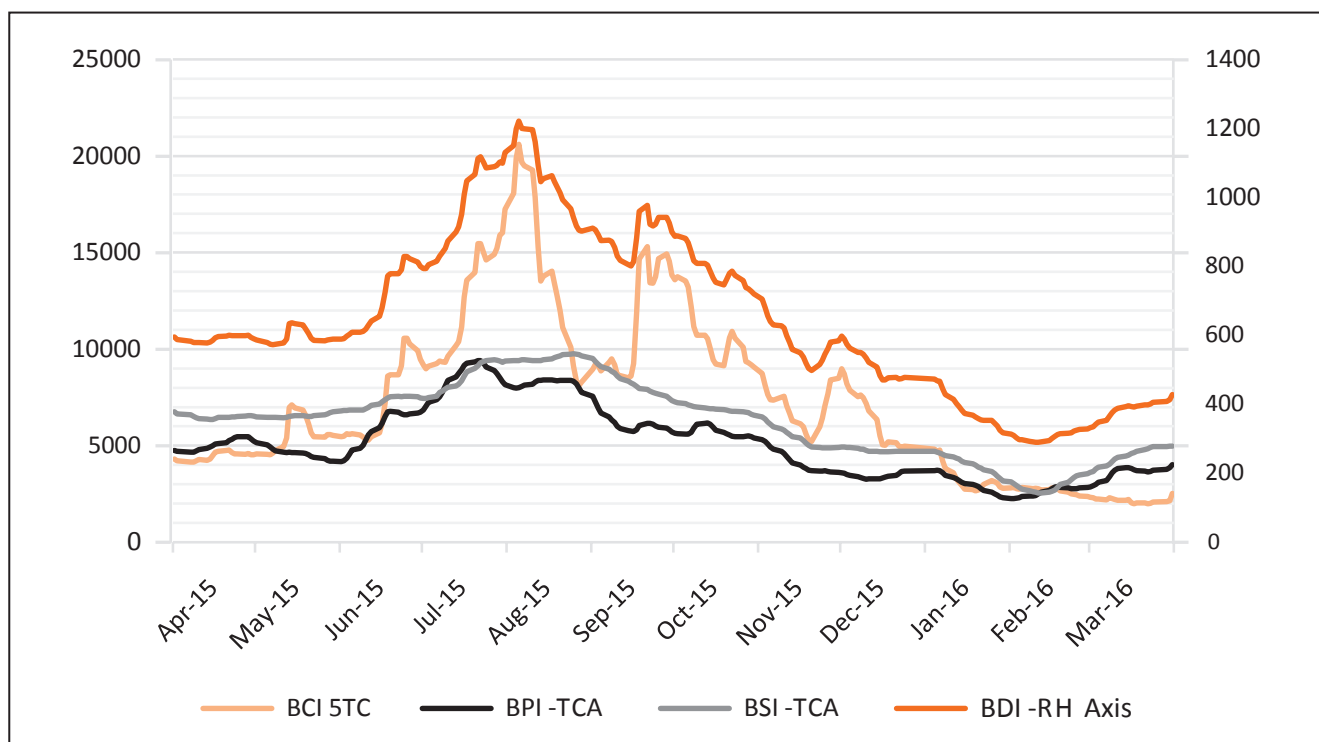
The FY16 earnings for product tankers came in high in large part thanks to the summer spike on MRs and LR1s due to the large spike in gasoline consumption in the United States. With the low gasoline prices, US driving season is expected to be strong again this year meaning that Europe will once again be required to fill the deficit of gasoline in the Atlantic, thus boosting earnings for the product tankers. Any unexpected refinery outages in the Americas can also have a large potential impact going forward. These factors are likely to keep earnings for the product tankers healthy though they may be lower than in FY16.

The global tanker order book stands at about 90 Mn dwt or 18.7 % of the fleet at the end of March 2016.

## DRY BULK BUSINESS

### MARKET TREND AND ANALYSIS

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



Source: Baltic Exchange

The freight rates in FY 2016 were notable for their extreme weakness notching up several lows during the year and leading to a perilous financial situation for many owners.

Arguably, the most visible reason was a decline in China's coal consumption with imports down by 20% over the year resulting in reduced demand of over 50 Mn metric tonnes. As the second most widely traded dry bulk commodity after iron ore, this had an adverse effect on the shipping market. The iron ore imports into China barely grew by 3% year on year with increasing number of shipments arriving from Australia which is a short haul route, instead of Brazil.

The situation was exacerbated by the steady increase in the size of the global fleet whose growth was partly checked by the healthy amount of scrapping witnessed during the year. This support from the supply side however did not provide succour to the market as this moderate supply added to the existing oversupplied fleet.

The world dry bulk fleet grew by 2 % to 784 Mn dwt by the end of the financial year.



## COMPANY PERFORMANCE

The dry bulk fleet contributed around 10% of the Company's operating revenues but just 8% of the operating profits.

In FY16, around 17% of the bulk carrier earnings were derived from the period market.

In FY16, the average TCY for dry bulk vessels, inclusive of 'spot' and 'period', was approximately \$ 6,638/day as compared to \$ 9,860/day in the previous year.

## DRY BULK FLEET CHANGES

As of 31st March 2016, the dry bulk fleet of your Company stood at 9 vessels aggregating 0.59 Mn dwt, with an average age of 6.48 years as compared to 8 vessels aggregating 0.511 Mn dwt with an average age of 6.875 years on 31st March 2015.

During the year, your Company took delivery of:

- 2015 built Kamsarmax Bulk Carrier 'Jag Arnav' in Q1 FY16.
- 2015 built Kamsarmax Bulk Carrier 'Jag Aakash' in Q2 FY16.

During the year, your Company sold & delivered:

- 2015 built Kamsarmax Bulk Carrier 'Jag Aakash' in Q2 FY16.

## OUTLOOK FOR THE DRY BULK MARKET

The dry bulk market is expected to remain weak and there currently are no market factors which are a cause for optimism in the near term. The market sentiment is eroded by deepening concerns for demand and the looming orderbook. Whilst there might be some intermittent rise in the market, overall we expect the dry bulk market to remain within a narrow band of earnings for 2016.

The global dry bulk orderbook stands at about 112 Mn dwt or 14.3 % of the fleet at the end of March 2016.

## ASSET VALUES

**Tankers:** The values have softened between 5% to 8% on year-on-year basis.

**Dry Bulk:** The year has witnessed a sharp drop in asset prices again with vessels losing about 40% of their value.

## 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. 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 away 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.

**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. This is affecting its dry bulk imports and keeping a lid on world trade growth in dry bulk. This along with increased new building deliveries especially in the dry bulk sector could prolong the 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, review 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 ₹ 1039.40 crores for the year under review as compared to ₹ 748.24 crores for the previous year. The net worth of the group as on March 31, 2016 was ₹ 8283.90 crores as compared to ₹ 7430.62 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, 2016 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, has completed its 10<sup>th</sup> year of operations. GIL recorded a profit after tax of ₹ 508.44 crores on a consolidated basis for the year ended March 31, 2016 as compared to ₹ 516.94 crores for the year ended March 31, 2015. The consolidated net worth of GIL for financial year 2016 was ₹ 4,550.57 crores as compared to ₹ 3958.66 crores for financial year 2015.

During the year under review, GIL sold one 2009 built 80-T Anchor Handling Tug cum Supply Vessel (AHTSV), 'Greatship Akhila'. There was no addition to the fleet during the year under review. GIL, alongwith its subsidiaries, currently owns and operates twenty one vessels and four jack up drilling rigs. The operating fleet of twenty one vessels comprises of five Platform Supply Vessels (PSVs), eight 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**

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**

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 42.51 Mn as against the profit of USD 36.27 Mn in the previous year.

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

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 incurred a loss of USD 6 Mn for the current financial year as against the profit of USD 18.75 Mn in the previous year. GGOS is the holding company of GGOS Labuan Ltd., Malaysia.

##### **iii) GGOS Labuan Ltd. (GLL), Malaysia**

GLL was incorporated in June 2014 as a wholly owned subsidiary of GGOS to pursue business opportunities in the Malaysian market. However, it has not commenced any operations as yet.

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

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 1.55 Mn as against the profit of USD 1.22 Mn in the previous year.

#### **c) Greatship Oilfield Services Ltd. (GOSL), India**

During the year under review, GIL incorporated GOSL as a wholly owned subsidiary in Mumbai on July 9, 2015. GOSL has been registered as a Micro, Small & Medium enterprise. However, it did not carry out any operations during the 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, 2016 there were 92 ship calls at Singapore. The company's profit after tax for the current financial year amounted to S\$ 0.20 Mn as against the profit of S\$ 0.15 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 out any operations during year ended March 31, 2016. The company's loss for the current financial year amounted to USD 1.11 Mn as against the loss of USD 0.04 Mn in the previous year. The company is in the process of voluntary striking off of its name from the Register of Companies, UK.

**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. 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. Since April 03, 2015 the vessel has been chartered to The Great Eastern Shipping Co. Ltd. on back to back terms. During the financial year 2015-16, the company made a profit of USD 1.65 Mn as compared to a loss of USD 2.24 Mn for the previous year.

**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. Due to depressed market conditions, FFA trading has been considerably reduced and only one new FFA trade has been concluded during the year. During the financial year 2015-16, the company made a loss of USD 0.10 Mn as compared to a loss of USD 1.21 Mn for the previous year.

**Great Eastern CSR Foundation, India**

Great Eastern CSR Foundation (Foundation) is a wholly owned subsidiary of your Company which handles the CSR activities of your Company and its subsidiaries. The Foundation has received a total contribution of ₹ 7.19 crores during the year from the Company and Greatship (India) Limited. The Foundation has spent ₹ 6.75 crores on CSR activities.

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 FUND RAISING**

During the year, fresh debt of Rs. 261.08 crores was raised. In addition, a loan of USD 29.4 Mn was refinanced to bring down the interest cost. The gross debt:equity ratio as on March 31, 2016 was 0.55:1 (0.69:1 including effect of currency swaps on rupee debt) and the debt:equity ratio net of cash and cash equivalents was 0.00 (0.14:1 including effect of currency swaps).

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

Maintaining high levels of safety on board our assets has been the message that has been spread across the fleet by means of safety campaigns and while meeting with ship's personnel. The message has also been spread during all visits of senior management to the fleet during the year.

Continuing with the focus of maintaining assets, the Company carried out additional inspections of the vessels. The follow up of the issues noticed during these inspections have not only improved the quality of the assets, but also reduced the unplanned down time of the fleet. Further, the Company has been audited by 5 oil majors during the year. The Company has also converted the Safety Management System documentation to electronic form.



Increased awareness of floating staff to safety related issues has resulted in reduction in Lost Time due to Injury (LTI) to 0.89 per million exposure hours (from 2.45 in FY15) and Total Recordable case Frequency (TRCF) to 4.19 per million exposure hours (from 5.17 in FY 2015). Your Company's Key Performance Indicator targets are 2.0 and 4.8 respectively.

The emphasis of continuous training of shipboard personnel has been the key focus this year with "On Board Training" on 20 of the fleet's vessels and soft skill training on leadership and a newly introduced module on behaviour based safety has been imparted to senior officers of the vessels. The computer based Learning Management System (LMS) has been made fully operational where the ship's staff can refresh and enhance their sector specific knowledge while on their leave. The training is open to all sailing officers of the Company. The LMS is also used to assess competency of newly joining officers and those seeking promotion to higher level of responsibility.

## IT INITIATIVES

In the era of digital transformation across the country, your Company is also strategically moving towards that goal. The following are a few of the major initiatives in this financial year, in that direction:

### ■ Direct Digital Transformation Initiatives

With an objective of moving towards digital transformation of the organization, the Company has commenced digitizing the huge set of printed documents for previous years as well as on current ongoing ones.

In the same line of digital transformation, the Company has introduced approval system driven workflow in place of paper approval in some places, which will eventually be implemented across the organization.

### ■ Improved Connectivity between Ship and Shore

The Company has implemented Internet Connectivity in all its ships now. As a result, all the data transfer from ship to shore is now real time, which helps the management team to act much faster and more effectively.

The Company has Voice over Internet Protocol (VoIP) in place and it is now in the process of implementing new route to connect from a mobile phone at the shore to ship's phone, through VoIP connection. That will bring a huge difference in terms of using instant connection from shore to ship on an anytime anywhere basis.

### ■ Mobile Apps

As a part of digital transformation movement, your Company has implemented quite a good number of mobile apps in different functional areas. This has enabled both the senior and junior management to track the data on a real time basis.

### ■ Cyber Security Initiative

In today's digital environment, cyber security is a big concern for any organization. The Company already had basic security in place earlier, but this year the Company has taken many steps to strengthen its cyber security area, including a periodical security audit conducted by external agencies. The Company has also conducted different vulnerability tests by external agencies to ascertain the level of its IT security.

Based on their recommendation and guidance, the Company has introduced IT security policies for the organization and is also in the process of implementing more stringent measures.



## HUMAN RESOURCES

The Company recognizes that sustainable business success can be achieved only through focus on its employees and by building a performance culture where employees are encouraged, engaged and empowered to deliver the highest output. A set of interventions were initiated to build an inclusive and vibrant workplace.

Considerable energy and efforts were invested in Learning and Development to build a lean, agile and competent workforce. Shore and sailing staff were exposed to multiple soft skills programs. Learning planet, the e-learning platform was put to optimal use to provide virtual learning. A business simulation module – Poseidon's venture was developed to provide a realistic business training to employees.

An employee town hall was held in December 2015 which enabled close interaction between senior management and employees. An offsite seminar with the Top 4 ranks of the sailing staff helped alignment with the Company's long term direction and expectations from employees.

The Company utilized the Coffman Index to measure employee engagement which stood at 3.73 on a 5 point scale. Overall employee satisfaction was 4.00, while the pride of being associated with GE Shipping was 4.58.

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 permanent shore staff: 180, attrition 4%

Total number of permanent floating staff: 513

## GREAT EASTERN INSTITUTE OF MARITIME STUDIES (GEIMS)

The Great Eastern Institute of Maritime Studies has completed 10 years of operation and has trained 2,630 cadets on the nautical, engineering and electrical side. During the tenth year, 10 pre-sea batches comprising 3 batches of nautical cadets, 4 batches of engine cadets and 3 batches of electrical cadets with a total of 397 cadets were trained.

Presently, about 60% of officers of Company's vessels are from the Institute and this percentage will continue to increase.

During the year, solar water heating units have been installed in one hostel block on trial basis which is operating successfully. Faculty is being encouraged to attend various professional development programs for enhancing their knowledge and career growth. There is a constant updating of the existing learning modules by the faculty in various areas like Marine Environmental Awareness, Material Welding etc. Cadets are motivated to participate in presentations made at various institutes where they have won a number of prizes.

## 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

Mr. Bharat K. Sheth was re-appointed as 'Deputy Chairman & Managing Director' of the Company for a period of 5 years with effect from April 01, 2015.

Mr. Ravi K. Sheth ceased to be the Executive Director of the Company with effect from April 01, 2015. However, he continues to be the Non-Executive Director of the Company.

Dr. Rajiv Lall resigned from the Board of Directors of the Company with effect from May 08, 2015 in view of his inability to devote the amount of time that was needed for the Company as he was preoccupied in the process of starting the banking operations of IDFC Bank.

Your Directors place on record their appreciation for the valuable guidance and support extended by Dr. Raiv Lall during his tenure as an Independent Director.

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

Necessary resolution for re-appointment of Mr. Tapas Icot has 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 Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

## **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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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](http://www.greatship.com)

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 transactions, though entered into in the ordinary course of business, may not strictly be treated on arm's length basis:

- Extension of charter of suezmax vessel, 'MV Erviken' taken from a wholly owned subsidiary of the Company

The Company had taken on charter a suezmax vessel 'MV Erviken' from The Great Eastern Chartering LLC (FZC) (GE Sharjah), a wholly owned subsidiary of the Company, with effect from April 03, 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 aforesaid vessel. The Company was 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. The



Company has taken the vessel on charter at the same rate and on the same terms on which GE Sharjah had taken the vessel on charter from its owners.

During the year, the Board had approved extension of the charter of the vessel for a period upto and including June 30, 2019. However, as the market conditions were not expected to be favourable, the Company has decided to redeliver the vessel to GE Sharjah on completion of the firm charter period which expires on 1st July 2017 (+/- 1 month).

- Transfer of 'Served From India Scheme' scrips, which enables the holder to import certain items without payment of duty in cash, upto ₹ 1 crore to Greatship (India) Limited, a wholly owned subsidiary of the Company.

The Company has transferred 'Served From India Scheme' scrips (SFIS scrips) of ₹ 1 crore issued by Directorate General of Foreign Trade (DGFT) under the 'Served From India Scheme' of the Foreign Trade Policy to Greatship (India) Limited (GIL), wholly owned subsidiary of the Company. The Company currently holds certain SFIS scrips which are valid till September 2016. The Company may not be able to utilize the SFIS scrips fully. In such case, they may lapse. On the other hand, GIL requires the same for its business purposes. Therefore, SFIS scrips of ₹ 1 crore were transferred to GIL for no consideration.

## 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

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:

- Jag Lok, Jag Lakshita, Jag Lateef, Jag Aditi and Jag Aarati were retrofitted with Mewis Ducts, a device which improves the flow of water on to propeller and thus its efficiency. These devices are designed as per hull and propeller characteristics of individual ships. Model tests are carried out to confirm energy savings that may be achieved in loaded as well as ballast conditions over various speeds. Only on completion of satisfactory tests, full scale Mewis Ducts are fabricated at manufacturers' works, transported and fitted to vessels during dry docking.

Total cost incurred on above five ships: USD 1,532,870.

- 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 all five ships and Jag Arya during their respective dry dockings during the financial year.

The additional cost incurred for preparation of hull surface and application of the superior anti-fouling coatings was USD 895,000.

During the financial year saving of USD 1.4 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 13,900 MT.

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

During the year, your Company completed a pilot project of evaluating benefits of sensor based performance monitoring system, a new technology being applied on board ships, for fuel efficiency. The pilot ships were Jag Lok, Jag Lalit, Jag Aditi and Jag Aarati.

The 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, 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 enables 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 and thus reduce greenhouse gas emission.

The Performance Monitoring System hardware and software had been procured during FY 2014-2015 from Iceland based MARORKA ehf., a pioneer and market leader in this area of technology.

The project has added value to your Company's experience in monitoring vessel performance using latest technology. The system provides the ability to see real time energy consumption data on board ships and ashore and has proven to be very useful in decision making for fuel saving.

#### **Initiatives of Vessel Performance Management Cell (VPM Cell)**

VPM Cell in co-ordination with IT Department has developed and is in the process of developing several computer based tools for monitoring fuel efficiency performance of vessels with beneficial results viz. Vessel Performance Dashboard, Cargo Discharge Parameter Monitoring, etc.

#### **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.

#### **Technology absorption**

Your Company has identified and absorbed several technologies on fleet vessels. These are reflected in paragraphs above.

#### **Quantification and reporting of Green House Gas (GHG) emission**

Your Company has decided from this year onwards to capture and quantify GHG emission from its business operation in a transparent and standardized manner for the information of stakeholders of the Company on a voluntary basis. The GHG emission quantification and reporting has been done taking into account:

- ISO 14064-1 (2006) "Greenhouse gases – Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, and

- The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised edition) published by World Business Council for Sustainable Development and World Resources Institute.

The data for the period April 1, 2015 to March 31, 2016 is as presented below:

| Scope                                  | Source  | April 1, 2015 to<br>March 31, 2016<br>in tonnes of CO <sub>2</sub> e |
|--|---|--|
|  |   |  |
| <b>Scope 1</b>                         | 1. Combustion of fuel oil in company owned and managed vessels' main engines, auxiliary engines, boilers, inert gas generators and auxiliary engines for framo pumps  | 636105.48 MT   |
|  | 2. Unintentional releases of hydro fluorocarbons (HFCs) used as refrigerants for air-conditioning and provision refrigeration plants on Company owned and managed vessels.  |  |
| <b>Scope 2</b>                         | 1. Use of purchased electricity at Ocean House, the Head Office of the Company located at Mumbai, Maharashtra, and Great Eastern Institute of Maritime Studies, the training academy of the Company located at Lonavala, Maharashtra. | 674.26 MT  |
| <b>Total Scope 1 &amp; 2 Emissions</b> |   | <b>636779.74 MT</b>  |

The organisational boundary for emission quantification includes vessels owned and managed by the Company on voyage and time charter, i.e. 31 vessels of 2.41 million deadweight tonnes and the Company's Head Office at Mumbai and Training Academy at Lonavala.

The above quantification and Company's internal protocols, processes and controls related to the collection and collation of GHG emission data is being independently verified by DNV-GL.

#### Contribution in the work of Marine Environment Protection Committee of International Maritime Organization

Marine Environment Protection Committee of IMO is currently developing new regulations and reviewing existing regulations for reduction of CO<sub>2</sub> emission from ships. Your Company, as a stakeholder, has been providing feedback to this work through Government of India for development of pragmatic regulations for benefit of the environment and society.

#### FOREIGN EXCHANGE EARNINGS AND OUTGO

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

|  | (₹ in crores) |
|--|---------------|
| a) Foreign Exchange earned on account of freight, charter hire earnings, etc.  | 1303.42       |
| b) Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc. | 1882.06       |

## AUDITORS

Pursuant to the provisions of Section 139 of the Companies Act, 2013, M/s. Kalyaniwalla & Mistry were appointed as the Statutory Auditors of your Company to hold office until the conclusion of the Annual General Meeting of the Company to be held in the calendar year 2017. As per the said provision, the appointment of auditors is required to be ratified at every Annual General Meeting.

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, 2016.

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 through 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 05, 2016

## 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 of the 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 spelt 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 Company 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 2015-16**

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 ₹ 149.38 crore.
4. The prescribed CSR expenditure (2% of the average net profit as aforesaid) is ₹ 2.99 crore.
5. Details of CSR spent during the financial year are as follows:
  - a) Total amount to be spent for the financial year 2015-16: ₹ 2.99 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 ₹ 2.99 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

**Mr. Vineet Nayyar**

Chairman of Corporate Social  
Responsibility Committee

Mumbai, May 05, 2016



## Annexure to Annual Report on CSR Activities for FY 2015-16

| S.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 three years</p> | Promoting Education                    | Ashoka University campus is situated at Rajiv Gandhi Education City, Kundlu NCR   | ₹ 1 cr (to be contributed over a period of 3 financial years) | <p>Total funds utilized by organization: ₹ 0.67 cr</p> <p>Direct Expenditure: ₹ 0.67 cr</p> <p>Overheads: NIL</p>       | ₹ 0.67 cr  | Amount was contributed by Great Eastern CSR Foundation to International Foundation for Research and Education |
| 2     | <p>Donation to Masoom, a Mumbai based NGO that works with night school students to work on the academics and provide better career opportunities for them. The donation is towards improving education in two night schools in Mumbai.</p>  | Promoting Education                    | <p>BVM Night High School, BMC School, Adjacent to Liberty Garden, Malad (w), Mumbai &amp;</p> <p>BVM Night High School and Junior College, Dawood Baug Lane, Nr Andheri Station and Bhavans College Lane, Andheri (w), Mumbai</p> | ₹ 0.18 cr (to be contributed over 1 financial year)           | <p>Total funds utilized by organization: ₹ 0.14 cr</p> <p>Direct Expenditure: ₹ 0.13 cr</p> <p>Overheads: ₹ 0.01 cr</p> | ₹ 0.18 cr  | Amount was contributed by Great Eastern CSR Foundation to Masoom  |

## Annexure to Annual Report on CSR Activities for FY 2015-16

|   |  |                     |  |  |  |  |
|---|--|---------------------|--|--|--|--|
| 3 | Donation to Pratham Mumbai Education Initiative an NGO that works to provide quality education to the underprivileged children of India. The donation is towards financial assistance to 2 Pratham learning Centres- One in Kamgar Nagar, Kurla and the other in Vashinaka, Chembur. The donation is also being used to support a privately run unaided school in Vashinaka.   | Promoting Education | One learning centre is located at Kamgar Nagar in Kurla while the other learning centre and the school are located in Vashinaka in Chembur, Mumbai | ₹ 1.51 cr (to be contributed over 3 financial years) | Total funds utilized by organization: ₹ 0.66 cr<br>Direct Expenditure: ₹ 0.66 cr<br>Overheads: NIL       | Amount was contributed by Great Eastern CSR Foundation to Pratham Mumbai Education Initiative                  |
| 4 | Donation to 3.2.1. Education Foundation an NGO that provides quality English education to children from low income communities. The donation will partially support their work at the Mahatma Jyotiba Phule Mumbai Public School. In addition to funding the School, Great Eastern CSR Foundation will also be funding the 'Sustained Mastery Program' of 3.2.1 Foundation, which is an initiative to provide high quality training to the teachers of government and private schools. | Promoting Education | Mahatma Jyotiba Phule Mumbai Public School in Crawford Market, Mumbai  | ₹ 2.25 cr (to be contributed over 3 financial years) | Total funds utilized by organization ₹ 0.50 cr<br>Direct Expenditure: ₹ 0.46 cr<br>Overheads: ₹ 0.04 cr  | Amount was contributed by Great Eastern CSR Foundation to 3.2.1 Education Foundation                           |
| 5 | Donation to Xavier's Resource Centre for the Visually Challenged (XRCVC) - XRCVC is part of St. Xavier's College and provides services and assistance for visually handicapped children across India. Great Eastern CSR Foundation has partnered with XRCVC to work towards providing Education Support to students with blindness and low vision as well as to spread awareness on inclusive education across mainstream schools in Mumbai.   | Promoting Education | Xavier's College, Mahapalika Marg, Mumbai  | ₹ 0.28 cr (to be contributed over 1 financial year)  | Total funds utilized by organization: ₹ 0.12 cr<br>Direct Expenditure: ₹ 0.09 cr<br>Overheads: ₹ 0.03 cr | Amount was contributed by Great Eastern CSR Foundation to Xavier's Resource Centre for the Visually Challenged |



## Annexure to Annual Report on CSR Activities for FY 2015-16

|   |  |                               |  |   |  |  |
|---|--|-------------------------------|--|---|--|--|
| 6 | Donation to Helen Keller Institute for Deaf & Deafblind. Helen Keller Institute works with deaf and deafblind children by providing a multitude of services such as counselling services, therapy, special education etc. Great Eastern CSR Foundation's funds support will go towards the special teacher's training program and will help increase the number of qualified special educators for the deafblind community   | Promoting Education           | Helen Keller Institute for Deaf & Deafblind<br>Shil Mahape Road, Navi Mumbai | ₹ 0.20 cr (to be contributed over 1 financial year) | Total funds utilized by organization: ₹ 0.10 cr<br>Direct Expenditure: ₹ 0.10 cr<br>Overheads: NIL | Amount was contributed by Great Eastern CSR Foundation to Helen Keller Institute for Deaf & Deafblind. |
| 7 | Donation to Antarang Foundation. Antarang Foundation works with economically disadvantaged youth to help them transition from education to employment. Antarang guides them towards the right career choice, trains them in career readiness skills and places them in mainstream careers based on their interests and abilities. Antarang works with the 14 - 25 year age continuum through 2 structured programs:<br>• Career Aware - 14-17 year old children are given 15 hours of training over 5 sessions on various subjects to help them chart their career<br>• CareerReady - 17-25 year olds undergo 3 months of training (5 modules) on various topics such as self awareness, work ethics, spoken English. They are then connected with mentors and potential employers. Great Eastern CSR Foundation's funding is going towards supporting 18 CareerReady and 40 Career Aware groups | Promoting Vocational Training | South and Central Mumbai   | ₹ 0.43 cr (to be contributed over 1 year)           | Total funds utilized by organization: ₹ 26,698<br>Direct Expenditure: ₹ 26,698<br>Overheads: NIL   | Amount was contributed by Great Eastern CSR Foundation to Antarang Foundation                          |

**Note** - Great Eastern CSR Foundation is evaluating various projects and the balance amount will be spent in due course.

**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 appointees 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 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 interest 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 portion 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's 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 with 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 ₹ 1 lakh\* 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.

\* increased from ₹ 75,000 per meeting to ₹ 1 lakh per meeting w.e.f. May 05, 2016.

### 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                   | 40% <sup>\$</sup> of CTC (Fixed) - Sr . Mgr to President   |
| HRA                     | 30-50% <sup>#</sup> 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.

*\$ increased from 25% to 40% w.e.f. July 01, 2015.*

*# revised from 0-50% to 30-50% w.e.f. July 01, 2015.*



#### **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 (PIP) (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 ROE 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 2015-16 and percentage increase in the remuneration of each Director and Key Managerial Personnel (KMP) during the financial year 2015-16 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                                  | 2.01:1   | (95.73)                             |
| 2       | Mr. Bharat K. Sheth   | Deputy Chairman & Managing Director       | 195.29:1   | 20.06                               |
| 3       | Mr. Tapas Icot        | Executive Director & President (Shipping) | 44.85:1  | 14.95                               |
| 4       | Mr. G. Shivakumar     | Executive Director & CFO                  | 49.44:1  | 18.03                               |
| 5       | Mr. Ravi K. Sheth*    | Director                                  | -  | -                                   |
| 6       | Mr. Berjis Desai      | Independent Director                      | 3.17:1   | 5.03                                |
| 7       | Mr. Cyrus Guzder      | Independent Director                      | 4.59:1   | 21.12                               |
| 8       | Mr. Farrokh Kavarana  | Independent Director                      | 3.48:1   | 104.41                              |
| 9       | Mrs. Rita Bhagwati    | Independent Director                      | 3.27:1   | 222.36                              |
| 10      | Dr. Shankar Acharya   | Independent Director                      | 2.97:1   | 430.80                              |
| 11      | Mr. Vineet Nayyar     | Independent Director                      | 2.31:1   | (6.17)                              |
| 12      | Dr. Rajiv B. Lall**   | Independent Director                      | 0.15:1   | (69.14)                             |
| 13      | Jayesh M. Trivedi     | Company Secretary                         | 22.59:1  | 19.94                               |

\* 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.

\*\* Resigned as a Director of the Company with effect from May 08, 2015.

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 2015-16 was 49.19 %.
3. The Company had 693 permanent employees on the rolls of the Company as on March 31, 2016.
4. The Company Relationship between average increase in remuneration of employees and Company performance: The average increase in remuneration of employees was 13.07% during the financial year 2015-16.

