62nd ANNUAL REPORT 2009-10

THE GREAT EASTERN SHIPPING CO. LTD.

(SUBSIDIARIES' REPORTS)

Strong winds
Stronger sail

THE GREAT EASTERN SHIPPING COMPANY LIMITED

Reports of Subsidiary Companies

Contents......

THE GREAT EASTERN SHIPPING CO. LONDON LTD.

A Subsidiary Company

DIRECTORS:	B. K. Sheth M. J. Brace P. B. Kerr-Dineen
SECRETARY:	M. J. Brace
REGISTERED OFFICE:	The Galleries Charters Road Sunningdale Ascot Berkshire SL5 9QJ
REGISTERED NUMBER:	1877474 (England and Wales)
AUDITORS:	Davis Burton Sellek Chartered Accountants Registered Auditors The Galleries Charters Road Sunningdale Berkshire SL5 9QJ
BANKERS:	Bank of Baroda 32 City Road London EC1Y 2BD Royal Bank of Scotland plc Shipping Business Centre 5-10 Great Tower Street London EC3P 3HX

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report with the financial statements of the company for the year ended 31 March 2010.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of shipping.

REVIEW OF BUSINESS

The company's trading activity remained at a low level during the year.

The investment in a container shipping enterprise has been written down to reflect current market values.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2010.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report.

B. K. Sheth

M. J. Brace

P. B. Kerr-Dineen

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act, 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Davis Burton Sellek, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M. J. Brace - Secretary

Date: 1 June 2010

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

We have audited the financial statements of The Great Eastern Shipping Co London Ltd for the year ended 31 March 2010 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Geoffrey Atkinson
BA FCA

(Senior Statutory Auditor)

for and on behalf of

Davis Burton Sellek
Chartered Accountants

Registered Auditors
The Galleries
Charters Road
Sunningdale
Berkshire
SL5 9QJ

Date: 9 June 2010

The notes form part of these financial statements.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

	NOTES	**2010 US$**	**2010 INR**	2009 US$	2009 INR
TURNOVER		**-**	**-**	2,632,961	120,352,647
Cost of Sales		**-**	**-**	(2,592,644)	(118,509,757)
GROSS PROFIT		**-**	**-**	40,317	1,842,890
Administrative expenses		**46,163**	**2,200,590**	48,424	2,213,461
OPERATING LOSS	3	**(46,163)**	**(2,200,590)**	(8,107)	(370,571)
Interest receivable and similar income		**24,192**	**1,153,233**	125,667	5,744,239
		(21,971)	**(1,047,357)**	117,560	5,373,668
Amounts written off investments	4	**(2,014,856)**	**(91,212,754)**	(5,475,570)	(243,227,208)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**(2,036,827)**	**(92,260,111)**	(5,358,010)	(237,853,540)
Tax on profit/(loss) on ordinary activities	5	**6,537**	**311,619**	(30,311)	(1,385,516)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		**(2,030,290)**	**(91,948,492)**	(5,388,321)	(239,239,056)
Retained profit brought forward		**3,539,433**	**172,248,285**	8,927,754	357,086,682
		1,509,143	**80,299,793**	3,539,433	117,847,626
Movement on currency conversion (dollar to rupee)		**-**	**(12,210,540)**	-	54,400,659
RETAINED PROFIT CARRIED FORWARD		**$1,509,143**	**68,089,253**	$3,539,433	172,248,285

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the losses for the current year and the previous year.

The notes form part of these financial statements.

BALANCE SHEET 31 MARCH 2010

	NOTES	2010 US$	2010 INR	2009 US$	2009 INR
FIXED ASSETS :					
Investments	6	-	-	1,488,025	66,098,720
CURRENT ASSETS :					
Debtors	7	**6,537**	**293,446**	445	22,570
Cash at bank and in hand		**1,808,706**	**81,192,812**	2,382,874	120,859,369
		1,815,243	**81,486,258**	2,383,319	120,881,939
CREDITORS : Amounts falling due within one year	8	**4,500**	**202,005**	30,311	1,537,374
NET CURRENT ASSETS :		**1,810,743**	**81,284,253**	2,353,008	119,344,565
TOTAL ASSETS LESS CURRENT LIABILITIES		**$1,810,743**	**81,284,253**	$3,841,033	185,443,285
CAPITAL AND RESERVES :					
Called up share capital	9	**301,600**	**13,195,000**	301,600	13,195,000
Profit and loss account		**1,509,143**	**68,089,253**	3,539,433	172,248,285
SHAREHOLDERS' FUNDS :	15	**$1,810,743**	**81,284,253**	$3,841,033	185,443,285

ON BEHALF OF THE BOARD :

B. K. Sheth
Director
Approved by the Board on 28 May 2010

The notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	NOTES	2010 US$	2010 INR	2009 US$	2009 INR
Net cash outflow from operating activities	1	**(41,218)**	**(1,976,015)**	(33,199)	(1,381,979)
Returns on investments and servicing of finance	2	**24,192**	**(11,039,134)**	125,667	60,947,712
Taxation		**(30,311)**	**(1,537,374)**	(116,450)	(5,322,930)
Capital expenditure and financial investment	2	**(526,831)**	**(25,114,034)**	(5,357,155)	(244,875,555)
Decrease in cash in the period		**($574,168)**	**(39,666,557)**	($5,381,137)	(190,632,752)

	NOTES	2010 US$	2010 INR	2009 US$	2009 INR
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		**(574,168)**	**(39,666,557)**	(5,381,137)	(190,632,752)
Change in net funds resulting from cash flows		**(574,168)**	**(39,666,557)**	(5,381,137)	(190,632,752)
Movement in net funds in the period		**(574,168)**	**(39,666,557)**	(5,381,137)	(190,632,752)
Net funds at 1 April		**2,382,874**	**120,859,369**	7,764,011	311,492,121
Net funds 31 March		**$1,808,706**	**81,192,812**	$2,382,874	120,859,369

The notes form part of these financial statements.

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2010 US$	**2010 INR**	2009 US$	2009 INR
Operating loss	**(46,163)**	**(2,200,590)**	(8,107)	(370,571)
Decrease in debtors	**445**	**22,570**	10,474	415,500
Increase/(decrease) in creditors	**4,500**	**202,005**	(35,566)	(1,426,908)
Net cash outflow from operating activities	**$(41,218)**	**(1,976,015)**	$(33,199)	(1,381,979)

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

	2010 US$	**2010 INR**	2009 US$	2009 INR
Returns on investments and servicing of finance				
Interest received	**27,958**	**1,332,758**	120,189	5,493,839
Foreign exchange gains/(losses)	**(3,766)**	**(12,371,892)**	5,478	55,453,873
Net cash inflow/(outflow) for returns on investments and servicing of finance	**$24,192**	**(11,039,134)**	$125,667	60,947,712
Capital expenditure and financial investment				
Purchase of fixed asset investments	**(526,831)**	**(25,114,034)**	(5,357,155)	(244,875,555)
Net cash outflow for capital expenditure	**$(526,831)**	**(25,114,034)**	$(5,357,155)	(244,875,555)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.09 $	Cash Flow $	At 31.3.10 $
Net Cash :			
Cash at bank	2,382,874	(574,168)	1,808,706
	2,382,874	(574,168)	1,808,706
Total	$2,382,874	$(574,168)	$1,808,706

	At 1.4.09 INR	Cash Flow INR	At 31.3.10 INR
Net Cash :			
Cash at bank	120,859,369	(39,666,557)	81,192,812
	120,859,369	(39,666,557)	81,192,812
Total	120,859,369	(39,666,557)	81,192,812

The notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents revenue receivable from ship operators under charters.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

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

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

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

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

Hire purchase and leasing commitments

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

2. STAFF COSTS

There were no staff costs for the years ended 31 March 2010 or 31 March 2009.

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

	2010	2009
Directors	**3**	3

3. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging/(crediting):

	2010	**2010**	2009	2009
	US$	**INR**	US$	INR
Operating leases	**2,755**	**131,331**	3,325	151,986
Auditors' remuneration	**4,500**	**214,515**	5,000	228,550
Non-audit tax and consultancy fees	**14,014**	**668,047**	13,598	621,565
Directors' remuneration	**-**	**-**	-	-

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2010	**2010**	2009	2009
	US$	**INR**	US$	INR
Container shipping investment	**$2,014,856**	**91,212,754**	$5,475,570	243,227,208

5. TAXATION

Analysis of the tax charge

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	2010	**2010**	2009	2009
	US$	**INR**	US$	INR
Current Tax:				
UK corporation tax	**(6,537)**	**(311,619)**	30,311	1,385,516
Tax on profit/(loss) on ordinary activities	**(6,537)**	**(311,619)**	$30,311	1,385,516

Factors affecting the tax (credit)/charge

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

	2010 US$	2010 INR	2009 US$	2009 INR
Loss on ordinary activities before tax	(2,036,827)	(92,260,111)	(5,358,010)	(237,853,540)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	(570,312)	(25,832,831)	(1,500,243)	(66,598,991)
Effects of :				
Impairment charges not eligible for current tax relief	564,160	25,539,571	1,533,160	68,103,618
Small companies marginal rate relief	(385)	(18,359)	(2,606)	(119,111)
Current tax (Credit) / Charge	(6,537)	(311,619)	30,311	1,385,516

6. FIXED ASSET INVESTMENTS

UNLISTED INVESTMENTS

	2010 US$	2010 INR
COST		
At 1 April 2009	1,488,025	66,098,720
Additions	526,831	25,114,034
Impairments	(2,014,856)	(91,212,754)
At 31 March 2010	-	-
NET BOOK VALUE		
At 31 March 2010	-	-
At 31 March 2009	$1,488,025	66,098,720

7. DEBTORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 US$	2010 INR	2009 US$	2009 INR
Corporation tax	6,537	293,446	-	-
V A T	-	-	445	22,570
	$6,537	293,446	$445	22,570

8. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 US$	2010 INR	2009 US$	2009 INR
Corporation tax	-		30,311	1,537,374
Accrued expenses	4,500	202,005	-	-
	$4,500	202,005	$30,311	1,537,374

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid :

Number :	Class :	Nominal Value :	2010 US$	2010 INR	2009 US$	2009 INR
16,000	Ordinary	£10	301,600	13,195,000	301,600	13,195,000

10. ULTIMATE PARENT COMPANY

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

11. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2010.

12. CAPITAL COMMITMENTS

	2010 US$	**2010 INR**	2009 US$	2009 INR
Contracted but not provided for in the financial statements	**509,574**	**22,874,777**	1,036,430	52,567,730

The company has undertaken to invest up to $8 million in total in a container shipping enterprise as a long term equity investment.

13. RELATED PARTY DISCLOSURES

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

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is The Great Eastern Shipping Company Ltd.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 US$	**2010 INR**	2009 US$	2009 INR
Profit/(loss) for the financial year	**(2,030,290)**	**(104,159,032)**	(5,388,321)	(184,838,397)
Net (reduction in)/addition to shareholders' funds	**(2,030,290)**	**(104,159,032)**	(5,388,321)	(184,838,397)
Opening shareholders' funds	**3,841,033**	**185,443,285**	9,229,354	370,281,682
Closing shareholder's funds	**$1,810,743**	**81,284,253**	$3,841,033	185,443,285

THE GREATSHIP (SINGAPORE) PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Shivakumar Gomathinayagam
COMPANY SECRETARY:	Cheng Lian Siang
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen, #06-03 Singapore 089 316
INDEPENDENT AUDITORS:	Shanker Iyer & Co.

DIRECTORS' REPORT

The directors present their report to the member together with the audited financial statements of the company for the financial year ended 31 March 2010.

DIRECTORS

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

Naware Pradyumna Raghunath
Jaya Prakash
Shivakumar Gomathinayagam

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2009	As at 31.03.2010
The Great Eastern Shipping Company Limited (holding company)		
Naware Pradyumna Raghunath	2,952	2,952

Mr. Naware Pradyumna Raghunath has been granted Employee Stock Options by Greatship (India) Limited (a related corporation).

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements.

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Jaya Prakash
Director

30 April 2010

STATEMENT BY DIRECTORS

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

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year then ended; and

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

The board of directors authorised these financial statements for issue on 30 April 2010.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Jaya Prakash
Director

30 April 2010

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

(Incorporated in Singapore)

We have audited the accompanying financial statements of THE GREATSHIP (SINGAPORE) PTE. LTD. as set out on pages 7 to 32, which comprise the statement of financial position as at 31 March 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

Opinion

In our opinion,

(a) the financial statements of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

SHANKER IYER & CO.
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

Singapore
30 April 2010

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	Note	**2010 S$**	**2010 Rs.**	2009 S$	2009 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**1,499,259**	**48,066,268**	1,379,966	45,952,867
Fixed deposits	5	**175,712**	**5,633,316**	-	-
Trade receivables	6	**137,606**	**4,411,638**	157,632	5,249,146
Other receivables	7	**67,735**	**2,171,577**	96,119	3,200,763
		1,880,312	**60,282,799**	1,633,717	54,402,776
Non-current asset					
Plant and equipment	8	**1,204**	**38,622**	-	-
		1,204	**38,622**	-	-
Total assets		**1,881,516**	**60,321,421**	1,633,717	54,402,776
LIABILITIES					
Current liabilities					
Trade payables	9	**22,737**	**728,943**	50,822	1,692,372
Other payables	10	**92,811**	**2,975,500**	49,469	1,647,319
Provision for taxation		**18,490**	**592,781**	3,086	102,764
Total liabilities		**134,038**	**4,297,224**	103,377	3,442,455
NET ASSETS		**1,747,478**	**56,024,197**	1,530,340	50,960,321
SHAREHOLDER'S EQUITY					
Share capital	11	**500,000**	**13,075,000**	500,000	13,075,000
Retained profits		**1,247,478**	**42,949,197**	1,030,340	37,885,321
TOTAL EQUITY		**1,747,478**	**56,024,197**	1,530,340	50,960,321

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	Note	2010 S$	2010 Rs.	2009 S$	2009 Rs.
REVENUE					
Agency income		**238,680**	**7,652,081**	208,603	6,946,480
Disbursement income		**1,158,437**	**37,139,490**	941,737	31,359,843
Management fees		**310,933**	**9,968,512**	150,000	4,995,000
Other income	12	**23,177**	**743,054**	26,197	872,361
Total revenue		**1,731,227**	**55,503,137**	1,326,537	44,173,684
COSTS AND EXPENSES					
Disbursement expenses		**912,234**	**29,246,222**	801,963	26,705,367
Depreciation of plant and equipment	8	**1,205**	**38,632**	33,835	1,126,740
Loss on write off of plant and equipment		**-**	**-**	29,888	995,237
Employee benefit expenses		**426,748**	**13,681,541**	246,890	8,221,438
Other operating expenses	13	**148,247**	**4,752,765**	158,304	5,271,523
Total expenses		**1,488,434**	**47,719,160**	1,270,880	42,320,305
Profit before income tax		**242,793**	**7,783,977**	55,657	1,853,379
Income tax expenses	14	**(25,655)**	**(822,500)**	(7,729)	(257,376)
Total comprehensive income for the year	15	**217,138**	**6,961,477**	47,928	1,596,003

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	SHARE CAPITAL S$	SHARE CAPITAL RS.	RETAINED PROFITS S$	RETAINED PROFITS RS.	TOTAL S$	TOTAL RS.
2010						
Balance as at 1 April 2009	500,000	13,075,000	1,030,340	37,885,321	1,530,340	50,960,321
Foreign translation difference	-	-	-	(1,897,601)	-	(1,897,601)
Total comprehensive income for the year	-	-	217,138	6,961,477	217,138	6,961,477
Balance as at 31 March 2010	500,000	13,075,000	1,247,478	42,949,197	1,747,478	56,024,197
2009						
Balance as at 1 April 2008	500,000	13,075,000	1,042,412	31,793,792	1,542,412	44,868,792
Foreign translation difference	-	-	-	6,493,526	-	6,493,526
Total comprehensive income for the year	-	-	47,928	1,596,003	47,928	1,596,003
Dividend paid (Note 16)	-	-	(60,000)	(1,998,000)	(60,000)	(1,998,000)
Balance as at 31 March 2009	500,000	13,075,000	1,030,340	37,885,321	1,530,340	50,960,321

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	Note	**2010 S$**	**2010 Rs.**	2009 S$	2009 Rs.
Cash Flows From Operating Activities					
Profit before taxation		**242,793**	**7,783,977**	55,657	1,853,379
Adjustments for :					
Depreciation of plant and equipment	8	**1,205**	**38,622**	33,835	1,126,740
Loss on write off of plant and equipment		**-**	**-**	29,888	995,237
Unrealised exchange gain		**-**	**-**	(15,489)	(515,784)
Interest income	12	**(1,003)**	**(32,156)**	(3,060)	(101,898)
Cash flows before changes in working capital		**242,995**	**7,790,443**	100,831	3,357,674
Working capital changes, excluding changes relating to cash:					
Trade receivables		**20,026**	**837,508**	142,617	3,537,120
Other receivables		**28,384**	**1,029,186**	2,471	(332,777)
Trade payables		**(28,085)**	**(963,429)**	2,897	298,238
Other payables		**43,342**	**1,328,181**	(31,798)	(716,744)
Cash generated from operations		**306,662**	**10,021,889**	217,018	6,143,511
Income tax paid		**(10,251)**	**32,156**	(19,604)	(652,813)
Interest received		**1,003**	**(328,647)**	3,060	101,898
Net cash generated from operating activities		**297,414**	**9,725,398**	200,474	5,592,596
Cash Flows From Investing Activity					
Purchase of plant and equipment	8	**(2,409)**	**(77,244)**	(1,299)	(43,257)
Net cash used in investing activity		**(2,409)**	**(77,244)**	(1,299)	(43,257)
Cash Flows From Financing Activities					
Dividend paid	16	**-**	**-**	(60,000)	(1,998,000)
Placement of fixed deposits		**(175,712)**	**(5,633,316)**	-	-
Net cash used in financing activities		**(175,712)**	**(5,633,316)**	(60,000)	(1,998,000)
Net increase in cash and cash equivalents		**119,293**	**4,014,838**	139,175	3,551,339
Unrealised exchange gain on cash and cash equivalents		**-**	**-**	17,277	575,290
Translation exchange difference		**-**	**(1,901,437)**	-	6,234,214
Cash and cash equivalents at the beginning of the year		**1,379,966**	**45,952,867**	1,223,514	35,592,024
Cash and cash equivalents at the end of the year	4	**1,499,259**	**48,066,268**	1,379,966	45,952,867

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

1. GENERAL INFORMATION

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

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

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

The financial statements of The Greatship (Singapore) Pte. Ltd. as at 31 March 2010 and for the financial year then ended were authorised and approved by the Board of Directors for issuance on 30 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act.

The financial statements expressed in Singapore dollars are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to S$1= Rs. 32.06 and rounded up to the nearest rupee (2009: S$1= Rs. 33.30).

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

(i) *FRS 1 – Presentation of Financial Statements (Revised)*

The revised FRS 1 – Presentation of Financial Statements was issued in March 2008 and becomes effective for periods beginning on or after 1 January 2009. The revised standard has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

(ii) *Amendments to FRS 107 Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk.

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

b) Currency translation

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

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

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

c) Plant and equipment

(i) *Measurement*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

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

(ii) *Depreciation*

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

	Useful lives
Computers	2 years

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

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

(iii) *Subsequent expenditure*

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

(iv) *Disposal*

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

d) Financial assets

(i) *Classification*

The Company classifies its financial assets in loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets on initial recognition.

Loans and receivables

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

(ii) *Effective inerest method*

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

(iii) *Recognition and derecognition*

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

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

(iv) *Initial measurement*

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

(v) *Subsequent measurement*

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

(vi) *Impairment*

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

Loans and receivables

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

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

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

e) Impairment of non-financial assets

Plant and equipment

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

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

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

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

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

f) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and short-term deposits due within the next three months.

g) Trade and other payables

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

h) Provisions

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

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

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

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

i) Revenue recognition

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

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

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

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

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

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

j) Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense in the statement of comprehensive income.

k) Employee benefits

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

Defined contribution plans

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

Employee leave entitlement

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

l) Operating lease

Lease of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lesser) are recognised in the statement of comprehensive income on a straight line basis over the term of the relevant lease.

m) Share capital

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

n) Dividends to company's shareholders

Dividends to the company's shareholders are recognised when the dividends are approved for payment.

o) Government grants

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income upon receipt.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) *Depreciation of plant and equipment*

The Company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the Company intends to derive future economic benefits from the use of the Company's plant and equipment. The residual values reflect management's estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the Company's plant and equipment as at the end of each reporting date were disclosed in Note 8 to the financial statements.

(b) *Income tax*

Significant judgement is involved in determining the Company's provision for income tax. The Company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. At 31 March 2010, the carrying amounts of the Company's current income tax payable are disclosed in the statement of financial position.

4. **CASH AND CASH EQUIVALENTS**

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Cash in hand	**222**	**7,128**	701	23,343
Cash at bank	**1,015,184**	**32,546,802**	896,415	29,850,619
Fixed deposits	**483,853**	**15,512,338**	482,850	16,078,905
	1,499,259	**48,066,268**	1,379,966	45,952,867

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

Short-term bank deposits at the end of the reporting period have an average maturity of 3 months (2009: 3 months) from the end of the financial year with weighted average effective interest rate of 0.15% p.a. (2009: 0.425% p.a.).

The company's cash and cash equivalents are denominated in the following currencies:

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Singapore dollas	**1,499,259**	**48,066,268**	1,191,456	39,675,484
United States dollars	**-**	**-**	188,510	6,277,383
	1,499,259	**48,066,268**	1,379,966	45,952,867

5. **FIXED DEPOSITS**

Fixed deposits at the end of the reporting period have an average maturity of 5 months (2009: Nil) from the end of the financial year. The fixed deposits earn a weighted average effective interest rate of 2.64% (2009: Nil).

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

6. **TRADE RECEIVABLES**

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Third parties	**14,655**	**469,835**	12,265	408,424
Related company	**19,670**	**630,619**	17,189	572,394
Holding company	**100,955**	**3,236,618**	124,922	4,159,903
GST recoverable	**2,326**	**74,566**	3,256	108,425
	137,606	**4,411,638**	157,632	5,249,146

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

The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair value.

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

7. **OTHER RECEIVABLES**

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Deposits	**66,726**	**2,139,228**	94,947	3,161,735
Prepayments	**1,009**	**32,349**	1,172	39,028
	67,735	**2,171,577**	96,119	3,200,763

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

Deposits include S$54,000 (equivalent to Rs. 1,731,240) (2009: S$55,000)(equivalent to Rs. 1,831,500) placed as collateral security for crew system.