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 2015-16 | FY 2014-15 | increase / decrease (%) |
|----------------------------|------------|------------|-------------------------|
| Revenue                    | 2295.30    | 2012.69    | 14.04                   |
| EBITDA                     | 1153.13    | 840.93     | 37.13                   |
| Profit after tax           | 609.90     | 317.30     | 92.22                   |
| Return on Equity           | 12.04%     | 6.52%      | -                       |
| Return on capital employed | 9.83%      | 6.28%      | -                       |
| EPS (₹)                    | 40.45      | 21.04      | 92.25                   |
| Total Assets               | 9412.71    | 9335.93    | 0.82                    |
| Gross Debt/Equity Ratio    | 0.55       | 0.62       | -                       |

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 18.97 % during the financial year 2015- 16. 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, 2016 was ₹ 4677.10 crore as compared to ₹ 5513.92 crore as on March 31, 2015. Price earning ratio of the Company was 7.67 as at March 31, 2016 and was 17.38 as at March 31, 2015 on standalone basis. Whereas the price earning ratio on consolidated basis was 4.49 as at March 31, 2016 and was 7.36 as at March 31, 2015. 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, 2016 (closing) was ₹ 310.20 per share. This results into an increase of 3002% over the last rights issue price.
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 Remuneration

Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

| 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 B K         | Deputy Chairman & Managing Director               | 96,325,952                      | B.Sc. (Scotland)                          | 35                 | 01-Oct-1981                        | 58          | -                                       |
| 2                   | Icot T              | Executive Director & President (Shipping)         | 22,124,201                      | B. Com. (Hons.), All India, DMS, FCA, MFM | 38                 | 20-Feb-1991                        | 60          | Essar Shipping Ltd.                     |
| 3                   | Shivakumar G        | Executive Director & Chief Financial Officer      | 24,386,449                      | B.Com., PGDM                              | 26                 | 16-Sep-2008                        | 48          | Greatship (India) Ltd.                  |
| <b>Shore Staff:</b> |                     |   |                                 |   |                    |                                    |             |   |
| 4                   | Bakshi U S          | Deputy General Manager, Sale & Purchase           | 7,402,989                       | B.E., MBA                                 | 17                 | 14-Feb-2000                        | 41          | Bank of Madras Ltd.                     |
| 5                   | Birwadkar D D       | Vice President - Fleet Management                 | 11,677,959                      | 1st Class MOT                             | 33                 | 28-Dec-2006                        | 55          | Anglo Eastern Ship Management Pvt. Ltd. |
| 6                   | Bose I N            | Asst. Vice President                              | 7,835,258                       | Extra First Class COC                     | 45                 | 15-Mar-2007                        | 66          | Indian Register of Shipping             |
| 7                   | Chandrasekharan V K | Head - Quality, Safety & Training                 | 9,287,512                       | B.E., MBA                                 | 36                 | 1-Jul-2013                         | 57          | Greatship (India) Ltd.                  |
| 8                   | Cherian C K         | General Manager, Materials Procurement            | 8,498,895                       | B.E., DMS                                 | 37                 | 04-Sep-2000                        | 59          | Crompton Greaves Ltd.                   |
| 9                   | Chopra V            | Advisor, Sale & Purchase                          | 6,722,232                       | 1st Class MOT                             | 46                 | 1-Apr-2015                         | 68          | Consultant                              |
| 10                  | Correa Pradeep      | Asst. Vice President, Fleet Personnel             | 9,054,335                       | Master FG, MICS                           | 36                 | 26-Apr-2001                        | 55          | Varun Shipping Company Ltd.             |
| 11                  | Correa Prakash      | Vice President - Tanker Operations, International | 13,717,236                      | Master FG                                 | 37                 | 23-Jun-2004                        | 57          | Varun Shipping Company Ltd.             |
| 12                  | Das Mahapatra A     | General Manager, Shipping                         | 7,574,513                       | M.A., MBA                                 | 32                 | 23-Dec-2005                        | 56          | Parekh Marine Agencies Pvt. Ltd.        |
| 13                  | Deb A K             | General Manager - IT                              | 8,019,685                       | B.Sc., MBA, Dip. in Systems Management    | 27                 | 30-Dec-2008                        | 51          | Motilal Oswal Securities Ltd.           |
| 14                  | Dhyani P K          | General Manager, Coastal Operations               | 8,479,798                       | Master FG                                 | 37                 | 16-Apr-1979                        | 59          | -                                       |
| 15                  | *Iyer R N           | General Manager, Insurance & Claims               | 6,513,164                       | B.COM, LLB                                | 36                 | 3-Jul-2000                         | 61          | James Mackintosh & Co. Pvt. Ltd.        |
| 16                  | Joshi S V           | General Manager - Accounts, MIS and Taxation      | 7,048,956                       | B.Com., ACA                               | 30                 | 5-Jul-2000                         | 51          | Crompton Greaves Ltd.                   |
| 17                  | Kapila S K          | Head - Tanker Business Unit                       | 10,422,842                      | B.Sc., PGDBM                              | 28                 | 4-May-1995                         | 51          | Shipping Corporation of India Ltd.      |
| 18                  | Khanolkar K S       | General Manager, Shipping                         | 7,352,918                       | B.SC, FI, MarE                            | 30                 | 24-Sep-1986                        | 56          | Ajax Ship Management Co. Ltd.           |
| 19                  | Khot G P            | General Manager                                   | 7,434,315                       | DIIM, B.TECH                              | 45                 | 1-Sep-1982                         | 66          | Self Employed                           |
| 20                  | Kumar A             | Deputy General Manager, Finance & Corp Comm       | 6,048,614                       | BA, PGDBM                                 | 26                 | 1-Apr-1996                         | 49          | WGF Financial Services Ltd.             |
| 21                  | Lala A E            | Deputy General Manager, Tanker Operations (Int)   | 7,163,838                       | Extra Master                              | 36                 | 14-Jul-1980                        | 59          | -                                       |
| 22                  | Manamdar S R        | Head - Human Resources                            | 7,178,449                       | B.TECH, PGD (PM&IR)                       | 24                 | 6-May-2005                         | 50          | BPL Mobile                              |
| 23                  | Mehrotra M          | Asst. Vice President, Tanker Technical            | 9,545,922                       | 1st Class MOT                             | 27                 | 04-Apr-1989                        | 50          | -                                       |
| 24                  | Mukherjee S         | Deputy General Manager, Technical - Tanker        | 6,506,703                       | B.E., 1st Class MOT                       | 25                 | 7-Jan-1991                         | 49          | -                                       |
| 25                  | Nagarajao S         | Assistant General Manager, Technical - Tanker     | 6,276,581                       | B.E., 1st Class MOT                       | 24                 | 15-May-2008                        | 48          | IRS                                     |
| 26                  | Narayan A           | Assistant General Manager, Chartering             | 6,550,293                       | B.E., MMS                                 | 17                 | 1-Nov-2001                         | 41          | Jumbo International Holdings Limited    |
| 27                  | Nayak B             | Assistant General Manager, Technical - Tanker     | 6,205,324                       | B.E., 1st Class MOT                       | 28                 | 11-Jul-2005                        | 51          | Essar Shipping Ltd.                     |
| 28                  | Pendyala S S Prabhu | Deputy General Manager, Technical - Tanker        | 7,076,580                       | B.Tech, 1st Class MOT                     | 25                 | 21-Aug-1991                        | 48          | -                                       |
| 29                  | Sadangi C           | Assistant General Manager, Technical - Dry        | 6,102,031                       | 1st Class MOT                             | 19                 | 22-Apr-2014                        | 43          | Anglo Eastern Ship Management Pvt. Ltd. |
| 30                  | Sahu A K            | Assistant Vice President, Technical               | 10,607,606                      | 1st Class MOT                             | 36                 | 29-Dec-1995                        | 54          | American Bureau of Shipping             |



| Sr. No.         | Name           | Designation                                    | Remuneration received (₹) Gross | Qualifications                                    | Experience (Years) | Date of Commencement of Employment | Age (Years) | Last Employment Held                           |
|-----------------|----------------|--|---------------------------------|---|--------------------|------------------------------------|-------------|--|
| 31              | Sanatani S     | Assistant General Manager, Technical - Tanker  | 6,150,798                       | B.E. (Marine)                                     | 31                 | 15-May-2008                        | 52          | IRS (Mumbai & Kandla)                          |
| 32              | Sequeira R C   | Head - Bulk Carrier Business Unit              | 10,921,294                      | B.Sc., MBA, LL.B.                                 | 40                 | 18-Dec-2006                        | 61          | Noble Chartering Ltd., Hong Kong               |
| 33              | Singh A        | Deputy General Manager, Tanker Ops. (Int.)     | 6,625,170                       | Master FG   | 36                 | 17-Sep-2004                        | 54          | TESMA Singapore Pte. Ltd., Singapore           |
| 34              | Soman S M      | Deputy General Manager, Chartering - Tanker    | 6,787,481                       | B.E. Diploma in Shipping Mgmt, PGPMX (IIM Indore) | 21                 | 24-Jan-2000                        | 41          | Century Shipping Co. Ltd                       |
| 35              | Sukthankar A L | Asst. Vice President, Accounts & MIS           | 9,238,262                       | B.COM, ACA  | 28                 | 15-Sep-1997                        | 52          | The Indian Hotels Co. Ltd.                     |
| 36              | Thomas A       | Assistant General Manager, Technical - Tanker  | 6,297,433                       | 1st Class MOT                                     | 25                 | 1-Jul-1991                         | 47          | -  |
| 37              | Trivedi J M    | President (Sec. & Legal) and Company Secretary | 11,140,908                      | B.Com., BGL, FCS                                  | 37                 | 19-Jul-2000                        | 56          | DCW Home Products Ltd.                         |
| 38              | Vaicyanathan R | General Manager                                | 6,667,290                       | B.COM, ACA  | 34                 | 16-Aug-1984                        | 57          | Jayantilal Thakkar & Co, Chartered Accountants |
| Floating Staff: |                |  |                                 |   |                    |                                    |             |  |
| 39              | *Ahmed M F     | Master   | 6,498,060                       | Master (FG)                                       | 7                  | 11-May-2015                        | 49          | India Steamship Co. Ltd.                       |
| 40              | *Apte N B      | Chief Engineer                                 | 4,950,198                       | Class I (Motor)                                   | 5                  | 17-Jul-2015                        | 51          | Synergy Marine Pte Ltd.                        |
| 41              | *Arora R K     | Chief Engineer                                 | 2,995,282                       | Class I (Motor)                                   | 18                 | 4-Oct-2015                         | 40          | TransOcean Shipping Pte Ltd.                   |
| 42              | Babu M R       | Chief Engineer                                 | 7,512,340                       | Class I (Motor)                                   | 15                 | 10-Jan-2004                        | 42          | India Steamship Co. Ltd.                       |
| 43              | *Banga S K     | Chief Engineer                                 | 3,614,154                       | Class I (Motor)                                   | 24                 | 16-Sep-2015                        | 62          | Executive Ship Management Pvt. Ltd.            |
| 44              | Behara R       | Chief Engineer                                 | 7,306,752                       | Class I (Motor)                                   | 16                 | 10-Oct-2000                        | 43          | Pelican Marine Ship Management                 |
| 45              | Bera P P       | Chief Engineer                                 | 7,314,337                       | Class I (Motor)                                   | 20                 | 8-Feb-1996                         | 46          | -  |
| 46              | *Chakrabarti P | Master   | 1,062,001                       | Master (FG)                                       | 18                 | 18-Feb-2016                        | 44          | A & Z Marine Services Pvt. Ltd.                |
| 47              | Chaturvedi M   | Chief Engineer                                 | 6,341,985                       | Class I (Motor)                                   | 15                 | 13-Aug-2013                        | 38          | -  |
| 48              | *Das P         | Chief Engineer                                 | 6,740,403                       | Class I (Motor)                                   | 19                 | 30-Jan-2015                        | 44          | India Steamship Co. Ltd.                       |
| 49              | *Dhanasekar T  | 2nd Engineer                                   | 2,132,335                       | Class II (Motor)                                  | 14                 | 1-Dec-2015                         | 39          | Wallens Ship Management Ltd                    |
| 50              | *Dhanu V D     | Master   | 8,406,599                       | Master (FG)                                       | 15                 | 1-Jul-2012                         | 41          | -  |
| 51              | *Duhan N       | Chief Engineer                                 | 1,288,045                       | Class I (Motor)                                   | 14                 | 10-Feb-2016                        | 41          | -  |
| 52              | *Garuda G R    | Chief Engineer                                 | 5,957,262                       | Class I (Motor)                                   | 17                 | 8-Aug-2015                         | 50          | TransOcean Shipping Pte Ltd.                   |
| 53              | *Gokhale M K   | Master   | 922,466                         | Master (FG)                                       | 17                 | 14-Feb-2016                        | 35          | Univan Ship Management Ltd                     |
| 54              | *Irani R H     | Master   | 6,437,149                       | Master (FG)                                       | 20                 | 15-Feb-2014                        | 43          | -  |
| 55              | Jogat A S      | Chief Engineer                                 | 6,163,235                       | Class I (Motor)                                   | 10                 | 2-Aug-2005                         | 34          | -  |
| 56              | Joshi D K      | Master   | 7,279,479                       | Master (FG)                                       | 11                 | 8-Dec-2009                         | 34          | -  |
| 57              | Kaitheri D K   | Master   | 7,091,695                       | Master (FG)                                       | 29                 | 28-Oct-1986                        | 53          | -  |
| 58              | Kaushik A      | Master   | 6,142,602                       | Master (FG)                                       | 12                 | 12-Dec-2010                        | 30          | Executive Ship Management Pvt. Ltd.            |
| 59              | Khattri A      | Chief Engineer                                 | 6,273,641                       | Class I (Motor)                                   | 18                 | 21-Nov-2003                        | 41          | -  |
| 60              | Kumar K        | Chief Engineer                                 | 6,197,808                       | Class I (Motor)                                   | 17                 | 27-Apr-2005                        | 43          | The Shipping Corporation of India              |
| 61              | *Mahajan P G   | Chief Engineer                                 | 6,053,546                       | Class I (Motor)                                   | 41                 | 12-Aug-2005                        | 63          | Essar Shipping Limited                         |
| 62              | *Mahato M K    | Master   | 2,699,557                       | Master (FG)                                       | 15                 | 5-Dec-2015                         | 38          | American Eagle Tankers                         |
| 63              | *Menezes L F   | Master   | 7,600,820                       | Master (FG)                                       | 12                 | 12-Sep-2014                        | 37          | Mitsui O.S.K. Manning Services S.A.            |
| 64              | Mukadam M N    | Master   | 6,538,721                       | Master (FG)                                       | 15                 | 13-Jan-2009                        | 33          | Five Star Shipping Pvt.Ltd.                    |
| 65              | Mukherjee K    | Chief Engineer                                 | 6,574,575                       | Class I (Motor)                                   | 17                 | 14-Jan-2006                        | 42          | The Shipping Corporation of India              |
| 66              | *Mukundan M    | Master   | 2,272,375                       | Master (FG)                                       | 7                  | 5-Jan-2016                         | 57          | Sealand Shipping Management                    |

| Sr. No. | Name               | Designation    | Remuneration received (₹) Gross | Qualifications   | Experience (Years) | Date of Commencement of Employment | Age (Years) | Last Employment Held                |
|---------|--------------------|----------------|---------------------------------|------------------|--------------------|------------------------------------|-------------|-------------------------------------|
| 67      | *Naidu K J         | Chief Engineer | 1,049,721                       | Class I (Motor)  | 18                 | 19-Jun-2006                        | 42          | Anglo Eastern Ship Management Ltd.  |
| 68      | #Nair S S          | Master         | 6,697,867                       | Master (FG)      | 18                 | 10-Nov-2012                        | 39          | Nortrans Pte Ltd.                   |
| 69      | Parthan K          | Master         | 6,115,169                       | Master (FG)      | 22                 | 9-Apr-2004                         | 40          | OMI Corp                            |
| 70      | #*Patro G          | Master         | 1,510,291                       | Master (FG)      | 8                  | 21-Jan-2016                        | 41          | Essar Shipping Limited              |
| 71      | #Pinto E A         | 2nd Engineer   | 6,216,379                       | Class II (Motor) | 14                 | 18-Feb-2013                        | 37          | Fleet Management Ltd.               |
| 72      | *Rao B R           | Chief Engineer | 5,498,405                       | Class I (Motor)  | 20                 | 27-May-2015                        | 49          | V Ships                             |
| 73      | #*Rao M M          | Master         | 4,662,002                       | Master (FG)      | 14                 | 27-Jul-2015                        | 52          | Surendra Overseas Limited           |
| 74      | #*Rath C           | Master         | 6,535,996                       | Master (FG)      | 16                 | 8-Jun-2015                         | 35          | -                                   |
| 75      | *Sabhri Nathan R M | Master         | 4,215,718                       | Master (FG)      | 17                 | 2-Oct-2015                         | 39          | Ship Service India                  |
| 76      | #Sadanandan M P    | Chief Engineer | 6,467,600                       | Class I (Motor)  | 19                 | 25-Feb-2015                        | 50          | Selandia Marine Services Pvt. Ltd.  |
| 77      | #*Sam R            | 2nd Engineer   | 2,404,668                       | Class II (Motor) | 12                 | 27-Nov-2015                        | 40          | Essar Shipping Limited              |
| 78      | Semwal S           | Chief Engineer | 7,925,474                       | Class I (Motor)  | 20                 | 12-Feb-1996                        | 55          | -                                   |
| 79      | Sengar D S         | Chief Engineer | 6,120,511                       | Class I (Motor)  | 23                 | 18-May-2010                        | 48          | -                                   |
| 80      | Singh A K          | Master         | 6,700,685                       | Master (FG)      | 17                 | 2-Feb-1999                         | 38          | -                                   |
| 81      | #*Singh C          | Master         | 3,972,567                       | Master (FG)      | 6                  | 24-Sep-2015                        | 39          | Tolani Shipping Co.Ltd.             |
| 82      | Singh N            | Chief Engineer | 6,848,790                       | Class I (Motor)  | 14                 | 26-Aug-2001                        | 43          | -                                   |
| 83      | Singh R S          | Master         | 6,481,614                       | Master (FG)      | 12                 | 28-Jul-2003                        | 32          | -                                   |
| 84      | Singh R V          | Master         | 7,785,591                       | Master (FG)      | 15                 | 27-Apr-2000                        | 34          | -                                   |
| 85      | Singh S            | Master         | 7,660,680                       | Master (FG)      | 12                 | 27-Aug-2010                        | 54          | Executive Ship Management Pvt. Ltd. |
| 86      | Singh T P          | Master         | 6,310,279                       | Master (FG)      | 16                 | 21-Nov-2013                        | 38          | Executive Ship Management Pvt. Ltd. |
| 87      | #Subramanian V     | Master         | 6,526,672                       | Master (FG)      | 23                 | 30-Jul-2006                        | 47          | The Shipping Corporation of India   |
| 88      | #*Telang B P       | Master         | 4,200,140                       | Master (FG)      | 15                 | 4-Aug-2015                         | 41          | Essar Shipping Limited              |
| 89      | *Thirunarayanan S  | Master         | 5,729,624                       | Master (FG)      | 15                 | 24-Apr-2015                        | 48          | -                                   |
| 90      | #*Tiwari A         | 2nd Engineer   | 1,338,984                       | Class II (Motor) | 13                 | 21-Jan-2016                        | 37          | A & Z Marine Services Pvt. Ltd.     |
| 91      | #Yanamali M S      | Master         | 8,002,928                       | Master (FG)      | 16                 | 9-May-2013                         | 42          | -                                   |
| 92      | *Varma V           | Chief Engineer | 6,226,874                       | Class I (Motor)  | 20                 | 28-Apr-2015                        | 47          | Anglo Eastern Ship Management Ltd.  |
| 93      | Varuvelhasan A J   | Chief Engineer | 8,780,863                       | Class I (Motor)  | 14                 | 19-Feb-2002                        | 37          | -                                   |
| 94      | #*Verma A K        | Master         | 1,924,017                       | Master (FG)      | 20                 | 18-Jan-2016                        | 47          | 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, PFPC 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 is the son 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 sub section 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 contracts/ arrangements or transactions entered into during the year ended March 31, 2016, which were not at arm's length basis 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   | Date of Board Approval | Amount (₹ in crores) |
|------------------------------|-------------------------|--|--|---|------------------------|----------------------|
| Greatship (India) Ltd. (GIL) | Wholly owned subsidiary | Transfer of 'Served From India Scheme' scrips  | -  | The Company has transferred 'Served From India Scheme' scrips of ₹ 1 crore issued by Directorate General of Foreign Trade under the 'Served From India Scheme' of the Foreign Trade Policy to Greatship (India) Limited for no consideration. | February 04, 2016      | Nil                  |

**Justification:** The Company currently holds certain 'Served From India Scheme' scrips (SFIS scrips) which are valid till September 2016. The Company may not be able to utilize the SFIS scrips fully. In such case, they may lapse. On the other hand, GIL requires the same for its business purposes. Therefore, SFIS scrips of ₹ 1 crore were transferred to GIL for no consideration.

| 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 (₹ in crores) |
|---|-------------------------|--|--|---|------------------------|----------------------|
| The Great Eastern Chartering LLC (FZC) (GE Sharjah) | Wholly owned subsidiary | Extension of charter of suezmax vessel, 'MV Erviken' | The Company had taken the vessel 'MV Erviken' on charter with effect from April 3, 2015 for a period of 9 months (with option to extend upto 730 days). The Company has decided to redeliver the vessel to GE Sharjah on completion of the firm charter period which expires on July 01, 2017 (+/- 1 month). | The vessel has been taken at the same rate and on the same terms on which GE Sharjah has taken the vessel on charter from its owners. | November 06-07, 2016   | -                    |

**Justification:** The Company had 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 03, 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 aforesaid vessel. The Company was of the view that if the vessel runs as a part of its fleet, it may fetch better returns as compared to G E 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 had taken the vessel on charter from its owners.

During the year the Board had approved extension of the charter of the vessel for a period upto and including June 30, 2019.

However, as the market conditions were not expected to be favourable, the Company has decided to redeliver the vessel to GE Sharjah on completion of the firm charter period which expires on July 01, 2017 (+/- 1 month).



**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, 2016 are as follows:

| <b>Name of Related Party</b>               | <b>Nature of Relationship</b> | <b>Nature of Contract / arrangement / transaction</b>                       | <b>Duration of Contract / arrangement / transaction</b> | <b>Salient terms of contract / arrangement / transaction</b>                               | <b>Amount<br/>(₹ in crores)</b> |
|--|-------------------------------|---|---|--|---------------------------------|
| 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                        | 1.19                            |
| 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 | 5.24                            |
| The Greatship (Singapore) Pte. Ltd.        | Wholly owned Subsidiary       | Payables  | -   | Outstanding amount towards agency fees and disbursements                                   | 0.43                            |
| The Great Eastern Chartering LLC (FZC)     | Wholly owned Subsidiary       | In-Chartering of vessels  | Several transactions during the year                    | Payment for in-chartering of vessels service availed by the Company                        | 55.93                           |
| The Great Eastern Chartering LLC (FZC)     | Wholly owned Subsidiary       | Payables  | -   | Outstanding amount towards in-chartering of vessels by the Company                         | 14.61                           |
| The Great Eastern Chartering LLC (FZC)     | Wholly owned Subsidiary       | Advances  | -   | Advance amount towards in-chartering of vessels  | 2.99                            |
| The Great Eastern Shipping Co. London Ltd. | Wholly owned Subsidiary       | Transfer towards share capital amount on commencement of winding up process | -   | -  | 2.00                            |
| The Great Eastern Shipping Co. London Ltd. | Wholly owned Subsidiary       | Dividend Income   | -   | Dividend received by the Company as per the terms of equity shares held by the Company     | 5.46                            |
| Greatship (India) Ltd.                     | Wholly owned Subsidiary       | Sale of Training Slots  | Several transactions during the year                    | Sale of training slots as per DG Shipping Rules  | 1.21                            |



| 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   | 0.07                 |
| 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                 | 68.17                |
| 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                            | Receivables   | -  | Receivables towards reimbursement of expenses incurred by the Company   | 0.69                 |
| Great Eastern CSR Foundation | Wholly owned Subsidiary                            | Donation given  | -  | Donation given pursuant to Section 135 of the Companies Act, 2013   | 2.99                 |
| 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                                   | 0.13                 |

For and on behalf of the Board of Directors

**K.M. Sheth**  
Chairman

Mumbai, May 05, 2016

## 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, 2016

[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<br>TEL : 022-66613000 / 24922100<br>FAX : 022-24925900<br>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.<br>13A/B, SAMHITA WAREHOUSING COMPLEX,<br>2ND FLOOR, SAKINAKA TELEPHONE EXCHANGE LANE, OFF ANDHERI-KURLA ROAD, SAKINAKA, ANDHERI (E), MUMBAI 400072.<br>TEL : 022-67720300 / 67720400<br>Fax : 022-28591568<br>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                                       | 50120                           | 86.01                              |

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

| Sr. No. | Name of the Company                                | Address  | CIN/GLN                | Holding/<br>Subsidiary/<br>Associate | % of<br>shares<br>held | Applicable<br>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       | Great Eastern CSR Foundation                       | Plot No. 134A, Ocean House, Dr. Annie Besant Road, New Worli Police Station, Shivaji Nagar, Worli, Mumbai 400018 | U85300MH2015 NPL262266 | Subsidiary                           | 100%                   | 2(87)(ii)             |
| 6       | 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)             |
| 7       | Greatship Global Holdings Ltd.*                    | Abax Corporate Services Ltd. 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius                                   |                        | Subsidiary                           | 100%                   | 2(87)(ii)             |
| 8       | Greatship Global Offshore Services Pte. Ltd.*      | 15, Hoe Chiang Road, #06-03 Tower Fifteen, Singapore 089316  |                        | Subsidiary                           | 100%                   | 2(87)(ii)             |
| 9       | Greatship Global Energy Services Pte. Ltd.*        | 15, Hoe Chiang Road, #06-03 Tower Fifteen, Singapore 089316  |                        | Subsidiary                           | 100%                   | 2(87)(ii)             |
| 10      | GGOS Labuan Ltd.*                                  | Lot A020, Level1, Podium Level, Financial Park, Jalan Merdeka, 87000, Labuan F.T. Malaysia                       |                        | Subsidiary                           | 100%                   | 2(87)(ii)             |
| 11      | Greatship (UK) Ltd.*                               | Tower Bridge House, St. Katharine's Way, London E1W 1DD, United Kingdom  |                        | Subsidiary                           | 100%                   | 2(87)(ii)             |
| 12      | Greatship Oilfield Services Ltd.*                  | Indiabulls Finance Centre Tower 3 , 23rd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400013      | U74900MH2015 PLC266483 | 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<br>at the beginning of the year |          |          |                         | No. of Shares held<br>at the end of the year |          |          |                         | %<br>Change<br>During<br>the year |
|--|--|----------|----------|-------------------------|--|----------|----------|-------------------------|-----------------------------------|
|  | Demat  | Physical | Total    | % of<br>total<br>Shares | Demat  | Physical | Total    | % of<br>total<br>Shares |                                   |
| A. Promoters   |  |          |          |                         |  |          |          |                         |                                   |
| (1) Indian   |  |          |          |                         |  |          |          |                         |                                   |
| a. Individual/ HUF                                       | 41955268   | 0        | 41955268 | 27.83                   | 40460768                                     | 0        | 40460768 | 26.83                   | -0.99                             |
| 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                    | 5401512                                      | 0        | 5401512  | 3.58                    | 0.99                              |
| e. Banks/FI  | 0  | 0        | 0        | 0.00                    | 0  | 0        | 0        | 0.00                    | 0.00                              |
| f. Any other   | 0  | 0        | 0        | 0.00                    | 0  | 0        | 0        | 0.00                    | 0.00                              |
| Sub- Total (A) (1)                                       | 45856780   | 0        | 45856780 | 30.41                   | 45862280                                     | 0        | 45862280 | 30.42                   | 0.00                              |
| (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   | 0  | 0        | 0        | 0                       | 0  | 0        | 0        | 0.00                    | 0                                 |
| Sub Total (A) (2)  | 0  | 0        | 0        | 0.00                    | 0  | 0        | 0        | 0.00                    | 0                                 |
| Total Shareholding of<br>Promoter (A) = (A)(1) + (A) (2) | 45856780   | 0        | 45856780 | 30.41                   | 45862280                                     | 0        | 45862280 | 30.42                   | 0.00                              |
| B. Public Shareholding                                   |  |          |          |                         |  |          |          |                         |                                   |
| 1. Institutions  |  |          |          |                         |  |          |          |                         |                                   |
| a. Mutual Funds  | 22754277   | 2780     | 22757057 | 15.09                   | 23313716                                     | 400      | 23314116 | 15.46                   | 0.37                              |
| b. Banks/FI  | 76325  | 35030    | 111355   | 0.07                    | 92079  | 37410    | 129489   | 0.09                    | 0.01                              |
| c. Central Govt  | 0  | 10262    | 10262    | 0.01                    | 10238  | 24       | 10262    | 0.01                    | 0.00                              |
| d. State Govt  | 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                                   | 5976444  | 409      | 5976853  | 3.96                    | 5862861                                      | 409      | 5863270  | 3.89                    | -0.08                             |
| g. FIs   | 33313007   | 19850    | 33332857 | 22.11                   | 34366832                                     | 16250    | 34383082 | 22.80                   | 0.70                              |
| h. Foreign Venture Capital Funds                         | 0  | 0        | 0        | 0.00                    | 0  | 0        | 0        | 0.00                    | 0.00                              |
| i. Others - IFC Washington                               | 0  | 1052     | 1052     | 0.00                    | 0  | 1052     | 1052     | 0.00                    | 0.00                              |
| Sub-total (B) (1)  | 62120053   | 69383    | 62189436 | 41.25                   | 63645726                                     | 55545    | 63701271 | 42.25                   | 1.00                              |

| Category of Shareholders   | No. of Shares held<br>at the beginning of the year |          |           |                         | No. of Shares held<br>at the end of the year |          |           |                         | %<br>Change<br>During<br>the year |
|--|--|----------|-----------|-------------------------|--|----------|-----------|-------------------------|-----------------------------------|
|  | Demat  | Physical | Total     | % of<br>total<br>Shares | Demat  | Physical | Total     | % of<br>total<br>Shares |                                   |
| 2. Non-Institutions  |  |          |           |                         |  |          |           |                         |                                   |
| a. Bodies Corp   |  |          |           |                         |  |          |           |                         |                                   |
| i Indian   | 9356709  | 66760    | 9423469   | 6.25                    | 8799739                                      | 65703    | 8865442   | 5.88                    | 0.37                              |
| ii Overseas  | 0  | 0        | 0         | 0.00                    | 0  | 0        | 0         | 0.00                    | 0.00                              |
| b. Individuals   |  |          |           |                         |  |          |           |                         |                                   |
| i Individual shareholders<br>holding nominal share<br>capital upto ₹ 1 lakh              | 18539816   | 3321833  | 21861649  | 14.50                   | 18329572                                     | 3161266  | 21490838  | 14.25                   | -0.25                             |
| ii. Individual shareholders<br>holding nominal share<br>capital in excess of<br>₹ 1 lakh | 9832120  | 403656   | 10235776  | 6.79                    | 8980529                                      | 391964   | 9372493   | 6.22                    | -0.57                             |
| c. Others (Specify)  |  |          |           |                         |  |          |           |                         |                                   |
| Non Resident Individuals   | 818683   | 92397    | 911080    | 0.60                    | 988919                                       | 19865    | 1008784   | 0.67                    | 0.06                              |
| Overseas Body Corporate  | 0  | 1224     | 1224      | 0.00                    | 0  | 1224     | 1224      | 0.00                    | 0.00                              |
| Any other  | 0  | 0        | 0         | 0.00                    | 0  | 0        | 0         | 0.00                    | 0.00                              |
| Sub-Total (B)(2)   | 38547328   | 3885870  | 42433198  | 28.14                   | 37098759                                     | 3640022  | 40738781  | 27.02                   | -1.12                             |
| Total Public Shareholding<br>(B)=(B)(1)+(B)(2)   | 100667381  | 3955253  | 104622634 | 69.39                   | 100744485                                    | 3695567  | 104440052 | 69.27                   | -0.12                             |
| C Shares held by the Custodian<br>for GDRs and ADRs                                      |  |          |           |                         |  |          |           |                         |                                   |
| i) Promoter and Promoter<br>Group  | 0  | 0        | 0         | 0.00                    | 0  | 0        | 0         | 0.00                    | 0.00                              |
| Ii) Public   | 295707   | 1944     | 297651    | 0.20                    | 473077                                       | 1656     | 474733    | 0.31                    | 0.12                              |
| Grand Total (A+B+C)  | 146819868  | 3957197  | 150777065 | 100.00                  | 147079842                                    | 3697223  | 150777065 | 100.00                  | 0.00                              |

## ii) Shareholding of Promoters

| Sr. No.      | Shareholders Name                       | Shareholding at the Beginning of the year |                                  |   | Shareholding at the End of the year |                                  |   | % Change in share-holding 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 K. Sheth                         | 16,328,490                                | 10.83                            |   | 14,828,490                          | 9.83                             |   | -1.00                                     |
| 2            | Ravi K. Sheth                           | 14,362,504                                | 9.53                             |   | 14,362,504                          | 9.53                             |   | 0   |
| 3            | Laadki Trading and Investments Ltd.     | 3,124,981                                 | 2.07                             |   | 46,24,981                           | 3.07                             |   | 1.00                                      |
| 4            | Asha Vasant Sheth                       | 2,124,081                                 | 1.41                             |   | 2,124,081                           | 1.41                             |   | 0   |
| 5            | K. M. Sheth                             | 2,058,133                                 | 1.37                             |   | 2,058,133                           | 1.37                             |   | 0   |
| 6            | Jyotsna K. 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                | 320,185                                   | 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           | Radhika Ghanshyam Sheth                 | 228,203                                   | 0.15                             |   | 228,203                             | 0.15                             |   | 0   |
| 18           | Siddharth Ghanshyam Sheth               | 111,580                                   | 0.07                             |   | 111,580                             | 0.07                             |   | 0   |
| 19           | Ashadeep Trading LLP                    | 203,444                                   | 0.13                             |   | 203,444                             | 0.13                             |   | 0   |
| 20           | Arti Pankaj Pandey                      | 194,686                                   | 0.13                             |   | 194,686                             | 0.13                             |   | 0   |
| 21           | Nisha Viraj 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 Enterprises LLP       | 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                    | 44,500                                    | 0.03                             |   | 50,000                              | 0.03                             |   | 0.01                                      |
| 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                             |   | 11,000                              | 0.01                             | 5,000   | 0   |
| 31           | A H Bhiwandiwalla Investments Pvt. Ltd. | 3,600                                     | 0.00                             |   | 3,600                               | 0.00                             |   | 0   |
| <b>TOTAL</b> |   | <b>45,856,780</b>                         | <b>30.41</b>                     |   | <b>45,862,280</b>                   | <b>30.42</b>                     |   | <b>0.01</b>                               |



### iii) Details of changes in promoters' shareholding

| Sr No. | Name                                | Shareholding at the beginning of the year |                                  | Date       | Increase/decrease (no of shares) | Reason                          | Cumulative Shareholding during the year and at end of the year |                                  |
|--------|-------------------------------------|---|----------------------------------|------------|----------------------------------|---------------------------------|--|----------------------------------|
|        |                                     | No. of shares                             | % of total shares of the Company |            |                                  |                                 | No of shares   | % of total shares of the Company |
| 1      | Bharat K. Sheth                     | 16,328,490                                | 10.83                            | 27.05.2015 | (1,500,000)                      | Inter se transfer to promoter   | 14,828,490   | 9.83                             |
| 2      | Laadki Trading and Investments Ltd. | 3,124,981                                 | 2.07                             | 27.05.2015 | 1,500,000                        | Inter se transfer from promoter | 46,24,981  | 3.07                             |
| 3      | Anjali Ajay Nanavati                | 44,500                                    | 0.03                             | 21.08.2015 | 5,500                            | Buy                             | 50,000   | 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) | Reason | Cumulative Shareholding during the year and at end of 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                     | 10524139                                  | 6.98                             | -          | -                                | -      | 10524139   | 6.98                             |
| 2      | ICICI Prudential Life Insurance Company Ltd           | 5503490                                   | 3.65                             |            |                                  |        |  |                                  |
| 3      | Fidelity Puritan Trust-Fidelity Low-Priced Stock Fund | 4800000                                   | 3.18                             | 26.02.2016 | 18000                            | Buy    | 5521490  | 3.66                             |
| 4      | ICICI Prudential Dynamic Plan                         | 3485919                                   | 2.31                             |            |                                  |        | 4800000  | 3.18                             |
|        |   |   |                                  | 03.07.2015 | 2254                             | Buy    | 3488173  | 2.31                             |
|        |   |   |                                  | 10.07.2015 | 179123                           | Buy    | 3667296  | 2.43                             |
|        |   |   |                                  | 14.08.2015 | (130)                            | Sell   | 3667166  | 2.43                             |
|        |   |   |                                  | 21.08.2015 | (11826)                          | Sell   | 3655340  | 2.42                             |
|        |   |   |                                  | 19.09.2015 | 344660                           | Buy    | 4000000  | 2.65                             |
|        |   |   |                                  | 09.10.2015 | 41148                            | Buy    | 4041148  | 2.68                             |
|        |   |   |                                  | 16.10.2015 | 283852                           | Buy    | 4325000  | 2.87                             |
|        |   |   |                                  | 18.03.2016 | 608555                           | Buy    | 4933555  | 3.27                             |
| 5      | General Insurance Corporation of India                | 3472377                                   | 2.30                             | 09.10.2015 | (36057)                          | Sell   | 3436320  | 2.28                             |
|        |   |   |                                  | 23.10.2015 | (18588)                          | Sell   | 3372377  | 2.24                             |



| Sr No. | Name  | Shareholding at the beginning of the year |                                  | Date       | Increase/ decrease (no of shares) | Reason | Cumulative Shareholding during the year and at end of the year |                                  |
|--------|---|---|----------------------------------|------------|-----------------------------------|--------|--|----------------------------------|
|        |   | No of shares                              | % of total shares of the Company |            |                                   |        | No of shares   | % of total shares of the Company |
| 6      | ICICI Prudential Value Discovery Fund   | 300000                                    | 1.99                             | -          | -                                 | -      | 300000   | 1.99                             |
| 7      | UTI-Dividend Yield Fund   | 2538000                                   | 1.68                             |            |                                   |        |  |                                  |
|        |   |   |                                  | 20.11.2015 | (13242)                           | Sell   | 3359135  | 2.23                             |
|        |   |   |                                  | 27.11.2015 | (75000)                           | Sell   | 3284135  | 2.18                             |
|        |   |   |                                  | 25.12.2015 | (2223)                            | Sell   | 3281912  | 2.18                             |
|        |   |   |                                  | 31.12.2015 | (2807)                            | Sell   | 3279105  | 2.17                             |
|        |   |   |                                  | 08.01.2016 | (13349)                           | Sell   | 3265756  | 2.17                             |
|        |   |   |                                  | 15.01.2016 | (25924)                           | Sell   | 3239832  | 2.15                             |
| 8      | ICICI Prudential Tax Plan   | 1913270                                   | 1.27                             |            |                                   |        |  |                                  |
|        |   |   |                                  | 27.11.2015 | (8542)                            | Sell   | 2529458  | 1.68                             |
|        |   |   |                                  | 04.12.2015 | (3240)                            | Sell   | 2526218  | 1.68                             |
| 9      | National Westminster Bank PLC as Depositary of First State Asia Pacific Fund a Sub Fund of First State Investments ICVC | 1611469                                   | 1.07                             |            |                                   |        |  |                                  |
|        |   |   |                                  | 21.08.2015 | (22903)                           | Sell   | 1588566  | 1.05                             |
|        |   |   |                                  | 28.08.2015 | (46660)                           | Sell   | 1541906  | 1.02                             |
|        |   |   |                                  | 04.09.2015 | (624896)                          | Sell   | 917010   | 0.61                             |
| 10     | SBI Emerging Businesses Fund  | 1500000                                   | 0.99                             |            |                                   |        |  |                                  |
|        |   |   |                                  | 04.09.2015 | 400000                            | Buy    | 1900000  | 1.26                             |
| 11     | Nordea 1 Sicav - Indian Equity Fund   | 1143143                                   | 0.76                             |            |                                   |        |  |                                  |
|        |   |   |                                  | 17.04.2015 | 158142                            | Buy    | 1301285  | 0.86                             |
|        |   |   |                                  | 24.04.2015 | 161756                            | Buy    | 1463041  | 0.97                             |
|        |   |   |                                  | 01.05.2015 | (24721)                           | Sell   | 1438320  | 0.95                             |
|        |   |   |                                  | 15.05.2015 | (77166)                           | Sell   | 1361154  | 0.90                             |
|        |   |   |                                  | 05.06.2015 | (47090)                           | Sell   | 1314064  | 0.87                             |
|        |   |   |                                  | 23.10.2015 | 5958                              | Buy    | 1320022  | 0.88                             |
|        |   |   |                                  | 30.10.2015 | 41827                             | Buy    | 1361849  | 0.90                             |
|        |   |   |                                  | 06.11.2015 | 5820                              | Buy    | 1367669  | 0.91                             |
|        |   |   |                                  | 13.11.2015 | 2410                              | Buy    | 1370079  | 0.91                             |
|        |   |   |                                  | 11.12.2015 | 25434                             | Buy    | 1395513  | 0.93                             |

| Sr No. | Name                                | Shareholding at the beginning of the year |                                  | Date       | Increase/ decrease (no of shares) | Reason | Cumulative Shareholding during the year and at end of the year |                                  |
|--------|-------------------------------------|---|----------------------------------|------------|-----------------------------------|--------|--|----------------------------------|
|        |                                     | No of shares                              | % of total shares of the Company |            |                                   |        | No of shares   | % of total shares of the Company |
| 12     | Franklin Templeton Investment Funds | 1073561                                   | 0.71                             | 27.01.2016 | 4239                              | Buy    | 1432918  | 0.95                             |
|        |                                     |   |                                  | 29.01.2016 | 14618                             | Buy    | 1447536  | 0.96                             |
|        |                                     |   |                                  | 05.02.2016 | 85094                             | Buy    | 1532630  | 1.02                             |
|        |                                     |   |                                  | 12.02.2016 | 130449                            | Buy    | 1663079  | 1.10                             |
|        |                                     |   |                                  | 11.03.2016 | 11433                             | Buy    | 1674512  | 1.11                             |
|        |                                     |   |                                  |            |                                   |        |  |                                  |
| 13     | SBI Magnum Balanced Fund            | 700000                                    | 0.46                             | 15.05.2015 | (2497)                            | Sell   | 1071064  | 0.71                             |
|        |                                     |   |                                  | 22.05.2015 | (38922)                           | Sell   | 1032142  | 0.68                             |
|        |                                     |   |                                  | 29.05.2015 | (33656)                           | Sell   | 998486   | 0.66                             |
|        |                                     |   |                                  | 21.08.2015 | (278300)                          | Sell   | 720186   | 0.48                             |
|        |                                     |   |                                  | 28.08.2015 | (24114)                           | Sell   | 696072   | 0.46                             |
|        |                                     |   |                                  | 04.09.2015 | (16825)                           | Sell   | 679247   | 0.45                             |
|        |                                     |   |                                  |            |                                   |        |  |                                  |
|        |                                     |   |                                  | 14.08.2015 | 16435                             | Buy    | 716435   | 0.48                             |
|        |                                     |   |                                  | 28.08.2015 | 183565                            | Buy    | 900000   | 0.60                             |
|        |                                     |   |                                  | 04.09.2015 | 230000                            | Buy    | 1130000  | 0.75                             |
|        |                                     |   |                                  | 04.03.2016 | 107216                            | Buy    | 1237216  | 0.82                             |
|        |                                     |   |                                  | 11.03.2016 | 107672                            | Buy    | 1344888  | 0.89                             |
|        |                                     |   |                                  | 31.03.2016 | 301224                            | Buy    | 1646112  | 1.09                             |



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 and at end of 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   | 16,328,490                                | 10.83                            | 27.05.2015 | (1,500,000)                        | (interse transfer to promoter) | 14,828,490   | 9.83                             |
| 3.      | Ravi K. Sheth     | 14,362,504                                | 9.53                             | -          | -                                  | -                              | 14,362,504   | 9.53                             |
| 4.      | Beirjis 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                             | -          | -                                  | -                              | NA   | NA                               |
| 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.     | Tapas Icot        | 1,600                                     | 0.00                             | -          | -                                  | -                              | 1,600  | 0.00                             |
| 12.     | G. Shivakumar     | 57  | 0.00                             | -          | -                                  | -                              | 57   | 0.00                             |
| 13.     | Jayesh M. Trivedi | 80  | 0.00                             | -          | -                                  | -                              | 80   | 0.00                             |

\*Ceased to be Director during the year.

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

(₹ in crores)

|  | <b>Secured Loans<br/>excluding<br/>deposits</b> | <b>Unsecured<br/>loans</b> | <b>Deposits</b> | <b>Total Indebtedness</b> |
|--|---|----------------------------|-----------------|---------------------------|
| <b>Indebtedness at the beginning of the Financial year</b> |   |                            |                 |                           |
| i) Principal Amount  | 1608.98   | 1460.35                    | -               | 3069.33                   |
| ii) Interest due but not paid                              | -   | -                          | -               | -                         |
| iii) Interest accrued but not due                          | 20.92   | 29.11                      | -               | 50.03                     |
| <b>Total ( i+ii+iii)</b>                                   | <b>1629.90</b>                                  | <b>1489.46</b>             | <b>-</b>        | <b>3119.36</b>            |
| <b>Change in Indebtedness during the Financial year</b>    |   |                            |                 |                           |
| • Addition   | 456.33  | -                          | -               | 456.33                    |
| • Reduction  | (710.41)  | (5.86)                     | -               | (716.27)                  |
| • Exchange Diff Adj  | 82.96   | (8.25)                     | -               | 74.71                     |
| <b>Net Change</b>  | <b>(171.12)</b>                                 | <b>(14.11)</b>             | <b>-</b>        | <b>(185.23)</b>           |
| <b>Indebtedness at the end of the Financial year</b>       |   |                            |                 |                           |
| i) Principal Amount  | 1437.86   | 1446.24                    | -               | 2884.10                   |
| ii) Interest due but not paid                              | -   | -                          | -               | -                         |
| iii) Interest accrued but not due                          | 20.23   | 30.02                      | -               | 50.25                     |
| <b>Total ( i+ii+iii)</b>                                   | <b>1458.09</b>                                  | <b>1476.26</b>             | <b>-</b>        | <b>2934.35</b>            |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

| SI No. | Particulars of Remuneration   | Bharat K. Sheth   | Tapas Icot#       | G. Shivakumar#    | Total Amount       |
|--------|---|-------------------|-------------------|-------------------|--------------------|
| 1      | Gross Salary  |                   |                   |                   |                    |
|        | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961* | 27,637,788        | 12,810,115        | 11,727,565        | 52,175,468         |
|        | b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                       | 6,372,309         | 1,076,170         | 1,183,427         | 8,631,906          |
|        | c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961                  | -                 | -                 | -                 | -                  |
| 2      | Stock Option  | -                 | -                 | -                 | -                  |
| 3      | Sweat Equity  | -                 | -                 | -                 | -                  |
| 4      | Commission  |                   |                   |                   |                    |
|        | • As % of profit  | 58,500,000        | 7,412,000         | 10,700,000        | 76,612,000         |
|        | • Others, specify   | -                 | -                 | -                 | -                  |
| 5      | Other benefits  | 3,815,855         | 825,916           | 775,457           | 5,417,228          |
|        | <b>Total (A)</b>  | <b>96,325,952</b> | <b>22,124,201</b> | <b>24,386,449</b> | <b>142,836,602</b> |
|        | <b>Ceiling as per the Act (₹ in crores)</b>   |                   |                   |                   | <b>55.40</b>       |

• Salary excludes variable pay for previous financial year, i.e. FY 2014-15.

# Mr. Tapas Icot and Mr. G. Shivakumar are also entitled to gratuity in accordance with the Company's rules.

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 ₹ 0.97 crores (₹ 9.82 crores was provided during the previous year) has been provided during the year for pension payable to eligible Wholetime Directors on their retirement



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

(Amount in ₹)

| SI No | Particulars of Remuneration                         | K. M. Sheth*    | Rita Bhagwati  | Farrokh Kavarana | Shankar Acharya | Berjis Desai   | Cyrus Guzder   | Vineet Nayyar  | Ravi K. Sheth \$ | Rajiv Lall # | Total Amount     |
|-------|---|-----------------|----------------|------------------|-----------------|----------------|----------------|----------------|------------------|--------------|------------------|
| 1     | <b>Independent Directors</b>                        | -               |                |                  |                 |                |                |                |                  |              |                  |
|       | Fees for attending Board and Committee Meetings     | -               | 375000         | 375000           | 375000          | 225000         | 300000         | 150000         | -                | 75000        | <b>1875000</b>   |
|       | Commission  | -               | 1240000        | 1340000          | 1090000         | 1340000        | 1965000        | 990000         | -                | -            | <b>7965000</b>   |
|       | Others please specify                               | -               | -              | -                | -               | -              | -              | -              | -                | -            | -                |
|       | <b>Total (1)</b>                                    | -               | <b>1615000</b> | <b>1715000</b>   | <b>1465000</b>  | <b>1565000</b> | <b>2265000</b> | <b>1140000</b> | -                | <b>75000</b> | <b>9840000</b>   |
| 2     | <b>Other Non-Executive Directors</b>                |                 |                |                  |                 |                |                |                | -                |              |                  |
|       | Fees for attending Board and Committee Meetings     | -               | -              | -                | -               | -              | -              | -              | -                | -            | -                |
|       | Commission  | 990000          | -              | -                | -               | -              | -              | -              | -                | -            | -                |
|       | Others  | 10473655        | -              | -                | -               | -              | -              | -              | -                | -            | -                |
|       | <b>Total (2)</b>                                    | <b>11463655</b> | -              | -                | -               | -              | -              | -              | -                | -            | <b>11463655</b>  |
|       | <b>Total (B) =(1+2)</b>                             | <b>11463655</b> | <b>1615000</b> | <b>1715000</b>   | <b>1465000</b>  | <b>1565000</b> | <b>2265000</b> | <b>1140000</b> | -                | <b>75000</b> | <b>21303655</b>  |
|       | <b>Total Managerial Remuneration (A+B)</b>          |                 |                |                  |                 |                |                |                |                  |              | <b>164140257</b> |
|       | <b>Overall Ceiling as per the Act (₹ in crores)</b> |                 |                |                  |                 |                |                |                |                  |              | <b>60.94</b>     |

\* During the year ₹ 10,473,655 was paid to Mr. K.M. Sheth towards pension and other retirement benefits as per the Retirement Benefit Scheme.

# Ceased to be Director with effect from May 08, 2015.

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



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

(Amount in ₹)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel                  |
|---------|---|---|
|         |   | Mr. Jayesh M. Trivedi (Company Secretary) |
| 1       | Gross Salary  |   |
|         | a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961* | 9,903,787                                 |
|         | b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961                       | 684,798                                   |
|         | c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961        | -   |
| 2       | Stock Option  | -   |
| 3       | Sweat Equity  | -   |
|         | Commission  | -   |
| 4       | - As % of profit  | -   |
|         | - Others, specify   | -   |
| 5       | Other benefits  | 552,323                                   |
|         | <b>Total (A)</b>  | <b>11,140,908</b>                         |

\* Salary includes variable pay for previous financial year, i.e. FY 2014-15. Mr. Jayesh M. 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****Form No. MR- 3**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

[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 - 400018.**

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 called "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 31<sup>st</sup> March, 2016, 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, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed hereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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 examined compliance with the applicable clauses/regulations of the following:

- a) Secretarial Standards issued by the Institute of Company Secretaries of India;
- b) Listing Agreement entered with National Stock Exchange of India Limited and BSE Limited for the period from 1st April 2015 to 30th November 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1st December 2015 to 31st March 2016;

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

The Company had prepared a demand draft of ₹ 0.29 crore, well before the last date, to be transferred to the Investor Education and Protection Fund under section 125(2)(c) of the Act but could not deposit the same with the concerned Authority due to MCA computer systems not working.

**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 information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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 the Company had following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. In the 67<sup>th</sup> Annual General Meeting dated August 12, 2015, member's approval was taken for the Issue of Secured-unsecured redeemable non-convertible debentures aggregating up to ₹ 500 Crores.

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

**Dipti Mehta**

**Partner**

**FCS No : 3667**

**CP No. : 3202**

**Place : Mumbai**

**Date : 5<sup>th</sup> May, 2016**

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 the Secretarial Audit Report****To,****The Members,****THE GREAT EASTERN SHIPPING COMPANY LIMITED**

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

Mumbai - 400018.

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 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 P1996MH00750)****Dipti Mehta****Partner****FCS No : 3667****CP No. : 3202**

Place : Mumbai

Date : 5<sup>th</sup> May, 2016





“Jag Padma –Medium Range Product Carrier : Acquired in January 2016”



# 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 11 Directors as on March 31, 2016 of which 8 are Non-Executive Directors. The Company has 6 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, 2016 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<br>(DIN: 00022102)     | 1                             | -                              | -                                  | -   |
| <b>Executive Directors</b>                 |                               |                                |                                    |   |
| Mr. Tapas Icot<br>(DIN:00905882)           | -                             | -                              | -                                  | -   |
| Mr. G. Shivakumar<br>(DIN: 03632124)       | -                             | -                              | -                                  | -   |
| <b>Non-Executive Directors (Promoters)</b> |                               |                                |                                    |   |
| Mr. K. M. Sheth<br>(DIN: 00022079)         | -                             | -                              | -                                  | 20,58,133   |
| Mr. Ravi K. Sheth<br>(DIN: 00022121)       | 2                             | 1                              | -                                  | 1,43,62,504   |
| <b>Independent Directors</b>               |                               |                                |                                    |   |
| Mr. Berjis Desai<br>(DIN: 00153675)        | 9                             | 4                              | 3                                  | 800   |
| Mr. Cyrus Guzder<br>(DIN: 00080358)        | 2                             | 1                              | -                                  | 986   |
| Mr. Farrokh Kavarana<br>(DIN: 00027689)    | 1                             | 1                              | -                                  | 3,153   |
| Mrs. Rita Bhagwati<br>(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<br>(DIN: 00033242) | 1                             | 0                              | 0                                  | 0   |
| Mr. Vineet Nayyar<br>(DIN: 00018243)   | 4                             | 1                              | -                                  | 23,005  |
| Mr. Rajiv Lall*<br>(DIN: 00131782)     | NA                            | NA                             | NA                                 | NA  |

# 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.

\* Ceased to be the Director of the Company with effect from May 08, 2015.

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 item of the Notice of the Annual General Meeting seeking their approval for the appointment of Director. The information as required under Schedule V (C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.greatship.com/investors](http://www.greatship.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, 2016. 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. The Company, even prior to the requirements of the Companies Act, 2013 and the Secretarial Standards prescribed by the Institute of Company Secretaries of India, voluntarily circulated all Agenda papers well in advance of the meeting of the Board.



During the year ended March 31, 2016, five (5) Board Meetings were held on May 07, 2015, August 12, 2015, November 06-07, 2015, February 04, 2016 and March 10, 2016. The attendance of Directors at the Board Meetings held during the year 2015-16 is as follows:

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

# Ceased to be Director with effect from May 08, 2015.

### 3. COMMITTEES

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

#### A) AUDIT COMMITTEE

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

##### Terms of Reference of the Audit Committee are as follows:

- 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 utilization 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 auditors' 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 six times on April 30, 2015, May 07, 2015, August 12, 2015, October 21, 2015, November 06, 2015 and February 04, 2016.

Details of attendance of the members at the Committee meetings held during the year 2015-16 is as follows:

|                             | Mr. Cyrus Guzder<br>(Chairman) | Mr. Berjis Desai | Mr. Farrokh<br>Kavarana | Mrs. Rita<br>Bhagwati * |
|-----------------------------|--------------------------------|------------------|-------------------------|-------------------------|
| Number of meetings attended | 5                              | 3                | 6                       | 4                       |

\* Appointed as a member of the Committee with effect from May 07, 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

**Terms of Reference of the Nomination and Remuneration Committee are as follows:**

- 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 performance 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 two times on May 07, 2015 and February 04, 2016

Details of attendance of members at the Committee meetings held during the year 2015-16 is as follows:

|                             | Mr. Cyrus Guzder<br>(Chairman) | Mr. Berjis Desai | Mr. Farrokh<br>Kavarana | Dr. Shankar<br>Acharya* |
|-----------------------------|--------------------------------|------------------|-------------------------|-------------------------|
| Number of meetings attended | 1                              | 2                | 2                       | 1                       |

\* Appointed as a member of the Committee with effect from May 07, 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 2015-16

| Name of Director     | Salary*           | Benefits          | Commission        | Sitting Fees     |
|----------------------|-------------------|-------------------|-------------------|------------------|
| Mr. K. M. Sheth      | -                 | -                 | 990,000           | -                |
| Mr. Bharat K. Sheth  | 27,637,788        | 10,188,164        | 58,500,000        | -                |
| Mr. Ravi K. Sheth**  | -                 | -                 | -                 | -                |
| Mr. Berjis Desai     | -                 | -                 | 1,340,000         | 225,000          |
| Mr. Cyrus Guzder     | -                 | -                 | 1,965,000         | 300,000          |
| Mr. Farrokh Kavarana | -                 | -                 | 1,340,000         | 375,000          |
| Dr. Rajiv B. Lall    | -                 | -                 | -                 | 75,000           |
| Mrs. Rita Bhagwati   | -                 | -                 | 1,240,000         | 375,000          |
| Dr. Shankar Acharya  | -                 | -                 | 1,090,000         | 375,000          |
| Mr. Vineet Nayyar    | -                 | -                 | 990,000           | 150,000          |
| Mr. Tapas Icot+      | 12,810,115        | 1,902,086         | 7,412,000         | -                |
| Mr. G. Shivakumar+   | 11,727,565        | 1,958,884         | 10,700,000        | -                |
| <b>Total</b>         | <b>52,175,468</b> | <b>14,049,134</b> | <b>85,567,000</b> | <b>1,875,000</b> |

\* 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.

+ Mr. Taps Icot and Mr. G. Shivakumar 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, retirement benefits 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 0.97 crore (previous year ₹ 9.81 crores) was provided during the year for pension payable to Wholetime Directors on their retirement. During the year ₹ 10,473,655/- 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***

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

##### ***Parameters for performance evaluation of Executive Directors***

| <b>Parameter</b>   | <b>Guidelines</b>   |
|--|---|
| Health, Safety and Environment (HSE) Performance & Compliances | HSE records and statutory compliances<br>Maturity of HSE systems and programs   |
| Financial Performance  | Profitability & Return on equity<br>Financial strength  |
| Market Performance   | Asset utilizations, day rates & TCY<br>Market competitiveness in regions of interest  |
| Operations, Assets & Cost Performance                          | Fleet uptime<br>Maturity of technical management systems<br>Maturity of cost optimization programs                              |
| Risk, Quality & Systems Management                             | Mitigation & management of major risks including statutory compliances<br>Robustness of process controls Maturity of IT systems |
| People Management  | Talent competitiveness & manpower availability<br>Manpower competence & productivity<br>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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.   |
| Understanding of the business                 | Demonstrates required understanding of the business of the company and its environment, strategy and risks<br>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<br>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<br>Demonstrates being an independent thinker, and avoids group-thinking  |
| Application of insights                       | Applies own knowledge and insights on issues<br>Flexible and responsive to change<br>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<br>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<br>Allocation of adequate time for debate on agenda items in Board meetings<br>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<br>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<br>Drawing on the specific expertise & capabilities of each Director<br>Resolving conflicts between opposing points of view, and converging on an approach to problems |

**C) STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee oversees redressal of shareholders and investors grievances.

**Terms of Reference of the Stakeholders' Relationship Committee are as follows:**

- 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 Director and 2 Executive Directors namely Mr. Cyrus Guzder (Chairman), Mr. Bharat K. Sheth and Mr. G. Shivakumar.

The Committee met twice on May 07, 2015 and November 06, 2015. The details of attendance of the members at the Committee meetings held during the year 2015-16 is as follows:

|                             | Mr. Cyrus Guzder<br>(Chairman) | Mr. Bharat<br>K. Sheth | Mr. G.<br>Shivakumar |
|-----------------------------|--------------------------------|------------------------|----------------------|
| Number of meetings attended | 2                              | 2                      | 2                    |

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

During the year under review, 15 complaints were received. 13 complaints were replied / resolved to the satisfaction of the investors. 2 complaints were pending as on March 31, 2016. Out of the two pending complaints, one was resolved after March 31, 2016 and an interim reply for the other one has been sent to the complainant (Court case). 1 request for transfer involving 144 shares and 9 requests for dematerialization involving 1,893 shares were pending for approval as on March 31, 2016. 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.

The details of the commodity price risk and foreign exchange risk and related hedging activities are as follows:

Commodity price risk is the risk of financial performance being adversely affected by fluctuations in the prices of commodities. In the shipping industry, bunker fuel is a major component of operating costs and hence risks arising out of volatility in oil prices in general and bunker fuel in particular needs to be managed. The Company manages this risk by bunker hedging and reduce the exposure to fluctuating bunker costs using swaps, call options and fixed price forward contracts.

Foreign exchange fluctuation risk arises from having revenues, expenses, assets, or liabilities in a currency other than the reporting currency. In the case of the Company, a large part of revenues are denominated in US Dollars. Some part of this risk is compensated by having expenses, interest costs, and loan repayments also in US Dollars. For the remaining, the Company hedges its risk using various instruments such as plain forward sales and range forwards.

## 5. GENERAL MEETINGS

Next Annual General Meeting and date of Book Closure

|                      |  |
|----------------------|--|
| Date                 | August 11, 2016  |
| Time                 | 3.00 p.m.  |
| Venue                | Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020 |
| Date of Book closure | August 05, 2016 to August 11, 2016 (both days inclusive)                       |

The Company shall provide to its members facility to exercise their right to vote on items listed in the Notice of the 68<sup>th</sup> 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  |
|---|---------------------------------|--|---|
| 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 | <ul style="list-style-type: none"> <li>• 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.</li> <li>• Adoption of new Articles of Association.</li> <li>• According consent to the Board of Directors of the Company to borrow upto ₹ 6,000 crores.</li> </ul>  |
| 67 <sup>th</sup> Annual General Meeting | August 12, 2015 at 3.00 p.m.    | Rama and Sundri Watumull Auditorium, K. C. College, Churchgate, Mumbai 400 020                         | <ul style="list-style-type: none"> <li>• Reappointment of Mr. Bharat K. Sheth as a Wholetime Director of the Company designated as Dy. Chairman and Managing Director for a period of 5 years with effect from April 01, 2015.</li> <li>• Appointment of Mr. G Shivakumar as a Wholetime Director of the Company designated as Executive Director for a period of 5 years with effect from November 14, 2014.</li> <li>• According consent to the Board of Directors of the Company to issue non-convertible debentures aggregating upto ₹ 500 crores.</li> </ul> |

All resolutions moved at the last Annual General Meeting held on August 12, 2015 were passed by electronic voting and ballot conducted at the Annual General Meeting.

All the Directors of the Company other than Mr. Vineet Nayyar attended the last Annual General Meeting held on August 12, 2015.

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 the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for the Financial Year ended March 31, 2016.
- The "Policy for determining Material subsidiaries" and "Policy for dealing with Related Party Transactions" are available on the website of the Company: [www.greatship.com](http://www.greatship.com)

## 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 2016   |
| 2nd Quarterly Result | Second week of November 2016 |
| 3rd Quarterly Result | First week of February 2017  |
| 4th Quarterly Result | April / May 2017             |

### Listing on Stock Exchanges

| Stock Exchange   | Stock Code | ISIN NO.      |
|--|------------|---------------|
| BSE Ltd.<br>Phiroze Jeejeebhoy Towers, Dalal Street Mumbai-400001  | 500620     | INE 017A01032 |
| National Stock Exchange of India Ltd.<br>Exchange Plaza, Bandra-Kurla Complex, Bandra (E),<br>Mumbai – 400 051 | GESHIP     | INE 017A01032 |

### Global Depository Receipts

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

### Non-Convertible Debentures

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

The Company has paid the requisite Annual Listing Fees to all Stock Exchanges for the financial year 2015-16.

### 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 dematerialization (demat) received from the shareholders are effected within an average period of 15 days.

### Outstanding GDRs

94,615 GDRs (equivalent to 4,73,077 equity shares) were outstanding as on March 31, 2016.

### Outstanding Warrants

No Warrants were outstanding as on March 31, 2016.

### 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

### Address for correspondence

| Company                       | Transfer Agent *                               |                               |
|-------------------------------|--|-------------------------------|
| Share Department              | Sharepro Services (India) Pvt. Ltd.            | 912, Raheja Centre,           |
| Ocean House, 134-A,           | 13A/B, Samhita Warehousing Complex,            | Free Press Journal Road,      |
| Dr. Annie Besant Road,        | 2nd Floor, Sakinaka Telephone                  | Nariman Point,                |
| Worli, Mumbai - 400 018       | Exchange Lane,                                 | Mumbai - 400 021              |
| Tel : 022-66613000/24922100   | Off Andheri-Kurla Road, Sakinaka, Andheri (E), | Tel : 022-22881569 / 66134700 |
| Fax : 022-24925900            | Mumbai - 400 072                               | Fax : 022-22825484            |
| E-mail : shares@greatship.com | Tel : 022-67720300/67720400                    |                               |
|                               | Fax : 022-28591568                             |                               |
|                               | E-mail: sharepro@shareproservices.com          |                               |

\* The Company is in the process of appointing new Registrar and Share Transfer Agent in place of Sharepro Services (India) Pvt. Ltd. pursuant to the order issued by the Securities and Exchange Board of India.

## 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 (IEPF) administered by the Central Government. An amount of ₹ 68,25,023 and ₹ 28,66,355 being unclaimed 54th (3rd interim) and 55th (1st Interim) dividend was transferred on June 23, 2015 and December 14, 2015 respectively to the IEPF. The Company is in the process of transferring the 55th 2nd interim dividend to the IEPF.

The following table gives the dates of dividend declaration or payment since 2009 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 |
|------|--------------|-------------------------|---------------------|------------------------------|
| 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                   |
| 2014 | 61           | Final                   | 12.08.2015          | 13.09.2022                   |
| 2015 | 62           | Interim                 | 04.02.2016          | 05.03.2023                   |
| 016  | 62           | 2 <sup>nd</sup> Interim | 10.03.2016          | 11.04.2023                   |

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

| Unclaimed Dividend as of March 31, 2016 |         |                         |                       |                          |             |                              |                              |             |
|---|---------|-------------------------|-----------------------|--------------------------|-------------|------------------------------|------------------------------|-------------|
| Year                                    | Div No. | Type                    | No of warrants issued | No of warrants unclaimed | % Unclaimed | Amount of dividend (₹ lakhs) | Dividend unclaimed (₹ lakhs) | % Unclaimed |
| 2009                                    | 55      | 3 <sup>rd</sup> INTERIM | 102736                | 9891                     | 9.63        | 4568                         | 31.77                        | 0.70        |
| 2010                                    | 56      | FINAL                   | 103472                | 9111                     | 8.81        | 12183                        | 75.96                        | 0.62        |
| 2011                                    | 57      | INTERIM                 | 100936                | 10248                    | 10.15       | 5330                         | 39.91                        | 0.75        |
| 2011                                    | 57      | FINAL                   | 95727                 | 9825                     | 10.26       | 6853                         | 47.50                        | 0.69        |
| 2011                                    | 58      | INTERIM                 | 93791                 | 11019                    | 11.75       | 4568                         | 36.78                        | 0.81        |
| 2012                                    | 58      | FINAL                   | 91277                 | 10120                    | 11.09       | 5330                         | 39.71                        | 0.75        |
| 2012                                    | 59      | INTERIM                 | 88563                 | 11064                    | 12.49       | 4569                         | 36.70                        | 0.80        |
| 2012                                    | 59      | FINAL                   | 85801                 | 10403                    | 12.12       | 6854                         | 52.06                        | 0.76        |
| 2013                                    | 60      | INTERIM                 | 81768                 | 11186                    | 13.68       | 6031                         | 51.03                        | 0.85        |
| 2013                                    | 60      | FINAL                   | 75993                 | 10581                    | 13.92       | 7538                         | 60.70                        | 0.81        |
| 2014                                    | 61      | INTERIM                 | 77023                 | 10713                    | 13.91       | 6031                         | 50.20                        | 0.83        |
| 2014                                    | 61      | FINAL                   | 74691                 | 10901                    | 14.59       | 10554                        | 86.20                        | 0.82        |
| 2015                                    | 62      | INTERIM                 | 75206                 | 14535                    | 19.33       | 9046                         | 107.7                        | 1.19        |
| 2016                                    | 62      | 2 <sup>nd</sup> INTERIM | 74758                 | 21650                    | 28.96       | 11308                        | 281.88                       | 2.49        |

### Equity Shares held in Unclaimed Suspense Account

The details of unclaimed equity shares lying in the 'Unclaimed Suspense Account' 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, 2015  | 3629                   | 365,078                 |
| Number of shareholders who approached the Company for transfer of shares from suspense account during the year | 62                     | 9794                    |
| Number of shareholders to whom shares were transferred from suspense account during the year                   | 62                     | 9794                    |
| Aggregate Number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2016 | 3567                   | 355,284                 |

As per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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.