8. PLANT AND EQUIPMENT

	COMPUTERS S$	FURNITURE AND FITTINGS S$	RENOVATION S$	SECURITY SYSTEM S$	OFFICE EQUIPMENT S$	TOTAL S$
2010						
Cost						
At 1 April 2009	-	-	-	-	-	-
Additions	2,409	-	-	-	-	2,409
At 31 March 2010	2,409	-	-	-	-	2,409
Accumulated depreciation						
At 1 April 2009	-	-	-	-	-	-
Charge for the year	1,205	-	-	-	-	1,205
At 31 March 2010	1,205	-	-	-	-	1,205
Net book value						
At 31 March 2010	1,204	-	-	-	-	1,204
2009						
Cost						
At 1 April 2008	12,641	2,100	75,376	2,985	1,333	94,435
Additions	1,299	-	-	-	-	1,299
Write off	(13,940)	(2,100)	(75,376)	(2,985)	(1,333)	(95,734)
At 31 March 2009	-	-	-	-	-	-
Accumulated depreciation						
At 1 April 2008	5,935	642	24,285	912	237	32,011
Charge for the year	6,715	700	25,125	995	300	33,835
Write off	(12,650)	(1,342)	(49,410)	(1,907)	(537)	(65,846)
At 31 March 2009	-	-	-	-	-	-
Net book value						
At 31 March 2009	-	-	-	-	-	-

	COMPUTERS RS.	FURNITURE AND FITTINGS RS.	RENOVATION RS.	SECURITY SYSTEM RS.	OFFICE EQUIPMENT RS.	TOTAL RS.
2010						
Cost						
At 1 April 2009	-	-	-	-	-	-
Additions	77,244	-	-	-	-	77,244
At 31 March 2010	77,244	-	-	-	-	77,244
Accumulated depreciation						
At 1 April 2009	-	-	-	-	-	-
Charge for the year	38,622	-	-	-	-	38,622
At 31 March 2010	38,622	-	-	-	-	38,622
Net book value						
At 31 March 2010	38,622	-	-	-	-	38,622

	COMPUTERS RS.	FURNITURE AND FITTINGS RS.	RENOVATION RS.	SECURITY SYSTEM RS.	OFFICE EQUIPMENT RS.	TOTAL RS.
2009						
Cost						
At 1 April 2008	367,730	61,089	2,192,688	86,844	38,777	2,747,128
Additions	43,257	-	-	-	-	43,257
Foreign translation difference	53,215	8,841	317,333	12,556	5,612	397,557
Write off	(464,202)	(69,930)	(2,510,021)	(99,400)	(44,389)	(3,187,942)
At 31 March 2009	-	-	-	-	-	-
Accumulated depreciation						
At 1 April 2008	172,659	18,666	706,449	26,535	6,900	931,209
Charge for the year	223,610	23,310	836,663	33,134	10,023	1,126,740
Foreign translation difference	24,976	2,713	102,241	3,834	992	134,756
Write off	(421,245)	(44,689)	(1,645,353)	(63,503)	(17,915)	(2,192,705)
At 31 March 2009	-	-	-	-	-	-
Net book value						
At 31 March 2009	-	-	-	-	-	-

9. TRADE PAYABLES

	2010 S$	**2010 RS.**	2009 S$	2009 RS.
Third party	**22,737**	**728,943**	44,641	1,486,545
Related party	**-**	**-**	6,181	205,827
	22,737	**728,943**	50,822	1,692,372

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

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

10. OTHER PAYABLES

	2010 S$	**2010 RS.**	2009 S$	2009 RS.
Accruals	**55,704**	**1,785,858**	49,469	1,647,319
Advances from holding company	**37,107**	**1,189,642**	-	-
	92,811	**2,975,500**	49,469	1,647,319

Accruals comprise of employee benefit expenses and other operating expenses incurred in the normal course of business.

Advances from holding company would be adjusted to trade receivables in the subsequent financial year.

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

11. SHARE CAPITAL

	2010	2009	**2010**	**2010**	2009	2009
	NUMBER OF ORDINARY SHARES		**S$**	**RS.**	S$	RS.
Issued						
At beginning and end of the year	**500,000**	500,000	**500,000**	**13,075,000**	500,000	13,075,000

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

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

12. OTHER INCOME

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Interest income	**1,003**	**32,156**	3,060	101,898
Government grant - Jobs credit scheme	**7,200**	**230,832**	-	-
Exchange gain	**183**	**5,867**	22,422	746,653
Miscellaneous	**14,791**	**474,199**	715	23,810
	23,177	**743,054**	26,197	872,361

13. OTHER OPERATING EXPENSES

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Legal and professional fees	**25,671**	**822,980**	10,986	365,834
Office rental - (2009 : operating lease)	**47,320**	**1,517,079**	91,748	3,055,208
Printing and stationery (including operating lease)	**3,856**	**123,623**	2,678	89,177
Upkeep of motor vehicle	**14,075**	**451,244**	12,432	413,986
Others	**57,325**	**1,837,839**	40,460	1,347,318
	148,247	**4,752,765**	158,304	5,271,523

14. INCOME TAX EXPENSE

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Current year provision	**18,490**	**592,790**	10,259	341,625
Under/(over) provision in prior years	**7,165**	**229,710**	(2,530)	(84,249)
	25,655	**822,500**	7,729	257,376

The current year's income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate of 17% (2009: 17%) to the profit before income tax as a result of the following differences:

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Accounting profit	**242,793**	**7,783,977**	55,657	1,853,379
Income tax expense at applicable rate	**41,275**	**1,323,277**	9,462	315,085
Exempt income	**(25,925)**	**(831,156)**	(3,936)	(131,068)
Non-allowable items	**3,344**	**107,209**	4,257	141,758
Deferred tax asset/(liability) not recognised	**(204)**	**(6,540)**	476	15,851
Under/(over) provision in prior years	**7,165**	**229,710**	(2,530)	(84,250)
	25,655	**822,500**	7,729	257,376

15. TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Total comprehensive income for the year is arrived at after charging:

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
Director's fees	**3,500**	**112,210**	3,500	116,550
Staff CPF contribution	**15,582**	**499,559**	11,557	384,848

16. DIVIDEND

	2010 S$	2010 Rs.	2009 S$	2009 Rs.
One-tier tax exempt dividend of 12 cents per share for the financial year ended 31 March 2008, paid on 12 June 2008.	**-**	**-**	60,000	1,998,000

At the forthcoming Annual General Meeting, a final one-tier tax exempt dividend of 40 cents per share amounting to a total of approximately S$200,000 (equivalent to Rs. 6,412,000) is to be recommended. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholder's equity as an appropriation of retained earnings in the year ending 31 March 2011.

17. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

18. RELATED PARTY TRANSACTIONS

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

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

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

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

	2010 S$	2010 RS.	2009 S$	2009 RS.
Holding Company				
Agency fees received/receivable	**218,500**	**7,005,110**	182,500	6,077,250
Disbursement income received/receivable	**1,067,352**	**34,155,264**	857,544	28,556,215
Related companies				
Agency fees received/receivable	**4,750**	**152,285**	17,200	572,760
Disbursement income received/receivable	**31,847**	**1,021,015**	42,350	1,410,255
Management fee earned received/receivable	**310,933**	**9,968,512**	150,000	4,995,000

19. OPERATING LEASE COMMITMENTS

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

	2010 S$	2010 RS.	2009 S$	2009 RS.
Due within one year	**1,596**	**51,072**	10,490	349,317
Due within two to five years	**-**	**-**	3,458	115,151
	1,596	**51,072**	13,948	464,468

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

20. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risk

i) Foreign currency risk

The Company is exposed to a certain degree of foreign exchange risk arising from their transactions denominated United States dollars. However, the Company does not use any hedging instruments to protect against the volatility associated with foreign currency transactions, other assets and liabilities created in the normal course of business.

The Company's significant current exposure is to United States dollars, which is as follows :

	2010 S$	2010 RS.	2009 S$	2009 RS.
Financial assets				
Cash and cash equivalents	**-**	**-**	188,510	6,277,383
Fixed deposits	**175,712**	**5,633,316**	-	-
Currency exposure	**175,712**	**5,633,316**	188,510	6,277,383

At 31 March 2010, if the United States dollars had strengthened/weakened by 5% (2009: 5%) against the Singapore dollars with all other variables including tax rate being held constant, the company's profit for the financial year would have been higher/lower by approximately S$8,700 (equivalent to Rs. 278,922) (2009: S$9,400) (equivalent to Rs. 313,020) as a result of currency translation gains/losses on the remaining United States dollars denominated financial assets and liabilities.

ii) Interest rate risk

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

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The major class of financial asset of the company are trade receivables, cash and cash equivalents and fixed deposits. The trade receivable as at 31 March 2010 is outstanding from related company and there is no significant risk.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position and the credit risk for trade receivables is geographically spread as follows:

BY GEOGRAPHICAL AREAS	2010 S$	2010 Rs.	2009 S$	2009 Rs.
India	**135,280**	**4,337,066**	154,376	5,140,721
Singapore	**2,326**	**74,572**	3,256	108,425
	137,606	**4,411,648**	157,632	5,249,146

As per the ageing analysis on the trade receivables of the Company as at year end, the above balances are due within 30 days.

(c) Liquidity risk

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

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

(d) Fair value measurement

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

21. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

The capital structure of the Company consists of company issued capital. The management sets the amount of capital in proportion to risk and manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of directors monitor its capital based on net debt and total capital.

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

The Company is not subject to externally imposed capital requirements.

THE GREAT EASTERN CHARTERING LLC (FZC)

A Subsidiary Company

DIRECTORS	Tapas Icot Vijayakumar Suppiah Pillay Michael Brace
SENIOR MANAGEMENT	Suchismita Chatterjee General Manager
REGISTERED OFFICE	Executive Suite Y2-112 P. O. Box 9271 Sharjah U.A.E.
REGISTRATION NUMBER	0962
AUDITORS	Bhel, Lad & Al Sayegh Chartered Accountants P. O. Box 25709 Dubai U.A.E.
BANKERS	ABN Amro Bank Dubai U.A.E

REPORT OF THE DIRECTORS FOR THE YEAR ENDED MARCH 31, 2010

The Directors are pleased to present their fifth report with the financial statements of the Company for the period from April 1, 2009 to March 31, 2010.

FINANCIAL HIGHLIGHTS

The results for the period for the financial year ended March 31, 2010 and the financial position of the Company are as shown in the annexed financial statements. The Company recorded profit of USD 4,057,763 for the year ended March 31, 2010.

BUSINESS

During the year, tanker earnings were impacted by weak OECD oil demand and OPEC output cuts which resulted in a sharp drop in tonne-miles. However, storage demand used up significant tanker capacity which provided some relief to the tanker owners in such a challenging environment. On the dry bulk side, the year turned out to be better than what was expected at the start of the year. The massive Chinese economic stimulus package created strong growth demand for steel and energy and bolstered the dry market despite continued weak global economic conditions. Business activity during the period was focused on inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. The inchartered tonnage included a double hull Suezmax tanker and two modern Supramaxes for the entire year. Additionally, during the financial year the subsidiary also inchartered and operated some tankers and dry bulk carriers for varying periods of time as follows - 1 modern double hull Suezmax tanker, 1 double hull Aframax tanker, 2 non- double hull Aframax tankers and 1 modern Supramax.

DIVIDEND

No dividend was recommended for the year ended March 31, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that:

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

AUDITORS

Bhel, Lad & Al Sayegh, Chartered Accountants are proposed to be re-appointed as auditors of the Company for the year ended March 31, 2010. The shareholders will be required to elect auditors for the current year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

Dated: 11 May, 2010

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE GREAT EASTERN CHARTERING L.L.C. (FZC)

We have examined the accompanying financial statements of THE GREAT EASTERN CHARTERING L.L.C. (FZC) (the Company) for the year ended March 31, 2010, and other reconciliations and information {all collectively referred to as the "Fit For Consolidation" (FFC) Accounts}. These FFC Accounts are the responsibility of the Company's management. Our responsibility is to express an opinion on these FFC Accounts based on our audit.

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

As requested by the Directors of the Company and solely for the purpose of expressing an audit opinion on the consolidated financial statements of THE GREAT EASTERN SHIPPING CO. LTD., INDIA, we report that the attached FFC Accounts are properly derived, in accordance with the instructions referred to above, from the Statutory Accounts of THE GREAT EASTERN CHARTERING L.L.C. (FZC) audited by us for the year ended March 31, 2010.

BEHL, LAD & AL SAYEGH

Dubai, United Arab Emirates

Dated: May 11, 2010

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	NOTE	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Non-current assets					
Property and equipment	7	**8,172**	**366,842**	19,567	992,438
Investment	8	**-**	**-**	-	-
		8,172	**366,842**	19,567	992,438
Current assets					
Inventories	9	**1,174,595**	**52,727,569**	1,450,526	73,570,679
Receivables and prepayments	10	**4,374,738**	**196,381,989**	5,513,156	279,627,273
Cash and cash equivalents	11	**12,196,642**	**547,507,260**	12,400,993	628,978,365
Fixed deposits with banks	12	**12,680,544**	**569,229,620**	24,593,749	1,247,394,949
Other current assets	13	**995,755**	**44,699,442**	2,737,013	138,821,299
		31,422,274	**1,410,545,880**	46,695,437	2,368,392,565
Total assets		**31,430,446**	**1,410,912,722**	46,715,004	2,369,385,003
Shareholders' equity					
Share capital	14	**40,869**	**1,834,609**	40,869	2,072,876
Statutory reserve		**20,435**	**917,327**	20,435	1,036,463
Foreign currency translation reserve		**-**	**93,236,430**	-	234,430,299
Retained earnings		**26,341,346**	**1,089,226,593**	22,283,583	895,793,031
		26,402,650	**1,185,214,959**	22,344,887	1,133,332,669
Current liabilities					
Trade and other payables	15	**5,027,796**	**225,697,763**	24,370,117	1,236,052,334
Total Shareholders' equity and liabilities		**31,430,446**	**1,410,912,722**	46,715,004	2,369,385,003

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

The Independent Auditors' report is set forth on page 2.

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

Approved by the Directors on 11 May 2010.

For **THE GREAT EASTERN CHARTERING LLC (FZC)**

Director

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2010

	NOTE	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Revenue	3	**49,019,406**	**2,336,755,084**	144,894,108	6,623,109,676
Direct expenses	4	**(62,187,685)**	**(2,964,486,944)**	(120,527,194)	(5,509,298,037)
Gross (loss)/profit		**(13,168,279)**	**(627,731,860)**	24,366,914	1,113,811,639
Other operating income	5	**793,041**	**37,804,265**	99,933	4,567,937
Depreciation	7	**(11,395)**	**(543,200)**	(11,459)	(523,791)
Other operating expenses	6	**(720,756)**	**(34,358,439)**	(3,041,959)	(139,047,945)
Reversal on previous year's provision for loss on onerous incharter hire contracts	15 (b)	**17,217,615**	**820,763,707**	-	-
Provision for loss on onerous incharter hire contracts	15 (b)	**-**	**-**	(19,674,823)	(899,336,159)
Profit from operating activities		**4,110,226**	**195,934,473**	1,738,606	79,471,681
Impairment loss on investment	8 (a)	**(895,391)**	**(42,683,289)**	(2,238,476)	(102,320,738)
Interest income on bank deposits		**842,928**	**40,182,378**	817,523	37,368,976
Profit for the year		**4,057,763**	**193,433,562**	317,653	14,519,919
Other comprehensive income					
Foreign currency tranlation adjustment		**-**	**(141,193,869)**	-	234,430,299
Total comprehensive income for the year		**4,057,763**	**52,239,693**	317,653	248,950,218

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

The Independent Auditors' report is set forth on page 2.

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2010

	SHARE CAPITAL		STATUTORY RESERVE		FOREIGN CURRENCY TRANSLATION RESERVE {REFER NOTE 2 (b)}		RETAINED EARNINGS		TOTAL	
	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR
As at 31 March 2008	40,869	1,639,664	20,435	819,852	-	-	21,965,930	881,273,112	22,027,234	883,732,628
Total comprehensive income for the year	-	-	-	-	-	-	317,653	14,519,919	317,653	14,519,919
Foreign currency translation adjustment	-	433,212	-	216,611	-	234,430,299	-	-	-	235,080,122
As at 31 March 2009	40,869	2,072,876	20,435	1,036,463	-	234,430,299	22,283,583	895,793,031	22,344,887	1,133,332,669
Total comprehensive income for the year	-	-	-	-	-	-	4,057,763	193,433,562	4,057,763	193,433,562
Foreign currency translation adjustment	-	(238,267)	-	(119,136)	-	(141,193,869)	-	-	-	(141,551,272)
As at 31 March 2010	**40,869**	**1,834,609**	**20,435**	**917,327**	**-**	**93,236,430**	**26,341,346**	**1,089,226,593**	**26,402,650**	**1,185,214,959**

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

The Independent Auditors' report is set forth on page 2.

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2010

	NOTE	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Cash flows from operating activities					
Profit for the year		**4,057,763**	**193,433,562**	317,653	14,519,919
Adjustments for:					
Depreciation of property and equipment	7	**11,395**	**543,200**	11,459	523,791
Impairment loss on investment	8 (a)	**895,391**	**42,683,289**	2,238,476	102,320,738
Provision for loss on onerous incharter hire contracts	15 (b)	**-**	**-**	19,674,823	899,336,159
Reversal on previous year's provision for loss on onerous incharter hire contracts	15 (b)	**(17,217,615)**	**(820,763,707)**	-	-
Interest income		**(842,928)**	**(40,182,378)**	(817,523)	(37,368,976)
Operating (loss)/profit before changes in operating assets and liabilities		**(13,095,994)**	**(624,286,034)**	21,424,888	979,331,631
Decrease in inventories		**275,931**	**20,843,110**	796,793	40,413,341
Decrease in receivables and prepayments		**1,138,418**	**83,245,284**	428,933	21,755,482
Decrease in other current assets		**1,741,258**	**94,121,857**	1,703,294	86,391,072
Decrease in trade and other payables		**(2,124,706)**	**(122,751,615)**	(1,302,153)	(66,045,200)
Net cash (used in)/from operating activities (A)		**(12,065,093)**	**(548,827,398)**	23,051,755	1,061,846,326
Cash flows from investing activities					
Purchase of property and equipment		**-**	**-**	(20,143)	(1,021,653)
Investment in shares of SeaChange Maritime LLC		**(895,391)**	**(42,683,289)**	(2,238,476)	(102,320,738)
Proceeds from/(investment in) fixed deposits with banks (net)		**12,756,133**	**718,347,707**	(23,776,226)	(1,210,025,973)
Net cash from/(used in) investing activities (B)		**11,860,742**	**675,664,418**	(26,034,845)	(1,313,368,364)
Net effect of foreign exchange translation (C)		**-**	**(208,308,125)**	-	263,290,993
Net (decrease)/increase in cash and cash equivalents (A+B+C)		**(204,351)**	**(81,471,105)**	(2,983,090)	11,768,955
Cash and cash equivalents at beginning of the year		**12,400,993**	**628,978,365**	15,384,083	617,209,410
Cash and cash equivalents at end of the year	11	**12,196,642**	**547,507,260**	12,400,993	628,978,365

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

The Independent Auditors' report is set forth on page 2.

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2010

1. Legal status and business activities

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

b) The Parent company is The Great Eastern Shipping Co. Ltd., India.

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

2. Significant accounting policies

a) Basis of preparation

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

b) Presentation currency

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

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

The figures in USD have been converted into INR at the average rate for the year of 1 USD = 47.67 INR for profit and loss items and the year-end rate of 1 USD = 44.89 INR for the balances in the 'Statement of financial position' (previous year: 45.71 INR and 50.72 INR respectively). The differences arising are accounted through the 'Other comprehensive income' in the 'Foreign currency translation reserve' in the 'Statement of changes in equity'.

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

i) Revenue

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

ii) Leases

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

iii) Foreign currency transactions

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

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

Gains or losses resulting from foreign currency transactions are taken to the statement of comprehensive income.

iv) Property and equipment

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

v) Inventories

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

vi) Provisions and accruals

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

vii) Cash and cash equivalents

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

viii) Derivative financial instruments

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

ix) Financial instruments

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

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

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

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

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

x) Significant judgments and key assumptions

The significant judgments made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are as follows:

Impairment

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

Key assumptions made concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

Carrying values of property and equipment

Residual values are assumed to be zero unless a reliable estimate of the current value can be obtained for similar assets of ages and conditions that are reasonably expected to exist at the end of the assets’ estimated useful lives.

Doubtful debt provisions

Management regularly undertakes a review of the amounts of receivables owed to the Company (refer Note 10) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

Assessments of net recoverable amounts of property and equipment and all financial assets other than receivables (refer above) are based on assumptions regarding future cash flows expected to be received from the related assets.

xi) Adoption of new and revised International Financial Reporting Standards

a) Standards and amendments to existing standards effective 1 January 2009

The following standards, amendments and interpretations, which became effective in 2009, are of relevance to the Company:

Standard/ Interpretation	Content	Applicable for financial years beginning on/after
IAS 1	Presentation of Financial Statements	1 January 2009
IFRS 7	Amendment: Improving Disclosures about Financial Instruments	1 January 2009

IAS 1 - Presentation of Financial Statements

A revised version of IAS 1 was issued in September 2007. The revised Standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. The adoption of this revised Standard impacts only presentation aspects; therefore, it has no impact on profit for the year.

Amendment: IFRS 7 - Improving Disclosures about Financial Instruments

The IASB published amendments to IFRS 7 in March 2009. The amendment requires enhanced disclosures about fair value measurements and liquidity risk. The adoption of the amendment results in additional disclosures but does not have an impact on profit for the year.

b) Interpretations and amendments to standards becoming effective in 2009 but not relevant to the Company

Standard/ Interpretation	Content	Applicable for financial years beginning on/after
IAS 32 and IAS 1	Puttable Financial Instruments and Obligations Arising on Liquidation	1 January 2009
IFRS 1 and IAS 27	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 January 2009
IFRS 2	Share-based Payment – Vesting Conditions and Cancellations	1 January 2009
IFRIC 13	Customer Loyalty Programmes	1 July 2008
IFRIC 15	Agreements for the Construction of Real Estate	1 January 2009
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	1 October 2008
IAS 40	Investment Property	1 January 2009

c) Standards, amendments and interpretations that are not yet effective and not expected to have significant impact on the Company's financial statements

Standard/ Interpretation	Content	Applicable for financial years beginning on/after
IAS 27	Consolidated and Separate Financial Statements	1 July 2009
IFRS 3	Business Combinations	1 July 2009
IFRS 9	Financial Instruments: Classification and Measurement	1 January 2013
IAS 24	Related Party Disclosures	1 January 2011
IAS 32	Classification of Rights Issues	1 February 2010
IAS 39	Financial Instruments: Recognition and Measurement – Eligible Hedged Items	1 July 2009
IFRS 1	First-time Adoption of International Financial Reporting Standards	1 July 2009
IFRIC 17	Distribution of Non-cash Assets to Owners	1 July 2009
IFRIC 18	Transfers of Assets from Customers	1 July 2009

d) Early adoption of standards

In 2009, the Company did not early adopt any new or amended standards and does not plan to early adopt any of the standards issued not yet effective.