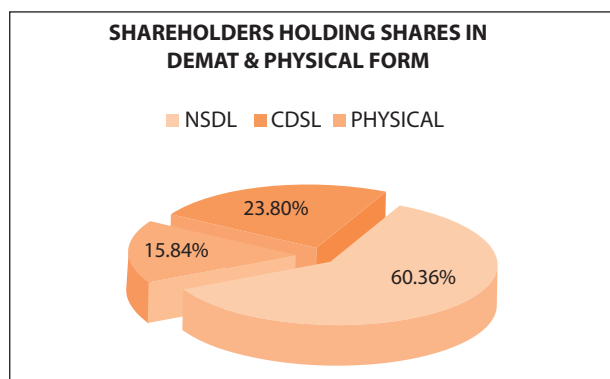
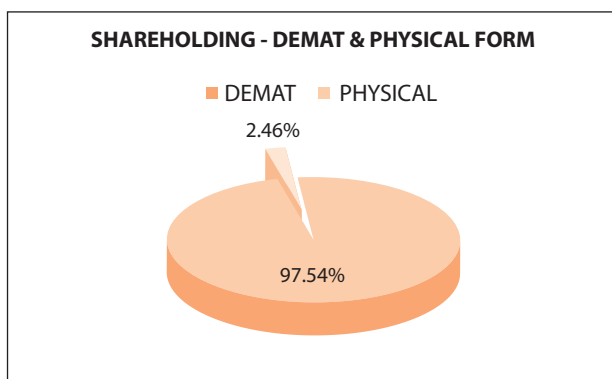
The concerned shareholders are requested to claim their shares by writing to the Company / RTA.

### 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, 2016



### Shareholders holding shares in dematerialized form may note that:

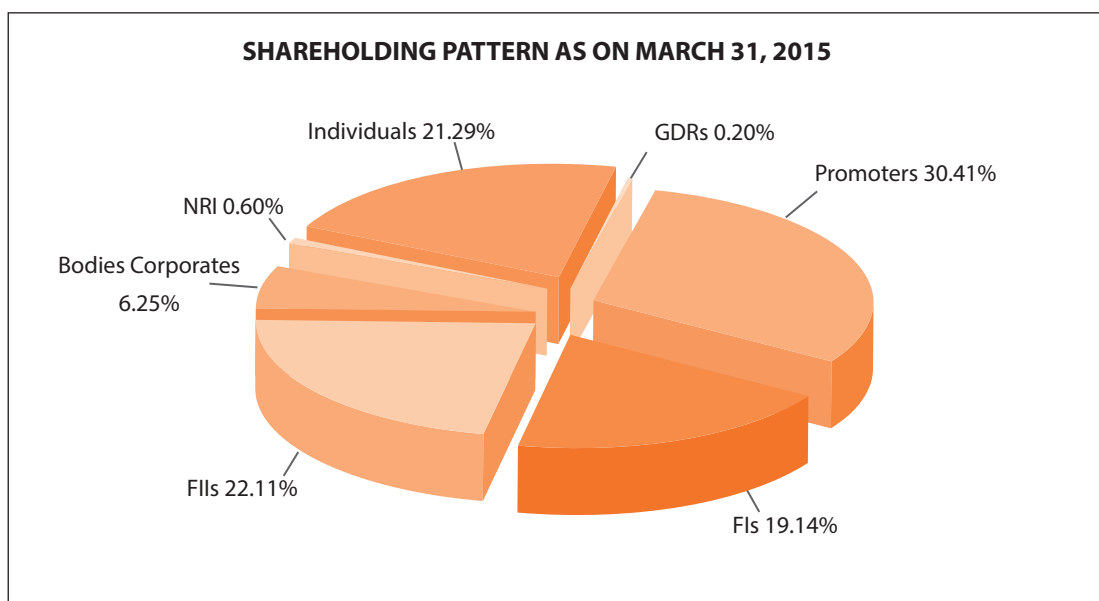
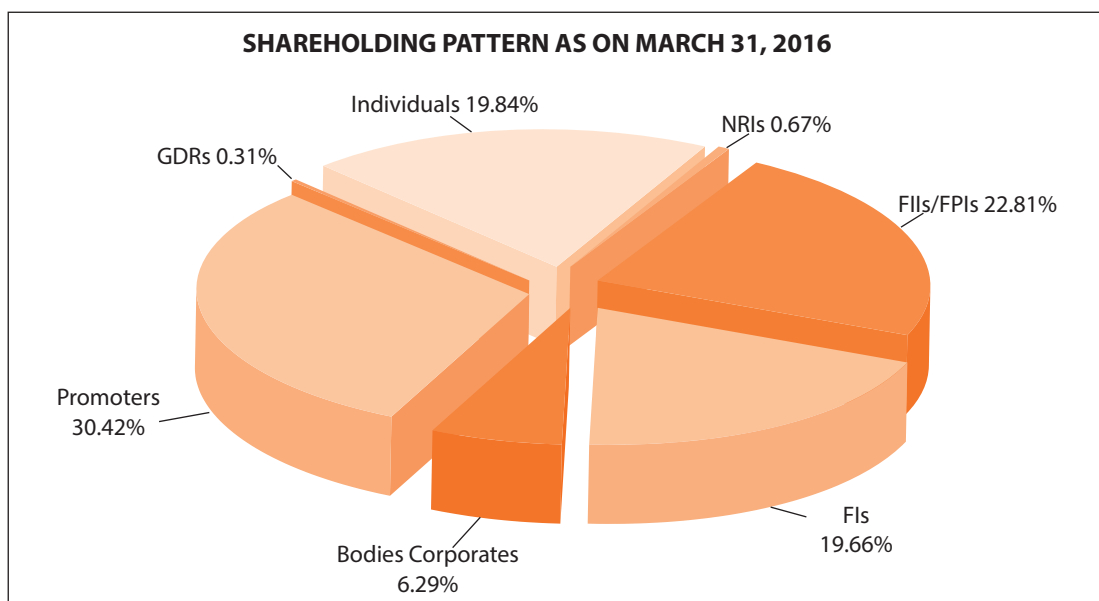
- Instructions regarding bank details which they wish to have incorporated on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories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

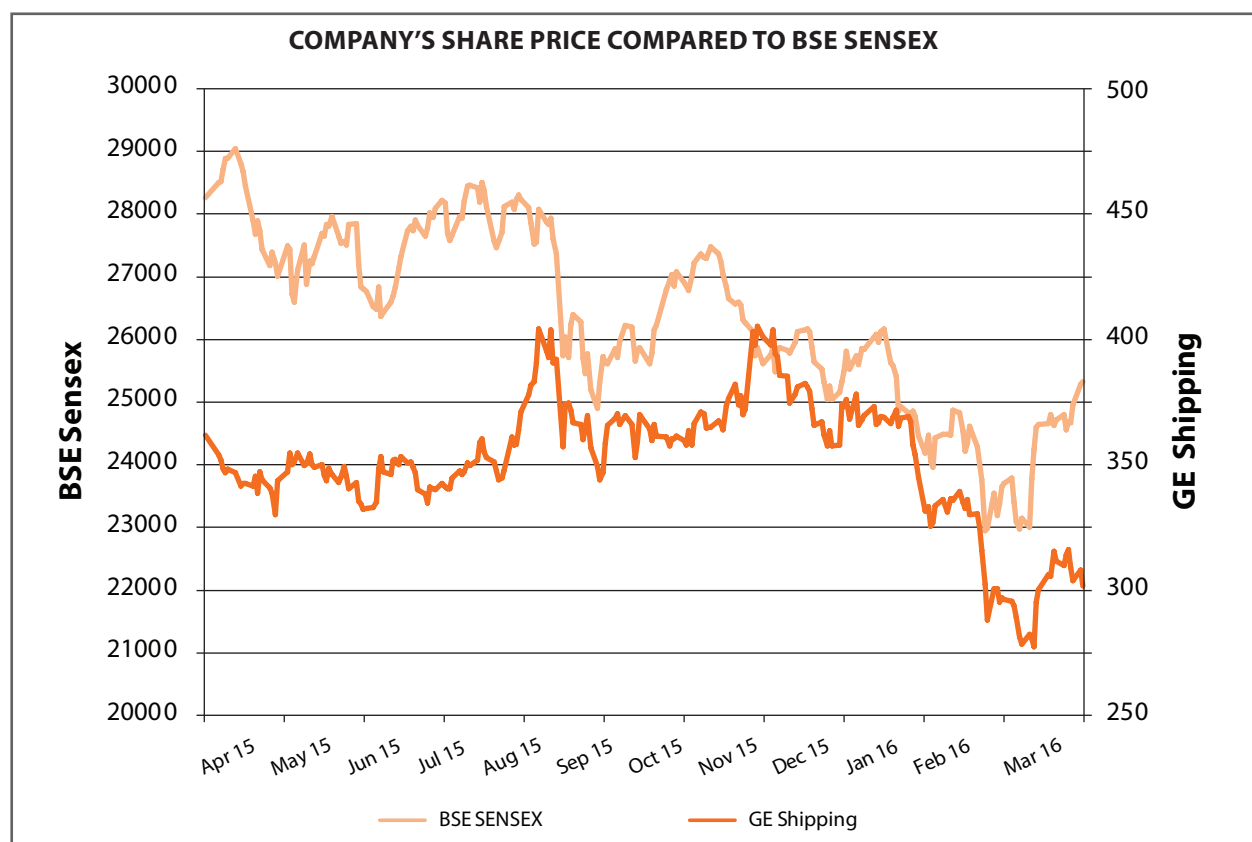
#### Shareholding Pattern



#### Distribution of Holdings as on March 31, 2016

| No. of Shares Held |       | Share Holders |               | Shares             |               |
|--------------------|-------|---------------|---------------|--------------------|---------------|
| From               | To    | Number        | % to Total    | Number             | % to Total    |
| 1                  | 500   | 61,185        | 85.90         | 7,107,241          | 4.71          |
| 501                | 1000  | 4,705         | 6.60          | 3,417,276          | 2.26          |
| 1001               | 2000  | 2,595         | 3.64          | 3,704,767          | 2.45          |
| 2001               | 3000  | 876           | 1.22          | 2,175,829          | 1.44          |
| 3001               | 4000  | 448           | 0.62          | 1,573,084          | 1.04          |
| 4001               | 5000  | 282           | 0.39          | 1,283,713          | 0.85          |
| 5001               | 10000 | 575           | 0.80          | 4,089,459          | 2.71          |
| 10001 and above    |       | 556           | 0.78          | 127,425,696        | 84.51         |
| <b>TOTAL</b>       |       | <b>71,222</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 2015-16

| Month  | High Price (₹) | Low Price (₹) | No .of Shares |
|--------|----------------|---------------|---------------|
| Apr-15 | 373.00         | 328.00        | 1,83,133      |
| May-15 | 364.00         | 337.10        | 28,90,481     |
| Jun-15 | 359.80         | 330.20        | 7,78,637      |
| Jul-15 | 376.25         | 330.15        | 8,11,261      |
| Aug-15 | 409.70         | 338.05        | 9,51,597      |
| Sep-15 | 378.70         | 340.00        | 2,09,052      |
| Oct-15 | 380.60         | 353.00        | 2,01,277      |
| Nov-15 | 420.00         | 368.65        | 5,81,754      |
| Dec-15 | 386.00         | 355.35        | 2,13,998      |
| Jan-16 | 376.00         | 322.15        | 1,09,233      |
| Feb-16 | 349.90         | 275.30        | 2,80,060      |
| Mar-16 | 323.60         | 275.00        | 8,70,688      |

#### 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 Regulation 17 to 27 and Regulation 46(2) and other applicable regulations of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the status of compliance of non-mandatory requirements 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 financial statements with unmodified audit opinion.

##### 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 BY THE DEPUTY CHAIRMAN & MANAGING DIRECTOR UNDER REGULATION 34(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE COMPANY'S CODE OF CONDUCT**

In accordance with Regulation 34(3) of the SEBI ( Listing Obligations & Disclosure Requirements) Regulations, 2015, 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, 2016.

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

**Bharat K. Sheth**

Deputy Chairman & Managing Director

Date: May 05, 2016

## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
The Great Eastern Shipping Company Limited

We have examined the compliance of conditions of corporate governance by The Great Eastern Shipping Company Limited (hereinafter referred as 'the Company') for the year ended March 31, 2016, as stipulated in Clause 49 of the Listing Agreement executed by the Company with BSE Limited and National Stock Exchange of India Limited for the period from April 1, 2015 to November 30, 2015; and as prescribed in Regulations 17 to 27, 46(2)(b) to (i) and para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "LODR") for the period from December 1, 2015 to March 31, 2016.

We state that the compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

This certificate is issued solely for the purposes of complying with the Listing Agreement / LODR and may not be suitable for any other purpose.

**For Mehta & Mehta**

Company Secretaries

(ICSI Unique Code: P1996MH007500)

**Dipti Mehta**

Partner

FCS No. : 3667  
CP No. : 3202  
Place : Mumbai  
Date : 5th May, 2016



# Business Responsibility Report

## Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company :  
**L35110MH1948PLC006472**
2. Name of the Company:  
**The Great Eastern Shipping Company Limited**
3. Registered address :  
**Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400018**
4. Website :  
**www.greatship.com**
5. E-mail id :  
**shares@greatship.com**
6. Financial Year reported :  
**2015-16**
7. Sector(s) that the Company is engaged in (industrial activity code-wise) :  
**Sea and coastal freight water transport (NIC Code: 50120)**
8. List three key products/services that the Company manufactures/provides (as in balance sheet) :  
**Shipping**
9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5)
  - ii. Number of National Locations**The registered office of the Company is situated in Mumbai. Ships of the Company trade in Indian as well as international waters.**
10. Markets served by the Company – Local/State/National/International/  
**Indian as well as International.**

## Section B: Financial Details of the Company

1. Paid up Capital (INR) : ₹**150.78 crore**
2. Total Turnover (INR) : ₹ **2295.30 crore**
3. Total profit after taxes (INR) : ₹ **609.90 crore**
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : **2%**
5. List of activities in which expenditure in 4 above has been incurred:-  
**The CSR expenditure has been incurred in the area of promoting education, skill development and holistic development.**

## Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?  
**As on 31<sup>st</sup> March 2016, the Company has following subsidiaries:**
  - a) **Greatship (India) Limited**
  - b) **Greatship Global Holdings Ltd.**
  - c) **Greatship Global Energy Services Pte. Ltd.**

- d) Greatship Global Offshore Services Pte. Ltd.
- e) GGOS Labuan Ltd.
- f) Greatship (UK) Limited
- g) Greatship Oilfield Services Ltd.
- h) The Greatship (Singapore) Pte. Ltd.
- i) The Great Eastern Shipping Co. London Ltd.
- j) The Great Eastern Chartering LLC (FZC)
- k) The Great Eastern Chartering (Singapore) Pte. Ltd.
- l) Great Eastern CSR Foundation

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s):

**The subsidiaries of the Company handle their BR initiatives to such extent and in such manner as may be applicable to them / determined by them. They follow certain policies which are consistent with the policies of the Company. All the CSR activities of the Company and its subsidiaries are handled by Great Eastern CSR Foundation.**

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]:

**Presently other entities, that the Company does business with, do not participate in the BR initiatives of the Company. CSR activities of the Company are undertaken in partnership with a number of different NGOs. The NGOs help the Company reach its target beneficiaries as they have unparalleled access and understanding of ground realities.**

#### Section D: BR Information

##### 1. Details of Director/Directors responsible for BR

- a) Details of the Director/Director responsible for implementation of the BR policy/policies

| Particulars | Details                             |
|-------------|-------------------------------------|
| DIN Number  | 00022102                            |
| Name        | Mr. Bharat K. Sheth                 |
| Designation | Deputy Chairman & Managing Director |

- b) Details of the BR head

| Particulars                | Details                                       |
|----------------------------|---|
| DIN Number (if applicable) | 02299280                                      |
| Name                       | Jayesh M. Trivedi                             |
| Designation                | President (Secl. & Legal) & Company Secretary |
| Telephone number           | 022 – 66613000                                |
| e-mail id                  | jayesh_trivedi@greatship.com                  |



## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

| S.No. | Questions  | P 1   | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|-------|--|---|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.    | Do you have a policy/policies for....  | <b>Yes. The Company has policies incorporating principles of Environmental, Social and Governance norms as part of its business practices.</b>  |     |     |     |     |     |     |     |     |
| 2.    | Has the policy being formulated in consultation with the relevant stakeholders?  | <b>The policies have been framed in accordance with the principles laid down by SEBI, practices followed by the Company, industry practices, regulatory requirements as well as requirements of certain stakeholders. Certain policies have been framed in formal / informal consultation with certain stakeholders, where required. However, there has been no formal consultation process with all of them. The policies address concerns of the relevant stakeholders, where applicable.</b> |     |     |     |     |     |     |     |     |
| 3.    | Does the policy conform to any national /international standards? If yes, specify? (50 words)  | <b>Yes. The Company has been certified to ISO 9001: 2000 standard by the governing body Det Norske Veritas (DNV).</b>   |     |     |     |     |     |     |     |     |
| 4.    | Has the policy being approved by the Board?<br>Is yes, has it been signed by MD/owner/ CEO/appropriate Board Director?                                   | <b>Yes. The Business Responsibility Policy (hereinafter referred to as 'BR Policy') has been approved by the Board at its meeting held on May 05, 2016. The BR Policy has been signed by the Deputy Chairman &amp; Managing Director.</b>   |     |     |     |     |     |     |     |     |
| 5.    | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?                                | <b>Yes. Company Secretary of the Company shall oversee the implementation of the BR Policy.</b>   |     |     |     |     |     |     |     |     |
| 6.    | Indicate the link for the policy to be viewed online?  | <b>The BR Policy can be viewed online at : <a href="http://www.greatship.com">www.greatship.com</a></b>   |     |     |     |     |     |     |     |     |
| 7.    | Has the policy been formally communicated to all relevant internal and external stakeholders?  | <b>Yes. The policies have been formally communicated to the employees of the Company. The BR Policy has been communicated to the other stakeholders by way of placing the same on the website of the Company.</b>   |     |     |     |     |     |     |     |     |
| 8.    | Does the company have in-house structure to implement the policy/policies.   | <b>Yes.</b>   |     |     |     |     |     |     |     |     |
| 9.    | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies? | <b>Yes. The Company has a Whistle Blower Policy which can be viewed online at : <a href="http://www.greatship.com">www.greatship.com</a></b>  |     |     |     |     |     |     |     |     |
| 10.   | Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?                                | <b>Yes. The working of the BR Policy is continuously evaluated by the Company internally. Certain policies are subject to independent audit / review by external agencies, such as DNV.</b>   |     |     |     |     |     |     |     |     |



### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

**The activities forming part of BR performance are assessed internally by the Company on an ongoing basis. Mr. Bharat K. Sheth, Deputy Chairman & Managing Director also assesses the same on ongoing basis. The Board of Directors, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Audit Committee periodically assess the BR performance forming part of their terms of reference.**

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? :

**BR Report forms part of the Annual Report of the Company. It can be viewed online at : [www.greatship.com](http://www.greatship.com).**

### Section E: Principle-wise performance

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

**The policies relating to ethics, bribery and corruption cover the Company. The policies also cover dealings with / by the Company by / with third parties such as customers, suppliers, etc.**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

**Details of investor complaints received during the year have been disclosed in the Corporate Governance Report annexed to the Board's Report. There have been no complaints by other stakeholders during the year.**

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List upto 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

**The Company is engaged in the business of providing shipping services. The Company operates its ships in accordance with applicable health, safety and environmental regulations.**

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

**Considering nature of business of the Company, these details are not applicable. The details of conservation of energy by the Company are published as part of Board's report.**

3. Does the company have procedures in place for sustainable sourcing (including transportation)? i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

**Considering the nature of business of the Company, these details are not applicable.**

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**Wherever feasible the Company procures goods and services from local and small vendors in vicinity. The local and small producers can not fulfill the major sourcing requirements of the Company, which is ships and fuel oil.**



5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Considering the nature of business of the Company, these details are not applicable.**

**Principle 3: Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees.

**Shore staff : 404**

**Floating staff : 973**

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

**Shore staff : 224**

**Floating staff : 460**

3. Please indicate the Number of permanent women employees.

**Shore staff : 36**

**Floating staff : 4**

4. Please indicate the Number of permanent employees with disabilities

**Nil**

5. Do you have an employee association that is recognized by management.

**Yes.**

6. What percentage of your permanent employees is members of this recognized employee association?

**Shore staff : 17%**

**Floating staff : 87.6%**

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

| S. No. | Category                                      | No of complaints filed during the financial year | No of complaints pending as on end of the financial year |
|--------|---|--|--|
| 1.     | Child labour/forced labour/involuntary labour | Nil  | Nil  |
| 2.     | Sexual harassment                             | Nil  | Nil  |
| 3.     | Discriminatory employment                     | Nil  | Nil  |

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

■ Permanent Employees

**Shore staff : 80%**

**Floating staff : 50%**

- Permanent Women Employees  
**Shore staff : 72%**  
**Floating staff : 50%**
- Casual/Temporary/Contractual Employees  
**Shore staff : 70%**  
**Floating staff : 40%**
- Employees with Disabilities  
**NA**

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders?

**Yes. The Company considers following as its stakeholders:**

- a. Shareholders and debenture holders of the Company**
- b. Employees of the Company**
- c. Directors of the Company**
- d. Customers, contractors and third-party intermediaries engaged by the Company, such as agents and consultants**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

**The Company does not consider any of its aforesaid stakeholders as disadvantaged, vulnerable & marginalized.**

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

**The Company, through Great Eastern CSR Foundation has identified promoting education and knowledge enhancement as its focus areas for social upliftment. Accordingly, the Company strives to provide quality education to underprivileged children, training to teachers and funding assistance to schools.**

**The Company's Great Eastern Institute of Maritime Studies situated at Lonavala is a state of the art maritime institute sprawled over 18 acres of land. The objective of the Institute is to equip / empower young trained pool of professionals to enter the Shipping and Offshore Oil and Gas industry.**

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

**The policies relating to human rights cover the Company. The policies also cover dealings with / by the Company by / with third parties such as customers, suppliers, etc.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**No complaints have been received in the FY 2015-16.**

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.



**The policies relating to environment protection cover the Company. The policies also cover dealings with / by the Company by / with third parties such as customers, suppliers, etc.**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

**Yes. The initiatives to address environmental issues have been described in the Board's Report.**

3. Does the company identify and assess potential environmental risks? Y/N

**Yes.**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**The Clean Development Mechanism is not applicable to the shipping industry. However, the Company operates its ships in accordance with applicable emission norms.**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**The initiatives on energy efficiency have been described in the Board's Report.**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

**Not applicable.**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**Not applicable.**

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

**The Company is a member of following chambers / associations:**

- a. Indian National Shipowners' Association**
- b. Bombay Chamber of Commerce and Industry**
- c. Federation of Indian Export Organisations**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

**The Company supports / participates in the initiatives of above associations.**

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**The Company strives to provide quality education to underprivileged children, training to teachers and funding assistance to schools as part of its CSR initiatives. It also participates in holistic rural development programmes.**

**The Company's Great Eastern Institute of Maritime Studies situated at Lonavala equips / empowers young trained pool of professionals to enter the Shipping and Offshore Oil and Gas industry.**

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

**All the CSR activities of the Company and its subsidiaries are handled by Great Eastern CSR Foundation. The Great Eastern CSR Foundation undertakes the same in partnership with a number of different NGOs.**

3. Have you done any impact assessment of your initiative?

**The Great Eastern CSR Foundation monitors its CSR projects on a regular basis. The social impact of the initiatives taken by the Foundation has been described in the CSR section of the Annual Report.**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

**The details of projects undertaken by the Great Eastern CSR Foundation have been described in detail as annexure to Board's Report.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**The Company's CSR initiatives are undertaken in partnership with NGOs. As a policy, the Company joins hands with only those NGOs who have a good track record. The services of those NGOs are greatly appreciated by the neighborhoods where they work. The project management team of the Great Eastern CSR Foundation monitors the initiatives on regular basis in various ways, including site visits and interaction with the target beneficiaries.**

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

**There were no customer complaints against the Company pending as on 31<sup>st</sup> March, 2016.**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)

**Not applicable.**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**There were no such cases against the Company.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Considering nature of its business, the Company does not carry out any formal consumer survey / consumer satisfaction trends. However, the Company is in constant dialogue with its clients and seeks their feedback on the services rendered.**

**Backed by an enviable clientele comprising industry leaders, international oil companies who vouch for its services, the Company has earned the status of being a preferred shipping service provider. With a thorough understanding of the evolving market needs, the Company is well-equipped to anticipate the demands of its clients and to deliver on its commitments, successfully and satisfactorily.**

जग अरुनव  
JAG ARNAV

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FP 11





“Jag Arnav–Kamsarmax Dry Bulk Carrier : Acquired in June 2015”





## Fleet as on March 31, 2016

| 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>13.41</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>12.96</b>   |
| Total Tonnage (dwt)       | 1,037,111             |                |                |           |                |
| No.of Ships               | 8                     |                |                |           |                |
| Average Age (yrs)         | 13.2                  |                |                |           |                |
| % of Total Tonnage        | 43%                   |                |                |           |                |
| <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>7.50</b>    |
|                           | <b>MEDIUM RANGE</b>   |                |                |           |                |
|                           |                       | 1 JAG PAHEL    | 46,319         | 2004      |                |
|                           |                       | 2 JAG PANKHI   | 46,345         | 2003      |                |
|                           |                       | 3 JAG PRABHA   | 47,999         | 2004      |                |
|                           |                       | 4 JAG PRAKASH  | 47,848         | 2007      |                |
|                           |                       | 5 JAG PUSHPA   | 47,848         | 2007      |                |
|                           |                       | 6 JAG PRERANA  | 47,848         | 2007      |                |
|                           |                       | 7 JAG PRANAV   | 51,383         | 2005      |                |
|                           |                       | 8 JAG PRANAM   | 48,700         | 2004      |                |
|                           |                       | 9 JAG PADMA    | 47,999         | 2005      |                |
|                           |                       | <b>9</b>       | <b>432,289</b> |           | <b>10.88</b>   |
| Total Tonnage (dwt)       | 731,716               |                |                |           |                |
| No.of Ships               | 13                    |                |                |           |                |
| Average Age (yrs)         | 9.5                   |                |                |           |                |
| % of Total Tonnage        | 30%                   |                |                |           |                |

## Fleet as on March 31, 2016

| 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>22.00</b>   |
| Total Tonnage (dwt)      | 49,353              |              |                |           |                |
| No. of Ships             | 1                   |              |                |           |                |
| Average Age (yrs)        | 22.0                |              |                |           |                |
| % of Total Tonnage       | 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      |                |
|                          |                     | 4 JAG ARNAV  | 80,699         | 2015      |                |
|                          |                     | <b>4</b>     | <b>321,829</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>9.4</b>     |
| Total Tonnage (dwt)      | 592,264             |              |                |           |                |
| No. of Ships             | 9                   |              |                |           |                |
| Average Age (yrs)        | 6.5                 |              |                |           |                |
| % of Total Tonnage       | 25%                 |              |                |           |                |
| <b>FLEET TOTAL</b>       |                     |              |                |           |                |
| Total Tonnage (dwt)      | 2,410,444           |              |                |           |                |
| No. of Ships             | 31                  |              |                |           |                |
| Average Age (yrs)        | 10.6                |              |                |           |                |

## Acquisitions and Sales during FY 2015-16

### ACQUISITIONS

| Category          | Type         | Vessel Name | DWT(MT) | Yr. Built | Month of Acquisition |
|-------------------|--------------|-------------|---------|-----------|----------------------|
| Dry Bulk Carriers | Kamsarmax    | Jag Arnav   | 81732   | 2015      | Jun-15               |
|                   | Kamsarmax    | Jag Aakash  | 81838   | 2015      | Sep-15               |
| Product Carriers  | Medium Range | Jag Padma   | 47999   | 2005      | Jan-16               |

### SALE

| Category         | Type      | Vessel Name | DWT(MT) | Yr. Built | Month of Sale |
|------------------|-----------|-------------|---------|-----------|---------------|
| Dry Bulk Carrier | Kamsarmax | Jag Aakash  | 81838   | 2015      | Sep-15        |

## Transactions between April 01, 2016 to May 05, 2016

### ACQUISITIONS

| Category        | Type         | Vessel Name | DWT(MT) | Yr. Built | Month of Acquisition |
|-----------------|--------------|-------------|---------|-----------|----------------------|
| Product Carrier | Medium Range | Jag Punit   | 49717   | 2016      | Apr-16               |

### CONTRACTED FOR ACQUISITIONS

| Category     | Type                   | Vessel Name | DWT(MT) | Yr. Built | Month of Delivery |
|--------------|------------------------|-------------|---------|-----------|-------------------|
| Gas Carriers | Very Large Gas Carrier | Jag Vidhi   | 49849   | 1996      | Q1 FY17           |

### CONTRACTED FOR SALE

| Category          | Type    | Vessel Name | DWT(MT) | Yr. Built | Month of Sale |
|-------------------|---------|-------------|---------|-----------|---------------|
| Crude Oil Carrier | Aframax | Jag Laxmi   | 105051  | 1999      | Q1 FY17       |

## Vessels on Order as on May 05, 2016

| Category          | Type      | No. of additions | Shipyard  | DWT(MT) | Month of Contracting | Expected Delivery |
|-------------------|-----------|------------------|---|---------|----------------------|-------------------|
| Dry Bulk Carriers | Kamsarmax | 2                | Jiangsu New Yangzi Shipbuilding Co. Ltd., China | 82000   | Dec-13               | Q1 FY17 & Q4 FY17 |
|                   |           | 2                | Jiangsu New Yangzi Shipbuilding Co. Ltd., China | 82000   | Apr-16               | Q2 FY17           |

# Subsidiary Fleet as on March 31, 2016

## Greatship (India) Limited and its Subsidiaries

| Category   | Vessel Name            | Company # | DWT (MT)      | Yr. Built | Average 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>9.00</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 Asmi    | GIL       | 1,634         | 2009      |                    |
| 4  | m.v. Greatship Ahalya  | GIL       | 1,643         | 2009      |                    |
| 5  | m.v. Greatship Aarti   | GIL       | 1,650         | 2009      |                    |
| 6  | m.v. Greatship Vidya   | GIL       | 3,289         | 2012      |                    |
| 7  | m.v. Greatship Vimla   | GIL       | 3,310         | 2012      |                    |
| 8  | m.v. Greatship Aditi   | GGOS      | 2,045         | 2009      |                    |
| <b>8</b>   |                        |           | <b>17,804</b> |           | <b>6.50</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>6.50</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>4.67</b>        |
| <b>TOTAL OFFSHORE SUPPORT VESSELS</b>                    |                        |           |               |           |                    |
| Number   | 21                     |           |               |           |                    |
| Total Tonnage (dwt)                                      | 65,235                 |           |               |           |                    |
| Average Age (years)                                      | 6.57                   |           |               |           |                    |

# Subsidiary Fleet as on March 31, 2016

## Greatship (India) Limited and its Subsidiaries

| Category                    | Vessel Name             | Company # | DWT (MT) | Yr. Built | Average 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>4.50</b>        |
| <b>TOTAL DRILLING UNITS</b> |                         |           |          |           |                    |
| Number                      | <b>4</b>                |           |          |           |                    |
| Average Age (years)         | <b>4.50</b>             |           |          |           |                    |

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

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

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

\* GGOS has contracted to sell the vessel, Greatship Ragini in April 2016. Greatship Ragini would be delivered to the buyers during FY 2016-17.

# Transactions During FY 2015-16

## Greatship (India) Limited and its Subsidiaries

| Category                       | Vessel Name                                      | Company# | Dwt (Mt)<br>Yr. Built | Yr. Built | Month Of<br>Sale |
|--------------------------------|--|----------|-----------------------|-----------|------------------|
| <b>SALE</b>                    |  |          |                       |           |                  |
| <b>OFFSHORE SUPPORT VESSEL</b> |  |          |                       |           |                  |
|                                | <b>Anchor Handling Tug cum<br/>Supply Vessel</b> |          |                       |           |                  |
|                                | 1 m.v. Greatship Akhila                          | GIL      | 1,639                 | 2009      | Jun-15           |

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







“Jag Pranam–Medium Range Product Carrier”

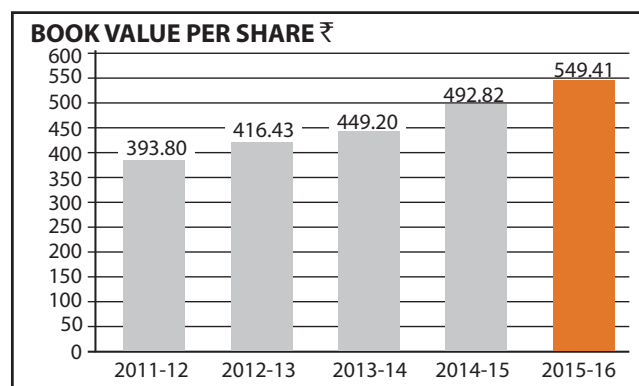
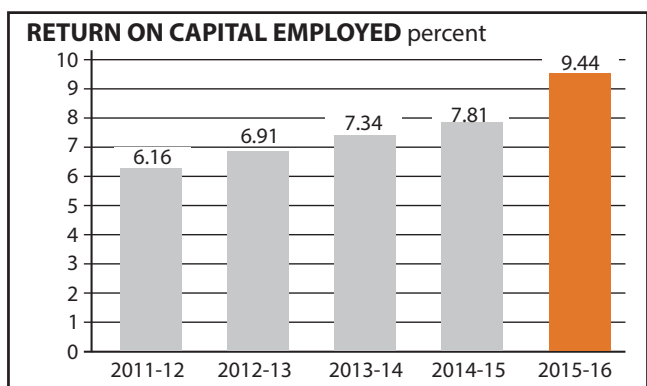
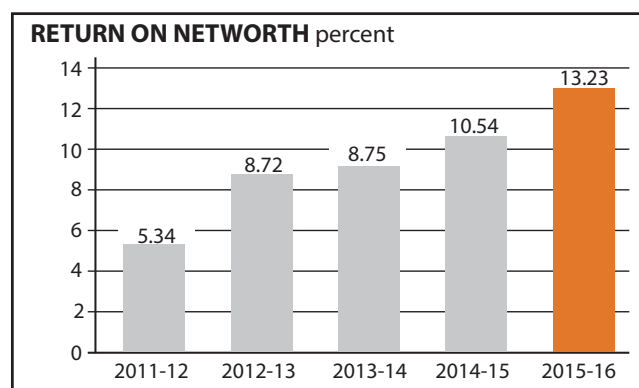
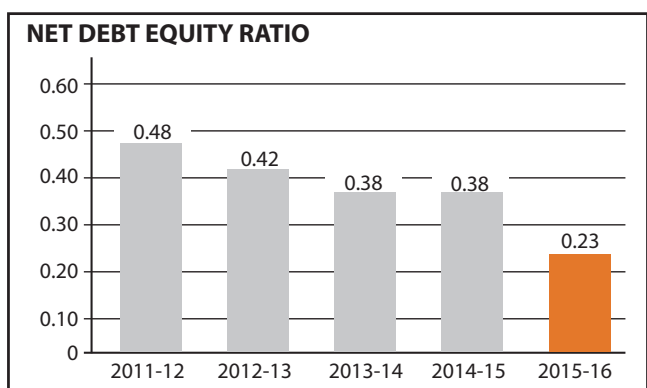
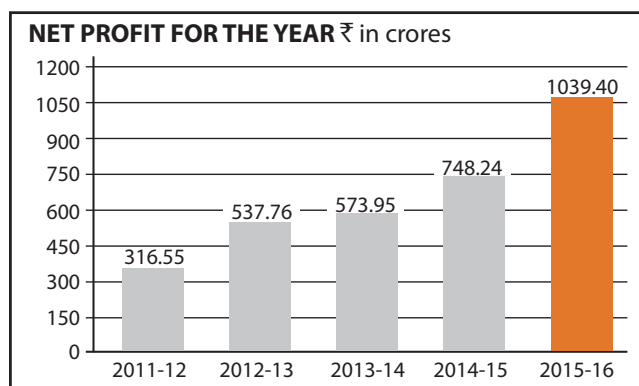
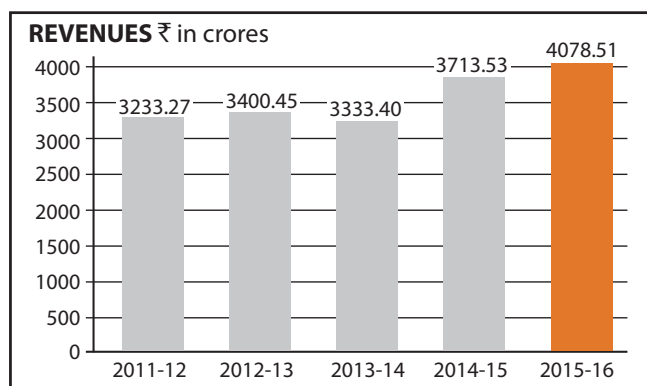
## The Year at a Glance (Consolidated)

|                                  | March 31, 2016  |                       | March 31, 2015   |                       |
|----------------------------------|---|-----------------------|------------------|-----------------------|
|                                  | ₹<br>(in crores)  | US\$<br>(in millions) | ₹<br>(in crores) | US\$<br>(in millions) |
|                                  | (except for Earnings, Cash earnings and Dividend per share) |                       |                  |                       |
| <b>For the year</b>              |   |                       |                  |                       |
| Total Revenue                    | 4078.51   | 625                   | 3713.53          | 607                   |
| Operating Profit (PBIDT)         | 2269.57   | 348                   | 1708.74          | 280                   |
| Net Profit                       | 1039.40   | 159                   | 748.24           | 122                   |
| Cash Profit                      | 1874.80   | 287                   | 1358.27          | 222                   |
| Earnings per share (₹/US\$)      | 68.94   | 1.06                  | 49.63            | 0.81                  |
| Cash earnings per share (₹/US\$) | 124.34  | 1.90                  | 90.08            | 1.47                  |
| Dividend per share (₹/US\$)      | 13.50   | 0.21                  | 11.00            | 0.18                  |
| Return on Equity (percentage)    | 13.23   | 13.23                 | 10.54            | 10.54                 |
| <b>At the end of the year</b>    |   |                       |                  |                       |
| Total assets                     | 15631.55  | 2359                  | 15535.15         | 2486                  |
| Fixed assets                     | 11018.32  | 1663                  | 11114.89         | 1778                  |
| Total debt                       | 5794.11   | 875                   | 6539.61          | 1046                  |
| Net worth                        | 8283.90   | 1250                  | 7430.62          | 1189                  |
| Equity Capital                   | 150.78  | 23                    | 150.78           | 24                    |

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

| Exchange Rate | ₹/ US\$ |         |
|---------------|---------|---------|
|               | 2015-16 | 2014-15 |
| - Average     | 65.30   | 61.13   |
| - Closing     | 66.25   | 62.50   |

## Financial Highlights (Consolidated)



## 5 Years at a Glance (Consolidated)

(₹ in Crores)

|   | 2011-12         | 2012-13         | 2013-14         | 2014-15         | 2015-16         |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>PROFIT &amp; LOSS A/C</b>  |                 |                 |                 |                 |                 |
| Total Revenues  | 3233.27         | 3400.45         | 3333.40         | 3713.53         | <b>4078.51</b>  |
| Operating profit (PBIDT)  | 1363.79         | 1553.26         | 1673.35         | 1708.74         | <b>2269.57</b>  |
| Net Profit (PAT)  | 316.55          | 537.76          | 573.95          | 748.24          | <b>1039.40</b>  |
| <b>BALANCE SHEET</b>  |                 |                 |                 |                 |                 |
| <b>What the Company owned</b>   |                 |                 |                 |                 |                 |
| Fixed Assets  | 9475.79         | 9703.89         | 10200.42        | 11114.89        | <b>11018.32</b> |
| Investments, net current assets and long term portion of current liabilities and provisions | 2969.75         | 3376.01         | 2689.91         | 2854.44         | <b>3059.12</b>  |
| Deferred Taxation (Net)   | 1.31            | 1.18            | 1.95            | 0.90            | <b>0.57</b>     |
| <b>TOTAL</b>  | <b>12446.85</b> | <b>13081.08</b> | <b>12892.28</b> | <b>13970.23</b> | <b>14078.01</b> |
| <b>What the Company owed</b>  |                 |                 |                 |                 |                 |
| Loans (including current portion)   | 6407.15         | 6739.32         | 6119.43         | 6539.61         | <b>5794.11</b>  |
| Minority Interest   | 43.77           | -               | -               | -               | -               |
| <b>TOTAL</b>  | <b>6450.92</b>  | <b>6739.32</b>  | <b>6119.43</b>  | <b>6539.61</b>  | <b>5794.11</b>  |
| <b>Shareholders' Funds</b>  |                 |                 |                 |                 |                 |
| Equity Share Capital  | 152.29          | 152.32          | 150.78          | 150.78          | <b>150.78</b>   |
| Reserves & surplus  | 5843.64         | 6189.44         | 6622.07         | 7279.84         | <b>8133.12</b>  |
| <b>TOTAL</b>  | <b>5995.93</b>  | <b>6341.76</b>  | <b>6772.85</b>  | <b>7430.62</b>  | <b>8283.90</b>  |
| Gross Debt-Equity ratio   | 1.07:1          | 1.06:1          | 0.90:1          | 0.88:1          | <b>0.70:1</b>   |
| Net Debt-Equity ratio   | 0.48:1          | 0.42:1          | 0.38:1          | 0.38:1          | <b>0.23:1</b>   |
| Return on Networth (%)  | 5.34            | 8.72            | 8.75            | 10.54           | <b>13.23</b>    |
| Earning per share (in ₹)  | 20.79           | 35.31           | 37.87           | 49.63           | <b>68.94</b>    |

# 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, 2016, 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 Standalone 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.

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, 2016 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, 2016, ("the Order"), issued by the Central Government in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the **"Annexure A"** 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, 2016 and taken on record by the Board of Directors, none of the Directors of the Company are disqualified as on March 31, 2016, from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"**.
  - g) 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 except in one case involving an amount of ₹ 0.29 crore where the Company has prepared a demand draft for the said amount to be transferred before the due date, but could not deposit the same with the concerned Authority due to technical difficulties on the MCA website.

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 05, 2016.



## Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 '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, 2016:

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016:

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.
  - c) According to the information and explanations given to us and on the basis of the records of the Company examined by us, the title deeds of immovable properties are held in the name of the Company except in one case where the deed of assignment in respect of the Company's leasehold property at Worli (Gross block – ₹ 55.42 crores and Net block – ₹ 48.44 crores) is yet to be transferred in the name of the Company. The Company has received a demand for transfer charges from Bombay Municipal Corporation for transferring the property in favour of the Company. The Company has filed a writ petition in the Bombay High Court contesting the demand.
2. The Management has conducted physical verification of inventory at reasonable intervals. 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, LLP or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Therefore, the provisions of sub-clause (a) and (b) and (c) of paragraph 3 (iii) of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us and records, examined by us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
5. In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Rules framed there under in respect of the deposits accepted from the public. 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, 2013, 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, Service Tax, Duty of Customs, Value Added tax, Cess and any other statutory dues with the appropriate authorities wherever applicable. 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 last day 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, Duty of Customs, Value added tax or Cess outstanding on account of any dispute, other than the following:

| Name of the Statute                      | Nature of Dues  | Amount<br>(₹ in Crores) | Period to which<br>the amount<br>relates | Forum where dispute<br>is pending                    |
|--|---|-------------------------|--|--|
| The Central Sales Tax Act, 1956          | Sales Tax   | 0.80<br>0.87            | 1998-99                                  | The Sales Tax Appellate Tribunal                     |
| The Bombay Sales Tax Act, 1959           | Sales Tax   | 0.07<br>0.07<br>0.09    | 1995-96<br>1996-97<br>1997-98            | The High Court at Bombay                             |
| The Bombay Sales Tax Act, 1959           | Sales Tax   | 3.86<br>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*<br>0.00*          | 2009-10<br>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<br>0.07            | 2010-11<br>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           |



| Name of the Statute             | Nature of Dues   | Amount<br>(₹ in Crores) | Period to which<br>the amount<br>relates | Forum where dispute<br>is pending      |
|---------------------------------|------------------|-------------------------|--|--|
| Income-tax Act, 1961            | Income-tax       | 0.01                    | 2005-06                                  | Income Tax Appellate Tribunal, Mumbai  |
|                                 |                  | 0.37                    | 2006-07                                  | Income Tax Appellate Tribunal, Mumbai  |
| Income-tax Act, 1961            | Income-tax       | 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  |
|                                 |                  | 5.70                    | 2010-11                                  | Income Tax Appellate Tribunal, Mumbai  |
|                                 |                  | 13.66                   | 2012-13                                  | 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.

8. 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 and Government.
9. 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. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year.
10. During the course of our examination of the books of account and records of the Company, 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.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Regn. No. : 104607W

**Daraius Z. Fraser**

Partner

M. No. : 42454

Mumbai : May 05, 2016.

## Annexure B to the Independent Auditor's Report

Referred to in Para 2(g) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2016.

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013.

We have audited the internal financial controls over financial reporting of THE GREAT EASTERN SHIPPING COMPANY LIMITED ("the Company") as of March 31, 2016, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act").

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Regn. No. : 104607W

**Daraius Z. Fraser**

Partner

M. No. : 42454

Mumbai : May 05, 2016.

# Balance Sheet

as at March 31, 2016

(₹ 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        | 5052.86        | 4779.98        |
|  |          | 5203.64        | 4930.76        |
| <b>II Non-Current Liabilities :</b>        |          |                |                |
| (a) Long-Term Borrowings                   | 5        | 2611.94        | 2568.90        |
| (b) Long-Term Provisions                   | 6        | 24.96          | 24.09          |
|  |          | 2636.90        | 2592.99        |
| <b>III Current Liabilities :</b>           |          |                |                |
| (a) Trade Payables                         | 7        | 118.68         | 113.91         |
| (b) Other Current Liabilities              | 8        | 406.72         | 638.32         |
| (c) Short-Term Provisions                  | 6        | 1046.77        | 1059.95        |
|  |          | 1572.17        | 1812.18        |
| <b>TOTAL</b>                               |          | <b>9412.71</b> | <b>9335.93</b> |
| <b>ASSETS :</b>                            |          |                |                |
| <b>I Non-Current Assets :</b>              |          |                |                |
| (a) Fixed Assets                           | 9        |                |                |
| (i) Tangible Assets                        |          | 4305.69        | 4257.53        |
| (ii) Intangible Assets                     |          | 0.27           | 0.35           |
| (iii) Capital Work-in-progress             |          | 365.34         | 226.24         |
|  |          | 4671.30        | 4484.12        |
| (b) Non-Current Investments                | 10       | 1621.85        | 1665.66        |
| (c) Long-Term Loans and Advances           | 11       | 42.35          | 36.22          |
| (d) Other Non-Current Assets               | 12       | 3.98           | 1.64           |
|  |          | 6339.48        | 6187.64        |
| <b>II Current Assets :</b>                 |          |                |                |
| (a) Current Investments                    | 13       | 851.87         | 1149.58        |
| (b) Inventories                            | 14       | 28.14          | 52.83          |
| (c) Trade Receivables                      | 15       | 91.67          | 133.91         |
| (d) Cash and Bank Balances                 | 16       | 2009.86        | 1716.96        |
| (e) Short-Term Loans and Advances          | 11       | 75.13          | 82.78          |
| (f) Other Current Assets                   | 12       | 16.56          | 12.23          |
|  |          | 3073.23        | 3148.29        |
| <b>TOTAL</b>                               |          | <b>9412.71</b> | <b>9335.93</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 05, 2016.

**G. Shivakumar**

Executive Director & CFO

**Jayesh M. Trivedi**

Company Secretary

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, 2016

(₹ in crores)

| Particulars   | Note No. | Current Year | Previous Year |
|---|----------|--------------|---------------|
| <b>Income :</b>   |          |              |               |
| I. Revenue from Operations  | 17       | 1974.27      | 1734.08       |
| II. Other Income  | 18       | 321.03       | 278.61        |
| III. Total Revenue (I + II)   |          | 2295.30      | 2012.69       |
| <b>IV. Expenses :</b>   |          |              |               |
| Employee Benefit Expenses   | 19       | 257.34       | 240.93        |
| Other Expenses  | 20       | 884.83       | 930.83        |
| Total Expenses  |          | 1142.17      | 1171.76       |
| <b>V. Earnings Before Depreciation, Impairment Loss, Finance Costs and Tax (III - IV)</b> |          | 1153.13      | 840.93        |
| VI. Depreciation  |          | 327.49       | 319.05        |
| VII. Impairment   |          | 16.22        | -             |
| VIII. Finance Costs   | 21       | 180.52       | 188.58        |
| <b>IX. Profit Before Tax (V - VI - VII - VIII)</b>  |          | 628.90       | 333.30        |
| X. Tax Expenses :   |          |              |               |
| - Current Tax   |          | 34.00        | 25.00         |
| - MAT Credit Utilised   |          | (15.00)      | (9.00)        |
|   |          | 19.00        | 16.00         |
| <b>XI. Profit for the Year (IX - X)</b>   |          | 609.90       | 317.30        |
| XII. Earnings per Equity Share :<br>(Face value per share ₹ 10 )                          | 22       |              |               |
| - Basic   |          | ₹ 40.45      | ₹ 21.04       |
| - Diluted   |          | ₹ 40.37      | ₹ 21.00       |
| 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 05, 2016.

**G. Shivakumar**  
Executive Director & CFO

**Jayesh M. Trivedi**  
Company Secretary

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, 2016

(₹ in crores)

|  | Current Year   | Previous Year |
|--|----------------|---------------|
| <b>A. Cash Flow From Operating Activities</b>                                  |                |               |
| Net Profit Before Tax  | 628.90         | 333.30        |
| Adjustments For :  |                |               |
| Depreciation   | 327.49         | 319.05        |
| Impairment   | 16.22          | -             |
| Interest Earned  | (37.59)        | (54.46)       |
| Interest and Finance charges   | 180.52         | 188.58        |
| Dividend Income  | (73.63)        | (92.04)       |
| Diminution in Value of Investments   | -              | 0.68          |
| Profit on winding up of a subsidiary company                                   | (1.74)         | -             |
| Profit on sale of Investments (Net)  | (135.32)       | (71.99)       |
| Loss on sale of Ships and Other Assets (Net)                                   | 15.77          | 2.18          |
| Provision for Loss on Cancelled Contract                                       | 32.74          | -             |
| Bad Debts and Advances Written Off   | 0.34           | 0.76          |
| Provision for Doubtful Debts and Advances (Net)                                | (3.20)         | (1.33)        |
| Revaluation of Foreign Currency Balances                                       | (37.88)        | (39.81)       |
| Operating Profit Before Working Capital Changes                                | 912.62         | 584.92        |
| Adjustments For :  |                |               |
| (Increase) / Decrease in Trade and Other Receivables                           | 48.80          | (60.86)       |
| (Increase) / Decrease in Inventories   | 24.69          | 18.60         |
| Increase / (Decrease) in Trade and Other Payables                              | 5.79           | 15.60         |
| Cash Generated from Operations   | 991.90         | 558.26        |
| Adjustments For :  |                |               |
| Direct Taxes Paid  | (25.19)        | (28.14)       |
| <b>Net Cash From Operating Activities</b>                                      | <b>966.71</b>  | <b>530.12</b> |
| <b>B. Cash Flow From Investing Activities</b>                                  |                |               |
| Purchase of Fixed Assets   | (662.98)       | (447.35)      |
| Sale Proceeds of Fixed Assets  | 150.98         | 291.18        |
| Redemption proceeds of Investment in Preference Shares in a subsidiary company | 59.31          | 59.31         |
| Sale proceeds of Investments   | 2.00           | -             |
| Acquisition of Equity Shares in a subsidiary company                           | -              | (0.05)        |
| Purchase of Current Investments  | (3272.18)      | (2994.12)     |
| Sale of Current Investments  | 3689.45        | 2951.95       |
| Withdrawal / (Placement) of Deposits (Net)                                     | (107.06)       | 462.39        |
| Disposal of Long-Term Investment   | -              | 30.00         |
| Interest Received  | 33.85          | 52.70         |
| Dividend Received  | 73.63          | 92.04         |
| <b>Net Cash From / (Used in) Investing Activities</b>                          | <b>(33.00)</b> | <b>498.05</b> |

(₹ in crores)

|  | Current Year    | Previous Year   |
|--|-----------------|-----------------|
| <b>C. Cash Flow From Financing Activities</b>                    |                 |                 |
| Proceeds from Long-Term Borrowings                               | 456.33          | 214.93          |
| Repayments of Long-Term Borrowings                               | (716.27)        | (520.17)        |
| Dividend Paid  | (312.49)        | (135.36)        |
| Dividend Distribution Tax Paid                                   | (48.01)         | (12.24)         |
| Interest and Finance Charges Paid                                | (189.14)        | (197.04)        |
| <b>Net Cash From / (Used in) Financing Activities</b>            | <b>(809.58)</b> | <b>(649.88)</b> |
| <b>Net increase / (decrease) in Cash and Cash Equivalents</b>    | <b>124.13</b>   | <b>378.29</b>   |
| <b>Cash and Cash Equivalents as at the beginning of the year</b> | <b>575.63</b>   | <b>197.34</b>   |
| <b>Cash and Cash Equivalents as at the end of the year</b>       | <b>699.76</b>   | <b>575.63</b>   |

**Note :**

**Cash and Cash Equivalents**

**Cash and Cash Equivalents (Refer Note 16)**

**Revaluation of Foreign Currency Balances [(Gain) / Loss]**

**Cash and Cash Equivalents as restated**

|   | As at<br>March, 2016 | As at<br>Mar 31, 2015 |
|---|----------------------|-----------------------|
| <b>Cash and Cash Equivalents</b>                                | <b>864.21</b>        | <b>713.04</b>         |
| <b>Revaluation of Foreign Currency Balances [(Gain) / Loss]</b> | <b>(164.45)</b>      | <b>(137.41)</b>       |
| <b>Cash and Cash Equivalents as restated</b>                    | <b>699.76</b>        | <b>575.63</b>         |

As per our Report attached hereto

For and on behalf of the Board

For **KALYANIWALLA & MISTRY**

Chartered Accountants  
Firm Regn. No. : 104607W

**G. Shivakumar**  
Executive Director & CFO

**K. M. Sheth**  
Chairman

**Darius Z. Fraser**

Partner  
M. No. : 42454

**Jayesh M. Trivedi**  
Company Secretary

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

**Cyrus Guzder**  
Director

Mumbai : May 05, 2016.

# Notes to Standalone Financial Statements

for the year ended March 31, 2016

## 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 adjustors.
- (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.

**(I) 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 at an amount equal to product of long tonnes and estimated scrap value per long tonne based on previous twenty years moving average (as compared to previous ten years moving average estimated in the previous year) 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 these 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      |

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. Interim dividend is paid as recommended by the Board of Directors.

During the year ended March 31, 2016, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 13.50 per share (Previous Year ₹ 11.00 per share).

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

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

|                                       | As on 31/03/2016 |           | As on 31/03/2015 |           |
|---------------------------------------|------------------|-----------|------------------|-----------|
|                                       | Nos.             | % holding | Nos.             | % holding |
| Equity shares of ₹ 10 each fully paid |                  |           |                  |           |
| Mr. Bharat Kanaiyalal Sheth           | 1,48,28,490      | 9.83%     | 1,63,28,490      | 10.83%    |
| 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%     |

c) 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.

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

e) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,53,522 (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        | 240.08        |
| (c) | Securities Premium :  |               |               |
|     | Balance as per last Financial Statement   | 86.59         | 86.59         |
| (d) | Debenture Redemption Reserve :  |               |               |
|     | Balance as per last Financial Statement   | 142.50        | 117.50        |
|     | Add : Amount Transferred from Surplus   | 25.00         | 25.00         |
|     |   | 167.50        | 142.50        |
| (e) | Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 :                   |               |               |
|     | Balance as per last Financial Statement   | 145.00        | 100.00        |
|     | Add : Amount Transferred from Surplus   | 125.00        | 45.00         |
|     |   | 270.00        | 145.00        |
|     | Less : Amount Transferred to General Reserve  | 100.00        | -             |
|     |   | 170.00        | 145.00        |
| (f) | Headging Reserve (Refer Note 28) :  |               |               |
|     | Balance as per last Financial Statement   | (917.79)      | (911.44)      |
|     | Add : Decrease/(Increase) during the year (Net)   | (114.30)      | (6.35)        |
|     |   | (1032.09)     | (917.79)      |
| (g) | Foreign Currency Monetary Item Translation Difference Account :                         |               |               |
|     | Balance as per last Financial Statement   | (22.94)       | (23.19)       |
|     | Debit balance added during the year   | (16.15)       | (3.94)        |
|     |   | (39.09)       | (27.13)       |
|     | Less : Transferred to Statement of Profit and Loss during the year                      | (23.50)       | (4.19)        |
|     |   | (15.59)       | (22.94)       |
| (h) | General Reserve :   |               |               |
|     | Balance as per last Financial Statement   | 2148.46       | 2148.46       |
|     | Add : Transfer from Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 | 100.00        | -             |
|     |   | 2248.46       | 2148.46       |
| (i) | Surplus :   |               |               |
|     | Balance as per last Financial Statement   | 2942.10       | 2881.56       |
|     | Add : Profit for the Year   | 609.90        | 317.30        |
|     | Less : Transfer to Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961  | 125.00        | 45.00         |
|     |   | 3427.00       | 3153.86       |
|     | Less : Appropriations :   |               |               |
|     | Transfer to Debenture Redemption Reserve  | 25.00         | 25.00         |
|     | Interim Dividend on Equity Shares   | 203.55        | 60.31         |
|     | Proposed Dividend on Equity Shares  | -             | 105.54        |
|     | Dividend Distribution Tax   | 26.52         | 20.91         |
|     |   | 255.07        | 211.76        |
|     |   | 3171.93       | 2942.10       |
|     |   | 5052.86       | 4779.98       |

## 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<br>(Refer Notes (i) and (v) below) | <b>250.00</b>       | 250.00        | -                  | -             |
| <b>Unsecured :</b>  |                     |               |                    |               |
| Redeemable Non-Convertible Debentures of ₹ 10,00,000 each -   |                     |               |                    |               |
| (i) 9.70% 1000 Debentures redeemable on January 18, 2023  | <b>100.00</b>       | 100.00        | -                  | -             |
| (ii) 9.70% 1000 Debentures redeemable on January 07, 2023   | <b>100.00</b>       | 100.00        | -                  | -             |
| (iii) 9.70% 500 Debentures redeemable on April 25, 2021   | <b>50.00</b>        | 50.00         | -                  | -             |
| (iv) 9.70% 1500 Debentures redeemable on April 15, 2021   | <b>150.00</b>       | 150.00        | -                  | -             |
| (v) 9.70% 1000 Debentures redeemable on February 02, 2021   | <b>100.00</b>       | 100.00        | -                  | -             |
| (vi) 9.60% 2000 Debentures redeemable on November 10, 2019  | <b>200.00</b>       | 200.00        | -                  | -             |
| (vii) 9.75% 2500 Debentures redeemable on August 20, 2019   | <b>250.00</b>       | 250.00        | -                  | -             |
| (viii) 9.35% 1000 Debentures redeemable on February 08, 2019  | <b>100.00</b>       | 100.00        | -                  | -             |
| (ix) 9.40% 1000 Debentures redeemable on January 06, 2019   | <b>100.00</b>       | 100.00        | -                  | -             |
| (x) 9.19% 1000 Debentures redeemable on December 24, 2018   | <b>100.00</b>       | 100.00        | -                  | -             |
| (xi) 9.35% 1000 Debentures redeemable on February 08, 2018  | <b>100.00</b>       | 100.00        | -                  | -             |
| (xii) 9.40% 1000 Debentures redeemable on January 06, 2018<br>(Refer Notes (ii) and (v) below)                                      | <b>100.00</b>       | 100.00        | -                  | -             |
| <b>(b) Term Loans from Banks</b>  |                     |               |                    |               |
| (Refer Notes (iii) to (v) below)  |                     |               |                    |               |
| Foreign Currency Loans from Banks (secured)   | <b>913.43</b>       | 864.87        | <b>274.44</b>      | 494.11        |
| Swap Adjustments (unsecured)  | <b>(1.49)</b>       | 4.03          | <b>(2.28)</b>      | 6.32          |
|   | <b>911.94</b>       | 868.90        | <b>272.16</b>      | 500.43        |
| <b>Total (a + b)</b>  | <b>2611.94</b>      | 2568.90       | <b>272.16</b>      | 500.43        |
| Amount disclosed under the head "Other Current Liabilities"<br>(Refer Note 8)   | -                   | -             | <b>272.16</b>      | 500.43        |
|   | <b>2611.94</b>      | 2568.90       | -                  | -             |

### Notes :

- 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.
- The Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the unsecured debentures.
- Foreign currency loans availed from banks carry interest rates of LIBOR plus 70 to 150 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  | 1007.18       | 716.41        |
| - between three to five years | 983.78        | 1248.22       |
| - over five years             | 620.98        | 604.27        |
|                               | 2611.94       | 2568.90       |

- (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                             | 24.96                | 24.09         | 14.86                 | 12.14         |
| (b) Vessel Performance/Offhire Claims (Refer Note below)        | -                    | -             | 1.27                  | 2.82          |
| (c) Provision for Mark-to-Market Losses on Derivative Contracts | -                    | -             | 1030.64               | 917.96        |
| (d) Proposed Equity Dividend                                    | -                    | -             | -                     | 105.54        |
| (e) Provision for Dividend Distribution Tax                     | -                    | -             | -                     | 21.49         |
|   | 24.96                | 24.09         | 1046.77               | 1059.95       |

#### 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   | 2.82          | 7.74          |
| Additions during the year   | -             | -             |
| Reversed/paid during the year   | (1.55)        | (4.92)        |
| Closing balance   | 1.27          | 2.82          |

## Note 7 : Trade Payables

|   | (₹ in crores) |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| (a) Dues to Micro, Small and Medium enterprises | -             | -             |
| (b) Due to Subsidiary Companies                 | 15.04         | 1.39          |
| (c) Others                                      | 103.64        | 112.52        |
|   | <b>118.68</b> | 113.91        |

### Notes :

- According to the information available with the Company regarding the status of the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006', no amount is overdue as on the reporting date, to Micro, Small and Medium Enterprises on account of principal interest.
- 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)           | 272.16        | 500.43        |
| (b) Income Received in Advance  | 38.94         | 45.69         |
| (c) Liabilities towards Investor Education and Protection Fund, not due |               |               |
| - Unclaimed dividend  | 9.98          | 6.58          |
| (d) Other Liabilities   | 35.39         | 35.59         |
| (e) Interest Accrued but not due on Borrowings                          | 50.25         | 50.03         |
|   | <b>406.72</b> | 638.32        |



## Note 9 : Fixed Assets

| Particulars                                       | Cost                 |                           |   |                                    | Depreciation / Impairment |                     |                                  |                               | Net Block           |                      |                      |
|---|----------------------|---------------------------|---|------------------------------------|---------------------------|---------------------|----------------------------------|-------------------------------|---------------------|----------------------|----------------------|
|   | As at April 01, 2015 | Additions during the Year | Deductions during the Year [Refer Note (c)] | Other Adjustments [Refer Note (e)] | As at March 31, 2016      | Upto March 31, 2015 | Other Adjustments/ On Deductions | For the Year [Refer Note (d)] | Upto March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| Tangible Assets :                                 |                      |                           |   |                                    |                           |                     |                                  |                               |                     |                      |                      |
| Fleet   | 6322.43              | 523.77                    | 199.49                                      | 62.61                              | 6709.32                   | 2174.17             | -                                | 337.63                        | 2511.80             | 4197.52              | 4148.26              |
| Land (Freehold and Perpetual Lease)               | 59.80                | -                         | -   | -                                  | 59.80                     | -                   | -                                | -                             | -                   | 59.80                | 59.80                |
| Ownership Flats and Buildings [Refer Note (a)]    | 55.06                | -                         | -   | -                                  | 55.06                     | 18.77               | -                                | 1.13                          | 19.90               | 35.16                | 36.29                |
| Plant and Equipment                               | 12.21                | 0.11                      | -   | -                                  | 12.32                     | 7.36                | -                                | 1.01                          | 8.37                | 3.95                 | 4.85                 |
| Furniture, Fixtures and Office Equipment          | 29.51                | 2.12                      | 0.06  | -                                  | 31.57                     | 26.18               | 0.06                             | 1.62                          | 27.74               | 3.83                 | 3.33                 |
| Vehicles  | 13.19                | 2.67                      | 1.21  | -                                  | 14.65                     | 8.19                | 1.21                             | 2.24                          | 9.22                | 5.43                 | 5.00                 |
| SUB - TOTAL (A)                                   | 6492.20              | 528.67                    | 200.76                                      | 62.61                              | 6882.72                   | 2234.67             | 1.27                             | 343.63                        | 2577.03             | 4305.69              | 4257.53              |
| Intangible Assets :                               |                      |                           |   |                                    |                           |                     |                                  |                               |                     |                      |                      |
| Software  | 0.39                 | -                         | -   | -                                  | 0.39                      | 0.04                | -                                | 0.08                          | 0.12                | 0.27                 | 0.35                 |
| SUB - TOTAL (B)                                   | 0.39                 | -                         | -   | -                                  | 0.39                      | 0.04                | -                                | 0.08                          | 0.12                | 0.27                 | 0.35                 |
| GRAND - TOTAL (A + B)                             | 6492.59              | 528.67                    | 200.76                                      | 62.61                              | 6883.11                   | 2234.71             | 1.27                             | 343.71                        | 2577.15             | 4305.96              |                      |
| Previous Year Figures                             | 6599.99              | 371.08                    | 535.76                                      | 57.28                              | 6492.59                   | 2158.06             | 242.40                           | 319.05                        | 2234.71             |                      | 4257.88              |
| Ships Under Construction/Capital Work-in-progress |                      |                           |   |                                    |                           |                     |                                  |                               |                     |                      |                      |
|   |                      |                           |   |                                    |                           |                     |                                  |                               |                     | 365.34               | 226.24               |
|   |                      |                           |   |                                    |                           |                     |                                  |                               |                     | 4671.30              | 4484.12              |

### 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.
- Deductions under Fleet represent vessel acquired and sold on the same day and hence no depreciation has been charged thereon.
- In accordance with the Accounting Standard (AS) 28, 'Impairment of Assets', the Company has recognised impairment loss amounting to ₹ 16.22 crores (Previous year ₹ 'NIL') on one supramax dry bulk carrier under Fleet during the year.
- 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.

## 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><br>(valued at cost, fully paid unless otherwise stated) |              |               |             |               |             |
| <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        |
| - 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        |
|  |              |               | 1306.48     |               | 1306.74     |
| <b>Preference Shares : Unquoted</b>  |              |               |             |               |             |
| Subsidiary :   |              |               |             |               |             |
| - Greatship (India) Ltd.   |              |               |             |               |             |
| 7.50% Cumulative Redeemable Preference Shares                                    | 10           | 4,45,00,000   | 133.50      | 5,90,00,000   | 177.00      |
| 22.50% Cumulative Redeemable Preference Shares                                   | 10           | 6,06,24,000   | 181.87      | 6,06,24,000   | 181.87      |
|  |              |               | 315.37      |               | 358.87      |
| <b>Other Investments :</b>   |              |               |             |               |             |
| Subsidiary :   |              |               |             |               |             |
| - Great Eastern CSR Foundation   | 10           | -             | -           | 49,999        | 0.05        |
|  |              |               | 1621.85     |               | 1665.66     |
| Aggregate amount of Quoted investments   |              |               | -           |               | -           |
| Aggregate amount of Unquoted investments   |              |               | 1621.85     |               | 1665.66     |
| Aggregate provision for diminution in value of investments                       |              |               | -           |               | -           |

\* The Company has wound up its wholly owned subsidiary The Great Eastern Shipping Co. London Ltd as at the end of the year. The Directors of the subsidiary company are in the process of filing the necessary documents with the local authorities for striking off the name of the Company from the Register.