		31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
3.	**Revenue**				
	Freight income	**27,889,048**	**1,329,470,918**	86,076,540	3,934,558,643
	Charter hire income	**17,920,404**	**854,265,659**	55,677,175	2,545,003,669
	Demurrage income	**3,209,954**	**153,018,507**	3,140,393	143,547,364
		49,019,406	**2,336,755,084**	144,894,108	6,623,109,676
4.	**Direct expenses**				
	Charter hire expenses	**48,089,792**	**2,292,440,385**	83,820,254	3,831,423,810
	Bunker consumed	**8,940,009**	**426,170,229**	20,945,329	957,410,989
	Freight expenses	**1,851,825**	**88,276,498**	6,621,840	302,684,306
	Demurrage expenses	**-**	**-**	266,706	12,191,131
	Other direct expenses	**3,306,059**	**157,599,832**	8,873,065	405,587,801
		62,187,685	**2,964,486,944**	120,527,194	5,509,298,037
5.	**Other operating income**				
	Profit on trading of derivative financial instruments	**529,335**	**25,233,400**	-	-
	Excess provision of demurrage expenses written back	**230,377**	**10,982,072**	-	-
	Excess provision of doubtful debts written back {Note 10 (d)}	**33,329**	**1,588,793**	99,933	4,567,937
		793,041	**37,804,265**	99,933	4,567,937
6.	**Other operating expenses**				
	Rent	**30,204**	**1,439,825**	20,530	938,426
	Loss on trading of derivative financial instruments	**-**	**-**	723,690	33,079,870
	Provision for doubtful debts {Note 10 (d)}	**54,779**	**2,611,315**	1,504,444	68,768,135
	Bad debts written off	**29,415**	**1,402,213**	-	-
	Other expenses	**606,358**	**28,905,086**	793,295	36,261,514
		720,756	**34,358,439**	3,041,959	139,047,945

7. Property and equipment

	Furniture, fixtures and office equipment		Computers		Total	
	USD	INR	USD	INR	USD	INR
Net book values						
As at 31 March 2010						
Cost	750	33,668	35,881	1,610,698	36,631	1,644,366
Accumulated depreciation	(689)	(30,929)	(27,770)	(1,246,595)	(28,459)	(1,277,524)
Net book value	**61**	**2,739**	**8,111**	**364,103**	**8,172**	**366,842**
As at 31 March 2009						
Cost	750	38,040	35,881	1,819,884	36,631	1,857,924
Accumulated depreciation	(660)	(33,475)	(16,404)	(832,011)	(17,064)	(865,486)
Net book value	90	4,565	19,477	987,873	19,567	992,438
Reconciliation of net book values						
As at 31 March 2008	183	7,342	10,700	429,284	10,883	436,626
Additions during the year	-	-	20,143	1,021,653	20,143	1,021,653
Depreciation for the year	(93)	(4,251)	(11,366)	(519,540)	(11,459)	(523,791)
Foreign currency translation adjustment	-	1,474	-	56,476	-	57,950
As at 31 March 2009	90	4,565	19,477	987,873	19,567	992,438
Depreciation for the year	(29)	(1,383)	(11,366)	(541,817)	(11,395)	(543,200)
Foreign currency translation adjustment	-	(443)	-	(81,953)	-	(82,396)
As at 31 March 2010	**61**	**2,739**	**8,111**	**364,103**	**8,172**	**366,842**

	31 March 2010 USD	31 March 2010 INR	31 March 2009 USD	31 March 2009 INR
8. Investment				
Investment in shares of SeaChange Maritime LLC, USA	**3,133,867**	**140,679,290**	2,238,476	113,535,503
368,000 units of USD 10.8696 each of which USD 8.5159 (previous year: USD 6.0828) per unit is called-up and paid-up				
Less: Impairment loss on investment	**(3,133,867)**	**(140,679,290)**	(2,238,476)	(113,535,503)
Net book value	**-**	**-**	-	-

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

	31 March 2010 USD	31 March 2010 INR	31 March 2009 USD	31 March 2009 INR
Opening balance	**(2,238,476)**	**(113,535,503)**	-	-
Charge for the year	**(895,391)**	**(42,683,289)**	(2,238,476)	(102,320,738)
Foreign currency translation adjustment	**-**	**15,539,502**	-	(11,214,765)
Closing balance	**(3,133,867)**	**(140,679,290)**	(2,238,476)	(113,535,503)

b) A full provision has been made against the investment on the basis of the 'Net Asset Value' as at 31 December 2009 as assessed by the Board of Directors of the investee company.

c) The uncalled amount of Common Units held as at end of the reporting period, amounted to USD 866,146 and INR 38,881,294 (previous year: USD 1,761,537 and INR 89,345,157).

		31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
9.	**Inventories**				
	Bunker inventories	**1,174,595**	**52,727,569**	1,450,526	73,570,679
10.	**Receivables and prepayments**				
	Trade receivables {(a) & (c)}	**897,568**	**40,291,828**	3,492,923	177,161,055
	Voyages in progress	**227,366**	**10,206,460**	-	-
	Advances to suppliers (b)	**1,967,571**	**88,324,262**	420,036	21,304,226
	Deposits	**954**	**42,825**	954	48,387
	Prepaid charter hire	**1,276,490**	**57,301,636**	1,599,243	81,113,605
	Other prepayments	**4,789**	**214,978**	-	-
		4,374,738	**196,381,989**	5,513,156	279,627,273

a) Trade receivables are net off provision for doubtful debts of USD 482,224 and INR 21,647,035 (previous year: USD 460,774 and INR 23,370,457).

b) Advances are net off provision for doubtful debts of USD 1,380,998 and INR 61,993,000 (previous year: USD 1,382,998 and INR 70,145,659).

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

	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Less than six months	**496,196**	**22,274,239**	3,242,184	164,443,572
Six months to one year	**401,372**	**18,017,589**	250,739	12,717,483
Total	**897,568**	**40,291,828**	3,492,923	177,161,055

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

	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Opening balance	**1,843,772**	**93,516,116**	439,261	17,623,151
Charge for the year (Note 6)	**54,779**	**2,611,315**	1,504,444	68,768,135
Reversal on debt realisation/debts written off (Note 5)	**(33,329)**	**(1,588,793)**	(99,933)	(4,567,937)
Foreign currency translation adjustment	**-**	**(10,808,822)**	-	11,692,767
Closing balance	**1,865,222**	**83,729,816**	1,843,772	93,516,116

		31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
11.	**Cash and cash equivalents**				
	Bank balances in:				
	- Current accounts	**1,585,194**	**71,159,359**	3,900,162	197,816,217
	- Term deposits	**10,611,448**	**476,347,901**	8,500,831	431,162,148
		12,196,642	**547,507,260**	12,400,993	628,978,365

12. Fixed deposits with banks

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

		31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
13.	**Other current assets**				
	Amounts receivable on 'held-for-trading'	**993,288**	**44,588,698**	1,559,929	79,119,599
	Accrued demurrage income	**-**	**-**	538,227	27,298,873
	Accrued freight income	**-**	**-**	519,266	26,337,172
	Bunker consumption claim receivable	**-**	**-**	117,124	5,940,529
	Off hire claims receivable	**2,467**	**110,744**	2,467	125,126
		995,755	**44,699,442**	2,737,013	138,821,299
14.	**Share capital**				
	Authorised, issued and paid up:				
	1,500 shares of AED 100 each	**40,869**	**1,834,609**	40,869	2,072,876
15.	**Trade and other payables**				
	Trade payables	**547,485**	**24,576,602**	727,274	36,887,185
	Advances received from customers	**614,726**	**27,595,050**	396,656	20,118,392
	Voyages in progress	**-**	**-**	1,475,954	74,860,387
	Accrued expenses	**1,408,377**	**63,222,044**	2,095,413	106,279,347
	Provision for loss on onerous incharter hire contracts {(a) & (b)}	**2,457,208**	**110,304,067**	19,674,823	997,907,023
		5,027,796	**225,697,763**	24,370,120	1,236,052,334

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

b)	The movements in provision for loss on onerous incharter hire contracts during the year were as follows:				
	Opening balance	**19,674,823**	**997,907,023**	-	-
	Charge for the year	**-**	**-**	19,674,823	899,336,159
	Reversal on previous year's provision	**(17,217,615)**	**(820,763,707)**	-	-
	Foreign currency translation adjustment	**-**	**(66,839,249)**	-	98,570,864
	Closing balance	**2,457,208**	**110,304,067**	19,674,823	997,907,023

16. Related parties

The Company enters into transactions with entities that fall within the definition of a related party as contained in International Accounting Standard 24. The management considers such transactions to be in the normal course of business and at terms which correspond to those on normal arm's length transaction with third parties.

Related parties comprise the Parent company, companies under common ownership and/or common management control, Shareholders, Directors and fellow subsidiaries.

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

	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Parent company				
Included in trade receivables (Note 10)	**22,390**	**1,005,087**	-	-
Fellow subsidiaries				
Included in advances (Note 10)	**-**	**-**	5,793	293,821
Included in trade payables (Note 15)	**13,574**	**609,337**	-	-

All the balances are unsecured and are expected to be settled in cash.

Significant transactions with related parties during the year are as follows:

	31 MARCH 2010 USD	31 MARCH 2010 INR	31 MARCH 2009 USD	31 MARCH 2009 INR
Freight and demurrage income (Note 3)	**1,152,059**	**54,918,653**	2,725,478	124,581,599
Reimbursement of expenses	**209,890**	**10,005,456**	109,134	4,988,515
Agency fees	**3,298**	**157,216**	12,671	579,191
Commercial management fees	**42,087**	**2,006,287**	20,116	919,502

17. Risk management

The Company's activities expose to a variety of financial risks such as market, currency, interest rates, credit and liquidity risks. The Company's management focuses on the unpredictability of financial markets and seeks to minimize impact of these risks by conducting and operating the business in a prudent manner.

The primary risks to which the business is exposed are explained below:

Credit risk

Financial assets that potentially expose the Company to concentrations of credit risk comprise principally bank accounts and trade and other receivables.

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

Credit risk relating to trade receivables is managed by assessing the creditworthiness of potential customers and the potential for exposure to the market in which they operate, combined with regular monitoring and follow-up.

Trade and other receivables are stated net of the allowance for doubtful recoveries.

At the end of the reporting period, 90% of the trade receivables was due from five customers engaged in shipping activities out of which 25% was due from a customer in Singapore, 24% was due from a customer in China, 19% was due from a customer in Gibraltar, 12% was due from a customer in India and 10% was due from a customer in UK (previous year: 76% of the trade receivables was due from three customers engaged in shipping activities out of which 60% was due from a customer in New Zealand, 10% was due from a customer in Bermuda and 6% was due from a customer in Gibraltar).

Advances have been paid to various suppliers of services and includes approximately 57% due from a supplier situated in the United Kingdom.

Currency risk

The Company buys and sells services in foreign currencies. Exposure is minimized where possible by denominating such transactions in US dollars to which the UAE Dirham is fixed.

At the end of the reporting period, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the Dirham is fixed and have been translated into Indian Rupees for the purpose of reporting as explained in Note 2 (b).

Liquidity risk

Management continuously monitors its cash flows to determine its cash requirements in order to manage exposure to liquidity risk.

Interest rate risks

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

18. Capital management

The Company manages its capital with an objective to ensure that adequate funds are available to it on an on-going basis to continue the operations as a going concern and provide the Shareholders with reasonable rate of return under the prevailing economic conditions and the risks encountered, through the optimization of the borrowings and equity funds.

19. Fair values of financial instruments

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

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

20. Approval of financial statements

These financial statements were approved by the Board of Directors and authorized for issue on 11 May 2010.

For **THE GREAT EASTERN CHARTERING LLC (FZC)**

Director

GREATSHIP (INDIA) LIMITED
A Subsidiary Company

DIRECTORS:

Chairman	Mr. Bharat K. Sheth
Managing Director	Mr. Ravi K. Sheth
Executive Director	Mr. P. R. Naware
	Mr. Keki Mistry Mr. Berjis Desai Mr. Vineet Nayyar Mr. Rajiv Lall Mr. Shashank Singh

REGISTERED OFFICE:

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

CORPORATE OFFICE:

101, Marathon Innova B2
Off Ganpatrao Kadam Marg
Lower Parel (West)
Mumbai - 400 013

C-25, Laxmi Towers, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai - 400 051

CORPORATE IDENTITY NUMBER:

U 63090 MH 2002 PLC 136326

AUDITORS:

Kalyaniwalla & Mistry
Chartered Accountants
Kalpataru Heritage
127, Mahatma Gandhi Road
Mumbai - 400 023

COMPANY SECRETARY:

Ms. Amisha Ghia

WEB SITE:

www.greatshipglobal.com

DIRECTORS' REPORT

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Eighth Annual Report for the year ended March 31, 2010.

FINANCIAL HIGHLIGHTS

Your Company has achieved a profit after tax of Rs. 8218 lakhs on a standalone basis and Rs. 10563 lakhs on a consolidated basis for the year ended March 31, 2010. The Financial Highlights for the financial year ended March 31, 2010 on a standalone basis, are as under:

PARTICULARS	YEAR ENDED MARCH 31, 2010 (RUPEES IN LAKHS)	YEAR ENDED MARCH 31, 2009 (RUPEES IN LAKHS)
Total Income	67169	25148
Total Expenditure	53099	16776
Depreciation	5270	3289
Profit before tax	**8800**	**5083**
Less: Provision of tax		
- Current tax	650	-
- Deferred Tax	(70)	-
- Fringe Benefit Tax	-	21
- Tax adjustment of prior years	(22)	-
Profit for the year after tax	**8242**	**5062**
Less: Prior period adjustments	24	-
Net Profit	**8218**	**5062**
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961	1200	1600
Add: Balance brought forward from previous year	5991	2529
Amount available for appropriation	**13009**	**5991**
Proposed Dividend on Preference Shares	768	-
Tax on Dividend	128	-
Balance carried forward	**12113**	**5991**

The highlights of the performance/operations of the Company are included in detail in the report on 'Management Discussion and Analysis' which is annexed as Annexure 1 to this report.

DIVIDEND

Although the Company has made a profit during the financial year ended March 31, 2010, it is still in its growth phase, and has substantial requirement of funds. Therefore, the Board decided not to recommend any dividend for its Equity Shares for the year under review.

The Board has recommended final dividend of 7.5% on the 8,80,00,000 Preference Shares of face value of Rs. 10 each in accordance with the terms of issue of the Preference Shares, for the period from the date of allotment up to March 31, 2010, aggregating to Rs. 768 lakhs, excluding dividend distribution tax of Rs. 128 lakhs.

DRAFT RED HERRING PROSPECTUS

The Company proposes to raise funds through initial public offering and the shareholders have at their meeting held on April 23, 2010 approved to offer/issue/allot 2,20,50,875 equity shares of the face value of Rs. 10 each ("Equity Shares"), in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, ("SEBI Regulations") at a price to be determined by the book building process in terms of the SEBI Regulations. In this regard, the Company has filed a draft red herring prospectus ("DRHP") with SEBI on May 12, 2010.

SHARE CAPITAL

The authorized share capital of the Company was increased from Rs. 1,83,00,00,000 to Rs. 2,23,00,00,000 by creation of additional 4,00,00,000 Equity Shares by approval of the shareholders at their meeting held on April 23, 2010. The present authorized share capital of the Company is Rs. 2,23,00,00,000 divided into 13,50,00,000 Equity Shares of Rs. 10 each and 8,80,00,000 Preference Shares of Rs. 10 each.

The total paid up capital of the Company as on date is Rs. 1,76,20,35,000 comprising of 8,82,03,500 equity shares of Rs. 10 each and 8,80,00,000 preference shares of Rs. 10 each.

During the year under review, the terms of issue of 8,80,00,000 Preference Shares of Rs. 10 each, which were issued and allotted in FY 09, were modified. The details of the modification of the terms are more specifically mentioned in the Notes to Accounts, point No. 2.

SUBSIDIARIES

The Company has the following wholly owned subsidiaries:

1. Greatship Global Holdings Ltd., Mauritius, which in turn has following wholly owned subsidiaries,
   i. Greatship Global Energy Services Pte. Ltd., Singapore (GGES)
   ii. Greatship Global Offshore Services Pte. Ltd., Singapore (GGOS)
2. Greatship DOF Subsea Projects Private Limited, Mumbai (collectively "Subsidiaries")

The audited statements of accounts along with the Board of Directors Report of these Subsidiaries have been annexed.

CONSOLIDATED FINANCIAL STATEMENTS

As the Company is not listed, there is no mandatory requirement to prepare consolidated financial statements. However, as a good corporate governance practice consolidated financial statements have been prepared which present the financial information about the Company and its Subsidiaries. The consolidated financial statements have been prepared by the Company in accordance with the requirements of the accounting standards issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements together with the Auditor's Report thereon form part of the Annual Report.

The Company and its Subsidiaries recorded a consolidated profit after tax of Rs. 10563 lakhs for the year under review compared to Rs. 8218 lakhs for the Company. The consolidated net worth of the Company for FY 10 was Rs. 132342 lakhs as compared to Rs. 128313 lakhs for the Company.

DIRECTORS

During the year, Mr. Vineet Nayyar and Mr. Rajiv Lall were appointed as Additional Directors of the Company. After the end of the financial year, Mr. Shashank Singh was appointed as Additional Director of the Company.

Mr. K. J. Vesuna and Mr. Tapas Icot have resigned from the board of directors of the Company ("Board of Directors") effective April 23, 2010. The Directors place on record their appreciation for their contribution as the members of the Board.

Mr. P. R. Naware retires by rotation and being eligible offers himself for re-appointment.

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

EQUITY WARRANTS

On March 19, 2008, the Company had issued and allotted 42,07,000 Equity Warrants ("Warrants") out of total 60,27,000 Warrants approved by the shareholders to the promoter directors of the holding company, The Great Eastern Shipping Company Limited. 21,03,500 Warrants were converted into equal number of equity shares on April 30, 2010, at a pre-determined price of Rs. 140.40 per equity share. The balance 21,03,500 Warrants which were not converted, consequently lapsed. Upon allotment of the equity shares, your Company ceased to be a wholly-owned subsidiary of The Great Eastern Shipping Company Limited with its shareholding now being 97.62% of the total equity share capital. The remaining 18,20,000 unissued Warrants were cancelled as the Warrant holders conveyed their intention of not applying for the same.

EMPLOYEE STOCK OPTIONS

The stock options granted to employees of the Company and Subsidiaries are currently operated under four schemes ("Schemes") and during the year under review, 4,92,200 stock options were granted to the employees of the Company and the Subsidiaries making the total options outstanding as on March 31, 2010 to 13,85,600 (net of options cancelled/ forfeited). In April 2010, 1,68,500 additional stock options were granted making the total options outstanding as on date to 15,54,100 (net of options cancelled/forfeited). The details of the scheme are include in Annexure 3 of this report.

Prior to filing of the DRHP, the Board of Directors and shareholders have approved a proposal to frame a new SEBI compliant scheme - Employee Stock Option Scheme 2010 ("ESOP 2010") for grant of employee stock options to the employees of the Company and Subsidiaries. The options available for future grants aggregating to 10,28,900 options under the existing Schemes were transferred to the proposed new employee stock option scheme - ESOP 2010. There would be no further grants under the existing Schemes after filing the DRHP.

ARTICLES OF ASSOCIATION

Pursuant to the approval of the shareholders of the Company at their meeting held on April 23, 2010, the new articles of association of the Company were adopted in substitution for and to the exclusion of the existing Articles of Association of the Company.

DEBT FUND RAISING

The Company is in the process of raising debt for its large expansion programme. During the year, the amount of debt went up from Rs. 59745 lakhs for the FY 09 to Rs. 61600 lakhs for the FY 10. The gross debt:equity ratio as on March 31, 2010 was 0.49:1.

JOINT VENTURE

The joint venture with DOF Subsea Pte. Ltd., Singapore was terminated with mutual consent on May 7, 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

The details of Foreign Exchange Earnings and Outgo are:

a)	Foreign Exchange earned and saved (on account of charter hire earnings, etc.)	Rs. 66376 lakhs
b)	Foreign Exchange used (including operating expenses, capital repayment, down payment for acquisition of assets, interest payment, etc.)	Rs. 52428 lakhs

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

APPRECIATION

Your Directors express their sincere thanks to all customers, charterers, partners, vendors, bankers, insurance companies, P & I Clubs, consultants and advisors for their support during this critical phase of the Company's growth and expansion. Your Directors also acknowledge and appreciate the significant contributions made by all the employees of the company.

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

For and on behalf of the
Board of Directors

Bharat K. Sheth
Chairman

Mumbai, May 14, 2010

ANNEXURE 1

MANAGEMENT DISCUSSION AND ANALYSIS

I. COMPANY PERFORMANCE

In FY10, your Company recorded a total income of Rs. 67169 lakhs (previous year Rs. 25148 lakhs) on a standalone basis and Rs. 76309 lakhs (previous year Rs. 31594 lakhs) on consolidated basis. The Company earned a PBIDT of Rs. 17447 lakhs (previous year Rs. 11162 lakhs) on a standalone basis and Rs. 27704 lakhs (previous year Rs. 10848 lakhs) on consolidated basis.

II. OFFSHORE LOGISTICS

Market Trend and Analysis

FY10 commenced with a sense of cautious optimism with oil prices just beginning to pick up from the troughs of FY 09. During the second half of the year, oil prices varied within a narrow range of between USD 75 - USD 85 per barrel. These seemingly stabilised oil prices, coupled with the effects of a recovering global economy, contributed towards major operators and oil majors announcing positive capital expenditure plans during the second half of the year.

With Indian state-owned oil company, Oil and Natural Gas Corporation (ONGC) maintaining the tempo of its activities, Indian offshore logistic providers found reasonable business opportunities within India. Private companies like BG India and Cairn have started floating long term tenders recently.

The North Sea market did not provide much cheer, though the day rates during the second half of the year improved slightly. The skewed supply-demand situation found increasing balance with Brazil siphoning a chunk of the excess tonnage, largely Platform Supply Vessel ("PSVs"). In the past 2-3 months, there has been a decline in availability of the vessels for the spot market which has resulted in increased day rates and higher utilization levels for owners.

The South-East Asian market which witnessed excess supply and strong cabotage rules in favor of local tonnage continued to discourage foreign players. Nevertheless, national oil companies and Exploration and Production ("E&P") majors continued to award contracts during the course of the year. Day rates, in general, however remained soft and bigger and newer tonnage competing with smaller and older vessels.

The Middle East and Mediterranean markets continued to fare poorly.

The Latin American market, particularly Brazil, continued its ambitious deep water plans. Brazil's state-owned Petrobras awarded multiple contracts during the year. The vessels that bagged charters in Brazil were mid and large size PSVs and large Anchor Handling Tug Cum Supply Vessels ("AHTSVs").

While select pockets of the West African market continued to draw attention from offshore service providers, issues like piracy, unstable political situation and unfriendly labour laws have forced offshore service providers to approach the African market with caution.

The number of new-buildings delivered during the year fell short of predictions with cancellations and deferments continuing to plague shipyards.

Sale and purchase activities also picked up during the third quarter of the financial year.

Company Performance

During the year under review, the Company witnessed appreciable growth in terms of broadening of its client base as well as entry into new geographies. During the year, the Company and Subsidiaries extended its vessel's operations into South East Asia through a mix of spot and term charters. With operations spread over India, Gulf of Mexico, South Africa and South East Asia during the year, the Company has continued to retain a truly global image. During the year, the Company has also successfully won long-term contracts with state owned Indian company ONGC and private Indian operators like BGEPIL and Hercules Offshore.