### 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<br>(Net of provision for doubtful long-term deposits ₹ 0.44 crore, Previous Year ₹ 0.44 crore)                     | 1.10                         | 1.06          | 10.87                         | 6.88          |
| (b) Advance Payment of Income-tax and Tax Deducted at Source<br>(Net of provision for tax ₹ 115.29 crores, Previous Year ₹ 96.36 crores) | 38.53                        | 32.34         | -                             | -             |
| (c) Other Advances<br>(Net of provision for doubtful short-term advances ₹ 1.93 crores, Previous Year ₹ 2.63 crores)                     | 2.72                         | 2.82          | 64.26                         | 75.90         |
|  | 42.35                        | 36.22         | 75.13                         | 82.78         |

### Note 12 : Other Assets

(Unsecured - Considered good)

(₹ in crores)

|                                 | Other Non-Current Assets |               | Other Current Assets |               |
|---------------------------------|--------------------------|---------------|----------------------|---------------|
|                                 | Current Year             | Previous Year | Current Year         | Previous Year |
| (a) Unamortised Finance charges | 3.98                     | 1.64          | 1.25                 | 0.66          |
| (b) Interest Accrued            | -                        | -             | 15.31                | 11.57         |
|                                 | 3.98                     | 1.64          | 16.56                | 12.23         |

### Note 13 : Current Investments

(At lower of cost or fair value - fully paid)

|   | Face Value ₹ | Current Year |             | Previous Year |             |
|---|--------------|--------------|-------------|---------------|-------------|
|   |              | No. of Units | ₹ in crores | No. of Units  | ₹ in crores |
| Investments in Mutual Funds :                                       |              |              |             |               |             |
| Unquoted  |              |              |             |               |             |
| Baroda Pioneer Gilt Fund Plan B Growth                              | 10           | 44,08,802    | 10.00       | -             | -           |
| Baroda Pioneer PSU Bond Fund - Plan B Growth                        | 10           | -            | -           | 1,47,67,483   | 22.04       |
| Birla Sun Life Government Securities Long Term Growth - Direct Plan | 10           | 62,41,942    | 26.73       | -             | -           |
| Birla Sun Life Income Plus - Growth - Direct Plan *                 | 10           | -            | -           | 1,09,93,863   | 66.25       |
| Birla Sun Life Short Term Fund -Growth - Direct Plan                | 10           | -            | -           | 78,90,248     | 40.00       |

|  | Face Value ₹ | Current Year |             | Previous Year |             |
|--|--------------|--------------|-------------|---------------|-------------|
|  |              | No. of Units | ₹ in crores | No. of Units  | ₹ in crores |
| BNP Paribas Government Securities Fund Direct Growth                                 | 10           | 91,14,684    | 11.00       | 70,51,309     | 8.50        |
| BNP Paribas Medium Term Income Fund - Direct Plan - Growth *                         | 10           | -            | -           | 2,50,00,000   | 25.00       |
| BNP Paribas Short Term Income Fund - Direct Plan - Growth                            | 10           | -            | -           | 1,39,49,936   | 21.78       |
| 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       |
| HDFC Banking & PSU Debt Fund Direct Growth Option*                                   | 10           | 7,03,95,714  | 83.76       | -             | -           |
| HDFC Gilt Fund - Long Term Plan - Direct Plan - Growth*                              | 10           | 3,17,04,827  | 94.84       | 1,45,21,076   | 40.67       |
| HSBC Flexi Debt Fund - Growth Direct Plan  | 10           | -            | -           | 35,75,828     | 6.98        |
| ICICI Pru Income Opportunities Fund - Direct Plan - Growth                           | 10           | 2,39,67,640  | 49.23       | -             | -           |
| ICICI Prudential Blended Plan B - Direct Plan - Growth Option - I*                   | 10           | 4,98,63,976  | 111.32      | 6,02,93,860   | 118.98      |
| 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           | 3,98,36,158  | 116.77      | 89,90,347     | 24.00       |
| ICICI Prudential Long Term Gilt Fund - Direct Plan - Growth*                         | 10           | 3,26,68,691  | 147.00      | 2,21,10,931   | 92.46       |
| ICICI Prudential Short Term Gilt Fund - Direct Plan - Growth *                       | 10           | -            | -           | 58,65,125     | 19.22       |
| IDFC - Super Saver Income Fund - Short Term Plan - Growth - (Direct Plan) *          | 10           | -            | -           | 1,89,82,320   | 50.00       |
| IDFC Government Securities Fund - Investment Plan - Growth - (Direct Plan)           | 10           | -            | -           | 7,40,09,535   | 109.85      |
| IDFC Government Securities Fund - Short Term Plan - Growth - (Direct Plan)*          | 10           | 74,25,357    | 15.35       | -             | -           |
| 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           | 4,49,25,847  | 84.69       | 3,17,99,897   | 54.15       |
| Kotak Gilt (Investment Regular) - Direct Plan - Growth                               | 10           | 1,39,58,664  | 72.16       | 1,49,58,439   | 68.92       |
| Kotak Mahindra Asset Management Company Limited - Kotak Gold ETF - Open Ended Scheme | 1000         | -            | -           | 4,597         | 1.11        |



|  | Face<br>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          |
| SBI Magnum Gilt Fund - Long Term - Direct Plan - Growth              | 10              | -            | -             | 4,95,85,897   | 141.41         |
| SBI Magnum Gilt Fund - Short Term - Direct Plan - Growth*            | 10              | 93,31,450    | 29.02         | 47,60,298     | 13.57          |
| SBI Short Term Debt Fund - Direct Plan - Growth                      | 10              | -            | -             | 63,92,164     | 10.25          |
| 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>851.87</b> |               | <b>1149.58</b> |
| Aggregate amount of Quoted Investments                               |                 |              | -             |               | -              |
| Aggregate amount of Unquoted Investments                             |                 |              | <b>851.87</b> |               | <b>1149.58</b> |
|  |                 |              | <b>851.87</b> |               | <b>1149.58</b> |
| Aggregate Diminution in Value of Investments considered above        |                 |              | -             |               | 0.68           |

**Note :**

\*Mutual Funds aggregating to ₹ 280.02 crores (Previous Year ₹ 180.95 crores) of the above have been placed under lien with banks for facilities given by them.

**Note 14 : Inventories**

(Valued at lower of cost or net realisable value)

|           | (₹ in crores) |               |
|-----------|---------------|---------------|
|           | Current Year  | Previous Year |
| Fuel Oils | 28.14         | 52.83         |
|           | 28.14         | 52.83         |



**Note 15 : Trade Receivables  
(Unsecured)**

|  | (₹ in crores) |               |
|--|---------------|---------------|
|  | Current Year  | Previous Year |
| Outstanding for a period exceeding six months from the date they are due for payment |               |               |
| - Considered Good  | 25.61         | 1.93          |
| - Considered Doubtful  | 7.46          | 8.55          |
| Others   |               |               |
| - Considered Good  | 66.06         | 131.98        |
| - Considered Doubtful  | 3.21          | 4.54          |
|  | 102.34        | 147.00        |
| Less : Provision for Doubtful Receivables  | 10.67         | 13.09         |
|  | 91.67         | 133.91        |

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

**Note 16 : Cash and Bank Balances**

|  | (₹ in crores) |               |
|--|---------------|---------------|
|  | Current Year  | Previous Year |
| <b>Cash and Cash Equivalents :</b>   |               |               |
| (a) Balances with Banks in Current Accounts  | 267.94        | 338.02        |
| (b) Bank Deposits having maturity period of less than 3 months                                     | 596.25        | 375.00        |
| (c) Cash on Hand   | 0.02          | 0.02          |
|  | 864.21        | 713.04        |
| <b>Other Bank Balances :</b>   |               |               |
| (a) Deposits having maturity period of more than 3 months but less than 12 months                  | 1008.64       | 785.16        |
| (b) Balances with Banks - Unclaimed Dividend   | 9.98          | 6.58          |
| (c) Margin Money Deposits<br>(placed with banks under lien against facilities given by the banks.) | 127.03        | 212.18        |
|  | 1145.65       | 1003.92       |
|  | 2009.86       | 1716.96       |

**Note 17 : Revenue from Operations**

|                             | (₹ in crores) |               |
|-----------------------------|---------------|---------------|
|                             | Current Year  | Previous Year |
| (a) Revenue from -          |               |               |
| - Freight and Demurrage     | 1424.15       | 1243.71       |
| - Charter Hire              | 523.70        | 464.61        |
|                             | 1947.85       | 1708.32       |
| (b) Other Operating Revenue | 26.42         | 25.76         |
|                             | 1974.27       | 1734.08       |

## Note 18 : Other Income

|   | (₹ in crores) |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| (a) Gain on Foreign Currency Transactions (Net)   | 67.93         | 56.68         |
| (b) Dividend -  |               |               |
| - from Subsidiary Companies   | 73.63         | 63.69         |
| - from Units in Mutual Funds  | -             | 28.35         |
|   | 73.63         | 92.04         |
| (c) Interest Income -   |               |               |
| - on Bank Deposits  | 36.48         | 53.41         |
| - on Others   | 1.11          | 1.05          |
|   | 37.59         | 54.46         |
| (d) Profit on winding up of a subsidiary company  | 1.74          | -             |
| (e) Profit on Sale of Current Investments/ Premium on redemption of preference shares<br>[Net of diminution in value of Current Investments ₹ 'NIL' (Previous Year ₹ 0.68 crore)] | 135.37        | 71.31         |
| (f) Provision for Doubtful Debts and Advances Written Back (Net)  | 3.20          | 1.33          |
| (g) Miscellaneous Income  | 1.57          | 2.79          |
|   | 321.03        | 278.61        |

## Note 19 : Employee Benefit Expenses

|   | (₹ in crores) |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| (a) Salaries, Wages and Bonus                 | 230.28        | 218.51        |
| (b) Contribution to Provident and Other funds | 11.56         | 7.37          |
| (c) Staff Welfare Expenses                    | 15.50         | 15.05         |
|   | 257.34        | 240.93        |

## Note 20 : Other Expenses

|  | (₹ in crores) |               |
|--|---------------|---------------|
|  | Current Year  | Previous Year |
| (a) Fuel Oil and Water                       | 265.73        | 453.69        |
| (b) Port, Light and Canal Dues               | 119.84        | 112.89        |
| (c) Stevedoring, Despatch and Cargo Expenses | 2.70          | 3.10          |
| (d) Hire of Chartered Ships                  | 54.36         | -             |
| (e) Brokerage and Commission                 | 16.50         | 14.33         |
| (f) Agency Fees                              | 6.64          | 6.64          |
| (g) Consumption of Spares and Stores         | 125.06        | 108.51        |
| (h) Repairs and Maintenance -                |               |               |
| - Fleet                                      | 134.02        | 124.21        |
| - Building                                   | 5.92          | 4.70          |
| - Others                                     | 8.25          | 8.62          |
|  | 148.19        | 137.53        |
| (i) Insurance -                              |               |               |
| - Fleet Insurance and Protection Club Fees   | 30.03         | 30.38         |
| - Others                                     | 1.03          | 1.02          |
|  | 31.06         | 31.40         |
| (j) Loss on Sale of Ships/Other Assets (Net) | 15.77         | 2.18          |
| (k) Provision for Loss on Cancelled Contract | 32.74         | -             |
| (l) Rent                                     | 0.09          | 0.09          |
| (m) Rates and Taxes                          | 0.41          | 0.41          |
| (n) Bad Debts and Advances Written off       | 0.34          | 0.76          |
| (o) Travelling Expenses                      | 27.63         | 26.87         |
| (p) Payment to Auditor (Refer Note below)    | 1.29          | 1.13          |
| (q) Miscellaneous Expenses                   | 36.48         | 31.30         |
|  | 884.83        | 930.83        |
| <b>Note :</b>                                |               |               |
| Payment to Auditor as -                      |               |               |
| - Auditor                                    | 0.77          | 0.75          |
| - For Taxation Matters                       | 0.17          | 0.22          |
| - For Other Services                         | 0.35          | 0.16          |
| - For Reimbursement of Expenses              | 0.00          | 0.00          |
| (amount less than ₹ One Lakh)                |               |               |
|  | 1.29          | 1.13          |

## Note 21 : Finance Costs

|   | (₹ in crores) |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| Interest                                      | 188.14        | 196.02        |
| Other Borrowing Costs                         | 1.22          | 0.43          |
|   | 189.36        | 196.45        |
| Less : Pre-delivery Finance Costs Capitalised | 8.84          | 7.87          |
|   | 180.52        | 188.58        |

## Note 22 : Basic and Diluted Earnings per Share

|   | Current Year | Previous Year |
|---|--------------|---------------|
| (a) Net Profit After Tax (₹ in crores)            | 609.90       | 317.30        |
| (b) Number of Equity Shares                       |              |               |
| (i) Basic Earning per Share                       |              |               |
| 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 | 15,07,77,065  |
| (ii) Diluted Earning per Share                    |              |               |
| Weighted Average Number of Equity Shares          | 15,07,77,065 | 15,07,77,065  |
| Add : Rights Shares kept in abeyance              | 2,94,130     | 2,94,130      |
| Weighted Average Number of Equity Shares          | 15,10,71,195 | 15,10,71,195  |
| (c) Face Value of Equity Share                    | ₹ 10         | ₹ 10          |
| (d) Earnings per Share                            |              |               |
| - Basic   | ₹ 40.45      | ₹ 21.04       |
| - Diluted   | ₹ 40.37      | ₹ 21.00       |

## 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      | 3.31          | 2.54          |
| Contribution to Employees Superannuation Fund | 3.71          | 3.14          |
| Contribution to Employees Pension Scheme 1995 | 0.46          | 0.45          |
| Contribution to Employees Gratuity Fund       | 2.44          | (0.06)        |
| Contribution to National Pension Scheme       | 0.61          | 0.28          |
| Contribution to Seamen's Provident Fund       | 0.42          | 0.41          |
| Contribution to Seamen's Annuity Fund         | 0.58          | 0.55          |
| Contribution to Seamen's Rehabilitation Fund  | 0.48          | 0.45          |
| Contribution to Seamen's Gratuity Fund        | 0.14          | 0.10          |

**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.)                          | 7.69%                   | 7.80%                   | 7.69%                 | 7.80%                 | 7.69%                   | 7.80%                   |
| (b) Rate of Return on Plan Assets                 | 8.00%                   | 8.00%                   | -                     | -                     | -                       | -                       |
| (c) Salary Escalation rate                        | 4.00%-6.00%             | 4.00%-6.00%             | -                     | -                     | 6.00%                   | 6.00%                   |
| (d) Mortality                                     | IALM - Ultimate 2006-08 | IALM - Ultimate 2006-08 | LIC- Ultimate 1996-98 | LIC- Ultimate 1996-98 | IALM - Ultimate 2006-08 | IALM - Ultimate 2006-08 |
| (e) Withdrawal rate                               | 0.50%-8.00%             | 0.50%-7.00%             | -                     | -                     | 1.33%-8.00%             | 1.33%-7.00%             |
| (f) Expected average remaining service (in years) | 21.98                   | 21.96                   | -                     | -                     | 8.08                    | 8.38                    |

**(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 | 17.20        | 15.36         | 23.27        | 13.41         | 1.04             | 1.53          |
| Interest Cost                          | 1.28         | 12.36         | 1.75         | 1.09          | 0.06             | 0.13          |
| Current Service Cost                   | 1.82         | 2.30          | -            | -             | 0.84             | 1.33          |
| Benefits Paid                          | (1.50)       | (1.35)        | (1.69)       | (1.07)        | (0.62)           | (0.03)        |
| Benefits Transferred in                | 0.06         | 0.02          | -            | -             | 0.01             | -             |
| Actuarial (gain)/loss on obligations   | 0.26         | (11.49)       | 0.61         | 9.84          | (0.13)           | (1.92)        |
| Liability at the end of the year       | 19.12        | 17.20         | 23.94        | 23.27         | 1.20             | 1.04          |

**(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 | 19.53        | 17.58         | -            | -             | -                | -             |
| Adjustment to Opening Balance                          | (0.07)       | (5.58)        | -            | -             | -                | -             |
| Expected Return on Plan Assets                         | 1.54         | 0.91          | -            | -             | -                | -             |
| Employer's Contribution                                | 1.18         | -             | 1.69         | 1.07          | 0.62             | 0.03          |
| Benefits Paid  | (1.50)       | (1.35)        | (1.69)       | (1.07)        | (0.62)           | (0.03)        |
| Actuarial gain/(loss) on Plan Assets                   | (0.46)       | 7.97          | -            | -             | -                | -             |
| Fair Value of Plan Assets at the end of the year       | 20.22        | 19.53         | -            | -             | -                | -             |



**(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 | 0.16         | 0.85          | -            | -             | 0.01             | 0.04          |
| Experience (gain)/loss on obligation                  | 0.10         | (12.35)       | -            | -             | (0.13)           | (1.96)        |
| Actuarial gain/(loss) on Plan Assets                  | (0.46)       | 7.97          | -            | -             | -                | -             |

**(iv) Actual Return on Plan Assets :**

(₹ in crores)

|                                      | Gratuity     |               | Pension Plan |               | Leave Encashment |               |
|--------------------------------------|--------------|---------------|--------------|---------------|------------------|---------------|
|                                      | Current Year | Previous year | Current Year | Previous year | Current Year     | Previous year |
| Expected Return on Plan Assets       | 1.54         | 0.91          | -            | -             | -                | -             |
| Actuarial gain/(loss) on Plan Assets | (0.46)       | 7.97          | -            | -             | -                | -             |
| Actual Return on Plan Assets         | 1.08         | 8.88          | -            | -             | -                | -             |

**(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                 | 19.12        | 17.20         | 23.94        | 23.27         | 1.20             | 1.04          |
| Fair Value of Plan Assets at the end of the year | 20.22        | 19.53         | -            | -             | -                | -             |
| Amount not recognised in the Balance Sheet       | -            | 0.11          | -            | -             | -                | -             |
| Amount recognised in the Balance Sheet           | (1.10)       | (2.22)        | 23.94        | 23.27         | 1.20             | 1.04          |

**(vi) Expenses Recognised in the Statement of Profit and Loss :**

(₹ in crores)

|   | Gratuity     |               | Pension Plan |               | Leave Encashment |               |
|---|--------------|---------------|--------------|---------------|------------------|---------------|
|   | Current Year | Previous year | Current Year | Previous year | Current Year     | Previous year |
| Current Service Cost                                | 1.82         | 2.30          | -            | -             | 0.84             | 1.33          |
| Interest Cost                                       | 1.28         | 12.36         | 1.75         | 1.09          | 0.06             | 0.13          |
| Expected Return on Plan Assets                      | (1.54)       | (0.91)        | -            | -             | -                | -             |
| Net Actuarial (gain)/loss to be recognised          | 0.72         | (19.46)       | 0.61         | 9.84          | (0.13)           | (1.92)        |
| Expenses recognised in Statement of Profit and Loss | 2.28         | (5.71)        | 2.36         | 10.93         | 0.77             | (0.46)        |

**(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 ₹ 1.25 crores 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 | 4.00%        | 6.00%         |
| State Government securities    | 1.00%        | 1.00%         |
| Bonds                          | 8.00%        | 13.00%        |
| HDFC Defensive Managed Fund    | 87.00%       | 80.00%        |
| 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 statements of the parent, segment information needs to 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. (wound up as at the end of the year)

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

Greatship (India) Ltd., India and its subsidiaries :

- Greatship Global Holdings Ltd., Mauritius.
- Greatship Global Energy Services Pte. Ltd., Singapore.
- Greatship Global Offshore Services Pte. Ltd., Singapore.
- GGOS Labuan Ltd., Malaysia.
- Greatship (UK) Ltd., UK.
- Greatship Oilfield Services Ltd., India (incorporated on July 09, 2015)

(b) Other related parties :

(i) Key Management Personnel/Directors :

|                     |   |
|---------------------|---|
| Mr. Bharat K. Sheth | - Deputy Chairman and Managing Director     |
| 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. K. M. Sheth    | - Non - Executive Chairman - father of Mr. Bharat K. Sheth and Mr. Ravi K. Sheth                               |
| Mr. Ravi K. Sheth  | - Non - Executive Director (w.e.f. April 01, 2015) - son of Mr. K. M. Sheth and brother of Mr. Bharat K. Sheth |
| Mr. Rahul R. Sheth | - Son of Mr. Ravi K. Sheth   |



(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>                         | <b>62.36</b>         | 6.84          | -  | -             | <b>62.36</b> | 6.84          |
| - The Greatship (Singapore) Pte. Ltd.                 |                      |               |  |               |              |               |
| ₹ 6.43 crores (Previous Year : ₹ 6.84 crores)         |                      |               |  |               |              |               |
| - The Great Eastern Chartering L.L.C. (FZC)           |                      |               |  |               |              |               |
| ₹ 55.93 crores (Previous Year : ₹ 'NIL')              |                      |               |  |               |              |               |
| <b>Dividend income</b>                                | <b>73.63</b>         | 63.69         | -  | -             | <b>73.63</b> | 63.69         |
| - Greatship (India) Ltd.                              |                      |               |  |               |              |               |
| ₹ 68.17 crores (Previous Year : ₹ 63.69 crores)       |                      |               |  |               |              |               |
| - The Great Eastern Shipping Co. London Ltd., U.K.    |                      |               |  |               |              |               |
| ₹ 5.46 crores (Previous Year : ₹ 'NIL')               |                      |               |  |               |              |               |
| <b>Services rendered to</b>                           | <b>1.21</b>          | 0.25          | -  | -             | <b>1.21</b>  | 0.25          |
| - Greatship (India) Ltd.                              |                      |               |  |               |              |               |
| <b>Reimbursement of expenses from</b>                 | <b>0.70</b>          | -             | -  | -             | <b>0.70</b>  | -             |
| - The Great Eastern Chartering L.L.C. (FZC)           |                      |               |  |               |              |               |
| <b>Contribution towards CSR</b>                       | <b>2.99</b>          | 2.32          | -  | -             | <b>2.99</b>  | 2.32          |
| - Great Eastern CSR Foundation                        |                      |               |  |               |              |               |
| <b>Part redemption of preference shares in</b>        | <b>59.31</b>         | 59.31         | -  | -             | <b>59.31</b> | 59.31         |
| - Greatship (India) Ltd.                              |                      |               |  |               |              |               |
| <b>Transfer of share capital amount on winding up</b> | <b>2.00</b>          | -             | -  | -             | <b>2.00</b>  | -             |
| - The Great Eastern Shipping Co. London Ltd., U.K.    |                      |               |  |               |              |               |
| <b>Remuneration</b>                                   |                      |               |  |               |              |               |
| <b>Non-Executive Chairman</b>                         | -                    | -             | <b>1.15</b>                                | 5.78          | <b>1.15</b>  | 5.78          |
| - Mr. K. M. Sheth * (Period: w.e.f. 1-Sep-14)         |                      |               |  |               |              |               |
| <b>Executive Directors</b>                            | -                    | -             | <b>15.25</b>                               | 17.52         | <b>15.25</b> | 17.52         |
| - Mr. K. M. Sheth (Executive Chairman upto 31-Aug-14) |                      |               |  |               |              |               |
| ₹ 'NIL' (Previous Year : ₹ 2.32 crores)               |                      |               |  |               |              |               |
| - Mr. Bharat K. Sheth *                               |                      |               |  |               |              |               |
| ₹ 10.60 crores (Previous Year : ₹ 12.91 crores)       |                      |               |  |               |              |               |
| - Mr. Tapas Icot (Period: w.e.f. 12-Aug-14)           |                      |               |  |               |              |               |
| ₹ 2.21 crores (Previous Year : ₹ 1.43 crores)         |                      |               |  |               |              |               |
| - Mr. G. Shivakumar (Period: w.e.f. 14-Nov-14)        |                      |               |  |               |              |               |
| ₹ 2.44 crores (Previous Year : ₹ 0.86 crore)          |                      |               |  |               |              |               |
| <b>Key Management Personnel</b>                       | -                    | -             | <b>1.11</b>                                | 2.14          | <b>1.11</b>  | 2.14          |
| - Mr. G. Shivakumar (Upto 13-Nov-14)                  |                      |               |  |               |              |               |
| ₹ 'NIL' (Previous Year : ₹ 1.21 crores)               |                      |               |  |               |              |               |
| - Mr. Jayesh Trivedi                                  |                      |               |  |               |              |               |
| ₹ 1.11 crores (Previous Year : ₹ 0.93 crore)          |                      |               |  |               |              |               |

(₹ 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>Relative of Non - Executive Director</b>                                | -                    | -             | <b>0.13</b>                                | 0.05          | <b>0.13</b>  | 0.05          |
| - Mr. Rahul R. Sheth   |                      |               |  |               |              |               |
| <b>Transfer of liability towards retirement benefits of employees from</b> | <b>0.07</b>          | 0.02          | -  | -             | <b>0.07</b>  | 0.02          |
| - Greatship (India) Ltd.   |                      |               |  |               |              |               |
| <b>Outstanding balance as on 31-03-2016 :</b>                              |                      |               |  |               |              |               |
| <b>Receivables</b>   | <b>0.69</b>          | 0.15          | -  | -             | <b>0.69</b>  | 0.15          |
| - Greatship (India) Ltd.   |                      |               |  |               |              |               |
| <b>Advances</b>  | <b>2.99</b>          | -             | -  | -             | <b>2.99</b>  | -             |
| - The Great Eastern Chartering L.L.C. (FZC)                                |                      |               |  |               |              |               |
| <b>Payables</b>  | <b>15.04</b>         | 1.39          | -  | -             | <b>15.04</b> | 1.39          |
| - The Greatship (Singapore) Pte. Ltd.                                      |                      |               |  |               |              |               |
| ₹ 0.43 crore (Previous Year : ₹ 1.16 crores)                               |                      |               |  |               |              |               |
| - The Great Eastern Chartering L.L.C. (FZC)                                |                      |               |  |               |              |               |
| ₹ 14.61 crores (Previous Year : ₹ 0.23 crore)                              |                      |               |  |               |              |               |
| <b>Financial Guarantee given</b>   | -                    | 14.57         | -  | -             | -            | 14.57         |
| - Greatship (India) Ltd.   |                      |               |  |               |              |               |

**Notes :**

- Dividend payments to Key Management Personnel have not been considered in the above disclosure.
- \*The above includes, provision for retirement pension benefits payable ₹ 0.57 crore (previous year ₹ 9.81 crores) 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 ₹ 134.19 crores (Previous Year ₹ 214.46 crores), remaining to be executed on capital account and not provided for ₹ 480.32 crores (Previous Year ₹ 911.09 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.  | <b>7.46</b>  | 7.46          |
| (b)  | 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.                                | <b>4.34</b>  | 4.34          |
| (c)  | Demand for Custom Duty disputed by the Company<br>[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] | <b>7.29</b>  | 7.29          |
| (d)  | Service Tax Demands disputed by the Company  | <b>4.75</b>  | 4.75          |
| (e)  | Income Tax Demands for various Assessment Years disputed by the Company  | <b>23.46</b> | 3.02          |
| (f)  | Demand for wharfage charges against which the Company has tendered a bank guarantee. Stay obtained under a Writ Petition filed against Chennai Port Trust for restraining encashment of bank guarantee.                            | <b>0.99</b>  | 0.99          |
| <b>Guarantees :</b>  |  |              |               |
| (a)  | Guarantees given by banks counter guaranteed by the Company.   | <b>6.00</b>  | 79.65         |
| (b)  | Guarantees given to banks on behalf of subsidiaries.   | -            | 14.57         |

**Note 28 : Hedging Contracts**

The Company uses foreign exchange forward contracts, currency and interest rate swaps and options to hedge its exposure to the movements in foreign exchange rates. The use of these foreign exchange forward contracts, currency and interest rate swaps and options reduces the risk or the 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 the interest rate 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             | -    |
| No. of units in MT under above contracts                          | -            | -    | 12000         | -    |
| Amount recognised in Hedging Reserve (loss)/gain<br>(₹ in crores) | -            | -    | (0.13)        | -    |
| Maturity Period   | -            | -    | Upto 1 Year   | -    |

#### (b) Interest Rate Swap Contracts :

| Details  | Current Year | Previous Year |
|--|--------------|---------------|
| Total No. of contracts outstanding                             | 2            | 5             |
| Principal Notional Amount (USD in million)                     | 22.800       | 47.568        |
| Amount recognised in Hedging Reserve (loss)/gain (₹ in crores) | (2.12)       | (3.37)        |
| Maturity Period  | Upto 3 Years | Upto 4 Years  |

#### (c) Interest portion of Currency Swap Contracts :

| Details  | Currency | Current Year | Previous Year |
|--|----------|--------------|---------------|
| Total No. of contracts outstanding                             |          | 2            | 3             |
| Principal Notional Amount (JPY in million)                     | JPY/USD  | 2171.103     | 4890.307      |
| Amount recognised in Hedging Reserve (loss)/gain (₹ in crores) |          | (4.11)       | (9.40)        |
| Maturity Period  |          | Upto 2 Years | Upto 3 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) |          | (1025.86)    | (904.89)      |
| Maturity Period  |          | Upto 7 Years | Upto 8 Years  |

ii) **Fair Value Hedges :**(a) **Forward Exchange Option Contracts :**

| Details  | Current Year |             | Previous Year |             |
|--|--------------|-------------|---------------|-------------|
|  | Purchase     | Sale        | Purchase      | Sale        |
| Total No. of contracts outstanding   | -            | 3           | -             | 1           |
| Foreign Currency Value (USD in million)  | -            | 30.000      | -             | 12.000      |
| Gain/(loss) recognised in the Statement of Profit and Loss during the year (₹ in crores) | -            | 1.45        | -             | (0.18)      |
| 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      | -            | 7           | -             | 12          |
| Foreign Currency Value (USD in million) | -            | 19.000      | -             | 60.000      |
| Maturity Period                         | -            | Upto 1 Year | -             | 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) | 2.007        | -    | -             | -    |
| Maturity Period                         | Upto 1 Month | -    | -             | -    |

(c) **Principal portion of Currency Swap Contracts :**

| Details                                    | Currency | Current Year | Previous Year |
|--|----------|--------------|---------------|
| Total No. of contracts outstanding         |          | 2            | 3             |
| Principal Notional Amount (JPY in million) | JPY/USD  | 2171.103     | 4890.307      |
| Maturity Period                            |          | Upto 2 Years | Upto 3 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 swaps have been designated as hedged instruments that qualify as effective cash flow hedges. The mark-to-market loss on these foreign exchange derivative/forward contracts outstanding as on March 31, 2016, amounting to ₹ 1032.09 crores (Previous Year : loss of ₹ 917.79 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/(losses) on the interest rate swaps recognised in the 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/(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/(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 gain on these foreign exchange derivative contracts outstanding as on March 31, 2016 amounting to ₹ 1.45 crores (Previous Year : loss of ₹ 0.18 crore) has been recorded in the Statement of Profit and Loss.

## 2 Unhedged Foreign Currency Exposures as on March 31, 2016 :

| Details                              | Currency | Current Year<br>in millions | Previous Year<br>in millions |
|--------------------------------------|----------|-----------------------------|------------------------------|
| <b>Loan Liabilities and Payables</b> | AED      | 0.418                       | 0.646                        |
|                                      | AUD      | 0.004                       | 0.007                        |
|                                      | CHF      | 0.008                       | 0.001                        |
|                                      | CNY      | 0.001                       | -                            |
|                                      | DKK      | 2.431                       | 0.734                        |
|                                      | EUR      | 0.695                       | 0.369                        |
|                                      | GBP      | 0.019                       | 0.047                        |
|                                      | JPY      | 65.967                      | 54.443                       |
|                                      | NOK      | 0.316                       | 0.477                        |
|                                      | SEK      | 0.033                       | 0.004                        |
|                                      | SGD      | 0.871                       | 3.313                        |
|                                      | USD      | 567.239                     | 607.493                      |
| <b>Receivables</b>                   | AED      | 0.038                       | 0.088                        |
|                                      | AUD      | 0.004                       | -                            |
|                                      | CHF      | 0.032                       | -                            |
|                                      | DKK      | 0.103                       | -                            |
|                                      | EUR      | 0.353                       | 0.928                        |
|                                      | GBP      | -                           | 0.042                        |
|                                      | JPY      | 5.105                       | 6.208                        |
|                                      | NOK      | 0.053                       | 0.249                        |
|                                      | SGD      | 0.022                       | 0.534                        |
|                                      | USD      | 15.122                      | 13.847                       |
| <b>Bank Balances</b>                 | AED      | 0.132                       | 0.406                        |
|                                      | DKK      | 0.164                       | 0.070                        |
|                                      | EUR      | 0.298                       | 0.269                        |
|                                      | GBP      | 0.075                       | 0.081                        |
|                                      | NOK      | 0.082                       | 0.243                        |
|                                      | SGD      | 0.165                       | 0.153                        |
|                                      | USD      | 247.827                     | 177.720                      |

**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> |               |               |
| Freight and Charter Hire                     | 55.69         | -             |
| Fuel   | 257.87        | 360.08        |
| Stores and Spares                            | 111.64        | 93.05         |
| Repairs and Maintenance                      | 114.51        | 105.71        |
| Other Operating Expenses                     | 226.06        | 206.35        |
| Finance Costs                                | 184.27        | 185.29        |
| <b>(c) Earnings in Foreign Exchange :</b>    |               |               |
| Freight and Charter Hire                     | 1084.73       | 909.56        |
| Interest and Dividends                       | 33.02         | 24.45         |
| Other Operating Income                       | 0.50          | 4.44          |
| Other Income                                 | 1.74          | 0.32          |

- (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 or guarantees 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.