During the earlier part of the financial year, five of the eight AHTSVs were operating in the spot market but as on March 2010, thirteen out of the Company's fourteen operating vessels (including three vessels of GGOS) are covered under term charters with various reputed clients, while one vessel is operating in the South East Asian spot market.

Fleet Changes

As on March 31, 2010, the operating fleet of the Company (including subsidiaries) stood at fourteen vessels with an average age of below 3 years. During the year under review, your Company along with its subsidiaries took delivery of the following vessels:

1. AHTSV 'Greatship Asmi' on April 30, 2009
2. AHTSV 'Greatship Aditi' on June 10, 2009
3. AHTSV 'Greatship Ahalya' on June 25, 2009
4. AHTSV 'Greatship Aarti' on August 27, 2009
5. Multipurpose Platform Supply and Support Vessel ("MPSSV") 'Greatship Maya' on December 21, 2009
6. MPSSV 'Greatship Mohini' on March 30, 2010

During the year under review, the Company's subsidiary in Singapore, GGOS had entered into Memorandum of Agreements for sale of its two under construction vessels, one Platform/ROV Support Vessel, Greatship Rekha and one MPSSV, Greatship Mohini. Greatship Mohini, built by Keppel Singmarine Pte. Ltd., and Greatship Rekha, built by Colombo Dockyard Plc were delivered to the buyers simultaneously with the delivery from the yard on March 30, 2010 and April 14, 2010, respectively.

During the year under review, the Company had entered into Memorandum of Agreement for sale of its PSV, Greatship Diya.

The total new building orders for the Company (including subsidiaries) are for 9 vessels consisiting of 2 MPSSVs in Singapore, two Multipurpose Support Vessels in India, three Platform/ROV Support Vessel in Sri Lanka and two 150 TBP AHTSVs in Singapore. The asset profile and fleet order book are enclosed.

Outlook for Offshore Logistics Market

Though crude oil price seems to have stabilized, market sentiments are lagging. In the context of day rates, stabilization is expected during the first half of FY 11 while a positive upswing is expected during the last quarter.

In the North Sea market, early indications for the month of April have been positive with a rise in day rates, mostly attributable to the volcanic "ash effect" as well as mobilization of vessels for term jobs in other parts of the world. We expect the North Sea market to maintain the positive trend once the pipe laying and construction season commences from May/June.

While investments by state owned E&P companies in South East Asia and the Middle East are likely to show modest increases, the charter rates in these regions might still take some time to reach comfortable levels.

West Africa, especially Angola and Nigeria, are expected to offer increasing opportunities during the course of the year.

The Latin American market holds a lot of optimism with Petrobras reiterating its commitment towards continued investments. It is expected to continue absorbing offshore vessels to support the huge investments already made in and committed to the deep waters off the Brazilian coast.

III. OFFSHORE DRILLING

Market Trend and Analysis

Jack-up markets remained soft due to increasing supply and declining demand. Major drilling contractors have stacked their rigs in view of softening demand. According to data compiled by Rigzone, the worldwide offshore rig fleet now numbers 760 units, of which 542 are under contract, at a utilisation of 71%.

However, the last quarter saw some E&P GoM companies floating enquiries and a few idle rigs in market getting short contracts, giving rise to speculation that the situation may improve gradually.

Company Performance

The Company took delivery of a new built 350' Jack up rig Greatdrill Chitra, owned by the Singapore subsidiary, GGES on bareboat charter, on October 19, 2009. The rig is chartered to ONGC under a contract for a period of five years and is now operating in the West coast of India. Greatdrill Chetna, bareboat chartered rig continued to perform well during the year under review under the contract with ONGC.

Outlook for Drilling Market

EIA projects that world oil consumption will grow by 1.6 million barrels per day ("bbl/d") in 2010 and 2011. This upward revision for 2010 follows an update of EIA's assumptions for global growth, which is now expected to rise on average by about 3.6 percent per year over the forecast period. The growth in oil consumption is expected to be largely concentrated in the Asia Pacific and Middle East regions.

With oil prices at a level that encourages investment, and with announcements from various operators regarding modest to large increases in E&P spending, we expect that most offshore rig markets around the globe will either stabilize or stage a recovery in FY 11. Rigzone reports reviewing jack-up tendering activity, inquiries and recent contract awards indicate that jack-up demand and bidding activity levels have increased in recent months. Although the market has begun seeing active rig count and dayrate declines flattening out, a substantial absorption of idle capacity and expansion of backlog will be required before dayrates can begin to recover.

IV. QUALITY, SAFETY, HEALTH & ENVIRONMENT

During the year under review, the Company completed its renewal Audit for verification towards ISO 9001:2008 (Quality Management System). Annual audit for ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) was also concurrently carried out by Det Norske Veritas (DNV).

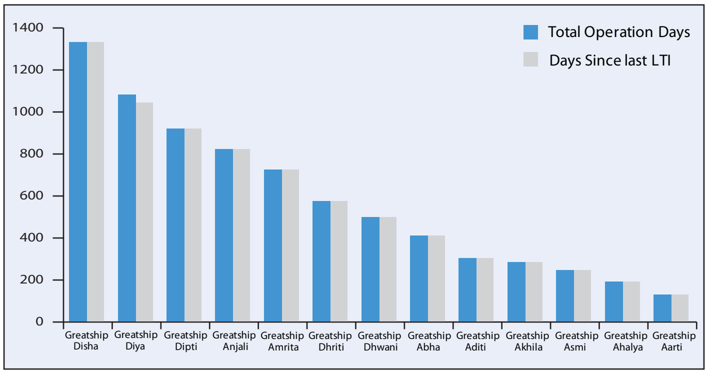
GGOS completed its initial Audit for verification towards ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) by Det Norske Veritas (DNV) and was issued compliance certificate for these systems.

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

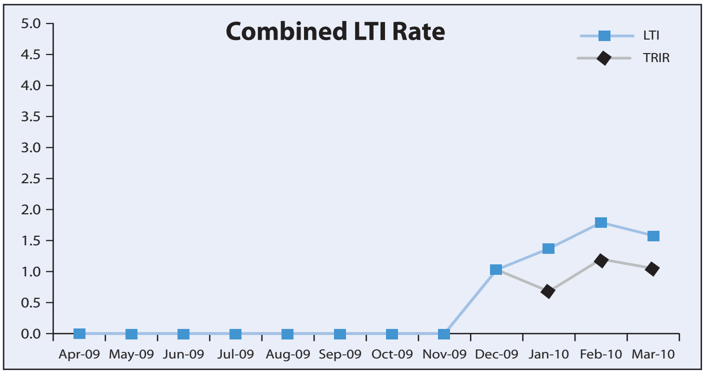
The Company's Days Away from Work Case Frequency (DAFWCF) and Total Recordable Case Frequency (TRCF) was below that of the Industry.

Fleet Vessel wise:

The bar graph below depicts the total operation days and days since last loss time injury of our operating vessels, up to March 31, 2010.



The bar graph below depicts the LTI Frequency Rate and Total Recordable Incident Rate for drilling rigs, up to March 31, 2010.



In line with our commitment towards training, Computer Based Training modules are being used onboard all fleet vessels and rigs for enhancing the onboard Safety training of our onboard staff. On job training and other value added training was carried out for fleet vessel's and rig's staff. Dynamic Positioning Refresher Training was carried out for shipboard officers and office staff.

V. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

The Company is also in the process of building up its systems to take care of future expansions.

VI. SYSTEMS

Your Company, on January 5, 2010, rolled out SAP, the world's leading Enterprises Resources Planning software across its entire group of companies, Vessels and Rigs. The roll out covering all business areas right from Fleet Management to Finance and Controls results in total integration of all business functions and replaces the entire suite of software sourced and supported by multiple vendors operating on different platforms which were in use in the group. The roll out with suitable enhancements would play a major role in meeting the strategic and business intelligence requirements of the group.

Fleet as on March 31, 2010
Greatship (India) Limited

CATEGORY			VESSEL NAME	DWT (MT)	YEAR BUILT	AVERAGE AGE (YEARS)
OFFSHORE SUPPORT VESSELS						
	PLATFORM SUPPLY VESSELS					
		1	m.v. Greatship Disha	3,096	1999	
		2	#m.v. Greatship Diya	3,350	2003	
		3	m.v. Greatship Dipti	3,229	2005	
		4	m.v. Greatship Dhriti	3,318	2008	
		5	m.v. Greatship Dhwani	3,315	2008	
		5		**16,308**		**5.4**
	ANCHOR HANDLING TUG CUM SUPPLY VESSELS					
		1	m.v. Greatship Anjali	2,188	2008	
		2	m.v. Greatship Amrita	2,045	2008	
		3	m.v. Greatship Akhita	1,639	2009	
		4	m.v. Greatship Asmi	1,634	2009	
		5	m.v. Greatship Ahalya	1,643	2009	
		6	m.v. Greatship Aarti	1,650	2009	
		6		**10,799**		**1.3**

Fleet Total	
Number	**11**
Total Tonnage (dwt)	**27,107**
Average Age (yrs)	**3.18**

#contracted for sale

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY			VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YRS)
OFFSHORE SUPPORT VESSELS						
	ANCHOR HANDLING TUG CUM SUPPLY VESSELS					
		1	*m.v. Greatship Abha	2,054	2009	
		2	*m.v. Greatship Aditi	2,057	2009	
		2		**4,111**		**1**
	MULTI-PURPOSE PLATFORM SUPPLY AND SUPPORT VESSELS					
		1	m.v. Greatship Maya	4,252	2009	
		1		**4,252**		**1**

Fleet Total	
Number	**3**
Total Tonnage (dwt)	**8,363**
Average Age (yrs)	**1**

*acquired on a sale and leaseback basis

Greatship Global Energy Services Pte. Ltd., Singapore

CATEGORY			RIG NAME	YEAR BUILT	AVG. AGE (YRS)
New Built Deliveries					
Drilling Unit	JACK UP RIG	1	Greatdrill Chitra	2009	**1**

Fleet Total	
Number	**1**
Average Age (yrs)	**1**

Transactions during FY 2009-10

Acquisitions

Greatship (India) Limited

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ACQUISITION
New Built Deliveries Offshore Support Vessels					
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Greatship Asmi	1,634	2009	Apr-09
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Greatship Ahalya	1,643	2009	Jun-09
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Greatship Aarti	1,650	2009	Aug-09

Acquisitions/sales

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ACQUISITION/ SALE
New Built Deliveries Offshore Support Vessels					
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	*#Greatship Aditi	2,057	2009	Jun-09
	MULTI-PURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	#Greatship Maya	4,252	2009	Dec-09
	MULTI-PURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	**Greatship Mohini	4,190	2010	Mar-10

* acquired on a sale and leaseback basis.

\# acquisition

** acquired and simultaneously delivered to buyers

Acquisitions

Greatship Global Energy Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	YEAR BUILT	MONTH OF ACQUISITION
Drilling Unit				
	JACK UP RIG	Greatdrill Chitra	2009	Oct-09

Transactions between April 01, 2010 and May 14, 2010

Acquisitions/sales

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ACQUISITION/ SALE
New Built Deliveries Offshore Support Vessels					
	PLATFORM/ROV SUPPORT VESSEL	**Greatship Rekha	3,732	2010	Apr-10

** acquired and simultaneously delivered to buyers

Order Book as on May 14, 2010

CATEGORY		TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
New Building Order Book Position Offshore Support Vessels in Greatship (India) Limited					
	1.	PLATFORM/ROV SUPPORT VESSEL	Colombo Dockyard Plc, Sri Lanka	Apr-08	Q3 FY11
	2.	PLATFORM/ROV SUPPORT VESSEL	Colombo Dockyard Plc, Sri Lanka	Apr-08	Q4 FY11
	3.	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Drydocks World Singapore Pte. Ltd., Singapore	Jul-08	Q2 FY12
	4.	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Drydocks World Singapore Pte. Ltd., Singapore	Jul-08	Q2 FY12
Offshore Support Vessels in Greatship Global Offshore Services Pte. Ltd., Singapore					
	1.	MULTIPURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q2 FY11
	2.	MULTIPURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q2 FY11
	3.	PLATFORM/ROV SUPPORT VESSEL	Colombo Dockyard Plc, Sri Lanka	Dec-07	Q2 FY11
	4.	MULTIPURPOSE SUPPORT VESSEL	Mazagon Dock Limited, Mumbai	Sep-07	Q3 FY11
	5.	Multipurpose Support Vessel	Mazagon Dock Limited., Mumbai	Sep-07	Q4 FY11

ANNEXURE 2

CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

Composition of the Board

As on date, the Board of Directors consists of eight directors and the Chairman is a Non-Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two Executive Directors and six Non-Executive Directors on our Board. The Board of Directors is strengthened with the increase in the number of independent directors which will enable separation of the board function of governance and management. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board.

Meetings of the Board

Dates for Board meetings in the ensuing year are decided in advance by the Board. The Meetings of the Board are generally held at the Registered Office of the Company at Ocean House, 134/A, Dr. A.B. Road, Worli, Mumbai - 400018. Six Board Meetings were held during the year and the gap between two meetings did not exceed four months. The Board Meetings were held on May 5, 2009, July 24, 2009, October 23, 2009, December 28, 2009, January 22, 2010 and March 18, 2010.

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

The Composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting and also number of other Directorships and Memberships of Committees as on March 31, 2010 are as follows:

NAME OF DIRECTOR	NATURE OF DIRECTORSHIP	ATTENDANCE		AS ON MARCH 31, 2010		
		BOARD MEETINGS	LAST ANNUAL GENERAL MEETING	NUMBER OF OTHER DIRECTORSHIPS*	COMMITTEE MEMBERSHIPS**	COMMITTEE CHAIRMANSHIPS**
Mr. Bharat K. Sheth	Non-Executive Chairman	6	Yes	1	NIL	NIL
Mr. Ravi K. Sheth	Managing Director	6	Yes	2	NIL	NIL
Mr. P. R. Naware	Executive Director	6	Yes	NIL	NIL	NIL
Mr. Keki Misty	Non-Executive Director	4	Yes	13	7	2
Mr. Berjis Desai	Non-Executive Director	5	Yes	7	5	3
@Mr. Vineet Nayyar	Non-Executive Director	1	No	8	1	0
@Mr. Rajiv Lall	Non-Executive Director	0	No	12	6	0
#Mr. K .J. Vesuna	Non-Executive Director	6	Yes	1	NIL	NIL
#Mr. Tapas Icot	Non-Executive Director	3	Yes	NIL	NIL	NIL

1. ** The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.*
2. *** Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all Public Limited Companies have been considered.*
3. *@ Mr. Vineet Nayyar was appointed as the Director of the Company w.e.f. July 24, 2009 and Mr. Rajiv Lall was appointed as the Director of the Company w.e.f. March 18, 2010.*
4. *# Mr. K. J. Vesuna and Mr. Tapas Icot resigned as the Directors of the Company w.e.f. April 23, 2010*
5. *Mr. Shashank Singh was appointed as the Additional Director of the Company w.e.f. May 3, 2010.*

COMMITEES OF THE BOARD OF DIRECTORS

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

A) AUDIT COMMITTEE

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

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

iii. During the year under review, six meetings of the Audit Committee were held on May 5, 2009, July 15, 2009, July 24, 2009, October 23, 2009, January 22, 2010 and March 18, 2010.

The composition of the Audit Committee and the details of the meeting attended by them are as under:

NAME OF THE MEMBER	NUMBER OF MEETINGS ATTENDED DURING THE FY 10
Mr. Keki Mistry (Chairman)	3
Mr. Ravi K. Sheth	6
Mr. Berjis Desai*	4
Mr. K. J. Vesuna**	6

** Mr. Berjis Desai was appointed as the member of the Audit Committee on May 5, 2009.*

*** Mr. K. J. Vesuna resigned as Director of the Company w.e.f. April 23, 2010.*

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

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

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

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

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

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

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

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

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

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

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

vi. Compliance with accounting standards;

vii. The going concern assumption;

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

ix. Qualifications in the draft audit report.

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

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

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

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

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

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

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

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

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

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

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

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

B) REMUNERATION COMMITTEE

The Remuneration Committee was constituted on April 30, 2010. The Committee comprises of three Independent Directors, namely, Mr. Vineet Nayyar (Chairman), Mr. Berjis Desai and Mr. Rajiv Lall.

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

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

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

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

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

C) SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

The Shareholders'/Investors' Grievance Committee was constituted on April 30, 2010. The Committee comprises of three Directors, Mr. Vineet Nayyar (Chairman), Mr. Rajiv Lall and Mr. P. R. Naware.

The terms of reference of the Shareholders/Investors Grievance Committee of our Company includes to carry out such functions for the redressal of shareholders' and investors' complaints, including but not limited to, transfer of equity shares, non-receipt of balance sheet, non-receipt of dividends, and any other grievance that a shareholder or investor of the Company may have against the Company.

Ms. Amisha Ghia, Company Secretary is the Compliance Officer of the Company.

ANNEXURE 3

1. Employee Stock Option Scheme 2007 (“ESOP 2007”)

PARTICULARS	DETAILS
Options granted	656,300
The pricing formula	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to The Great Eastern Shipping Company Limited (“GESCO”).
Exercise price of options	Rs. 100
Total options vested	233,840
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	584,600
Options forfeited/lapsed/cancelled	71,700
Variation in terms of options	Please see Note 1 below
Money realised by exercise of options	Nil
Options outstanding (in force)	584,600
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 2 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 3 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 ‘Earning Per Share’	Rs. 8.48 (As on March 31, 2010)
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company.	Rs. 2,365,483 (As on March 31, 2010) Impact on profit: Profit would be less by Rs. 2,365,483 Impact on EPS (basic) : 0.027 Impact on EPS (diluted) : 0.027
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method

Note 1: Variation in terms of options:

1. The provisions of ESOP 2007 relating to the exercise of the vested options by settlement in cash prior to listing of the shares of our Company were modified with effect from August 18, 2008, to be settled at a value to be determined at five times the EPS as per the latest audited consolidated financial statements of our Company instead of determining the value as per the latest audited financial statements of our Company.
2. Under ESOP 2007, vesting conditions relating to continued employment with our Company were modified with effect from August 18, 2008 to provide for the transfer of employment within the Group Companies.

Note 2: Details regarding options granted to our Directors and key management personnel are set forth below:

NAME OF DIRECTOR/ KEY MANAGEMENT PERSONNEL	TOTAL NO. OF OPTIONS GRANTED
P. R. Naware	106,700
Venkatraman Sheshashayee (Executive Director of GGOS and GGES)	106,700
K. S. S. Kowshik	42,500
Amisha Ghia	11,600

Note 3: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

NAME OF EMPLOYEE	NO. OF OPTIONS GRANTED
P. R. Naware	106,700
V. Sheshashayee	106,700
G. Shivakumar	70,000
Girish Devurkar*	46,700
Rajiv Saxena	46,700
Ravi Mathur	46,700
V. K. Chandrasekharan	46,700
Rohit Malhotra	42,500

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

2. Employee Stock Option Scheme 2007 - II ("ESOP 2007-II")

PARTICULARS	DETAILS
Options granted	99,700
The pricing formula	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to GESCO.
Exercise price of options	Rs. 100
Total options vested	89,100
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	89,100
Options forfeited/lapsed/cancelled	10,600
Variation in terms of options	Please see Note 1 below
Money realized by exercise of options	Nil
Options outstanding (in force)	89,100
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 2 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 3 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 8.48 (As on March 31, 2010)
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 2,365,483 (As on March 31, 2010) Impact on profit: Profit would be less by Rs. 2,365,483 Impact on EPS (basic) : 0.027 Impact on EPS (diluted) : 0.027
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method

Note 1: Variation in terms of options:

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

Note 2: Details regarding options granted to Directors and key management personnel are set forth below:

NAME OF DIRECTOR/ KEY MANAGEMENT PERSONNEL	TOTAL NO. OF OPTIONS GRANTED
Alok Mahajan*	15,000

** Alok Mahajan resigned from GESCO and joined our Company on August 1, 2008*

Note 3: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

NAME OF EMPLOYEE	NO. OF OPTIONS GRANTED
Alok Mahajan	15,000
G. P. Khot	10,000
Jayesh M Trivedi	10,000
Pradeep Correa	10,000
Udaybir Bakshi	8,500
Chetan Sheth*	7,800
Ramachandra Iyer	7,800
Salil Manalmaril	7,800

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

3. Employee Stock Option Scheme 2008 - I ("ESOP 2008-I")

PARTICULARS	DETAILS
Options granted	85,000
The pricing formula	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to GESCO.
Exercise price of options	Rs. 100
Total options vested	60,000
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	60,000
Options forfeited/lapsed/cancelled	25,000
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	60,000
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 8.48 (As on March 31, 2010)
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 2,365,483 (As on March 31, 2010) Impact on profit: Profit would be less by Rs. 2,365,483 Impact on EPS (basic) : 0.027 Impact on EPS (diluted) : 0.027
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below:

NAME OF DIRECTOR/ KEY MANAGEMENT PERSONNEL	TOTAL NO. OF OPTIONS GRANTED
K. J. Vesuna*	10,000
Tapas Icot*	50,000
Balan Wasudeo	25,000**

* *K. J. Vesuna and Tapas Icot have resigned as Directors of our Company on April 23, 2010. However, they continue to be the employees of GESCO*

** *Options were cancelled upon resignation as a director of our Company and as an employee of GESCO*

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

NAME OF EMPLOYEE	NO. OF OPTIONS GRANTED
Tapas Icot	50,000
Balan Wasudeo*	25,000
K. J. Vesuna	10,000

** Options were cancelled upon resignation as a director of our Company and as an employee of GESCO*

4. Employee Stock Option Scheme 2008 - II ("ESOP 2008-II")

PARTICULARS	DETAILS
Options granted	925,900
The pricing formula	These options were granted at a price of Rs. 135, which is above the price at which the Equity Shares were allotted to GESCO.
Exercise price of options	Rs. 135
Total options vested	60,820
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	820,400
Options forfeited/lapsed/cancelled	105,500
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	820,400
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 8.48 (As on March 31, 2010)
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 2,365,483 (As on March 31, 2010) Impact on profit: Profit would be less by Rs. 2,365,483 Impact on EPS (basic) : 0.027 Impact on EPS (diluted) : 0.027
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below:

NAME OF DIRECTOR/ KEY MANAGEMENT PERSONNEL	TOTAL NO. OF OPTIONS GRANTED
Nisha Nath Jain	46,700
Alok Mahajan	70,000
P. V. Suresh	46,700

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

NAME OF EMPLOYEE	NO. OF OPTIONS GRANTED
Alok Mahajan	70,000
Mohandas Manghat	46,700
Naresh Sinha	46,700
Nisha Nath Jain	46,700
P. V. Suresh	46,700
Ravi Waikar*	46,700
Frank Dias	42,500
Kartik Modi	42,500
Rahul Pradhan	42,500
Vijaykumar Mattapally *	42,500
Atul Gawand	25,000
Nikhil Shah	25,000
P. K. Kumar	25,000
Vinay Taneja	16,300
Wilfred C. Pereira	16,300

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

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

1. We have audited the attached Balance Sheet of Greatship (India) Ltd. as at March 31, 2010 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

   (e) Without qualifying our opinion, we draw attention to:

      i) Note 11 (a) of Schedule 19, Notes to Accounts regarding change in accounting policy with effect from April 1, 2009, in respect of amortization of ancillary costs incurred in connection with the arrangement of borrowings over the period of borrowing. Consequent to the change, ancillary borrowing costs amounting to Rs. 20,868,831/- have been carried forward for amortization over the loan period and the profit for the period is higher to that extent.

      ii) Note 11 (b) of Schedule 19, Notes to Accounts regarding change in the method of ascertainment of cost of inventory of stores and spares on board Rigs from first-in-first-out basis to the weighted average method with effect from April 1, 2009. The change in the valuation of inventory and its impact on the profit for the year has not been ascertained however the impact is not expected to be significant.

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

      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and

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

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

5. On the basis of the written representations received from the Directors of the Company as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2009 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No. 32083

Place : Mumbai
Date : May 14, 2010

Annexure to the Auditor's Report

Referred to in Paragraph 3 of our report of even date on the accounts of Greatship (India) Ltd. for the year ended March 31, 2010:

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

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

   (c) In our opinion, there was no substantial disposal of fixed assets during the year.

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

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

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

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

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

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

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

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

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

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

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

9. (a) According to the information and explanations given to us and the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities, where applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2010 for a period of more than six months from the date of becoming payable.

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

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

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

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

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

14. In our opinion, the Company has maintained proper records of the transactions and contracts of investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under Section 49 of the Act.
15. According to the information and explanations given to us and the records examined by us, the Company has given guarantees for loans taken by its subsidiaries from banks or financial institutions, however, in our opinion, the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. As informed to us, the term loans were applied by the Company for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the Company has not utilised any funds raised on short-term basis for long-term investments.
18. The Company had made a preferential allotment of warrants to parties covered in the register maintained under Section 301 of the Act. In our opinion, the price at which the warrants have been issued are not prima facie prejudicial to the interests of the Company.
19. The Company has not issued any debentures.
20. The Company has not raised any money through public issues.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No. 32083

Place : Mumbai
Date : May 14, 2010

Balance Sheet as at March 31, 2010

	SCHEDULE	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	**1,741,000,000**	1,741,000,000
Application Money - Equity Warrants (Note 3)		**59,066,280**	59,066,280
Employee Stock Options Outstanding (Note 4)		**23,207,385**	18,879,656
Reserves & Surplus	2	**10,858,396,141**	9,689,612,230
		12,681,669,806	11,508,558,166
Loan Funds :			
Secured Loans	3	**6,160,047,495**	5,974,454,129
Foreign Currency Monetary Item Translation Difference Account			
Gain on long-term foreign currency monetary items		**5,700,757**	6,286,444
		18,847,418,058	17,489,298,739
APPLICATION OF FUNDS :			
Fixed Assets :	4		
Gross Block		**10,189,376,965**	8,609,301,487
Less : Depreciation		**1,017,238,559**	492,766,955
Net Block		**9,172,138,406**	8,116,534,532
Ships Under Construction		**590,395,597**	886,284,420
		9,762,534,003	9,002,818,952
Investments	5	**7,623,321,595**	8,383,332,082
Deferred tax assets (net)		**7,000,000**	-
Current Assets, Loans and Advances :			
Inventories	6	**379,737,117**	198,695,925
Sundry Debtors	7	**1,222,788,192**	632,503,196
Cash and Bank Balances	8	**1,732,576,099**	681,254,499
Other Current Assets	9	**144,060**	6,738,037
Loans and Advances	10	**139,611,605**	90,195,151
		3,474,857,073	1,609,386,808
Less :			
Current Liabilities and Provisions :			
Current Liabilities	11	**1,922,381,990**	1,503,237,386
Provisions	12	**97,912,623**	3,001,717
		2,020,294,613	1,506,239,103
Net Current Assets		**1,454,562,460**	103,147,705
		18,847,418,058	17,489,298,739
Significant Accounting Policies	18		
Notes on Accounts	19		

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Amisha M. Ghia
Company Secretary

Mumbai, May 14, 2010

For and on behalf of the Board

Ravi K. Sheth Managing Director

P. R. Naware Executive Director

Profit and Loss Account for the Year Ended March 31, 2010

PARTICULARS	SCHEDULE	CURRENT YEAR RS.	PREVIOUS YEAR RS.
INCOME :			
Income from Operations	13	**6,651,463,912**	2,413,090,366
Other Income	14	**65,480,538**	101,750,224
		6,716,944,450	2,514,840,590
EXPENDITURE :			
Operating Expenses	15	**4,453,631,121**	1,141,907,422
Administration & Other Expenses	16	**518,607,719**	256,759,615
Interest & Finance Charges	17	**337,658,412**	278,883,692
Depreciation		**527,003,369**	328,936,355
		5,836,900,621	2,006,487,084
Profit before tax		**880,043,829**	508,353,506
Less : Provision for tax			
- Current tax		**65,000,000**	-
- Deferred tax		**(7,000,000)**	-
- Fringe Benefit tax		**-**	2,100,000
- Tax adjustment of prior years		**(2,137,423)**	-
		55,862,577	2,100,000
Profit for the year after tax		**824,181,252**	506,253,506
Less : Prior Period Items		**2,421,901**	-
Net Profit		**821,759,351**	506,253,506
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961.		**120,000,000**	160,000,000
		701,759,351	346,253,506
Balance brought forward from previous year		**599,143,404**	252,889,898
Amount available for appropriation		**1,300,902,755**	599,143,404
Appropriations :			
Proposed Dividend on Preference Shares		**76,824,658**	-
Tax on Dividends		**12,759,615**	-
Balance carried forward		**1,211,318,482**	599,143,404
		1,300,902,755	599,143,404
Basic earnings per share (in Rs.)		**8.50**	6.41
Diluted earnings per share (in Rs.)		**8.48**	5.72
Significant Accounting Policies	18		
Notes on Accounts	19		

The Schedules referred to above form an integral part of the Profit and Loss Account.

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Mumbai, May 14, 2010

Amisha M. Ghia
Company Secretary

For and on behalf of the Board

Ravi K. Sheth Managing Director

P.R. Naware Executive Director

Cash Flow Statement for the year ended March 31, 2010

		CURRENT YEAR RS.	PREVIOUS YEAR RS.
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	PROFIT BEFORE TAX :	**880,043,829**	508,353,505
	Adjustment for:		
	Depreciation	**527,003,369**	328,936,355
	Interest income	**(10,873,007)**	(9,351,754)
	Interest paid	**337,658,413**	278,883,692
	Dividend income	**(30,574,533)**	(47,362,871)
	Provision for Bad and Doubtful Debts	**100,009,805**	3,993,618
	ESOP Costs	**4,327,729**	11,440,170
	(Profit) / Loss on sale of assets	**3,991,596**	209,087
	Profit on sale of investments	**(64,832)**	-
	Diminution in value of investment written back	**-**	(26,932,788)
	Loss on liquidation of subsidiary	**-**	26,870,616
	Prior Period Items	**(2,421,901)**	-
	Unrealised exchange (gain) / loss	**41,701,678**	38,725,884
		970,758,317	605,412,009
		1,851,295,998	1,113,765,514
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :		
	Adjustment for :		
	Inventories	**(181,041,192)**	(198,695,925)
	Trade & Other Receivables	**(744,595,134)**	293,148,950
	Trade payables	**936,648,051**	755,966,341
		11,011,725	850,419,366
	CASH GENERATED FROM OPERATIONS :	**1,861,813,871**	1,964,184,880
	Taxes paid	**(79,872,306)**	(6,393,279)
	NET CASH USED IN OPERATING ACTIVITIES :	**1,781,941,565**	1,957,791,601
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	**(2,051,452,116)**	(3,878,630,839)
	Proceeds from sale of Fixed Assets	**363,889**	740,000
	Investments in subsidiary companies	**(424,999,000)**	(3,740,120,863)
	Purchase of Investments	**(589,990,513)**	(6,590,585,500)
	Proceeds from sale of Investments	**1,775,064,832**	5,605,622,859
	Interest income	**17,092,616**	5,031,176
	Dividend income	**30,574,533**	47,362,871
	NET CASH FROM INVESTING ACTIVITIES :	**(1,243,345,759)**	(8,550,580,296)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of Share Capital	**-**	4,740,000,000
	Proceeds from Long Term Borrowings	**1,642,625,549**	2,935,878,731
	Repayment of Long Term Borrowings	**(696,653,974)**	(386,729,809)
	Interest paid	**(336,281,435)**	(239,703,567)
	NET CASH FROM FINANCING ACTIVITIES :	**609,690,140**	7,049,445,355
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**1,148,285,946**	456,656,660
	CASH AND CASH EQUIVALENTS AS AT April 1, 2009	**667,292,335**	210,635,675
	CASH AND CASH EQUIVALENTS AS AT March 31, 2010 (See note below)	**1,815,578,281**	667,292,335
	Note:		
		March 31, 2010	March 31, 2009
	Cash & Cash equivalents as on March 31, 2010	**1,732,576,099**	681,254,499
	Effect of exchange rate changes (Loss / (gain))	**83,002,182**	(13,962,164)
		1,815,578,281	667,292,335

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, May 14, 2010

Amisha M. Ghia
Company Secretary

For and on behalf of the Board

Ravi K. Sheth Managing Director

P. R. Naware Executive Director

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2010

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE "1"		
SHARE CAPITAL :		
AUTHORISED		
95,000,000 (Previous year 95,000,000) Equity Shares of Rs. 10 each	**950,000,000**	950,000,000
88,000,000 (Previous year 88,000,000) Preference Shares of Rs. 10 each	**880,000,000**	880,000,000
	1,830,000,000	1,830,000,000
ISSUED, SUBSCRIBED & PAID UP		
86,100,000 (Previous year 86,100,000) Equity shares of Rs. 10 each fully paid up	**861,000,000**	861,000,000
NIL (Previous year 88,000,000) 7.5% Cumulative Convertible Redeemable		
Preference Shares of Rs. 10 each fully paid up	**-**	880,000,000
88,000,000 (Previous year NIL) 7.5% Cumulative Redeemable	**880,000,000**	-
Preference Shares of Rs. 10 each fully paid up		
	1,741,000,000	1,741,000,000
Note :		
The entire share capital is held by The Great Eastern Shipping Company Limited, the holding company.		
SCHEDULE "2"		
RESERVES AND SURPLUS:		
Securities Premium Account		
Balance as per last Balance Sheet	**9,419,000,000**	5,769,000,000
Premium on shares issued during the year	**-**	3,650,000,000
Less : Transferred to Preference Share Capital Redemption Reserve Account	**(565,054,161)**	-
	8,853,945,839	9,419,000,000
Preference Share Capital Redemption Reserve Account		
Transfer from Securities Premium Account	**565,054,161**	-
Tonnage Tax Reserve Account under Section 115VT		
of the Income Tax Act 1961 :		
Balance as per last Balance Sheet	**248,500,000**	88,500,000
Transfer from Profit & Loss Account	**120,000,000**	160,000,000
	368,500,000	248,500,000
Hedging Reserve Account		
Gain/(Loss) on derivative contracts designated as cash flow hedges	**(140,422,341)**	(577,031,174)
Profit & Loss Account	**1,211,318,482**	599,143,404
	10,858,396,141	9,689,612,230
SCHEDULE "3"		
SECURED LOANS :		
Term Loans from Banks	**6,160,047,495**	5,974,454,129
(Secured by mortgage of vessels and corporate guarantee of The Great Eastern Shipping		
Company Limited, the holding company)		
	6,160,047,495	5,974,454,129

SCHEDULE "4"

FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT APRIL 1, 2009 RS.	ADDITIONS FOR THE YEAR RS.	DEDUCTIONS FOR THE YEAR RS.	**AS AT MARCH 31, 2010 RS.**	UPTO APRIL 1, 2009 RS.	ADJUSTMENTS/ DEDUCTION FOR ASSETS SOLD RS.	FOR THE YEAR RS.	UPTO MARCH 31, 2010 RS.	**AS AT MARCH 31, 2010 RS.**	AS AT MARCH 31, 2009 RS.
Tangible Assets										
Fleet	8,555,656,660	1,462,226,387	-	10,017,883,047	475,378,085	-	488,015,701	963,393,786	**9,054,489,261**	8,080,278,578
Leasehold Improvements	3,347,381	1,978,214	-	5,325,595	1,060,003	-	867,298	1,927,301	**3,398,294**	2,287,378
Furniture & Fixtures	11,376,710	4,501,786	-	15,878,496	3,400,497	-	2,724,690	6,125,187	**9,753,309**	7,976,213
Computers	6,664,112	6,920,967	-	13,585,079	3,286,005	-	3,843,830	7,129,835	**6,455,244**	3,378,107
Office Equipments	11,393,935	2,636,641	22,600	14,007,976	3,627,746	7,910	2,550,944	6,170,780	**7,837,196**	7,766,189
Vehicles	11,342,667	7,889,791	829,427	18,403,031	4,406,142	518,392	3,765,726	7,653,476	**10,749,555**	6,936,525
Plant & Machinery	-	68,839,642	-	68,839,642	-	-	20,939,834	20,939,834	**47,899,808**	-
Intangible Assets										
Software	9,520,019	31,969,302	6,035,222	35,454,099	1,608,477	2,005,463	4,295,346	3,898,360	**31,555,739**	7,911,542
Total	8,609,301,484	1,586,962,730	6,887,249	10,189,376,965	492,766,955	2,531,765	527,003,369	1,017,238,559	**9,172,138,406**	8,116,534,532
Previous Period - Total	3,850,852,143	4,883,892,471	125,443,129	8,609,301,484	170,131,137	(6,300,537)	328,936,355	492,766,955		-
Ships under construction									**590,395,597**	**886,284,420**
Total									**9,762,534,003**	**9,002,818,952**

	CURRENT YEAR			PREVIOUS YEAR	
	FACE VALUE	NO. OF UNITS	RS.	NO. OF UNITS	RS.
SCHEDULE "5"					
INVESTMENTS :					
Long Term Investments					
(At cost - fully paid)					
Equity shares : Trade - Unquoted					
Subsidiaries					
Greatship Global Energy Services Pte. Ltd, Singapore	USD 64	**282,252**	**809,284,267**	282,252	809,284,267
	USD 1	**1**	**44**	1	44
Greatship Global Holdings Ltd., Mauritius	USD 1	**152,101,774**	**6,359,422,866**	143,101,774	5,934,423,866
9,000,000 (Previous year 85,521,224) shares aquired during the year					
Greatship DOF Subsea Private Limited	Rs.100	**1,000**	**100,000**	1000	100,000
			7,168,807,177		6,743,808,177
Current Investments					
(At lower of cost and fair value - fully paid)					
Mutual Funds : Non Trade - Unquoted					
SBI SHF Ultra Short Term Fund IP	Rs.10	**6,918,034**	**69,215,065**	40,505,973	405,262,263
(395,070 units acquired and 33,983,009 units redeemed during the year)					
Reliance Money Manager Fund Institution Option	Rs.1,000	**179,386**	**179,589,369**	410,978	411,444,757
(127,999 units acquired and 359,591 units redeemed during the year)					
HSBC Ultra Short Term Bond Fund - IP DDR	Rs.10	**-**	**-**	41,233,741	414,359,004
(115,950 units acquired and 41,349,691 units redeemed during the year)					

	CURRENT YEAR			PREVIOUS YEAR	
	FACE VALUE	NO. OF UNITS	RS.	NO. OF UNITS	RS.
Reliance Medium Term Fund	Rs. 10	**2,931,248**	**50,111,151**	-	-
(2,931,248 units acquired during the year)					
HDFC Liquid Fund - Premium Plan DDR	Rs. 10	**4,078,902**	**50,006,525**	-	-
(17,947,729 units acquired and 13,868,827 units redeemed during the year)					
HDFC Cash Management Fund - Treasury Adv. Plan	Rs. 10	**10,526,074**	**105,592,308**	40,717,528	408,457,881
(14,168,811 units acquired and 44,360,265 units redeemed during the year)			**454,514,418**		1,639,523,905
			7,623,321,595		8,383,332,082

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE "6"		
INVENTORIES :		
(At Lower of cost and net realisable value)		
- Stores & Spares on board Rigs	**352,612,126**	174,736,729
- Fuel Oils	**27,124,991**	23,959,196
	379,737,117	198,695,925
SCHEDULE "7"		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding over six months		
- Considered good	**7,061,742**	23,705,306
- Considered doubtful	**104,003,423**	998,019
	111,065,165	24,703,325
Other Debts considered good		
- Considered good	**1,215,726,450**	608,797,890
- Considered doubtful	**-**	2,995,599
	1,215,726,450	611,793,489
Less: Provision for doubtful debts	**104,003,423**	3,993,618
	1,222,788,192	632,503,196
SCHEDULE "8"		
CASH AND BANK BALANCES :		
Cash on hand	**47,597**	61,660
Balances with scheduled banks		
- on current account	**89,215,870**	9,075,940
- on deposit account	**227,463,054**	353,600,000
	316,678,924	362,675,940
Balances with other banks		
on current account with The Royal Bank of Scotland, London	**1,393,893,020**	318,516,899
(Maximum Balance - Rs. 1,539,680,967/- Previous year - Rs. 640,529,419/-)		
on current account with Societie Generale, Singapore	**19,730,732**	-
(Maximum Balance - Rs. 70,118,767/- Previous year - NIL)		
on current account with The Bank of Nova Scotia, Singapore	**2,225,826**	-
(Maximum Balance - Rs. 648,314,555/- Previous year - NIL)		
	1,415,849,578	318,516,899
	1,732,576,099	681,254,499

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE “9”		
OTHER CURRENT ASSETS :		
Interest accrued on deposits	**144,060**	6,738,037
	144,060	6,738,037
SCHEDULE “10”		
LOANS AND ADVANCES :		
(Unsecured - considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	**70,973,910**	46,419,663
Agents current accounts	**10,897,058**	8,322,021
Advance payment of Income-tax & tax deducted at source	**22,874,518**	8,204,666
(Net of Provision for taxation - Rs. 73,774,567/-, Previous year - Rs. 12,634,567/-)		
Deposits	**34,866,119**	27,248,801
	139,611,605	90,195,151
SCHEDULE “11”		
CURRENT LIABILITIES :		
Sundry Creditors		
- Outstanding dues of Micro Enterprises and Small Enterprises	**-**	-
- Dues of other creditors	**351,023,353**	313,188,128
Other Liabilities	**443,144,764**	187,396,534
Derivative contracts payables (net)	**140,422,341**	577,031,174
Due to Subsidiary companies	**899,021,785**	333,331,581
Advance Charter Hire	**37,707,600**	42,604,800
Interest accrued but not due on loans	**51,062,147**	49,685,169
	1,922,381,990	1,503,237,386
SCHEDULE “12”		
PROVISIONS :		
Provision for Compensated Absences	**2,451,162**	1,544,965
Provision for Gratuity	**5,877,188**	1,456,752
Proposed Dividend on Preference Shares	**76,824,658**	-
Provision for tax on dividends	**12,759,615**	-
	97,912,623	3,001,717

Schedules Annexed to and forming part of the Profit and Loss account for the year ended March 31, 2010

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE "13"		
INCOME FROM OPERATIONS :		
Charter Hire (Gross)	**6,628,595,152**	2,395,890,412
(Income tax deducted at source Rs. 78,935,473/- Previous year Rs. 3,549,654/-)		
Liquidated damages for late delivery of vessels	**22,868,760**	16,662,000
Insurance claim received	**-**	537,954
	6,651,463,912	2,413,090,366

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
SCHEDULE "14"		
OTHER INCOME :		
Agency Income	**22,882,000**	18,102,810
Dividend on current investments	**30,574,533**	47,362,871
Interest earned (Gross)		
- on deposits with banks	**9,504,195**	9,351,755
- on Inter Company Loans	**994,444**	-
- Income tax refund	**374,368**	-
(Income-tax deducted at source Rs. 109,350/-, Previous year Rs. 386,047/-)		
Provision for diminution in value of investment written back	**-**	26,932,788
Miscellaneous Income	**1,150,998**	-
	65,480,538	101,750,224
SCHEDULE "15"		
OPERATING EXPENSES :		
Fuel	**43,969,127**	8,708,869
Port Dues	**25,394,698**	6,552,548
Hire of Chartered Rig and other vessels	**2,681,186,789**	421,436,012
Rig mobilisation expenses	**123,246,802**	147,466,632
Brokerage & Commission	**14,083,061**	21,755,545
Agency fees	**15,420,728**	4,814,389
Wages, Allowances and Other expenses - Floating Staff	**753,132,646**	245,512,036
Contribution to Provident & Other Funds - Floating Staff	**3,385,191**	3,992,243
Stores	**192,461,609**	37,137,470
Repairs & Maintenance - Fleet & Rigs	**171,407,332**	74,410,926
Insurance & Protection Club Fees	**143,648,830**	27,888,578
Loss on foreign currency transactions (net)	**226,100,452**	79,270,525
Sundry Operating Expenses	**60,193,856**	62,961,649
	4,453,631,121	1,141,907,422
SCHEDULE "16"		
ADMINISTRATION & OTHER EXPENSES :		
Staff Expenses :		
- Salaries, Allowances & Bonus	**218,698,720**	112,920,606
- Contribution to Provident & Other Funds	**9,964,080**	1,934,947
- Staff Welfare Expenses	**2,083,136**	627,080
Rent	**37,696,532**	28,172,300
Insurance	**5,462,522**	2,518,387
Repairs and Maintenance - Others	**1,487,506**	2,184,192
Auditors' remuneration	**3,808,161**	2,205,789
Travelling Expenses	**23,762,257**	22,610,235
Legal & Professional expenses	**10,082,623**	12,674,985
Filing & Application fees	**4,442,546**	13,088,610
Miscellaneous Expenses	**62,611,511**	26,958,250
Loss on liquidation of subsidiary	**-**	26,870,616
Loss on Swap contract cancellation	**38,498,320**	-
Provision for Doubtful Debts	**100,009,805**	3,993,618
	518,607,719	256,759,615
SCHEDULE "17"		
INTEREST & FINANCE CHARGES :		
Interest on Fixed Loans	**328,008,239**	246,814,637
Finance charges	**10,018,104**	36,296,011
	338,026,343	283,110,648
Less : Pre-delivery interest & finance charges capitalised	**(367,931)**	(4,226,956)
	337,658,412	278,883,692

SCHEDULE “18”

SIGNIFICANT ACCOUNTING POLICIES :

(a) Accounting Convention :

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government and the provisions of the Companies Act, 1956.

(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 year. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual results could differ from the estimates.

(c) Fixed Assets :

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

(d) Investments :

(i) Investments are classified into long-term and current investments.

(ii) Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.

(iii) Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

(e) Inventories :

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

(f) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition / construction of the qualifying assets are capitalized as part of the asset, upto the date of acquisition / completion of construction. Other borrowing costs are recognised as expense in the year in which they are incurred.