**Note 31 : Corporate Social Responsibility (CSR)**

As part of its Corporate Social Responsibility, the Company has set up the Great Eastern CSR Foundation to which the Company has contributed ₹ 2.99 crores (Previous Year ₹ 2.27 crores) 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 Containing Salient Features Of The Financial Statement Of Subsidiaries/Joint Ventures

Form AOC-I

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Part "A" : Subsidiaries

(₹ in crores)

| 1.  | Name of the subsidiary                             | The Great Eastern Shipping Co.(London) Ltd. | Greatship (Singapore) Pte.Ltd | Great Eastern Chartering L.L.C (FZC) | The Great Eastern Chartering (Singapore) Pte. Ltd. | Great Eastern CSR Foundation | Greatship (India) Limited | Greatship Global Holdings Ltd. | Greatship Global Offshore Services Pte. Ltd. | Greatship Global Energy Services Pte. Ltd. | Greatship (UK) Limited | GGOS Labuan Ltd.* | Greatship Oilfield Services Limited |
|-----|--|---|-------------------------------|--------------------------------------|--|------------------------------|---------------------------|--------------------------------|--|--|------------------------|-------------------|-------------------------------------|
| 2.  | Reporting period                                   | 31/03/2016                                  | 31/03/2016                    | 31/03/2016                           | 31/03/2016   | 31/03/2016                   | 31/03/2016                | 31/03/2016                     | 31/03/2016                                   | 31/03/2016                                 | 31/03/2016             | 31/03/2016        | 31/03/2016                          |
| 3.  | Reporting currency                                 | USD   | SGD                           | USD                                  | USD  | INR                          | INR                       | USD                            | USD  | USD  | USD                    | USD               | INR                                 |
| 4.  | Exchange Rate as on 31.03.2016                     | ₹ 66.25                                     | ₹ 49.29                       | ₹ 66.25                              | ₹ 66.25  | ₹ 1                          | ₹ 1                       | ₹ 66.25                        | ₹ 66.25                                      | ₹ 66.25                                    | ₹ 66.25                | ₹ 66.25           | ₹ 1                                 |
| 5.  | Share capital                                      | -   | 2.46                          | 0.27                                 | 13.25  | 0.05                         | 216.47                    | 1472.09                        | 470.77                                       | 1119.39                                    | 3.13                   | -                 | 0.01                                |
| 6.  | Reserves & surplus                                 | -   | 2.83                          | 139.47                               | (9.59)   | 6.46                         | 2208.47                   | (0.45)                         | 206.69                                       | 1413.84                                    | 14.02                  | -                 | -                                   |
| 7.  | Total assets                                       | -   | 5.73                          | 161.17                               | 3.70   | 6.52                         | 3490.34                   | 1473.39                        | 887.86                                       | 4459.29                                    | 71.63                  | -                 | 0.01                                |
| 8.  | Total Liabilities                                  | -   | 0.44                          | 21.43                                | 0.04   | 0.01                         | 1065.40                   | 1.75                           | 210.39                                       | 1926.06                                    | 54.29                  | -                 | -                                   |
| 9.  | Investments (excluding investment in subsidiaries) | -   | -                             | -                                    | -  | -                            | 26.10                     | -                              | -  | -  | -                      | -                 | -                                   |
| 10. | Turnover   | 0.06  | 7.30                          | 83.12                                | -  | 7.53                         | 1651.67                   | -                              | 164.58                                       | 540.71                                     | 135.44                 | -                 | -                                   |
| 11. | Profit/(loss) before taxation                      | 0.23  | 1.08                          | 10.94                                | (0.68)   | 0.49                         | 341.92                    | (0.29)                         | (38.96)                                      | 284.01                                     | 12.85                  | -                 | -                                   |
| 12. | Provision for taxation                             | -   | 0.06                          | -                                    | -  | -                            | 87.00                     | -                              | 1.51   | 0.01                                       | 2.62                   | -                 | -                                   |
| 13. | Profit after taxation                              | 0.23  | 1.02                          | 10.94                                | (0.68)   | 0.49                         | 254.92                    | (0.29)                         | (40.47)                                      | 284.00                                     | 10.24                  | -                 | -                                   |
| 14. | Proposed dividend                                  | -   | -                             | -                                    | -  | -                            | -                         | -                              | -  | -  | -                      | -                 | -                                   |
| 15. | % of shareholding                                  | 100%  | 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

**G. Shivakumar**

Executive Director & CFO

**Bharat K. Sheth**

Deputy Chairman & Managing Director

**Jayesh M. Trivedi**

Company Secretary

**Cyrus Guzder**

Director



# 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, 2016, 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. 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 sub-paragraph (a) of 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, 2016, their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of ten subsidiaries, whose financial statements reflect total assets of ₹ 5448.88 crores as at March 31, 2016, total revenues of ₹ 320.89 crores and net cash outflows amounting to ₹172.56 crores for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements 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, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on the separate financial statements of certain subsidiaries, as noted in sub-paragraph (a) of 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, 2016 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India are disqualified as on March 31, 2016, from being appointed as a Director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “**Annexure A**”; and
- g) 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 sub-paragraph (a) of 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) Provisions have been made in the Consolidated Financial Statements, as required under 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 Group companies except in one case involving an amount of ₹ 0.29 crore where the Company has prepared a demand draft before the due date, but could not deposit the same with the concerned Authority due to technical difficulties on the MCA website.

For **KALYANIWALLA & MISTRY**

Chartered Accountants

Firm Regn. No. : 104607W

**Daraius Z. Fraser**

Partner

M. No. : 42454

Mumbai : May 05, 2016.

## Annexure A to the Independent Auditor's Report

Referred to in Para 1(f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the Consolidated Financial Statements for the year ended March 31, 2016.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of THE GREAT EASTERN SHIPPING COMPANY LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies incorporated in India, as of March 31, 2016, in conjunction with our audit of the Consolidated Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and its subsidiary companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the "Act" or the "Companies Act")

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by 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 Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Holding Company, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company, its subsidiary companies, which are companies incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to ten subsidiary companies, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **KALYANIWALLA & MISTRY**  
Chartered Accountants  
Firm Regn. No. : 104607W

**Daraius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 05, 2016.

# Consolidated Balance Sheet

as at March 31, 2016

(₹ 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        | 8133.12      | 7279.84       |
|  |          | 8283.90      | 7430.62       |
| <b>II Non-Current Liabilities :</b>        |          |              |               |
| (a) Long-Term Borrowings                   | 7        | 4930.21      | 5462.62       |
| (b) Long-Term Provisions                   | 8        | 37.61        | 33.38         |
|  |          | 4967.82      | 5496.00       |
| <b>III Current Liabilities :</b>           |          |              |               |
| (a) Trade Payables                         | 9        | 223.62       | 215.45        |
| (b) Other Current Liabilities              | 10       | 1057.59      | 1291.00       |
| (c) Short-Term Provisions                  | 8        | 1098.62      | 1102.08       |
|  |          | 2379.83      | 2608.53       |
| <b>TOTAL</b>                               |          | 15631.55     | 15535.15      |
| <b>ASSETS :</b>                            |          |              |               |
| <b>I Non-Current Assets :</b>              |          |              |               |
| (a) Fixed Assets                           | 11       |              |               |
| (i) Tangible Assets                        |          | 10652.35     | 10887.19      |
| (ii) Intangible Assets                     |          | 0.63         | 1.07          |
| (iii) Capital Work-in-progress             |          | 365.34       | 226.63        |
|  |          | 11018.32     | 11114.89      |
| (b) Non-Current Investments                | 12       | -            | -             |
| (c) Deferred Tax Assets (Net)              | 13       | 0.57         | 0.90          |
| (d) Long-Term Loans and Advances           | 14       | 44.51        | 30.99         |
| (e) Other Non-Current Assets               | 15       | 426.30       | 133.87        |
|  |          | 11489.70     | 11280.65      |
| <b>II Current Assets :</b>                 |          |              |               |
| (a) Current Investments                    | 16       | 877.97       | 1249.98       |
| (b) Inventories                            | 17       | 113.23       | 140.08        |
| (c) Trade Receivables                      | 18       | 320.56       | 334.62        |
| (d) Cash and Bank Balances                 | 19       | 2624.98      | 2380.15       |
| (e) Short-Term Loans and Advances          | 14       | 90.15        | 128.83        |
| (f) Asset held for sale                    |          | 86.82        | -             |
| (g) Other Current Assets                   | 15       | 28.14        | 20.84         |
|  |          | 4141.85      | 4254.50       |
| <b>TOTAL</b>                               |          | 15631.55     | 15535.15      |
| 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 05, 2016.

**G. Shivakumar**

Executive Director & CFO

**Jayesh M. Trivedi**

Company Secretary

For and on behalf of the Board

**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, 2016

(₹ in crores)

| Particulars   | Note No. | Current Year | Previous Year |
|---|----------|--------------|---------------|
| <b>Income :</b>   |          |              |               |
| I. Revenue from Operations  | 20       | 3804.47      | 3438.03       |
| II. Other Income  | 21       | 274.04       | 275.50        |
| III. Total Revenue (I + II)   |          | 4078.51      | 3713.53       |
| <b>IV. Expenses :</b>   |          |              |               |
| Employee Benefit Expenses   | 22       | 595.65       | 557.85        |
| Other Expenses  | 23       | 1213.29      | 1446.94       |
| <b>Total Expenses</b>   |          | 1808.94      | 2004.79       |
| <b>V. Earnings Before Depreciation, Impairment Loss, Finance Costs and Tax (III - IV)</b> |          | 2269.57      | 1708.74       |
| VI. Depreciation  |          | 674.63       | 610.03        |
| VII. Impairment   |          | 160.77       | -             |
| VIII. Finance Costs   | 24       | 284.64       | 300.58        |
| <b>IX. Profit Before Tax (V - VI - VII - VIII)</b>  |          | 1149.53      | 798.13        |
| X. Tax Expenses :   |          |              |               |
| - Current Tax   |          | 124.80       | 57.82         |
| - Deferred Tax  |          | 0.33         | 1.07          |
| - MAT Credit Utilised   |          | (15.00)      | (9.00)        |
|   |          | 110.13       | 49.89         |
| <b>XI. Profit for the year (IX - X)</b>   |          | 1039.40      | 748.24        |
| <b>XII. Earnings per Equity Share :</b>   | 25       |              |               |
| (Face value per share ₹ 10 )  |          |              |               |
| - Basic   |          | ₹ 68.94      | ₹ 49.63       |
| - Diluted   |          | ₹ 68.80      | ₹ 49.53       |
| 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

**Darius Z. Fraser**  
Partner  
M. No. : 42454

Mumbai : May 05, 2016.

**G. Shivakumar**  
Executive Director & CFO

**Jayesh M. Trivedi**  
Company Secretary

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, 2016

|  | (₹ in crores)   |                 |
|--|-----------------|-----------------|
|  | Current Year    | Previous Year   |
| <b>A. Cash Flow From Operating Activities</b>        |                 |                 |
| Net Profit Before Tax :                              | 1149.53         | 798.13          |
| Adjustments For :                                    |                 |                 |
| Depreciation   | 674.63          | 610.03          |
| Impairment/(Reversal of Impairment)                  | 102.45          | -               |
| Impairment loss on asset classified as held for sale | 58.32           | -               |
| Interest Earned                                      | (46.65)         | (60.33)         |
| Interest and Finance Charges                         | 284.64          | 300.58          |
| Dividend Income                                      | (1.39)          | (29.50)         |
| Diminution in Value of Investments                   | -               | 0.68            |
| Loss/(Profit) on Sale of Investments                 | (119.51)        | (56.28)         |
| Loss/(Profit) on Sale of Ships and Other Assets      | (9.92)          | (19.40)         |
| Provision for Loss on Cancelled Contract             | 32.74           | -               |
| Bad Debts/Advances Written Off                       | 0.41            | 18.58           |
| Provision for Doubtful Debts and Advances            | 10.34           | (15.42)         |
| Excess provision of expenses written back            | -               | (0.49)          |
| Unrealised gain on future trades                     | (4.52)          | -               |
| Provision for impairment losses on future trades     | -               | 3.58            |
| Revaluation of Foreign Currency Balances             | (14.31)         | (52.07)         |
| Operating Profit Before Working Capital Changes      | 2116.76         | 1498.09         |
| Adjustments For :                                    |                 |                 |
| (Increase) / Decrease in Trade and Other Receivables | 51.79           | (70.66)         |
| (Increase) / Decrease in Inventories                 | 27.11           | (0.32)          |
| Increase / (Decrease) in Trade and Other Payables    | (25.02)         | 80.92           |
| Cash Generated From Operations                       | 2170.64         | 1508.03         |
| Direct Taxes Paid                                    | (123.84)        | (63.19)         |
| <b>Net Cash From Operating Activities</b>            | <b>2046.80</b>  | <b>1444.84</b>  |
| <b>B Cash Flow From Investing Activities</b>         |                 |                 |
| Purchase of Fixed Assets                             | (675.08)        | (1550.63)       |
| Sale Proceeds of Fixed Assets                        | 234.48          | 315.51          |
| Purchase of Investments                              | (3464.57)       | (3305.20)       |
| Placement of Deposits                                | (425.54)        | 479.64          |
| Sale of Investments                                  | 3956.13         | 3220.51         |
| Disposal of Long-Term investment                     | -               | 30.00           |
| Interest Received                                    | 37.72           | 55.23           |
| Dividend Received                                    | 1.39            | 29.50           |
| <b>Net Cash From/(Used in) Investing Activities</b>  | <b>(335.47)</b> | <b>(725.44)</b> |



(₹ in crores)

|  | Current Year     | Previous Year   |
|--|------------------|-----------------|
| <b>C Cash Flow From Financing Activities</b>                     |                  |                 |
| Proceeds from Borrowings   | 910.14           | 2089.00         |
| Repayments of Borrowings   | (1935.18)        | (1848.68)       |
| Dividend Paid  | (312.49)         | (135.36)        |
| Dividend Distribution Tax Paid                                   | (61.89)          | (23.06)         |
| Interest and Finance Charges Paid                                | (295.28)         | (310.18)        |
| <b>Net Cash From/(Used In) in Financing Activities</b>           | <b>(1694.70)</b> | <b>(228.28)</b> |
| <b>Net increase / (decrease) in Cash and Cash Equivalents</b>    | <b>16.63</b>     | <b>491.12</b>   |
| <b>Cash and Cash Equivalents as at the beginning of the year</b> | <b>1143.04</b>   | <b>651.92</b>   |
| <b>Cash and Cash Equivalents as at the end of the year</b>       | <b>1159.67</b>   | <b>1143.04</b>  |

| Note :   | As at<br>Mar 31, 2016 | As at<br>Mar. 31, 2015 |
|--|-----------------------|------------------------|
| <b>Cash and Cash Equivalents</b>                         |                       |                        |
| Cash and Cash Equivalents (Refer Note 19)                | 1405.32               | 1342.35                |
| Revaluation of Foreign Currency Balances [(Gain) / Loss] | (245.65)              | (199.31)               |
| Cash and Cash Equivalents as restated                    | <b>1159.67</b>        | <b>1143.04</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 05, 2016.

**G. Shivakumar**  
Executive Director & CFO

**Jayesh M. Trivedi**  
Company Secretary

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, 2016

## 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                                     |                       |
| -Server and Networks                          | 6 years               |
| -End User Devices                             | 3 years               |
| Vehicles*                                     | 4 years               |
| Mobiles*                                      | 2 years               |

| Asset Type                 | Estimated Useful life |
|----------------------------|-----------------------|
| 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 at an amount equal to product of long tonnes and estimated scrap value per long tonne based on previous twenty years moving average (as compared to previous ten years moving average estimated in the previous year) 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) Residual value in case of Rigs is estimated at 5% of the cost of the 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 represent the period over which the management expects the use of the assets. Hence, the useful lives for these 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, form 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 consolidated financial statements of the Company with its subsidiaries have 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/(losses) are fully eliminated.

In case of foreign subsidiaries, revenue items are consolidated at an 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, 2016.

**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.<br>[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.<br>(wholly owned subsidiary of Greatship (India) Ltd.)  | Mauritius                | 100%   | 100%          |
|         | (i) Greatship Global Energy Services Pte. Ltd.<br>[subsidiary of Greatship (India) Ltd. (89.31%) and<br>Greatship Global Holdings Ltd. (10.69%)] | Singapore                | 100%   | 100%          |
|         | (ii) Greatship Global Offshore Services Pte. Ltd.<br>(wholly owned subsidiary of Greatship Global Holdings Ltd.)                                 | Singapore                | 100%   | 100%          |
|         | 1. GGOS Labuan Ltd.<br>(wholly owned subsidiary of Greatship Global Offshore<br>Services Pte. Ltd.)  | Malaysia                 | 100%   | 100%          |
| 4b      | Greatship (UK) Ltd.<br>(wholly owned subsidiary of Greatship (India) Ltd.)   | U.K.                     | 100%   | 100%          |
| 4c      | Greatship Oilfield Services Ltd.<br>(wholly owned subsidiary of Greatship (India) Ltd.) (incorporated<br>on July 09, 2015)                       | India                    | 100%   | -             |
| 5       | Great Eastern CSR Foundation   | India                    | 100%   | 100%          |

\* The Company has wound up its wholly owned subsidiary The Great Eastern Shipping Co. London Ltd as at the end of the year. The Directors of the subsidiary company are in the process of filing the necessary documents with the local authorities for striking off the name of the Company from the Register.

## 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      |

(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. Interim dividend is paid as recommended by the Board of Directors.

During the year ended March 31, 2016, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 13.50 per share (Previous Year ₹ 11.00 per share).

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

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

|                                       | As on 31/03/2016 |           | As on 31/03/2015 |           |
|---------------------------------------|------------------|-----------|------------------|-----------|
|                                       | Nos.             | % holding | Nos.             | % holding |
| Equity shares of ₹ 10 each fully paid |                  |           |                  |           |
| Mr. Bharat Kanaiyalal Sheth           | 1,48,28,490      | 9.83%     | 1,63,28,490      | 10.83%    |
| 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%     |

(c) 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.



- (d) There are no securities convertible into equity/preference shares.
- (e) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,53,522 (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.
- (f) 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 on March 31, 2013 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.

During the year under review, no grant of stock options were made under any of the Schemes 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.

During the year under review, as per the Encashment Scheme approved in the year 2012, the option grantees under all Schemes were given an opportunity to encash all or part of their vested options as on March 31, 2015 and accordingly 6,51,480 options were encashed by the option grantees. 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). With this encashment, a total of 14,17,420 options have been encashed under the said Encashment Scheme, including 7,65,940 options encashed in 2012. With the encashment of all the outstanding stock options under the Scheme ESOP 2007, the Scheme stands closed as on March 31, 2016.

During the year, a total of 9,340 options were forfeited, making the total options outstanding as on March 31, 2016 to 1,51,060 (net of encashed).

The particulars 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<br>28/01/08<br>05/05/09 | 28/01/08       | 23/10/08<br>19/03/09<br>05/05/09<br>24/07/09<br>23/10/09<br>28/12/09<br>18/03/10<br>30/04/10 | 23/09/10<br>30/04/11<br>24/10/11<br>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                                    |



| Sr. No. | Particulars                                      | ESOP 2007  | ESOP 2007 - II  | ESOP 2008 - II   | ESOP 2010  |
|---------|--|--|---|--|--|
| 5       | Options outstanding at the beginning of the year | 88,160   | 25,600  | 4,08,300   | 2,89,820   |
| 6       | Options granted during the year                  | -  | -   | -  | -  |
| 7       | Options cancelled/forfeited during the year      | -  | -   | -  | 9,340  |
| 8       | Options exercised during the year                | -  | -   | -  | -  |
| 9       | Options encashed during the year                 | 88,160   | 21,000  | 3,63,600   | 178,720  |
| 10      | Options outstanding at the end of the year       | -  | 4,600   | 44,700   | 1,01,760   |
| 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) |

The Employee Stock Option Schemes had been accounted on the intrinsic value method upto the year ended March 31, 2016. 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 the GIL during 2012, 6,51,480 options were encashed at the fair value determined under the scheme during the year ended March 31, 2016. Since the encashment scheme also provides for another window to be opened in March 2018 to encash stock options that have vested till such date, 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, 2016 of ₹ 2.30 crores (Previous year ₹ 1.37 crores) is included in Long-Term Provisions and ₹ 'NIL' in Short-Term Provisions (Previous year ₹ 9.80 crores).

## 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       | 240.08        |
| (c) Securities Premium :  |              |               |
| Balance as per last Financial Statement   | 114.02       | 114.02        |
| (d) Debenture Redemption Reserve :  |              |               |
| Balance as per last Financial Statement   | 142.50       | 117.50        |
| Add : Amount Transferred from Surplus   | 25.00        | 25.00         |
|   | 167.50       | 142.50        |
| (e) Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 :               |              |               |
| Balance as per last Financial Statement   | 287.00       | 207.00        |
| Add : Amount Transferred from Surplus   | 150.00       | 80.00         |
|   | 437.00       | 287.00        |
| Less : Amount Transferred to General Reserve  | 100.00       | -             |
|   | 337.00       | 287.00        |
| (f) Statutory Reserves :  |              |               |
| Balance as per last Financial Statement   | 0.13         | 0.13          |
| (g) Foreign Currency Translation Reserve :  |              |               |
| Balance as per last Financial Statement   | 674.96       | 574.73        |
| Add : Gain/(Loss) on Foreign Currency Translation                                       | 177.63       | 100.23        |
|   | 852.59       | 674.96        |
| (h) Hedging Reserve (Refer Note 31) :   |              |               |
| Balance as per last Financial Statement   | (926.86)     | (936.54)      |
| Add : Decrease/(Increase) during the year (Net)   | (112.96)     | 9.68          |
|   | (1039.82)    | (926.86)      |
| (i) Foreign Currency Monetary Item Translation Difference Account :                     |              |               |
| Balance as per last Financial Statement   | (22.94)      | (23.19)       |
| Debit balance added during the year   | (16.15)      | (3.94)        |
|   | (39.09)      | (27.13)       |
| Less : Transferred to Statement of Profit and Loss during the year                      | (23.50)      | (4.19)        |
|   | (15.59)      | (22.94)       |
| (j) General Reserve :   |              |               |
| Balance as per last Financial Statement   | 2206.39      | 2206.39       |
| Add : Transfer from Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 | 100.00       | -             |
|   | 2306.39      | 2206.39       |

|  |         | (₹ in crores) |               |
|--|---------|---------------|---------------|
|  |         | Current Year  | Previous Year |
| (k) Surplus :  |         |               |               |
| Balance as per last Financial Statement  | 4543.52 |               | 4100.92       |
| Add : Profit for the Year  | 1039.40 |               | 748.24        |
| Less : Transfer from Tonnage Tax Reserve under Section 115VT of the Income-tax Act, 1961 | 150.00  |               | 80.00         |
|  | 5432.92 |               | 4769.16       |
| Less : Appropriations :  |         |               |               |
| Transfer to Debenture Redemption Reserve   | 25.00   |               | 25.00         |
| Interim Dividend on Equity Shares  | 203.55  |               | 60.31         |
| Proposed Dividend on Equity Shares   | -       |               | 105.54        |
| Interim Dividend on Preference Shares  | 23.32   |               | -             |
| Dividend Distribution Tax  | 31.27   |               | 34.79         |
|  | 283.14  |               | 225.64        |
|  |         | 5149.78       | 4543.52       |
|  |         | 8133.12       | 7279.84       |

## Note 7 : Long-Term Borrowings

|  |        | (₹ in crores)       |               |                    |               |
|--|--------|---------------------|---------------|--------------------|---------------|
|  |        | Non-Current portion |               | Current Maturities |               |
|  |        | Current Year        | Previous Year | Current Year       | Previous Year |
| (a) Bonds/Debentures :   |        |                     |               |                    |               |
| Secured :  |        |                     |               |                    |               |
| 9.80% 2500 Redeemable Non-Convertible Debentures of ₹ 10,00,000 each redeemable on July 03, 2019 [Refer Notes (i) and (v) below] | 250.00 | 250.00              | -             | -                  |               |
| Unsecured :  |        |                     |               |                    |               |
| Redeemable Non-Convertible Debentures of ₹ 10,00,000 each -  |        |                     |               |                    |               |
| (i) 9.70% 1000 Debentures redeemable on January 18, 2023   | 100.00 | 100.00              | -             | -                  |               |
| (ii) 9.70% 1000 Debentures redeemable on January 07, 2023  | 100.00 | 100.00              | -             | -                  |               |
| (iii) 9.70% 500 Debentures redeemable on April 25, 2021  | 50.00  | 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]   |        |                     |               |                    |               |

(₹ in crores)

|   | Non-Current portion |               | Current Maturities |               |
|---|---------------------|---------------|--------------------|---------------|
|   | Current Year        | Previous Year | Current Year       | Previous Year |
| <b>(b) Term Loans from Banks</b>                            |                     |               |                    |               |
| <b>[Refer Notes (iii) to (v) below]</b>                     |                     |               |                    |               |
| Foreign Currency Loans from Banks (secured)                 | <b>3231.70</b>      | 3758.59       | <b>866.18</b>      | 1070.67       |
| Swap Adjustments (unsecured)                                | <b>(1.49)</b>       | 4.03          | <b>(2.28)</b>      | 6.32          |
|   | <b>3230.21</b>      | 3762.62       | <b>863.90</b>      | 1076.99       |
| <b>Total (a + b)</b>  | <b>4930.21</b>      | 5462.62       | <b>863.90</b>      | 1076.99       |
| Amount disclosed under the head "Other Current Liabilities" | -                   | -             | <b>863.90</b>      | 1076.99       |
| (Refer Note 10)   |                     |               |                    |               |
|   | <b>4930.21</b>      | 5462.62       | -                  | -             |

**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 70 to 400 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  | <b>2273.26</b> | 2242.05       |
| - between three to five years | <b>1979.96</b> | 2450.05       |
| - over five years             | <b>676.99</b>  | 770.52        |
|                               | <b>4930.21</b> | 5462.62       |

- (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                             | 37.61                | 33.38         | 31.47                 | 25.03         |
| (b) Vessel Performance/Offhire Claims (Refer Note below)        | -                    | -             | 1.27                  | 2.82          |
| (c) Provision for Mark-to-Market Losses on Derivative Contracts | -                    | -             | 1037.81               | 933.32        |
| (d) Proposed Equity Dividend                                    | -                    | -             | 23.32                 | 105.54        |
| (e) Provision for Dividend Distribution Tax                     | -                    | -             | 4.75                  | 35.37         |
|   | 37.61                | 33.38         | 1098.62               | 1102.08       |

### 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   | 2.82         | 7.74          |
| Additions during the year   | -            | -             |
| Reversed/paid during the year   | (1.55)       | (4.92)        |
| Closing balance   | 1.27         | 2.82          |

## Note 9 : Trade Payables

(₹ in crores)

|                      | Current Year | Previous Year |
|----------------------|--------------|---------------|
| (a) Sundry Creditors | 223.62       | 215.45        |
|                      | 223.62       | 215.45        |

### Notes :

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) *         | 863.90       | 1076.99       |
| (b) Income Received in Advance  | 38.94        | 45.69         |
| (c) Liabilities towards Investor Education and Protection Fund, not due |              |               |
| - Unclaimed dividend  | 9.98         | 6.58          |
| (d) Deposits Received   | -            | 6.25          |
| (e) Other Liabilities   | 82.11        | 92.04         |
| (f) Interest Accrued but not due on Borrowings                          | 62.66        | 63.45         |
|   | 1057.59      | 1291.00       |

\*Current Maturities of Long-Term Borrowings include ₹ 74.53 crores (previous year ₹ 'NIL') relating to a Long-Term Borrowing reclassified as current as on the Balance Sheet date due to proposed refinancing arrangement.

**Note 11 : Fixed Assets**

| Particulars                                       | Cost                 |                           |   |                                    | Depreciation / Impairment |                     |   |                               | Net Block           |                      |                      |
|---|----------------------|---------------------------|---|------------------------------------|---------------------------|---------------------|---|-------------------------------|---------------------|----------------------|----------------------|
|   | As at April 01, 2015 | Additions during the Year | Deductions during the Year [Refer Note (c)] | Other Adjustments [Refer Note (e)] | As at March 31, 2016      | Upto March 31, 2015 | Other Adjustments/ On Deductions [Refer Note (c)] | For the Year Refer [Note (d)] | Upto March 31, 2016 | As at March 31, 2016 | As at March 31, 2015 |
| <b>Tangible Assets :</b>                          |                      |                           |   |                                    |                           |                     |   |                               |                     |                      |                      |
| Fleet   | 9514.14              | 523.77                    | 453.44                                      | 170.29                             | 9754.76                   | 2869.78             | 38.32   | 586.98                        | 3418.44             | <b>6336.32</b>       | 6644.36              |
| Plant and Equipment                               |                      |                           |   |                                    |                           |                     |   |                               |                     |                      |                      |
| - Rigs  | 4401.64              | -                         | -   | 264.10                             | 4665.74                   | 447.31              | (28.93)   | 147.14                        | 623.38              | <b>4042.36</b>       | 3954.33              |
| - Others  | 286.68               | 13.27                     | -   | 12.79                              | 312.74                    | 109.14              | (5.53)  | 34.56                         | 149.23              | <b>163.51</b>        | 177.54               |
| Land (Freehold and Perpetual Lease)               | 59.80                | -                         | -   | -                                  | 59.80                     | -                   | -   | -                             | -                   | <b>59.80</b>         | 59.80                |
| Ownership Flats and Buildings [Refer Note (a)]    | 55.06                | -                         | -   | -                                  | 55.06                     | 18.77               | -   | 1.13                          | 19.90               | <b>35.16</b>         | 36.29                |
| Furniture, Fixtures and Office Equipment          | 37.81                | 2.46                      | 0.52  | 0.10                               | 39.85                     | 32.01               | 0.44  | 2.71                          | 34.28               | <b>5.57</b>          | 5.80                 |
| Vehicles  | 20.36                | 4.76                      | 1.61  | -                                  | 23.51                     | 11.29               | 1.53  | 4.12                          | 13.88               | <b>9.63</b>          | 9.07                 |
| <b>SUB - TOTAL (A)</b>                            | <b>14375.49</b>      | <b>544.26</b>             | <b>455.57</b>                               | <b>447.28</b>                      | <b>14911.46</b>           | <b>3488.30</b>      | <b>5.83</b>                                       | <b>776.64</b>                 | <b>4259.11</b>      | <b>10652.35</b>      | 10887.19             |
| Intangible Assets :                               |                      |                           |   |                                    |                           |                     |   |                               |                     |                      |                      |
| Software  | 5.34                 | -                         | -   | -                                  | 5.34                      | 4.27                | -   | 0.44                          | 4.71                | <b>0.63</b>          | 1.07                 |
| <b>SUB - TOTAL (B)</b>                            | <b>5.34</b>          | <b>-</b>                  | <b>-</b>                                    | <b>-</b>                           | <b>5.34</b>               | <b>4.27</b>         | <b>-</b>  | <b>0.44</b>                   | <b>4.71</b>         | <b>0.63</b>          | 1.07                 |
| <b>GRAND - TOTAL (A + B)</b>                      | <b>14380.83</b>      | <b>544.26</b>             | <b>455.57</b>                               | <b>447.28</b>                      | <b>14916.80</b>           | <b>3492.57</b>      | <b>5.83</b>                                       | <b>777.08</b>                 | <b>4263.82</b>      | <b>10652.98</b>      | 10888.26             |
| Previous Year Figures                             | 12966.06             | 1700.79                   | 539.93                                      | 253.91                             | 14380.83                  | 3123.88             | 241.34  | 610.03                        | 3492.57             | <b>365.34</b>        | 226.63               |
| Ships Under Construction/Capital Work-in-progress |                      |                           |   |                                    |                           |                     |   |                               |                     | <b>11018.32</b>      | 11114.89             |

**Notes :**

- (a) The ownership flats and buildings include ₹ 11,760 (Previous Year ₹ 11,760) being value of shares held in various co-operative societies.
- (b) The deed of assignment in respect of the Holding Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- (c) Deductions under Fleet include :
- vessel acquired and sold on the same day and hence no depreciation has been charged thereon.
  - vessel classified as asset held for sale and removed from net block.
- (d) In accordance with the Accounting Standard (AS) 28, 'Impairment of Assets', the Group has recognised impairment loss amounting to ₹ 102.45 crores (Previous year ₹ 'NIL') under Fleet during the year.
- (e) 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.