(g) Revenue Recognition :

Charter hire earnings are recognised as the service is performed and accrued on the time basis over the period of the agreement.

(h) Operating Expenses :

(i) Operating expenses and standing charges are charged to revenue on accrual basis.

(ii) Stores and spares delivered on board the vessel are charged to revenue. Spares on board the Rig are charged to revenue on consumption basis.

(i) 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 income statement on a straight-line basis over the term of the relevant lease.

(j) Employee Benefits :

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Other Long-Term Benefits

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

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

(k) Depreciation :

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

		Estimated Useful life
Fleet - Offshore Supply Vessels	Straight line over balance useful life or 5%, whichever is higher	25 to 30 years
Furniture & Fixtures, Office Equipment, etc	Straight line	5 years
Computers	Straight line	3 years
Vehicles	Straight line	4 years
Leasehold Improvements	Straight line over lease period	5 years
Software	Straight line	5 years
Plant & Machinery	Straight line over contract period	3 years

(l) Asset Impairment :

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

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

(m) Foreign Exchange Transactions :

(i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the year end are translated at closing rates. The difference in translation of long-term monetary items and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long-term asset/liability, but not beyond March 31, 2011 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 Profit & Loss Account.

(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 Profit and Loss Account, 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 items.

(n) Derivative Financial Instruments and Hedging :

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

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

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

(o) Provision for Taxation :

Tax expense comprises both current and deferred tax.

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

(ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date.

(p) Provisions and Contingent Liabilities :

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

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

Schedule: 19 – Notes To Accounts

1. **Contingent Liabilities :**

   a) Guarantees given by banks Rs. 704,670,502/- (Previous year - Rs. 620,879,761/-).

   b) Corporate guarantees given on behalf of subsidiary companies Rs. 16,235,804,876/- (Previous year - Rs. 11,003,690,000/-).

   c) During the year the Company imported a vessel under Bill of Entry for Home Consumption. The Dy. Commissioner of Customs, Mumbai, pending clarification sought by him from the Central Board of Excise and Customs, New Delhi, regarding clearance of the vessels under the Served from India Scheme cleared the vessel by provisionally assessing the Bill of Entry for Rs. 88,230,240/- being the amount of custom duty. The Company has furnished security Bond against this provisional assessment for the full value of the vessel for Rs. 936,465,997/-.

   d) The Company filed a Service Tax Refund application with the Assistant Commissioner of Service Tax, Division III, Mumbai Commissionerate for Service tax refund of Rs. 7,720,613/- for a period from June 2007 to November 2007, on certain non-taxable services. If the Service tax refund, as above, is allowed, the Company may have to reverse the CENVAT credit availed. The maximum liability on this account is not expected to exceed Rs. 2,212,757/-. The net receivable amount of Rs. 5,507,856/- has been shown as contingent liability in case the company's application for refund is not accepted by the department.

2. **Share Capital :**

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

   a) 14,500,000 Preference Shares on April 1, 2013

   b) 14,500,000 Preference Shares on April 1, 2014

   c) 14,500,000 Preference Shares on April 1, 2015

   d) 14,500,000 Preference Shares on April 1, 2016

   e) 15,000,000 Preference Shares on April 1, 2017

   f) 15,000,000 Preference Shares on April 1, 2018

   The Company also has an option of early redemption by providing one month's notice to the holding company. The redemption can be in part or in full subject to a minimum of 25 lakh shares at a time. In case of early redemption, the premium on redemption would be determined at such time so as to provide an effective yield to maturity of 7% to the holding company.

3. **Warrants against Share Capital :**

   On March 19, 2008, the Company had issued and allotted 4,207,000 Warrants out of total 6,027,000 Warrants approved by the shareholders, to the promoter directors of the holding company, 'The Great Eastern Shipping Co. Ltd.' The Warrant holders have the option to convert these Warrants into equal numbers of equity shares of Rs. 10/- each of the Company, at a price of Rs. 140.40/- per equity share. The said warrants are exercisable not earlier than three months prior from the date on which the Company proposes to file a Draft Red Herring Prospectus (DRHP) with SEBI for IPO ("Date") but not later than 30 days from the Date as on March 31, 2010, the Promoter Directors of the holding company had not exercised the option of conversion of above warrants to equity shares.

   Subsequent to the Balance Sheet date, 2,103,500 warrants were converted into equal number. of equity shares on April 30, 2010, at the predetermined price of Rs. 140.40 per equity share, and Rs. 265,798,260 was received on conversion of warrants into equity shares. For the balance 2,103,500 warrants which were not converted, the advance amount of Rs. 29,533,140 paid at time of applying for the warrants, stood forfeited. The remaining 1,820,000 warrants out of the total approved issue were cancelled as the warrant holders conveyed their intention of not applying for the same. The Draft Red Herring Prospectus (DRHP) was filed with SEBI on May 12, 2010.

4. **Employee Stock Option Schemes :**

   All the ESOPs are in respect of Company's shares where each stock option is equivalent to one equity share. The employee stock options of the Company are presently operated under four different Employee Stock Options Schemes ('Scheme/s') for the employees of the Company (including employees of parent company and subsidiaries). During the year under review, the Company has granted 445,500 options under ESOP 2008 – II and 46,700 options under ESOP 2007. Subsequent to the Balance Sheet date, the shareholders have approved the proposal to frame a new SEBI compliant Scheme – ESOP 2010 ("ESOP 2010") for grant of employee stock options to the employees of the Company and subsidiaries. The options available for future grants aggregating to 10,28,900 options under the existing schemes ESOP 2007, ESOP 2007 – II, ESOP 2008 – I and ESOP 2008 - II were transferred to the proposed new employee stock option scheme – ESOP 2010. There would be no further grants under the existing Schemes after filing of the draft red herring prospectus.

As of March 31, 2010 , 1,385,600 options were outstanding under the existing schemes.

The details of the existing Schemes and movements during the year under review are summarized as under:

SR. NO.	PARTICULARS	ESOP 2007	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II
1.	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	12/02/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09 18/03/10
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08
4.	Options approved	1,000,000	200,000	100,000	1,710,000
5.	Options outstanding at the beginning of the year	537,900	89,100	60,000	311,900
6.	Options granted during the year	05/05/09 - 46,700	–	–	05/05/09 – 81,400 24/07/09 – 32,900 23/10/09 – 201,200 28/12/09 – 118,400 18/03/10 – 11,600
7.	Options cancelled/ forfeited during the year	–	–	–	105,500
8.	Options Exercised during the year	–	–	–	–
9.	Options outstanding at the end of the year	584,600	89,100	60,000	651,900
10.	Exercise Price/ Weighted Average Exercise Price	100	100	100	135
11.	Exercise period from the date of vesting	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/ listing whichever is later
12.	Exercisable at end of the year	–	–	–	–
13.	Method of Settlement	Equity/Cash	Equity	Equity	Equity/Cash
14.	Vesting period from the date of grant	20% equally over a period of five years	One year	One year	20% equally over a period of five years
15.	Vesting conditions	Continued employment with the Company (includes transfer within group companies)	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within Company and subsidiaries)

a) Modification of ESOP Schemes during the year:

For two existing Schemes - ESOP 2007 and ESOP 2008 – II, the vesting condition of the Company achieving 80% of the budgeted profits has been cancelled. Accordingly, the options under these Schemes continue to vest as per the vesting schedule in each scheme.

b) The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense amount which is the difference between exercise price of the option and the intrinsic value of shares amortised in the current year is Rs. 4,327,729/- (Previous year Rs. 11,440,170/-):

The cumulative amount of Employee Stock Option expense amortised upto March 31, 2010 of Rs. 23,207,385/- is included under Share Capital in Balance Sheet.

Had the compensation cost for the stock options granted during this year under ESOP 2007 and ESOP 2008 – II been recognised, basis fair value method, the compensation expense to be amortised would be Rs. 2,365,483/- (Previous year Rs. 744,000/-) The impact on EPS (basic) and EPS (diluted), had the fair value method been used, would be 0.027 (Previous year 0.009) and 0.027 (Previous year 0.008) respectively.

5. **Fixed Assets :**

a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. 4,912,465,970/- (Previous year Rs. 7,071,101,389/-)

b) The amount of exchange (loss) / gain on account of fluctuation of the rupee against foreign currencies and (loss) / gain on hedging contracts (including on cancellation of forward covers), relating to long-term monetary items and capital commitments for acquisition of depreciable capital assets reduced from the carrying amount of fixed assets in the current year - Rs. 665,453,065/- (Previous year Rs. 909,290,241/-).

6. **Investments :**

i) In the financial year 2008-2009, the Company had subscribed to the Memorandum of Association of Greatship DOF Subsea Projects Private Limited (GDSP) and accordingly subscribed to 1,000 shares in the capital of GDSP amounting to Rs. 100,000/- (Rupees One Lakh). GDSP was incorporated on November 10, 2008 to focus on the subsea projects opportunities in joint venture with DOF Subsea Pte. Ltd., Singapore. The joint venture has been terminated by mutual consent post the Balance Sheet date.

ii) The voluntary liquidation of Greatship Holdings B.V., an erstwhile subsidiary company was completed on June 29, 2008 and registered with the Chamber of Commerce of Netherlands on July 17, 2008.

7. **The balances of debtors and creditors are subject to confirmation.**

8. **Current Liabilities :**

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'. Amount overdue on account of principal amount and interest thereon as on March 31, 2010 is Rs. NIL (Previous year Rs. NIL)

9. **Taxation :**

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

Deferred tax asset in respect of the non-tonnage income of the company as at the year end is comprised of:

	CURRENT YEAR	PREVIOUS YEAR
Difference in depreciation as per books and Income Tax	**7,000,000**	–

10. **Auditors Remuneration :**

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
– Audit Fees	**1,000,000**	850,000
– In Other Capacity		
– Tax Audit	**200,000**	200,000
– Taxation matters	**1,150,000**	392,416
– Certification & other services	**1,458,161**	763,373
	3,808,161	2,205,789

11. **Changes in accounting policies:**

a) With effect from April 1, 2009, the Company has included ancilliary costs, namely arrangement fees/upfront fees, incurred in connection with the arrangement of borrowings as part of borrowing costs and amortised the same over the period of borrowing. Upto the previous year, such ancilliary costs were being charged to revenue in the period in which the borrowing was arranged. Consequent to the change, ancilliary borrowing costs amounting to Rs. 20,868,831/- have been carried forward for amortization over the loan year and the profit for the year is higher to that extent.

b) With effect from April 1, 2009, the Company has changed the method of ascertainment of cost of inventory of stores and spares on board Rigs from first-in-first-out basis to the weighted average method, pursuant to implementation of the enterprise resource planning software. The change in the valuation of inventory and its impact on the profit for the year could not be ascertained, however, the impact is not expected to be significant.

12. Managerial Remuneration:

(i) Managerial Remuneration paid/payable to Directors for the year is as follows:

	CURRENT YEAR RS.	PREVIOUS YEAR RS.
Commission to whole time directors	**26,550,000**	–
	26,550,000	–

(ii) Computation of Net Profit in accordance with Section 198 of the Companies Act, 1956:

		CURRENT YEAR RS.		PREVIOUS YEAR RS.
Profit for the year before tax		**880,043,829**		–
Add:				
Managerial Remuneration	**26,550,000**		–	
Provision for doubtful debts and advances	**100,009,805**		–	
Depreciation as per books	**527,003,369**	**653,563,174**	–	–
		1,533,606,999		–
Less:				
Depreciation u/s 350 of the Companies Act, 1956	**527,003,369**		–	
Capital Loss on sale of Fixed Assets	**(3,991,596)**	**523,011,774**	–	–
Net Profit for Section 198 of the Companies Act, 1956		**1,010,595,225**		–
10% of Net Profit as computed above		**101,059,522**		–
Total Managerial Remuneration		**26,550,000**		–

13. Particulars of investments Purchased and sold during the year:

PARTICULARS	FACE VALUE (RS.)	NUMBER OF UNITS	PURCHASE AMOUNT (RS.)
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Option	10	18,974,045	290,060,026

14. Related Party Disclosures :

List of Related Parties

a) Holding Company :
The Great Eastern Shipping Co. Ltd.

b) Subsidiary Companies :
Greatship Holdings B.V., Netherlands (Liquidated on July 17, 2008)
Greatship Global Holdings Ltd., Mauritius (Incorporated on May 30, 2007)
Greatship Global Energy Services Pte Ltd., Singapore ((Incorporated on October 23, 2006)
Greatship Global Offshore Services Pte Ltd., Singapore (Incorporated on May 8, 2007)

c) Fellow Subsidiaries :
The Great Eastern Chartering LLC (FZC), Sharjah
The Great Eastern Shipping Co. (London) Ltd., London
The Greatship (Singapore) Pte. Ltd., Singapore

d) Joint Venture:
Greatship DOF Subsea Private Limited, Mumbai (Incorporated on November 10, 2008)

e) Key Management Personnel and Relatives :
Mr. Bharat K. Sheth - Chairman
Mr. Ravi K. Sheth - Managing Director
Mr. P. R. Naware - Executive Director
Ms. Nirja B. Sheth - Daughter of Chairman

Transactions with related parties

NATURE OF TRANSACTION	HOLDING COMPANY		SUBSIDIARY COMPANIES		FELLOW SUBSIDIARIES		KEY MANAGEMENT PERSONNEL AND RELATIVES	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Purchase of Assets	–	903,970	–	–	–	–	–	–
Gurantees Given/(received)								
The Great Eastern Shipping Company Limited	**(20,110,883,731)**	(1,378,570,000)						
Greatship Global Offshore Services Pte. Ltd.			**9,206,220,000**	–				
Greatship Global Energy Services Pte. Ltd.			**7,029,770,000**	–				
Loan Given and returned								
Greatship Global Energy Services Pte. Ltd.	–	–	**194,960,000**	–	–	–	–	–
Advance Given/(received back)								
The Great Eastern Shipping Company Limited	**(9,059,050)**	(21,225,296)						
Loss on liquidation of subsidiary written off								
Greatship Holdings B. V.	–	–	–	26,870,616	–	–	–	–
Purchase of Inventories								
Greatship Global Energy Services Pte. Ltd.	–	–	**238,763,662**	183,862,254	–	–	–	–
Agency Income								
Greatship Global Offshore Services Pte. Ltd.	–	–	**22,882,000**	18,102,810	–	–	–	–
Interest Income on Loan								
Greatship Global Energy Services Pte. Ltd.	–	–	**994,444**	–	–	–	–	–
Inchartering Expenses								
Greatship Global Energy Services Pte. Ltd.	–	–	**2,374,604,609**	106,778,759	–	–	–	–
Greatship Global Offshore Services Pte. Ltd.	–	–	**195,083,471**	32,830,542	–	–	–	–
Agency Fees The Greatship (Singapore) Pte. Ltd.	–	–	–	–	**49,180**	25,865	–	–
Finance received								
Share Capital	–	4,740,000,000	–	–	–	–	–	–
Remuneration Paid								
Ravi K. Sheth	–	–	–	–	–	–	**2 1,000,000**	–
P. R. Naware	–	–	–	–	–	–	**5 ,550,000**	–
Nirja B. Sheth	–	–	–	–	–	–	**4 90,898**	133,314
Finance provided								
Equity contribution to								
Greatship Global Holdings Ltd.	–	–	**424,999,000**	3,740,020,863	–	–	–	–
Greatship DOF Subsea Private Limited	–	–	–	100,000	–	–	–	–
Re-imbursement of Expenses								
The Great Eastern Shipping Company Ltd.	**6,572,181**	3,485,220	–	–	–	–	–	–
Greatship Global Energy Services Pte. Ltd.	–	–	**40,668,162**	5,612,034	–	–	–	–
Greatship Global Offshore Services Pte. Ltd.	–	–	**941,944**	1,834,383	–	–	–	–
The Greatship (Singapore) Pte. Ltd.	–	–	–	–	**4,813,155**	2,134,811	–	–
Outstanding balance as on 31.03.2010								
Receivables								
The Great Eastern Shipping Company Ltd.	–	9,059,050	–	–	–	–	–	–
Greatship Global Offshore Services Pte. Ltd.	–	–	**8,933,379**	–	–	–	–	–
Payables								
The Great Eastern Shipping Company Ltd.	**32,691**	–	–	–	–	–	–	–
Greatship Global Energy Services Pte. Ltd.	–	–	**848,478,159**	296,253,047	–	–	–	–
Greatship Global Offshore Services Pte. Ltd.			**59,477,005**	36,978,534				
Greatship DOF Subsea Private Limited			–	100,000				
The Greatship (Singapore) Pte. Ltd.						572,372		

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

15. Hedging Contracts :

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

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

i) Derivative instruments outstanding :

(a) Forward exchange contracts :

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts	**-**	**-**	-	11
Foreign Currency Value (USD million)	**-**	**-**	-	13
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	**-**	**-**	-	(68,838,901)
Maturity Period	**-**	**-**	-	Upto 11 Months

(b) Cross currency forward exchange contracts :

DETAILS	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts	**5**	9
Cross currency Euro to US Dollars (in million)	**-**	12.61
Cross currency Singapore to US Dollars (in million)	**55.42**	60.38
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	**(94,610,145)**	(385,152,673)
Maturity Period	**Upto 8 Months**	Upto 20 months

(c) Interest rate swap contracts :

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts	**3**	2
Principal Notional Amount (USD million)	**31.10**	27.18
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	**(61,697,033)**	(89,638,710)
Maturity Period	**Upto 89 Months**	Upto 37 Months

(d) Interest portion of Currency swap contracts :

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts	**5**	5
Principal Notional Amount (USD million)	**70.08**	78.54
Principal Notional Amount (JPY million)	**(7,536.75)**	8,449.32
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	**15,884,837**	(1,469,603)
Maturity Period	**Upto 104 Months**	Upto 116 Months

(e) Currency swap contracts :

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts	**5**	5
Principal Notional Amount (USD million)	**70.08**	78.54
Principal Notional Amount (JPY million)	**(7,536.75)**	8,449.32

ii) Un-hedged foreign currency exposures as on March 31, 2010 :

	CURRENT YEAR	PREVIOUS YEAR
Loan liabilities and Payables		
(USD in millions)	**173.52**	6.20
(AED in millions)	**1.23**	0.02
(Euro in millions)	**1.44**	0.01
(GBP in millions)	**0.18**	0.74
(JPY in millions)	**0.07**	64.96
(NOK in millions)	**1.08**	0.09
(SGD in millions)	**2.44**	0.44
Other Currencies (in millions)	**0.84**	0.39
Receivables		
(USD in millions)	**29.68**	-
(GBP in millions)	**-**	0.38
Bank Balances		
(USD in millions)	**12.34**	9.12
(GBP in millions)	**0.45**	1.51

iii) The above mentioned derivative contracts having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and the interest rate risk, have been designated as hedge instruments that qualify as effective cash flow hedges. The mark-to-market loss / (gain) on the foreign exchange derivative contracts outstanding as on March 31, 2010 amounting to loss of Rs. 140,422,341/- (Previous year loss of Rs. 545,099,887/-) has been recorded in the Hedging Reserve Account as on March 31, 2010.

16. Employee Benefits :

The particulars of employee benefits offered by the Company are as under :

a) Defined Contribution Plans :

The Company has recognised the following amount in Profit and Loss Account :

	CURRENT YEAR	PREVIOUS YEAR
Contribution to Employee's Provident Fund	**4,156,206**	1,745,240
Contribution to Employee's Superannuation Fund	**919,153**	900,868

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

Valuation in respect of Gratuity and Leave Encashment have been carried out by an independent actuary, as at the Balance Sheet date, based on the following assumptions:

	GRATUITY		LEAVE WAGES	
ACTUARIAL ASSUMPTION FOR THE YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
a) Discount Rate (per annum)	**6.0%**	6.0%	**6.0%**	6.0%
b) Rate of Return on Plan Assets	**NA**	NA	**NA**	NA
c) Salary Escalation Rate	**6.0%**	4.0%	**6.0%**	4.0%
d) Mortality	**LIC-Ultimate 94-96**	LIC-Ultimate 94-96	**LIC-Ultimate 94-96**	LIC-Ultimate 94-96
e) Withdrawal rate - Shore Staff	**5.0%**	3.0%	**5.0%**	3.0%
f) Withdrawal rate - Rig Staff	**15.0%**	-	**-**	-
g) Expected average remaining service - Shore Staff	**11.80**	20.93	**11.81**	14.45
h) Expected average remaining service - Rig Staff	**5.04**	-	**-**	-

i) Change in Benefit Obligation:	GRATUITY		LEAVE WAGES	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Liability at the beginning of the year	**1,456,752**	2,167,914	**615,266**	599,466
Interest Cost	**87,405**	151,754	**36,206**	38,509
Current Service Cost	**3,341,696**	954,771	**2,404,356**	968,547
Benefits Paid	**-**	-	**(23,661)**	(98,675)
Actuarial (Gain) / loss on Obligation	**991,335**	(1,817,687)	**(1,652,467)**	(892,581)
Liability at the end of the year	**5,877,188**	1,456,752	**1,379,700**	615,266

ii) Fair Value of Plan Assets:	GRATUITY		LEAVE WAGES	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Fair Value of Plan Assets at the beginning of the year	**-**	-	**-**	-
Expected Return on Plan Assets	**-**	-	**-**	-
Employer's Contribution	**-**	-	**23,661**	98,675
Benefits Paid	**-**	-	**(23,661)**	(98,675)
Actuarial Gain / (loss) on Plan Assets	**-**	-	**-**	-
Fair Value of Plan Assets at the end of the year	**-**	-	**-**	-

iii) Actual Return on Plan Assets:	GRATUITY		LEAVE WAGES	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Expected Return on Plan Assets	**-**	-	**-**	-
Actuarial Gain / (loss) on Plan Assets	**-**	-	**-**	-
Actuarial Return on Plan Assets	**-**	-	**-**	-

iv) Amount Recognised in the Balance Sheet	GRATUITY		LEAVE WAGES	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Liability at the end of the Year	**5,877,188**	1,456,752	**1,379,700**	615,266
Fair Value of Plan Assets at the end of the year	**-**	-	**-**	-
Difference	**5,877,188**	1,456,752	**1,379,700**	615,266
Unrecognised past Service Cost	**-**	-	**-**	-
Amount Recognised in Balance Sheet	**5,877,188**	1,456,752	**1,379,700**	615,266

v) Expenses Recognised in the Profit & Loss A/c	GRATUITY		LEAVE WAGES	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Service Cost	**3,341,696**	954,771	**2,404,356**	968,547
Interest Cost	**87,405**	151,754	**36,206**	38,509
Acturial return on Plan Assets	**-**	-	**-**	-
Net Acturial (Gain) / Loss to be recognised	**991,335**	(1,817,687)	**(1,652,467)**	(892,581)
Expenses recognised in the P & L A/c	**4 ,420,436**	(711,162)	**788,095**	114,475

General Description :

a) Gratuity :

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.

b) Leave Encashment :

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed at 15 days. The leave over and above 15 days for all employees is encashed and paid to employees on June 30, every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

17. Earnings Per Share :

	BASIC EARNINGS PER SHARE	CURRENT YEAR	PREVIOUS YEAR
(a)	Profit for the year after tax Rs.	**821,759,351**	506,253,505
	Less: Dividend on Cumulative Preference Shares Rs.	**76,824,658**	11,013,699
	Less: Dividend Distribution Tax Rs.	**12,759,615**	1,871,227
	Profit attributable to Equity Share holders Rs.	**732,175,078**	493,368,579
(b)	Number of Equity Shares as on April 1,	**86,100,000**	65,100,000
	Number of Equity shares as on March 31,	**86,100,000**	86,100,000
	Weighted average number of Equity shares outstanding during the year	**86,100,000**	76,990,411
(c)	Face value of Equity Share Rs.	**10.00**	10.00
(d)	Basic earnings per shares Rs.	**8.50**	6.41

	DILUTED EARNINGS PER SHARE		
(a)	Profit attributable to Equity Share holders Rs.	**821,759,351**	493,368,579
	Less: Dividend on Cumulative Preference Shares Rs.	**76,824,658**	11,013,699
	Less: Dividend Distribution Tax Rs.	**12,759,615**	1,871,227
	Profit attributable to Equity Share holders Rs.	**732,175,078**	506,253,505
(b)	Weighted average number of Equity shares outstanding during the year	**86,100,000**	76,990,411
	Add: Potential Equity shares on exercise of options	**196,286**	196,286
	Add: Potential Equity Shares of Conversion of Preference Shares	**-**	11,340,117
	Weighted average number of Equity shares outstanding during the year	**86,296,286**	88,526,814
(c)	Face value of Equity Share Rs.	**10.00**	10.00
(d)	Diluted earnings per shares Rs.	**8.48**	5.72

18. Operating Lease :

a) The Company has taken two Rigs on operating lease for 3 years and 5 years respectively. Premises taken on leave & license basis which is similar to an operating lease are also included in the leasing arrangements here under :

TOTAL FUTURE MINIMUM LEASE PAYMENTS	CURRENT YEAR	PREVIOUS YEAR
Not later than 1 year		
Premises	**43,033,848**	31,595,618
Rigs and Vessel	**3,084,545,648**	1,882,751,760
Later than 1 year and not later than 5 years		
Premises	**65,369,816**	76,130,773
Rigs	**5,462,140,458**	3,657,180,816
Later than 5 years		
Premises	**-**	-
Rigs		

b) Lease payments recognised in the statement of Profit and Loss Account for the year Rs. 2,424,356,530/- (Previous year Rs. 134,973,675/-)

19. Segment Reporting :

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

20. Information pursuant to para 4D of part II of Schedule VI of the Companies Act, 1956 has not been given in view of the exemption granted by the Department of Company Affairs, vide order no. 46/37/2010-CL-III dated February 09, 2010.

21. Previous year figures have been regrouped wherever necessary to conform to current year classification.

Statement Pursuant to Section 212 of the Companies Act, 1956

1.	**Name of subsidiary**	**Greatship Global Energy Services Pte Ltd. ***		**Greatship Global Offshore Services Pte Ltd. ****		**Greatship Global Holdings Ltd.**		**Greatship DOF Subsea Projects Private Limited**
2.	Financial year ended	March 31, 2010		March 31, 2010		March 31, 2010		March 31, 2010
3.	Date from which it became a Subsidiary	October 23, 2006		May 08, 2007		May 30, 2007		November 10, 2008
4.	Extent of interest of the Holding Company in the capital of the Subsidiary	100%		100%		100%		100%
5.	Net aggregate amount of the Subsidiary's profit less losses not dealt with in the Holding Company's Accounts:							
	(i) Current Year	USD 5,662,068	INR 269,910,796	(USD 652,394)	(INR 31,099,633)	(USD 39,148)	(INR 1,866,201)	(INR 1000)
	(ii) Previous year since it became Subsidiary	(USD 505,462)	(INR 21,111,763)	(USD 113,755)	(INR 4,794,606)	(USD 99,086)	(INR 4,196,571)	-
6.	Net aggregate amount of the Subsidiary's profit less losses dealt with in the Holding Company's Accounts:							
	(i) Current Year	-	-	-	-	-	-	-
	(ii) Previous year since it became Subsidiary	-	-	-	-	-	-	-

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

** Greatship Global Offshore Services Pte. Ltd. is a wholly owned subsidiary of Greatship Global Holdings Ltd., which in turn, is a wholly owned subsidiary of the Company.

For and on behalf of the Board

Ravi K. Sheth
Managing Director

Amisha M. Ghia
Company Secretary

P. R. Naware
Executive Director

Mumbai, May 14, 2010

Additional information as required under Part IV of Schedule VI to the Companies Act, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.	136326
State Code	11
Balance Sheet Date	31 03 2010

II. Capital Raised during the year : (Amount in Rs. Thousands)

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	NIL

III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities	20867713
Total Assets	20867713
Sources of Funds :	
Paid-up Capital	1741000
Reserves & Surplus	10858396
Secured Loans	6160047
Unsecured Loans	NIL
Application of Funds :	
Net Fixed Assets	9762534
Investments	7623322
Net Current Assets	1454562
Misc. Expenditure	NIL
Accumulated Losses	NIL

IV. Performance of Company : (Amount in Rs. Thousands)

Turnover	6716944
Total Expenditure	5836901
Profit / (Loss) Before Tax	880044
Profit / (Loss) After Tax	821759
Earning Per Share (in Rs.)	8.50
Dividend Rate (%) (Preference Dividend)	7.50

V. Generic Names of Three Principal Products/ Services of Company (as per monetary terms) :

Description	Item Code No.
Offshore	N.A.

GREATSHIP GLOBAL HOLDINGS LTD.

A Subsidiary Company

DIRECTORS :	Marie Cindhia Véronique Magny-Antoine Marie-Claude Priscille Koenig Pradyumna Raghunath Naware Ravi Kanaiyalal Sheth Mohammad Rezah Cotobally (Alternate to Marie-Claude Priscille Koenig) Shameel Rumjaun (Alternate to Marie Cindhia Véronique Magny-Antoine)
REGISTERED OFFICE :	With effect from 26 March 2010: Abax Corporate Services Ltd. 5th & 6th Floor, Tower A 1 Cyber City Ebène Mauritius Up to 25 March 2010: Abax Corporate Services Ltd. Level 6, One Cathedral square Jules Koenig Street Port Louis Mauritius
REGISTRATION NUMBER :	071503C1/GBL
AUDITORS :	UHY Heeralall 4th Floor, TN Tower 13, St. Georges Street Port Louis Mauritius
SECRETARY :	Abax Corporate Services Ltd. 5th & 6th Floor, Tower A 1 Cyber City Ebène Mauritius

DIRECTORS' REPORT

The directors are pleased to present their report and the audited financial statements of Greatship Global Holdings Ltd. ("the Company") for the year ended 31 March 2010.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 March 2010 is USD 39,148 (31 March 2009 - USD 36,431).

The directors do not recommend the payment of a dividend.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the Directors are required to:

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

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

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

By Order of the Board

CORPORATE SECRETARY
Abax Corporate Services Ltd.

Date : 29 April 2010

SECRETARY'S REPORT

AS PER SECTION 166(d) OF THE COMPANIES ACT, 2001

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, we have filed with the Registrar of Companies, for the year ended 31 March 2010, all such returns as are required of the Company under the Mauritian Companies Act, 2001.

ABAX CORPORATE SERVICES LTD.

CORPORATE SECRETARY

Date : 29 April 2010

AUDITORS' REPORT TO THE MEMBER OF GREATSHIP GLOBAL HOLDINGS LTD.

Report on the Financial Statements

1. We have audited the financial statements of Greatship Global Holdings Ltd. (the "Company") which comprise the statement of financial position at 31 March 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

2. The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act, 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

6. In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2010 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritian Companies Act, 2001 for companies holding a category 1 Global Business Licence and comply with the Mauritian Companies Act, 2001.

Report on Other Legal and Regulatory Requirements

7. The Mauritian Companies Act, 2001 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

   (a) we have no relationship with or interests in the Company other than in our capacity as auditors;

   (b) we have obtained all the information and explanations we have required; and

   (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other matters

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

UHY Heeralall

Nirmal Heeralall
Signing partner

Date : 29 April 2010

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	2010		2009	
	USD	Rs.	USD	Rs.
Income				
Interest	-	-	163	7,432
Expenses				
Accountancy fees	**7,600**	**341,164**	5,200	263,744
Secretarial fees	**10,800**	**484,812**	14,200	720,224
Bank charges	**1,184**	**53,150**	1,461	74,102
Annual licence fees	**1,510**	**67,784**	1,415	71,769
Directors' fees	**1,402**	**62,936**	1,283	58,634
Domiciliation fees	**1,102**	**49,469**	1,008	51,126
Annual registration fees	**200**	**8,978**	-	-
Audit fees	**13,800**	**619,482**	8,800	446,336
Taxation fees	**1,100**	**49,379**	2,000	101,440
Disbursement	**450**	**20,201**	550	27,896
Exchange differences	-	-	677	34,337
	39,148	**1,757,354**	36,594	1,849,608
Loss for the year	**(39,148)**	**(1,757,354)**	(36,431)	(1,842,176)

The notes form an integral part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2010

	2010		2009	
	USD	Rs.	USD	Rs.
ASSETS				
Non current-assets				
Investment in subsidiaries (Note 4)	**152,001,410**	**6,823,343,295**	143,001,410	7,253,031,515
Current assets				
Prepayments	**1,200**	**53,868**	794	40,272
Cash at bank	**12,233**	**549,139**	62,037	3,146,517
	13,433	**603,007**	62,831	3,186,788
Total assets	**152,014,843**	**6,823,946,302**	143,064,241	7,256,218,304
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 5)	**152,101,774**	**6,827,848,635**	143,101,774	7,258,121,977
Accumulated losses	**(97,081)**	**(4,357,966)**	(57,933)	(2,938,362)
Total equity	**152,004,693**	**6,823,490,669**	143,043,841	7,255,183,616
Current liabilities				
Payables (Note 6)	**10,150**	**455,634**	20,400	1,034,688
Total equity and liabilities	**152,014,843**	**6,823,946,302**	143,064,241	7,256,218,304

Approved by the Board of Directors and authorised for issue on 29 April 2010 and signed on its behalf by:

Véronique Magny-Antoine
Director

Priscille Koenig
Director

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	STATED CAPITAL		ACCUMULATED LOSSES		TOTAL	
	USD	RS.	USD	RS.	USD	RS.
At 01 April 2008	**57,580,550**	2,920,485,496	**(21,502)**	(1,090,581)	**57,559,048**	2,919,394,915
Issued during the year	**85,521,224**	4,337,636,481	**-**	-	**85,521,224**	4,337,636,481
Loss for the year	**-**	-	**(36,431)**	(1,847,780)	**(36,431)**	(1,847,780)
At 31 March 2009	**143,101,774**	7,258,121,977	**(57,933)**	(2,938,361)	**143,043,841**	7,255,183,616
At 01 April 2009	**143,101,774**	7,258,121,977	**(57,933)**	(2,938,361)	**143,043,841**	7,255,183,616
Issued during the year	**9,000,000**	404,010,000	**-**	-	**9,000,000**	404,010,000
Foreign translation difference	**-**	(834,283,342)	**-**	337,749	**-**	(833,945,593)
Loss for the year	**-**	-	**(39,148)**	(1,757,354)	**(39,148)**	(1,757,354)
At 31 March 2010	**152,101,774**	6,827,848,635	**(97,081)**	(4,357,966)	**152,004,693**	6,823,490,669

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

	2010		2009	
	USD	RS.	USD	RS.
Cash flow from operating activities				
Loss for the year	**(39,148)**	**(1,757,354)**	(36,431)	(1,847,780)
Increase in prepayments	**(406)**	**(18,225)**	(794)	(40,272)
Decrease in payables	**(10,250)**	**(460,123)**	(30,254)	(1,534,483)
Decrease in amount owed to holding company	**-**	**-**	(7,330)	(371,778)
Net cash absorbed by operating activities	**(49,804)**	**(2,235,702)**	(74,809)	(3,794,312)
Cash flow from investing activities				
Purchase of investments in subsidiaries	**(9,000,000)**	**(404,010,000)**	(65,380,032)	(3,316,075,223)
Net cash used in investing activities	**(9,000,000)**	**(404,010,000)**	(65,380,032)	(3,316,075,223)
Cash flow from financing activities				
Proceeds from the issue of ordinary shares	**9,000,000**	**404,010,000**	65,480,000	3,321,145,600
Net cash generated from financing activities	**9,000,000**	**404,010,000**	65,480,000	3,321,145,600
Net (decrease)/increase in cash and cash equivalents	**(49,804)**	**(2,235,702)**	25,159	1,276,064
Foreign translation difference	**-**	**(361,676)**	-	-
Cash and cash equivalents at start of year	**62,037**	**3,146,517**	36,878	1,870,452
Cash and cash equivalents at end of year	**12,233**	**549,139**	62,037	3,146,517

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2010

1. GENERAL INFORMATION

(a) The Company was incorporated on 30 May 2007 under the Mauritian Companies Act, 2001 as a private company limited by shares and holds a Category 1 Global Business licence under the Financial Services Act, 2007.

(b) The principal activity of the Company is to invest in companies which own and operate offshore vessels and drilling units. Its registered office is at Abax Corporate Services Ltd., 5th & 6th Floor, Tower A, 1 Cyber City, Ebène, Mauritius.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements which have been applied consistently, are set out below:

Basis of preparation

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

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. At 31 March 2010, there were no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

New and amended standards adopted by the Company

The Company has adopted the following new amended IFRSs as of 1 April 2009:

- IFRS 7, 'Financial instruments – Disclosures' (amendment) – (effective from 1 January 2009).

  The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by level of a fair value measurement hierarchy. As the change in accounting policy only results in additional disclosures, there is no impact on the Company's financial statements.

- IAS 1 (Revised), 'Presentation of Financial Statements' (effective from 1 January 2009).

  The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Company has elected to present one statement, the statement of comprehensive income. The financial statements have been prepared under the revised disclosure requirements.

Standards, interpretations and amendments to standards that are not yet effective

The Company has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The Company is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations are expected to have in the period of initial application. So far it has concluded that their adoption is unlikely to have any significant impact on the Company's results of operations and its financial position.

Foreign currency translation

- Functional and presentation currency

  Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in United States Dollar ("USD"), which is the Company's functional and presentation currency.

- Transactions and balances

  Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities at the date of the statement of financial position which are expressed in foreign currencies are translated into United States dollars at the rates of exchange ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Deferred taxation

Deferred tax is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax.

The principal temporary differences arise from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Cash and cash equivalents

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

Revenue recognition

Dividend income is recognised when the Company's right to receive payment is established.

Interest income is recognised on the accruals basis unless collectability is in doubt.

Expense recognition

Expenses are accounted for in the statement of comprehensive income on the accruals basis.

Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Investment in subsidiary companies

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

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

On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income.

Details of the Company's subsidiaries are shown in Note 4.

Consolidated financial statements

The Company owns 100% and 73.80% of the issued share capital of Greatship Global Offshore Services Pte. Ltd. and Greatship Global Energy Services Pte. Ltd. respectively which are both incorporated in Singapore. The Company has taken advantage of the exemption provided by the Mauritian Companies Act, 2001 allowing a wholly owned or virtually owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements as the holding company Greatship (India) Limited prepares consolidated financial statements under Indian GAAP. The consolidated financial statements are available for public use at the registered office address of the holding company, Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018, India.

Financial instruments

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

Financial instruments are initially recorded at fair value, which includes transaction costs. Subsequent to initial recognition, they are measured as set out below:

Payables

Payables are stated at their nominal value.

Impairment

At each date of the statement of financial position, the Company reviews the carrying amount of its assets to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the assets is estimated. If the recoverable amount of an asset is estimated to be less than its carrying amount, the latter is reduced to its recoverable amount and the reduction is treated as an impairment loss.

Provisions

Provision are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some of all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the assets nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective amounts is recognised in the statement of comprehensive income

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Fair values

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

Overview

This note represents information about the Company's exposure to each of the following risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged during the year under review.

The capital management process is determined and managed at the ultimate holding company level.

Credit risk

Credit risk arises because a counter party may not be willing or able to fulfill his contractual obligations. The Company manages credit risk by banking with reputable financial institutions. The maximum exposure to credit risk at 31 March 2010 is the carrying amount of cash and cash equivalents.

Liquidity risk

The Company manages liquidity risk by maintaining adequate cash reserves, through funding from its holding company, to meet its obligations as they fall due. All financial liabilities mature within a year.

Interest rate risk

The Company has no significant exposure to interest rate risk.

Foreign exchange risk

The Company has no exposure to foreign exchange risk as it does not have any financial assets or liabilities which are denominated in foreign currencies.

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2010		2009	
	USD	RS.	USD	RS.
Financial assets				
United States Dollar USD	**12,233**	**549,139**	62,037	3,146,517
Financial liabilities				
United States Dollar USD	**10,150**	**455,634**	20,400	1,034,688

Prepayments amounting to USD 1,200 (Rs. 53,868) [31 March 2009 - USD 794, (Rs. 40,272)] have been excluded from financial assets.

4. INVESTMENT IN SUBSIDIARIES

	2010		2009	
	USD	RS.	USD	RS.
Unquoted at cost :				
At 01 April	**143,001,410**	**7,253,031,515**	77,621,378	3,936,956,292
Additions				
Greatship Global Offshore Services Pte. Ltd. (GGOS)	**7,000,000**	**314,230,000**	43,780,000	2,220,521,600
Greatship Global Energy Services Pte. Ltd. (GGES)	**2,000,000**	**89,780,000**	21,600,032	1,095,553,623
Foreign translation difference	**-**	**(833,698,220)**	-	-
At 31 March USD	**152,001,410**	**6,823,343,295**	143,001,410	7,253,031,515

NAME	BUSINESS ACTIVITY	COUNTRY OF INCORPORATION	PROPORTION OF OWNERSHIP INTEREST	2010		2009	
				USD	RS.	USD	RS.
GGOS	Operate offshore supply vessels	Singapore	100.00%	**101,101,378**	**4,538,440,858**	94,101,378	4,772,821,892
GGES	Drilling	Singapore	73.80%	**50,900,032**	**2,284,902,436**	48,900,032	2,480,209,623

5. STATED CAPITAL

	2010	2009	2010		2009	
	NUMBER	NUMBER	USD	RS.	USD	RS.
Issued capital						
Ordinary shares of no par value issued and fully paid						
At 01 April	**143,101,774**	57,580,550	**143,101,774**	**7,258,121,977**	57,580,550	2,920,485,496
Conversion of share application monies (Note 8)	**-**	20,041,224	**-**	**-**	20,041,224	1,016,490,881
Issued during the year	**9,000,000**	65,480,000	**9,000,000**	**404,010,000**	65,480,000	3,321,145,600
Foreign translation difference	**-**	-	**-**	**(834,283,342)**	-	-
At 31 March	**152,101,774**	143,101,774	**152,101,774**	**6,827,848,635**	143,101,774	7,258,121,977

6. PAYABLES

	2010		2009	
	USD	**Rs.**	USD	Rs.
Accruals USD	**10,150**	**455,634**	20,400	1,034,688

7. TAXATION

The Company invests in Singapore and the directors expect to obtain benefits under the double taxation treaty between Mauritius and Singapore. To obtain benefits under the double taxation treaty the Company must meet certain tests and conditions, including the establishment of Mauritius tax residence and related requirements. A company which is tax resident in Mauritius under the treaty, but has no branch or permanent establishment in Singapore, is not subject to withholding tax on interest earned in Singapore and is not taxable on dividends earned on Singaporean securities.

The Company is subject to income tax in Mauritius at the rate of 15%. However, it is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax payable on its foreign source income. At 31 March 2010, the Company had accumulated tax losses of USD 97,362 (Rs. 4,370,580) [31 March 2009 - USD 58,214, (Rs. 2,952,614)].

Capital gains are exempt from tax in Mauritius. The foregoing is based on current interpretation and practice and is subject to any future changes in Singaporean or Mauritian tax laws and in the tax treaty between Singapore and Mauritius.

Deferred taxation

No deferred tax asset has been recognised as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. The deferred tax balance at 31 March 2010 arising from accumulated tax losses amounted to USD 2,920, (Rs. 131,079) [31 March 2009 – USD 1,746, (Rs. 88,557)].

8. RELATED PARTY TRANSACTIONS

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

	2010		2009	
	USD	**Rs.**	USD	Rs.
Amount due to holding company:				
Greatship (India) Limited (GIL) :				
At 01 April	-	-	20,048,554	1,016,862,659
Expenses refunded during the year	-	-	(6,298)	(319,435)
Exchange gain on payment of expenses	-	-	(1,032)	(52,343)
Issue of shares for non-cash consideration	-	-	(20,041,224)	(1,016,490,881)
At 31 March	-	-	-	-

9. RELATED PARTY TRANSACTIONS (CONTINUED)

	2010		2009	
	USD	**Rs.**	USD	Rs.
Directors' fees USD	**6,075**	**272,707**	12,991	658,904

Other related party transactions are described in Note 4.

10. HOLDING COMPANY AND ULTIMATE HOLDING COMPANIES

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

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following amount:

	2010		2009	
	USD	**Rs.**	USD	Rs.
Cash at bank	**12,233**	**549,139**	62,037	3,146,517

GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Venkatraman Sheshashayee Arangannal s/o Kathamuthu
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen, #06-03 Singapore 089316
REGISTRATION NUMBER:	200708009M
AUDITORS:	Shanker Iyer & Co.
COMPANY SECRETARIES:	Cheng Lian Siang Pathima Muneera Azmi

DIRECTORS' REPORT

The Directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2010.

DIRECTORS

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

Naware Pradyumna Raghunath
Jaya Prakash
Venkatraman Sheshashayee
Arangannal s/o Kathamuthu

REVIEW OF BUSINESS

During the year under review, the Company has taken delivery of one 80 tons Anchor Handling Tug cum Supply Vessel, Greatship Aditi built by Colombo Dockyard Plc, Sri Lanka on June 10, 2009, which has been financed under Sale and Lease Back arrangements. The Company also took delivery of one Multi purpose Platform Supply and Support Vessel, Greatship Maya built by Keppel Singmarine Pte. Ltd.

During the year under review, the Company had entered into Memorandum of Agreements for sale of its two under construction vessels, one Platform/ROV support Vessel, Greatship Rekha and one Multipurpose Platform Supply and Support Vessel, Greatship Mohini. Greatship Mohini, built by Keppel Singmarine Pte. Ltd. and Greatship Rekha, built by Colombo Dockyard Plc were delivered to the Buyers simultaneously with the delivery from the yard on 30 March 2010 and 14 April 2010, respectively.

The Asset Profile of the Company giving the details of the fleet of the Company and the order book is enclosed as Annexure 1.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the register of directors' shareholdings kept by the company for the purpose of Section 164 of the Singapore Companies Act, Cap. 50, the Directors holding office at the beginning and at the end of the financial year had interest in shares of the Company and its related corporations as detailed below:

	No. of ordinary shares	
	As at 01.04.2009	As at 31.03.2010
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the director has a substantial financial interest.