## Note 12 : Non-Current Investments

|  | Current Year  |             | Previous Year |             |
|--|---------------|-------------|---------------|-------------|
|  | No. of shares | ₹ in crores | No. of shares | ₹ in crores |
| <b>Trade Investments</b><br>(valued at cost, fully paid unless otherwise stated) |               |             |               |             |
| <b>Equity Shares : Unquoted</b>  |               |             |               |             |
| Seachange Maritime L.L.C.  | 11,04,000     | 79.50       | 11,04,000     | 75.00       |
| Less : Provision for diminution in value of investments                          |               | 79.50       |               | 75.00       |
|  |               | -           |               | -           |

## Note 13 : Deferred Tax Assets (Net)

|  | (₹ in crores) |               |
|--|---------------|---------------|
|  | Current Year  | Previous Year |
| Deferred tax asset is in respect of the non-tonnage activity of the Group and comprises of : |               |               |
| (a) Difference in depreciation as per books and tax depreciation                             | 0.45          | 0.84          |
| (b) Expenditure allowable for tax purposes on payment basis                                  | 0.12          | 0.06          |
|  | 0.57          | 0.90          |

Charter hire income of the Singapore subsidiaries is exempt from income-tax under Section 13A of the 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<br>(Net of provision for doubtful long-term deposits ₹ 0.44 crore, Previous Year ₹ 0.44 crore)                      | 2.62                         | 2.57          | 14.40                         | 20.23         |
| (b) Advance Payment of Income-tax and Tax Deducted at Source<br>(Net of provision for tax ₹ 398.80 crores, Previous Year ₹ 291.36 crores) | 38.84                        | 24.99         | -                             | -             |
| (c) Capital Advances  | 0.33                         | 0.42          | -                             | -             |
| (d) Other Advances<br>(Net of provision for doubtful short-term advances ₹ 4.33 crores, Previous Year ₹ 4.90 crores)                      | 2.72                         | 3.01          | 75.75                         | 108.60        |
|   | 44.51                        | 30.99         | 90.15                         | 128.83        |



**Note 15 : Other Assets****(Unsecured - Considered good)**

(₹ in crores)

|  | Other Non-Current Assets |               | Other Current Assets |               |
|--|--------------------------|---------------|----------------------|---------------|
|  | Current Year             | Previous Year | Current Year         | Previous Year |
| (a) Non-Current Bank Balances (Refer Note 19)          | 396.74                   | 103.20        | -                    | -             |
| (b) Unamortised Ancillary Cost of arranging borrowings | 17.06                    | 22.28         | 9.83                 | 8.02          |
| (c) Interest Accrued                                   | 12.50                    | 8.39          | 18.31                | 12.82         |
|  | 426.30                   | 133.87        | 28.14                | 20.84         |

**Note 16 : Current Investments****(At lower of cost or fair value - fully paid)**

|   | Face Value ₹ | Current Year |             | Previous Year |             |
|---|--------------|--------------|-------------|---------------|-------------|
|   |              | No. of Units | ₹ in crores | No. of Units  | ₹ in crores |
| Investments in Mutual Funds :   |              |              |             |               |             |
| Unquoted  |              |              |             |               |             |
| Baroda Pioneer Gilt Fund Plan B Growth                                  | 10           | 44,08,802    | 10.00       | -             | -           |
| Baroda Pioneer PSU Bond Fund - Plan B Growth                            | 10           | -            | -           | 1,47,67,483   | 22.04       |
| Birla Sun Life Government Securities Long Term Growth - Direct Plan     | 10           | 62,41,942    | 26.73       | -             | -           |
| Birla Sun Life Income Plus - Growth - Direct Plan *                     | 10           | -            | -           | 1,09,93,863   | 66.25       |
| Birla Sun Life Short Term Fund -Growth - Direct Plan                    | 10           | -            | -           | 78,90,248     | 40.00       |
| BNP Paribas Government Securities Fund Direct Growth                    | 10           | 91,14,684    | 11.00       | 70,51,309     | 8.50        |
| BNP Paribas Medium Term Income Fund - Direct Plan - Growth *            | 10           | -            | -           | 2,50,00,000   | 25.00       |
| BNP Paribas Short Term Income Fund - Direct Plan - Growth               | 10           | -            | -           | 1,39,49,936   | 21.78       |
| 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       |
| HDFC Banking & PSU Debt Fund Direct Growth Option*                      | 10           | 7,03,95,714  | 83.76       | -             | -           |
| 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           | 3,17,04,827  | 94.84       | 1,45,21,076   | 40.67       |
| HSBC Flexi Debt Fund - Growth Direct Plan                               | 10           | -            | -           | 35,75,828     | 6.98        |
| ICICI Pru Income Opportunities Fund - Direct Plan - Growth              | 10           | 2,39,67,640  | 49.23       | -             | -           |
| ICICI Prudential Blended Plan B - Direct Plan - Growth Option - I*      | 10           | 4,98,63,976  | 111.32      | 6,02,93,860   | 118.98      |
| 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           | 3,98,36,158  | 116.77      | 89,90,347     | 24.00       |
| ICICI Prudential Long Term Gilt Fund - Direct Plan - Growth*            | 10           | 3,26,68,691  | 147.00      | 2,21,10,931   | 92.46       |
| ICICI Prudential Money Market Fund - Regular Plan Daily Dividend        | 100          | -            | -           | 15,01,097     | 15.03       |



|   | Face<br>Value ₹ | Current Year |               | Previous Year |                |
|---|-----------------|--------------|---------------|---------------|----------------|
|   |                 | No. of Units | ₹ in crores   | No. of Units  | ₹ in crores    |
| ICICI Prudential Short Term Gilt Fund - Direct Plan - Growth *                          | 10              | -            | -             | 58,65,125     | 19.22          |
| IDFC - Super Saver Income Fund - Short Term Plan - Growth<br>- (Direct Plan) *          | 10              | -            | -             | 1,89,82,320   | 50.00          |
| IDFC Cash Fund-Daily Dividend (Regular Plan)  | 1000            | -            | -             | 1,00,233      | 10.03          |
| IDFC Government Securities Fund - Investment Plan - Growth<br>- (Direct Plan)           | 10              | -            | -             | 7,40,09,535   | 109.85         |
| IDFC Government Securities Fund - Short Term Plan - Growth<br>- (Direct Plan)*          | 10              | 74,25,357    | 15.35         | -             | -              |
| JPMorgan India Active Bond Fund - Direct Plan - Growth<br>Option                        | 10              | -            | -             | 1,23,78,173   | 19.00          |
| Kotak Flexi Debt Scheme Plan A - Direct Plan - Growth *                                 | 10              | 4,49,25,847  | 84.69         | 3,17,99,897   | 54.15          |
| Kotak Gilt (Investment Regular) - Direct Plan - Growth                                  | 10              | 1,39,58,664  | 72.16         | 1,49,58,439   | 68.92          |
| Kotak Liquid Scheme Plan A-Daily Dividend   | 1000            | -            | -             | 1,63,928      | 20.05          |
| Kotak Mahindra Asset Management Company Limited -<br>Kotak Gold ETF - Open Ended Scheme | 1000            | -            | -             | 4,597         | 1.11           |
| Reliance Liquid Fund Treasury Plan- Institutional Option-<br>Daily Dividend             | 1000            | 33,100       | 5.06          | 1,30,873      | 20.01          |
| Reliance Medium Term Fund - Daily Dividend Plan   | 10              | 23,97,102    | 4.10          | -             | -              |
| Reliance Short Term Fund - Direct Plan - Growth Plan -<br>Growth Option                 | 10              | -            | -             | 98,16,858     | 25.80          |
| SBI Magnum Gilt Fund - Long Term - Direct Plan - Growth                                 | 10              | -            | -             | 4,95,85,897   | 141.41         |
| SBI Magnum Gilt Fund - Short Term - Direct Plan - Growth*                               | 10              | 93,31,450    | 29.02         | 47,60,298     | 13.57          |
| SBI Magnum Insta Cash Fund Liquid Floater-Regular Plan<br>Daily Dividend                | 1000            | -            | -             | 39,833        | 4.02           |
| SBI Short Term Debt Fund - Direct Plan - Growth   | 10              | -            | -             | 63,92,164     | 10.25          |
| Tata Short Term Bond Fund Direct Plan Growth  | 1000            | -            | -             | 31,86,369     | 8.25           |
| UTI - Floating Rate Fund - STP - Regular Plan - Daily Dividend<br>Reinvestment          | 1000            | 96,606       | 10.40         | -             | -              |
| UTI - Money Market Fund - Institutional Plan - Daily Dividend<br>Reinvestment           | 1000            | 65,212       | 6.54          | -             | -              |
| UTI Gilt Advantage Fund - Long Term - Direct Plan - Growth                              | 10              | -            | -             | 1,18,61,592   | 35.89          |
| <b>Total Unquoted Investments</b>   |                 |              | <b>877.97</b> |               | <b>1249.98</b> |
| Aggregate amount of Quoted Investments  |                 |              | -             |               | -              |
| Aggregate amount of Unquoted Investments  |                 |              | <b>877.97</b> |               | <b>1249.98</b> |
|   |                 |              | <b>877.97</b> |               | <b>1249.98</b> |
| Aggregate Diminution in Value of Investments considered above                           |                 |              | -             |               | 0.68           |

**Note :**

\*Mutual Funds aggregating to ₹ 280.02 crores (Previous Year ₹ 180.95 crores) of the above have been placed under lien with banks for facilities given by them.

### Note 17 : Inventories

(Valued at lower of cost or net realisable value)

|                                    | (₹ in crores) |               |
|------------------------------------|---------------|---------------|
|                                    | Current Year  | Previous Year |
| (a) Stores and Spares on Board Rig | 68.03         | 67.28         |
| (b) Fuel Oils                      | 45.20         | 72.80         |
|                                    | 113.23        | 140.08        |

### 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  | 30.44         | 11.72         |
| - Considered Doubtful  | 13.60         | 13.75         |
| Others   |               |               |
| - Considered Good  | 290.12        | 322.90        |
| - Considered Doubtful  | 16.23         | 4.54          |
|  | 350.39        | 352.91        |
| Less : Provision for Doubtful Receivables  | 29.83         | 18.29         |
|  | 320.56        | 334.62        |

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                                       | -             | -             | 780.83       | 730.71        |
| (b) Bank Deposits having maturity period of less than 3 months                    | -             | -             | 624.41       | 611.60        |
| (c) Cash on Hand  | -             | -             | 0.08         | 0.04          |
| <b>Sub-Total (A)</b>  | -             | -             | 1405.32      | 1342.35       |
| <b>Other Bank Balances :</b>  |               |               |              |               |
| (a) Deposits with maturity period of more than 12 months                          | 391.96        | 100.00        | -            | -             |
| (b) Deposits having maturity period of more than 3 months but less than 12 months | -             | -             | 1052.83      | 792.36        |
| (c) Balances with Banks - Unclaimed Dividend                                      | -             | -             | 9.98         | 6.58          |
| (d) Margin Money Deposits   | 4.78          | 3.20          | 156.85       | 238.86        |
| <b>Sub-Total (B)</b>  | 396.74        | 103.20        | 1219.66      | 1037.80       |
| <b>TOTAL (A + B)</b>  | 396.74        | 103.20        | 2624.98      | 2380.15       |
| Less : Amount disclosed under Non-Current Assets [Refer Note 15 (a)]              | 396.74        | 103.20        | -            | -             |
|   | -             | -             | 2624.98      | 2380.15       |

(₹ in crores)

|  | Non-Current  |               | Current      |               |
|--|--------------|---------------|--------------|---------------|
|  | Current Year | Previous Year | Current Year | Previous Year |
| Margin Money given as security :   |              |               |              |               |
| Margin Money Deposits comprise of -  |              |               |              |               |
| (i) deposits placed with banks under lien against facilities given by the banks. | -            | -             | 127.03       | 212.18        |
| (ii) deposit with banks in margin / reserve accounts                             | 4.78         | 3.20          | 29.82        | 26.68         |

### Note 20 : Revenue from Operations

(₹ in crores)

|                             | Current Year | Previous Year |
|-----------------------------|--------------|---------------|
| (a) Revenue from -          |              |               |
| - Freight and Demurrage     | 1442.93      | 1325.60       |
| - Charter Hire              | 2331.91      | 2082.37       |
|                             | 3774.84      | 3407.97       |
| (b) Other Operating Revenue | 29.63        | 30.06         |
|                             | 3804.47      | 3438.03       |

### Note 21 : Other Income

(₹ in crores)

|  | Current Year | Previous Year |
|--|--------------|---------------|
| (a) Profit on Sale of Ships/Other Assets (Net)   | 9.92         | 19.39         |
| (b) Gain on Foreign Currency Transactions (Net)  | 93.14        | 91.02         |
| (c) Dividend from Units in Mutual Funds  | 1.39         | 29.50         |
| (d) Interest Income -  |              |               |
| - on Bank Deposits   | 45.54        | 59.28         |
| - on Others  | 1.11         | 1.05          |
|  | 46.65        | 60.33         |
| (e) Profit on Sale of Current Investments  | 119.56       | 55.60         |
| [Net of diminution in value of current investments ₹ 'NIL' (Previous Year ₹ 0.68 crore)] |              |               |
| (f) Provision for Doubtful Debts and Advances Written Back (Net)                         | -            | 15.42         |
| (g) Miscellaneous Income   | 3.38         | 4.24          |
|  | 274.04       | 275.50        |

## Note 22 : Employee Benefit Expenses

|   | (₹ in crores) |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| (a) Salaries, Wages and Bonus                 | 540.53        | 506.67        |
| (b) Contribution to Provident and Other funds | 20.80         | 13.28         |
| (c) Employee Stock Option Scheme              | 0.55          | 2.01          |
| (d) Staff Welfare Expenses                    | 33.77         | 35.89         |
|   | <b>595.65</b> | <b>557.85</b> |

## Note 23 : Other Expenses

|   | (₹ in crores)  |                |
|---|----------------|----------------|
|   | Current Year   | Previous Year  |
| (a) Fuel Oil and Water                              | 290.00         | 506.50         |
| (b) Port, Light and Canal Dues                      | 122.88         | 127.83         |
| (c) Stevedoring, Despatch and Cargo Expenses        | 2.70           | 3.10           |
| (d) Hire of Chartered Ships                         | 105.83         | 119.30         |
| (e) Brokerage and Commission                        | 20.01          | 20.54          |
| (f) Agency Fees                                     | 8.52           | 12.22          |
| (g) Consumption of Spares and Stores                | 222.25         | 211.57         |
| (h) Repairs and Maintenance -                       |                |                |
| - Fleet   | 169.58         | 174.17         |
| - Building  | 6.19           | 4.78           |
| - Others  | 10.29          | 10.08          |
|   | <b>186.06</b>  | <b>189.03</b>  |
| (i) Insurance -                                     |                |                |
| - Fleet Insurance and Protection Club Fees          | 57.68          | 66.13          |
| - Others  | 2.58           | 2.41           |
|   | <b>60.26</b>   | <b>68.54</b>   |
| (j) Provision for loss on cancelled contract        | 32.74          | -              |
| (k) Rent  | 6.89           | 6.55           |
| (l) Rates and Taxes                                 | 0.44           | 0.49           |
| (m) Bad Debts and Advances Written off              | 0.41           | 18.58          |
| (n) Provision for Doubtful Debts and Advances (Net) | 10.34          | -              |
| (o) Travelling Expenses                             | 41.76          | 46.59          |
| (p) Loss on Cancellation of Hedging Contract        | 0.59           | 6.45           |
| (q) Expenses on CSR activities                      | 6.75           | 0.34           |
| (r) Miscellaneous Expenses                          | 94.86          | 109.31         |
|   | <b>1213.29</b> | <b>1446.94</b> |



## Note 24 : Finance Costs

|   | (₹ in crores) |               |
|---|---------------|---------------|
|   | Current Year  | Previous Year |
| Interest                                      | 278.37        | 288.26        |
| Other Borrowing Costs                         | 15.11         | 20.19         |
|   | 293.48        | 308.45        |
| Less : Pre-delivery Finance Costs Capitalised | 8.84          | 7.87          |
|   | 284.64        | 300.58        |

## Note 25 : Basic and Diluted Earnings per Share

|   | Current Year | Previous Year |
|---|--------------|---------------|
| (a) Net Profit After Tax (₹ in crores)            | 1039.40      | 748.24        |
| (b) Number of Equity Shares                       |              |               |
| (i) Basic Earning per Share                       |              |               |
| 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 | 15,07,77,065  |
| (ii) Diluted Earning per Share                    |              |               |
| Weighted Average Number of Equity Shares          | 15,07,77,065 | 15,07,77,065  |
| Add : Rights Shares kept in abeyance              | 2,94,130     | 2,94,130      |
| Weighted Average Number of Equity Shares          | 15,10,71,195 | 15,10,71,195  |
| (c) Face Value of Equity Share                    | ₹ 10         | ₹ 10          |
| (d) Earnings per Share                            |              |               |
| - Basic   | ₹ 68.94      | ₹ 49.63       |
| - Diluted   | ₹ 68.80      | ₹ 49.53       |

**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                  | 2300.27      | 2124.84       | 1867.83      | 1672.69       | 4168.10      | 3797.53       |
| Less : Inter Segment Revenue   |              |               |              |               | 89.59        | 84.00         |
| Net Revenue                    |              |               |              |               | 4078.51      | 3713.53       |
| <b>Results :</b>               |              |               |              |               |              |               |
| Profit before Interest and Tax | 725.33       | 431.83        | 708.84       | 666.88        | 1434.17      | 1098.71       |
| Less : Interest                |              |               |              |               | 284.64       | 300.58        |
| Total Profit before tax        |              |               |              |               | 1149.53      | 798.13        |
| Provision for Taxation :       |              |               |              |               |              |               |
| - Current tax                  |              |               |              |               | 124.80       | 57.82         |
| - Deferred Tax                 |              |               |              |               | 0.33         | 1.07          |
| - MAT Credit Utilised          |              |               |              |               | (15.00)      | (9.00)        |
| Net Profit                     |              |               |              |               | 1039.40      | 748.24        |
| <b>Other Information :</b>     |              |               |              |               |              |               |
| Assets                         | 7907.14      | 7788.38       | 7685.57      | 7721.78       | 15592.71     | 15510.16      |
| Liabilities                    | 1328.16      | 1279.31       | 225.38       | 285.61        | 1553.54      | 1564.92       |
| Capital Expenditure            | 730.40       | 513.40        | 399.84       | 1309.69       | 1130.24      | 1823.09       |
| Depreciation                   | 327.49       | 319.05        | 347.14       | 290.98        | 674.63       | 610.03        |

**b) Secondary segment reporting by geographical segment :**

## (i) Segment-wise Revenue :

(₹ in crores)

|                         | Current Year | Previous Year |
|-------------------------|--------------|---------------|
| Revenue - outside India | 1495.70      | 1642.02       |
| Revenue - within India  | 2582.81      | 2071.51       |
|                         | 4078.51      | 3713.53       |

(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                        | 10.70        | 6.65          |
| - Later than 1 year and not later than 5 years | 26.48        | 3.91          |
| - Later than 5 years                           | -            | -             |

(b) Lease payments recognised in the statement of profit and Loss for the year ₹ 10.22 crores (Previous Year ₹ 6.51 crores)

(c) Vessels taken/given on time charter hire are considered as operating lease.



## Note 28 : Related Party Transactions

### (I) List of Related Parties :

- |      |   |  |
|------|---|--|
| (i)  | Key Management Personnel/Directors :              |  |
|      | Mr. Bharat K. Sheth                               | - Deputy Chairman and Managing Director  |
|      | 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. K. M. Sheth                                   | - Non - Executive Chairman - father of Mr. Bharat K. Sheth and Mr. Ravi K. Sheth   |
|      | Mr. Ravi K. Sheth                                 | - Non - Executive Director of Holding Company (w.e.f. April 01, 2015);<br>Executive Director of subsidiary company - son of Mr. K. M. Sheth and brother of Mr. Bharat K. Sheth |
|      | Ms. Nirja B. Sheth                                | - Daughter of Mr. Bharat K. Sheth  |
|      | Mr. Rahul R. Sheth                                | - Son of Mr. Ravi K. Sheth   |

### (II) Transactions with Related Parties :

| Nature of Transaction   | (₹ in crores)  |               |
|---|--|---------------|
|   | Key Management Personnel/<br>Directors & their Relatives |               |
|   | Current Year   | Previous Year |
| <b>Remuneration</b>   |  |               |
| <b>Non Executive Chairman</b>   | <b>1.15</b>  | 5.78          |
| - Mr. K. M. Sheth * (Period: w.e.f. 1-Sep-14)   |  |               |
| <b>Executive Directors</b>  | <b>25.42</b>   | 28.96         |
| - Mr. K. M. Sheth (Executive Chairman upto 31-Aug-14)   |  |               |
| ₹ 'NIL' (Previous Year : ₹ 2.32 crores)   |  |               |
| - Mr. Bharat K. Sheth *   |  |               |
| ₹ 10.60 crores (Previous Year : ₹ 12.91 crores)   |  |               |
| ₹ 1.30 crores (Previous Year : ₹ 1.40 crores) (paid by a subsidiary company)  |  |               |
| - Mr. Ravi K. Sheth* [Non-Executive Director of Holding Company (w.e.f. April 01, 2015);<br>Executive Director of subsidiary company] |  |               |
| ₹ 8.87 crores (Previous Year : ₹ 10.04 crores)  |  |               |
| - Mr. Tapas Icot (Period: w.e.f. 12-Aug-14)   |  |               |
| ₹ 2.21 crores (Previous Year : ₹ 1.43 crores)   |  |               |
| - Mr. G. Shivakumar (Period: w.e.f. 14-Nov-14)  |  |               |
| ₹ 2.44 crores (Previous Year : ₹ 0.86 crore)  |  |               |
| <b>Key Management Personnel</b>   | <b>1.75</b>  | 2.54          |
| - Mr. G. Shivakumar   |  |               |
| ₹ 'NIL' (Previous Year : ₹ 1.21 crores) (Period: Upto 13-Nov-14)  |  |               |
| ₹ 0.64 crore (Previous Year : ₹ 0.40 crore) (paid by a subsidiary company)  |  |               |
| - Mr. Jayesh Trivedi  |  |               |
| ₹ 1.11 crores (Previous Year : ₹ 0.93 crore)  |  |               |



| Nature of Transaction                                  | (₹ in crores)  |               |
|--|--|---------------|
|  | Key Management Personnel/<br>Directors & their Relatives |               |
|  | Current Year   | Previous Year |
| <b>Relatives of Key Management Personnel/Directors</b> | <b>0.37</b>  | 0.22          |
| - Ms. Nirja B. Sheth                                   |  |               |
| ₹ 0.24 crore (Previous Year : ₹ 0.17 crore)            |  |               |
| - Mr. Rahul R. Sheth                                   |  |               |
| ₹ 0.13 crore (Previous Year : ₹ 0.05 crore)            |  |               |

**Notes :**

- (a) Dividend payments to Key Management Personnel have not been considered in the above disclosure.
- (b) \* The above includes, provision for retirement pension benefits payable ₹ 2.65 crores (previous year ₹ 13.01 crores) 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 ₹ 134.52 crores (Previous Year ₹ 214.88 crores), remaining to be executed on capital account and not provided for ₹ 480.53 crores (Previous Year ₹ 913.69 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   | <b>90.98</b>  | 90.98         |
| (b)  | 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. | <b>4.34</b>   | 4.34          |
| (c)  | Service Tax Demands disputed by the respective Companies   | <b>410.05</b> | 310.81        |
| (d)  | Income Tax Demands for various Assessment Years disputed by the respective Companies   | <b>40.63</b>  | 22.52         |
| (e)  | 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]                         | <b>22.94</b>  | 22.94         |
| (f)  | Demand for wharfage charges against which Company in the Group has tendered a Bank Guarantee. Stay obtained under a Writ Petition filed against Chennai Port Trust for restraining encashment of Bank Guarantee. | <b>0.99</b>   | 0.99          |
| <b>Guarantees :</b>  |  |               |               |
| (a)  | Guarantees given by banks including performance and bid bonds, counter guaranteed by the respective Companies in the Group.  | <b>234.27</b> | 273.51        |
| (b)  | Guarantees given to banks on behalf of subsidiaries.   | -             | 14.57         |



### Note 31 : Hedging Contracts

The Company uses foreign exchange forward contracts, currency and interest rate swaps and options to hedge its exposure to the movements in foreign exchange rates. The use of these foreign exchange forward contracts, currency and interest rate swaps and options reduces the risk or the 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 the interest rate 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             | -    |
| No. of units in MT under above contracts                          | -            | -    | 12000         | -    |
| Amount recognised in Hedging Reserve (loss)/gain<br>(₹ in crores) | -            | -    | (0.13)        | -    |
| Maturity Period   | -            | -    | Upto 1 Year   | -    |

##### (b) Forward Exchange Contracts :

| Details   | Current Year |             | Previous Year |             |
|---|--------------|-------------|---------------|-------------|
|   | Purchase     | Sale        | Purchase      | Sale        |
| Total No. of contracts outstanding                                | -            | 24          | -             | 12          |
| Foreign Currency Value (USD in million)                           | -            | 12.000      | -             | 12.000      |
| Amount recognised in Hedging Reserve (loss)/gain<br>(₹ in crores) | -            | 1.12        | -             | 0.33        |
| Maturity Period   | -            | Upto 1 Year | -             | Upto 1 Year |

##### (c)

##### Interest Rate Swap Contracts :

| Details  | Current Year | Previous Year  |
|--|--------------|----------------|
| Total No. of contracts outstanding                             | 13           | 19             |
| Principal Notional Amount (USD in million)                     | 172.800      | 272.568        |
| Amount recognised in Hedging Reserve (loss)/gain (₹ in crores) | (9.32)       | (8.99)         |
| Maturity Period  | Upto 5 Years | Upto 5.5 Years |

**(d) Interest portion of Currency Swap Contracts :**

| Details  | Currency | Current Year | Previous Year |
|--|----------|--------------|---------------|
| Total No. of contracts outstanding                             |          | 5            | 8             |
| Principal Notional Amount (JPY in million)                     | JPY/USD  | 3598.103     | 7864.307      |
| Amount recognised in Hedging Reserve (loss)/gain (₹ in crores) |          | (5.76)       | (13.18)       |
| Maturity Period  |          | Upto 3 Years | Upto 4 Years  |

**(e) 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) |          | (1025.86)    | (904.89)      |
| Maturity Period  |          | Upto 7 Years | Upto 8 Years  |

**ii) Fair Value Hedges :****(a) Forward Exchange Option Contracts :**

| Details  | Current Year |             | Previous Year |             |
|--|--------------|-------------|---------------|-------------|
|  | Purchase     | Sale        | Purchase      | Sale        |
| Total No. of contracts outstanding   | -            | 3           | -             | 1           |
| Foreign Currency Value (USD in million)  | -            | 30.000      | -             | 12.000      |
| Gain/(loss) recognised in the Statement of Profit and Loss during the year (₹ in crores) | -            | 1.45        | -             | (0.18)      |
| 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      | -            | 7           | -             | 12          |
| Foreign Currency Value (USD in million) | -            | 19.000      | -             | 60.000      |
| Maturity Period                         | -            | Upto 1 Year | -             | 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) | 2.007        | -    | -             | -    |
| Maturity Period                         | Upto 1 Month | -    | -             | -    |



**(c) Principal portion of Currency Swap Contracts :**

| Details                                    | Currency | Current Year | Previous Year |
|--|----------|--------------|---------------|
| Total No. of contracts outstanding         |          | 5            | 8             |
| Principal Notional Amount (JPY in million) | JPY/USD  | 3598.103     | 7864.307      |
| 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 swaps have been designated as hedged instruments that qualify as effective cash flow hedges. The mark-to-market loss on these foreign exchange derivative/forward contracts outstanding as on March 31, 2016, amounting to ₹ 1039.82 crores (Previous Year : loss of ₹ 926.86 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/(losses) on the interest rate swaps recognised in the 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/(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/(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 gain on these foreign exchange derivative contracts outstanding as on March 31, 2016 amounting to ₹ 1.45 crores (Previous Year : loss of ₹ 0.18 crore) has been recorded in the Statement of Profit and Loss.

**2 Unhedged Foreign Currency Exposures as on March 31, 2016 :**

| Details                              | Currency | Current Year<br>in millions | Previous Year<br>in millions |
|--------------------------------------|----------|-----------------------------|------------------------------|
| <b>Loan Liabilities and Payables</b> | AED      | 0.418                       | 1.646                        |
|                                      | AUD      | 0.004                       | 0.007                        |
|                                      | BRL      | 20.921                      | 19.000                       |
|                                      | CHF      | 0.008                       | 0.001                        |
|                                      | CNY      | 0.001                       | -                            |
|                                      | DKK      | 2.431                       | 0.734                        |
|                                      | EUR      | 0.695                       | 0.369                        |
|                                      | GBP      | 0.019                       | 0.047                        |
|                                      | JPY      | 71.858                      | 69.443                       |
|                                      | NOK      | 0.316                       | 1.477                        |
|                                      | SEK      | 0.033                       | 0.004                        |
|                                      | SGD      | 2.122                       | 4.313                        |
|                                      | USD      | 1010.846                    | 1169.493                     |
| <b>Receivables</b>                   | AED      | 0.038                       | 0.088                        |
|                                      | AUD      | 0.004                       | -                            |
|                                      | BRL      | 2.478                       | 5.000                        |
|                                      | CHF      | 0.032                       | -                            |
|                                      | DKK      | 0.103                       | -                            |
|                                      | EUR      | 0.353                       | 0.928                        |
|                                      | GBP      | -                           | 0.042                        |

| Details              | Currency | Current Year<br>in millions | Previous Year<br>in millions |
|----------------------|----------|-----------------------------|------------------------------|
|                      | JPY      | 5.105                       | 6.208                        |
|                      | NOK      | 0.053                       | 0.249                        |
|                      | SGD      | 0.022                       | 0.534                        |
|                      | USD      | 38.454                      | 47.847                       |
| <b>Bank Balances</b> | AED      | 0.132                       | 0.406                        |
|                      | DKK      | 0.164                       | 0.070                        |
|                      | EUR      | 0.298                       | 0.269                        |
|                      | GBP      | 0.075                       | 0.081                        |
|                      | NOK      | 0.082                       | 0.243                        |
|                      | SGD      | 0.165                       | 1.153                        |
|                      | USD      | 377.281                     | 276.720                      |

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)

As part of its Corporate Social Responsibility, the Group has set up the Great Eastern CSR Foundation which has spent ₹ 6.75 crores (Previous Year ₹ 0.34 crore) on prompting education, knowledge enhancement and on other activities as a part of its CSR obligation, included in Miscellaneous Expenses (Refer Note 23).

### Note 33 : Additional Information, as required under Schedule III to the Companies Act, 2013

| Name of Enterprise                         | Net Assets, i.e., total assets minus<br>total liabilities |                | Share in profit or loss            |                |
|--|---|----------------|------------------------------------|----------------|
|  | As % of<br>consolidated net<br>assets                     | ₹ in crores    | As % of Share in<br>profit or loss | ₹ in crores    |
| <u>Parent</u>                              |   |                |                                    |                |
| The Great Eastern Shipping Co. Ltd.        | 62.82%  | 5203.64        | 58.68%                             | 609.90         |
| <u>Indian Subsidiaries</u>                 |   |                |                                    |                |
| Greatship (India) Ltd.                     | 54.93%  | 4550.57        | 48.92%                             | 508.44         |
| Great Eastern CSR Foundation               | 0.08%   | 6.51           | 0.05%                              | 0.49           |
| <u>Foreign Subsidiaries</u>                |   |                |                                    |                |
| The Great Eastern Shipping Co. London Ltd. | -   | -              | -0.02%                             | (0.23)         |
| The Greatship (Singapore) Pte. Ltd.        | 0.06%   | 5.29           | 0.09%                              | 0.97           |
| The Great Eastern Chartering L.L.C. (FZC)  | 1.69%   | 139.74         | 1.04%                              | 10.78          |
|  | 119.58%   | 9905.75        | 108.75%                            | 1130.35        |
| Intercompany Eliminations/ Adjustments     | -19.58%   | (1621.85)      | -8.75%                             | (90.95)        |
| <b>Total</b>                               | <b>100.00%</b>  | <b>8283.90</b> | <b>100.00%</b>                     | <b>1039.40</b> |



| Name of Enterprise                         | Previous Year  |                |                                 |               |
|--|--|----------------|---------------------------------|---------------|
|  | 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   |
| <u>Parent</u>                              |  |                |                                 |               |
| The Great Eastern Shipping Co. Ltd.        | 66.36%   | 4930.76        | 42.41%                          | 317.30        |
| <u>Indian Subsidiaries</u>                 |  |                |                                 |               |
| Greatship (India) Ltd.                     | 53.27%   | 3958.66        | 69.09%                          | 516.94        |
| Great Eastern CSR Foundation               | 0.08%  | 6.02           | 0.80%                           | 5.97          |
| <u>Foreign Subsidiaries</u>                |  |                |                                 |               |
| 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 Holding Company for its separate financial statements. Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.



# The Great Eastern Shipping Company Limited

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

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

E-mail : 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 68th Annual General Meeting, to be held on Thursday, August 11, 2016 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, 2016, the reports of the Board of Directors and Auditors thereon. |
| 2.             | Re-appointment of Mr. Tapas Icot as Director of the Company liable to retire by rotation.   |
| 3.             | Ratification of appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai as Auditors of the Company.  |
| 4.             | Issue of secured/unsecured redeemable non-convertible debentures aggregating upto ₹1,500 crores.  |

AFFIX  
REVENUE  
STAMP

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

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

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

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

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

**Notes:**

- 1. 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.**
2. A proxy need not be a Member of the Company.
3. 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.
4. 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.
5. Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.
6. 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 CO. LTD.

**Registered Office :**

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



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E-mail : 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 68th Annual General Meeting of the Company held on Thursday, August 11, 2016 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 Monday, August 08, 2016 and will end at 5.00 p.m. on Wednesday, August 10, 2016. The remote e-voting module shall be disabled by Karvy Computershare Pvt. Ltd. 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.**