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Director

30 April 2010.

STATEMENT BY DIRECTORS

In the opinion of the directors of GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year then ended; and

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

The board of directors authorised these financial statements for issue on 30 April 2010.

On behalf of the Directors

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Director

30 April 2010.

Annexure 1

Fleet as on March 31, 2010

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE		VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YRS)
Offshore Support Vessels						
	ANCHOR HANDLING TUG CUM SUPPLY VESSELS	1	*m.v. Greatship Abha	2,054	2009	
		2	*m.v. Greatship Aditi	2,057	2009	
		2		**4,111**		**1**
	MULTI-PURPOSE PLATFORM SUPPLY AND SUPPORT VESSELS	1	m.v. Greatship Maya	4,252	2009	
		1		**4,252**		**1**

Fleet Total	
Number	**3**
Total Tonnage (dwt)	**8363**
Average Age (yrs)	**1**

*acquired on a sale and leaseback basis

Transactions during FY 2009-10

Acquisitions/Sales

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries **Offshore Support Vessels**					
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	*#Greatship Aditi	2,057	2009	Jun-09
	MULTI-PURPOSE PLATFORM SUPPLY AND SUPPLY VESSEL	#Greatship Maya	4,252	2009	Dec-09
	MULTI-PURPOSE PLATFORM SUPPLY AND SUPPLY VESSEL	**Greatship Mohini	4,190	2010	Mar-10

* acquired on a sale and leaseback basis
\# acquisition
** acquired and simultaneously sold to the buyers

Transactions between April 01, 2010 and April 30, 2010

Acquisitions/Sales

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries Offshore Support Vessels					
	PLATFORM/ROV SUPPORT VESSEL	**Greatship Rekha	3,732	2010	Apr-10

** acquired and simultaneously sold to the buyers

Order Book as on April 30, 2010

CATEGORY	TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
New Building Order Book Position Offshore Support Vessels in **Greatship Global Offshore Services Pte. Ltd., Singapore**				
	1. MULTI-PURPOSE PLATFORM SUPPLY AND SUPPLY VESSEL	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q2 FY11
	2. MULTI-PURPOSE PLATFORM SUPPLY AND SUPPLY VESSEL	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q2 FY11
	3. PLATFORM/ROV SUPPORT VESSEL	Colombo Dockyard Plc, Srilanka	Dec-07	Q2 FY11
	4. MULTI-PURPOSE SUPPORT VESSEL	Mazagon Dock Limited, Mumbai	Sep-07	Q3 FY11
	5. MULTI-PURPOSE SUPPORT VESSEL	Mazagon Dock Limited, Mumbai	Sep-07	Q4 FY11

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

We have audited the accompanying financial statements of GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD. which comprise the statement of financial position as at 31 March 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Shanker Iyer & Co.
Public Accountants and
Certified Public Accountants

Singapore
30 April 2010.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

		2010		2009	
	NOTE	US$	RS.	US$	RS.
CURRENT ASSETS					
Cash and cash equivalents	4	**21,000,431**	**942,709,348**	14,561,272	738,547,715
Trade receivables	5	**4,130,035**	**185,397,271**	4,068,412	206,349,857
Other receivables	6	**995,162**	**44,672,822**	458,582	23,259,279
Forward currency contracts receivable	7	**9,641,267**	**432,796,476**	14,108,544	715,585,352
		35,766,895	**1,605,575,917**	33,196,810	1,683,742,203
NON-CURRENT ASSETS					
Plant and equipment	8	**79,312,977**	**3,560,359,538**	18,595,307	943,153,971
Capital project in progress	9	**108,824,440**	**4,885,129,111**	105,553,744	5,353,685,896
		188,137,417	**8,445,488,649**	124,149,051	6,296,839,867
TOTAL ASSETS		**223,904,312**	**10,051,064,566**	157,345,861	7,980,582,070
CURRENT LIABILITIES					
Trade payables	10	**2,023,543**	**90,836,846**	2,970,000	150,638,400
Other payables	11	**7,240,339**	**325,018,818**	929,238	47,130,951
Forward currency contracts payable	7	**10,000,000**	**448,900,000**	15,000,000	760,800,000
Finance leases	12	**2,082,135**	**93,467,040**	984,184	49,917,812
Deferred gain	13	**4,214**	**189,166**	60,830	3,085,298
		21,350,231	**958,411,870**	19,944,252	1,011,572,461
NON-CURRENT LIABILITIES					
Finance leases	12	**33,247,475**	**1,492,479,153**	17,452,483	885,189,938
Deferred gain	13	**9,183**	**412,225**	425,812	21,597,185
Bank loan	14	**69,844,000**	**3,135,297,160**	26,468,300	1,342,472,176
		103,100,658	**4,628,188,538**	44,346,595	2,249,259,299
TOTAL LIABILITIES		**124,450,889**	**5,586,600,408**	64,290,847	3,260,831,760
NET ASSETS		**99,453,423**	**4,464,464,158**	93,055,014	4,719,750,310
SHAREHOLDERS' EQUITY					
Share capital	15	**101,060,224**	**4,536,593,455**	94,060,224	4,770,734,561
Reserves	16	**(1,606,801)**	**(72,129,297)**	(1,005,210)	(50,984,251)
TOTAL EQUITY		**99,453,423**	**4,464,464,158**	93,055,014	4,719,750,310

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	NOTE	2010 US$	2010 RS.	2009 US$	2009 RS.
REVENUE					
Charter hire income		**20,470,620**	**918,926,132**	14,793,914	750,347,318
Other income	17	**2,688,389**	**120,681,782**	23,212	1,177,313
Total revenue		**23,159,009**	**1,039,607,914**	14,817,126	751,524,631
EXPENSES					
Charter hire expenses	18	**15,261,082**	**685,069,970**	12,530,776	635,560,959
Employee benefits expenses		**1,135,144**	**50,956,616**	726,041	36,824,800
Depreciation of plant and equipment	8	**2,342,232**	**105,142,794**	126,033	6,392,394
Other operating expenses	19	**645,224**	**28,964,105**	517,715	26,258,505
Finance cost	20	**3,728,926**	**167,391,488**	477,863	24,237,211
Total expenses		**23,112,608**	**1,037,524,973**	14,378,428	729,273,868
Profit before income tax	21	**46,401**	**2,082,941**	438,698	22,250,763
Income tax expense	22	**(698,795)**	**(31,368,908)**	(476,162)	(24,150,937)
Net loss		**(652,394)**	**(29,285,967)**	(37,464)	(1,900,174)
Other comprehensive income:					
De-recognition of fair value loss/(gain) arising from forward currency contacts		**452,293**	**20,303,433**	(1,118,689)	(56,739,906)
Changes in fair value of interest rate swap		**(481,920)**	**(21,633,389)**	-	-
Fair value gain/(loss) arising from forward currency contracts		**80,430**	**3,610,503**	(891,456)	(45,214,648)
Other comprehensive income/(loss) for the year, net of tax		**50,803**	**2,280,547**	(2,010,145)	(101,954,554)
Total comprehensive loss for the year		**(601,591)**	**(27,005,420)**	(2,047,609)	(103,854,728)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	SHARE CAPITAL US$	SHARE CAPITAL RS.	ACCUMULATED LOSSES US$	ACCUMULATED LOSSES RS.	HEDGING RESERVE US$	HEDGING RESERVE RS.	TOTAL US$	TOTAL RS.
2010								
Balance as at 1 April 2009	**94,060,224**	4,770,734,561	**(113,754)**	(5,769,603)	**(891,456)**	(45,214,648)	**93,055,014**	4,719,750,310
Issuance of ordinary shares	**7,000,000**	314,230,000	**-**	-	**-**	-	**7,000,000**	314,230,000
Foreign translation difference	-	(548,371,106)	-	663,186	-	5,197,188	-	(542,510,732)
Total comprehensive (loss)/ income for the year	-	-	**(652,394)**	(29,285,967)	**50,803**	2,280,547	**(601,591)**	(27,005,420)
Balance as at 31 March 2010	**101,060,224**	4,536,593,455	**(766,148)**	(34,392,384)	**(840,653)**	(37,736,913)	**99,453,423**	4,464,464,158
2009								
Balance as at 1 April 2008	**50,280,224**	2,550,212,961	**(76,290)**	(3,869,429)	**1,118,689**	56,739,906	**51,322,623**	2,603,083,439
Issuance of ordinary shares	**43,780,000**	2,220,521,600	**-**	-	**-**	-	**43,780,000**	2,220,521,600
Total comprehensive loss for the year	-	-	**(37,464)**	(1,900,174)	**(2,010,145)**	(101,954,554)	**(2,047,609)**	(103,854,728)
Balance as at 31 March 2009	**94,060,224**	4,770,734,561	**(113,754)**	(5,769,603)	**(891,456)**	(45,214,648)	**93,055,014**	4,719,750,310

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2010

		2010		2009	
	NOTE	US$	RS.	US$	RS.
Cash Flows From Operating Activities					
Profit before income tax		**46,401**	**2,082,941**	438,698	22,250,763
Adjustments for:					
Depreciation of plant and equipment	8	**2,342,232**	**105,142,794**	126,033	6,392,394
Gain on disposal of a motor vessel	17	**(2,445,837)**	**(109,793,623)**	-	-
Interest income		**(1,399)**	**(62,801)**	(16,110)	(817,099)
Interest expense	20	**3,581,930**	**160,792,838**	204,909	10,392,984
Realised deferred gain		**(15,473)**	**(694,583)**	(7,102)	(360,213)
Cash flows from operations before changes in working capital		**3,507,854**	**157,467,566**	746,428	37,858,829
Working capital changes, excluding changes relating to cash:					
Trade receivables		**(61,623)**	**(2,766,256)**	(4,068,412)	(206,349,857)
Trade payables		**(946,457)**	**(42,486,455)**	2,970,000	150,638,400
Other receivables		**(536,580)**	**(24,087,076)**	(457,167)	(23,187,510)
Other payables		**1,504,971**	**67,558,148**	908,073	46,057,463
Cash generated from operations		**3,468,165**	**155,685,927**	98,922	5,017,325
Interest received		**1,399**	**62,801**	16,110	817,099
Interest paid		**(3,330,220)**	**(149,493,576)**	(204,909)	(10,392,985)
Tax paid		**(698,795)**	**(31,368,908)**	(476,162)	(24,150,937)
Net cash used in operating activities		**(559,451)**	**(25,113,756)**	(566,039)	(28,709,498)
Cash Flows From Investing Activities					
Purchase of plant and equipment		**(18,617,002)**	**(835,717,220)**	(18,718,957)	(949,425,500)
Proceeds from disposal of a motor vessel		**47,063,775**	**2,112,692,860**	-	-
Proceeds from sale of plant and equipment		**18,500,000**	**830,465,000**	18,500,000	938,320,000
Deposit received for sale of a vessel	11	**4,072,500**	**182,814,525**	-	-
Addition to capital project in progress		**(111,289,306)**	**(4,995,776,946)**	(77,636,677)	(3,937,732,257)
Net cash used in investing activities		**(60,270,033)**	**(2,705,521,781)**	(77,855,634)	(3,948,837,757)
Cash Flows From Financing Activities					
Proceeds from issuance of ordinary shares		**7,000,000**	**314,230,000**	43,780,000	2,220,521,600
Proceeds from finance lease		****18,599,691**	**834,940,129**	*18,545,918	940,648,961
Proceeds from bank loans	14	**43,375,700**	**1,947,135,173**	26,468,300	1,342,472,176
Repayment of finance leases		**(1,706,748)**	**(76,615,918)**	(109,251)	(5,541,211)
Reduction/(Addition) of cash collateral provided to a financial Institution	4	**4,191,156**	**188,140,994**	(5,061,302)	(256,709,237)
Net cash from financing activities		**71,459,799**	**3,207,830,378**	83,623,665	4,241,392,289
Foreign translation difference		**-**	**(55,384,825)**	-	-
Net increase in cash and cash equivalents	4	**10,630,315**	**477,194,841**	5,201,992	263,845,034
Cash and cash equivalents at the beginning of the year		**9,499,970**	**481,838,478**	4,297,978	217,993,444
Cash and cash equivalents at the end of the year	6	**20,130,285**	**903,648,494**	9,499,970	481,838,478

* In 2008, a motor vessel of US$18,545,918 (Rs. 940,648,961) was acquired under finance lease.

** During the financial year, a motor vessel of US$18,599,691 (Rs. 834,940,129) was acquired under finance lease.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010

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

1. CORPORATE INFORMATION

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

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

The financial statements of GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD. as at 31 March 2010 and for the year then ended were authorised and approved by the Board of Directors for issuance on 30 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The audited financial statements of the Company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = Rs. 44.89 and rounded upto the nearest rupee (2009: USD 1 = Rs. 50.72).

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

(i) FRS 1 – *Presentation of Financial Statements (Revised)*

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

(ii) Amendments to FRS 107 *Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk.

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

b) Currency translation

The financial statements of the Company are presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Company are presented in United States dollar, which is the functional currency of the Company.

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

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

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances.

d) Derivative financial instruments and hedging activities

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

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

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

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

Cash flow hedge - currency forwards

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

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

Cash flow hedge – interest rate swaps

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

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

e) Financial instruments

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

(i) Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

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

(ii) Effective interest rate method

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

(iii) Recognition and derecognition

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

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

(iv) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(v) *Subsequent measurement*

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

(vi) *Impairment*

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

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

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

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

f) Plant and equipment

(i) *Measurement*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

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

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

(ii) *Depreciation*

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

Computers	3 – 5 years
Office equipment	1 – 3 years
Furniture, fixture & renovation	5 years
Motor vessels	20 years

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

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

(iii) *Subsequent expenditure*

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

(iv) *Disposals*

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

g) Impairment of non-financial assets

Plant and equipment

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

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

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

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

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

h) Capital project in progress

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

i) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method. Refer to above for definition of effective interest rate.

j) Provisions

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

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

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

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

k) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense in the statement of comprehensive income.

Foreign tax is recognised in the statement of comprehensive income on an accrual basis.

l) Fair value estimation of financial assets and liabilities

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

m) Revenue recognition

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

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

(i) Ship chartering income is recognised on accrual basis.

(ii) Interest income is recognised on a time proportionate basis.

n) Employee benefits

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

Defined Contribution Plans

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

o) Leases

Finance lease

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

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

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

Operating lease

Company is the lessor

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

Company is the lessee

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

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

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

p) Share capital

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

q) Government grants

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income upon receipt.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) *Depreciation of plant and equipment*

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

The residual values reflect management's estimated amount that the Company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the Company's plant and equipment as at the end of each reporting date were disclosed in Note 4 to the financial statements.

(b) *Impairment of loans and receivables*

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

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

4. CASH AND CASH EQUIVALENTS

	2010		2009	
	US$	RS.	US$	RS.
Cash at bank	**20,995,232**	**942,475,964**	14,559,795	738,472,803
Cash on hand	**5,199**	**233,384**	1,477	74,912
	21,000,431	**942,709,348**	14,561,272	738,547,715

The carrying amounts of cash at bank include cash collateralised towards letter of credit facilities amounting to US$870,146 (Rs. 39,060,854) (2009 : US$5,061,302, Rs. 256,709,237) (Note 25).

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollar	**212,609**	**9,544,018**	1,428,428	72,449,868
United States dollar	**20,787,822**	**933,165,330**	13,132,844	666,097,847
	21,000,431	**942,709,348**	14,561,272	738,547,715

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

	2010		2009	
	US$	RS.	US$	RS.
Cash at bank	**20,995,232**	**942,475,964**	14,559,795	738,472,802
Cash on hand	**5,199**	**233,384**	1,477	74,913
	21,000,431	**942,709,348**	14,561,272	738,547,715
Less : cash at bank collateralised for letter of credit	**(870,146)**	**(39,060,854)**	(5,061,302)	(256,709,237)
Cash and cash equivalents per statement of cash flows	**20,130,285**	**903,648,494**	9,499,970	481,838,478

5. TRADE RECEIVABLES

	2010		2009	
	US$	RS.	US$	RS.
Third parties	**2,796,696**	**125,543,683**	3,331,710	168,984,331
GST recoverable	**8,389**	**376,582**	7,630	386,994
Intermediate holding company	**1,324,950**	**59,477,006**	729,072	36,978,532
	4,130,035	**185,397,271**	4,068,412	206,349,857

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

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

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

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollar	**8,389**	**376,582**	7,630	386,994
United States dollar	**4,121,646**	**185,020,689**	4,060,782	205,962,863
	4,130,035	**185,397,271**	4,068,412	206,349,857

6. OTHER RECEIVABLES

	2010		2009	
	US$	RS.	US$	RS.
Third parties:				
Deposits	**72,376**	**3,248,959**	70,240	3,562,573
Prepayments	**41,576**	**1,866,347**	29,386	1,490,458
Other debtors	**881,210**	**39,557,516**	227,399	11,533,677
	995,162	**44,672,822**	327,025	16,586,708
Related company	-	-	131,557	6,672,571
	995,162	**44,672,822**	458,582	23,259,279

The carrying amounts of other debtors represent advance payment to lessor, vendor and agents. The carrying amounts of amounts owing by related company represented payment on behalf to related company.

The amounts owing by related company were unsecured, interest-free and were repayable within the next twelve months.

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollar	**68,140**	**3,058,805**	199,697	10,128,632
United States dollar	**927,022**	**41,614,017**	258,885	13,130,647
	995,162	**44,672,822**	458,582	23,259,279

7. FORWARD CURRENCY CONTRACTS RECEIVABLE/(PAYABLE)

	2010		2009	
	US$	RS.	US$	RS.
Forward currency contracts receivable	**9,641,267**	**432,796,476**	14,108,544	715,585,352
Forward currency contracts payable	**10,000,000**	**(448,900,000)**	(15,000,000)	760,800,000
Hedging reserve (Note 16)	**(358,733)**	**(16,103,524)**	(891,456)	(45,214,648)

8. PLANT AND EQUIPMENT

	COMPUTERS		OFFICE EQUIPMENT		FURNITURE, FIXTURE & RENOVATION		MOTOR VESSELS		TOTAL	
	US$	RS.	US$	RS.	US$	RS.	US$	RS.	US$	RS.
Cost										
At 1 April 2009	**33,194**	1,683,600	**18,807**	953,891	**123,672**	6,272,644	**18,545,918**	940,648,961	**18,721,591**	949,559,096
Foreign translation difference	**-**	(193,521)	**-**	(109,645)	**-**	(721,008)	**-**	(108,122,702)	**-**	(109,146,876)
Additions	**9,234**	414,514	**-**	-	**8,077**	362,577	**18,599,691**	834,940,129	**18,617,002**	835,717,220
Reclassified from capital project in progress	**-**	-	**-**	-	**-**	-	**108,018,610**	4,848,955,403	**108,018,610**	4,848,955,403
Disposal	**-**	-	**-**	-	**-**	-	**(63,575,710)**	(2,853,913,622)	**(63,575,710)**	(2,853,913,622)
At 31 March 2010	**42,428**	1,904,593	**18,807**	844,246	**131,749**	5,914,213	**81,588,509**	3,662,508,169	**81,781,493**	3,671,171,221
Accumulated depreciation										
At 1 April 2009	**3,689**	187,106	**2,098**	106,411	**13,794**	699,632	**106,703**	5,411,976	**126,284**	6,405,125
Foreign translation difference	**-**	(21,507)	**-**	(12,232)	**-**	(80,419)	**-**	(622,078)	**-**	(736,236)
Charge for the year	**11,734**	526,739	**3,804**	170,762	**25,465**	1,143,124	**2,301,229**	103,302,169	**2,342,232**	105,142,794
At 31 March 2010	**15,423**	692,338	**5,902**	264,941	**39,259**	1,762,337	**2,407,932**	108,092,067	**2,468,516**	110,811,683
Net Book Value										
At 31 March 2010	**27,005**	1,212,255	**12,905**	579,305	**92,490**	4,151,876	**79,180,577**	3,554,416,102	**79,312,977**	3,560,359,538

	COMPUTERS		OFFICE EQUIPMENT		FURNITURE, FIXTURE & RENOVATION		MOTOR VESSELS		TOTAL	
	US$	RS.	US$	RS.	US$	RS.	US$	RS.	US$	RS.
Cost										
At 1 April 2008	**2,635**	133,648	**214**	10,854	**-**	-	**-**	-	**2,849**	144,502
Additions	**30,559**	1,549,952	**18,807**	953,891	**123,672**	6,272,644	**18,545,918**	940,648,961	**18,718,956**	949,425,448
Reclassified from capital project in progress	**-**	-	**-**	-	**-**	-	**18,005,953**	913,261,936	**18,005,953**	913,261,936
Disposal	**-**	-	**(214)**	(10,854)	**-**	-	**(18,005,953)**	(913,261,936)	**(18,006,167)**	(913,272,790)
At 31 March 2009	**33,194**	1,683,600	**18,807**	953,891	**123,672**	6,272,644	**18,545,918**	940,648,961	**18,721,591**	949,559,096
Accumulated depreciation										
At 1 April 2008	**251**	12,731	**214**	10,854	**-**	-	**-**	-	**465**	23,585
Charge for the year	**3,438**	174,375	**2,098**	106,411	**13,794**	699,632	**106,703**	5,411,976	**126,033**	6,392,394
Disposal	**-**	-	**(214)**	(10,854)	**-**	-	**-**	-	**(214)**	(10,854)
At 31 March 2009	**3,689**	187,106	**2,098**	106,411	**13,794**	699,632	**106,703**	5,411,976	**126,284**	6,405,125
Net Book Value										
At 31 March 2009	**29,505**	1,496,494	**16,709**	847,480	**109,878**	5,573,012	**18,439,215**	935,236,985	**18,595,307**	943,153,971

Plant and equipment as at 31 March 2010 includes motor vessels acquired under finance leases with net book value of US$35,357,431, Rs. 1,587,195,078 (2009 : US$18,439,215, Rs. 935,236,985) (Note 12). A vessel included in plant and equipment with a net book value of US$43,823,146 (Rs. 1,967,221,024) is mortgaged to a financial institution for banking facility as disclosed in Note 14 to the financial statements.

9. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of vessels. The management expects the construction to be completed in the fourth quarter of 2010. The total expected costs of the project are estimated to be approximately US$254 million (Rs. 11,402 million) (2009 : US$300 million, Rs. 15,216 million).

Capital project in progress as at 31 March 2010 includes accumulated costs incurred relating to shipbuilding contracts amounting to US$62,482,838 (Rs. 2,804,854,598) (2009 : US$59,290,827, Rs. 3,007,230,745) which are assigned to a financial institution for banking facility as disclosed in Note 14 to the financial statements.

10. TRADE PAYABLES

The carrying amounts of trade payables approximate their fair values and are denominated in the United States dollar.

11. OTHER PAYABLES

	2010		2009	
	US$	RS.	US$	RS.
Third parties:				
Accruals of operating expenses	**37,305**	**1,674,621**	17,413	883,187
Accrual of employee benefits expenses	**355,952**	**15,978,685**	251,820	12,772,310
Withholding tax payable	**92,188**	**4,138,319**	-	-
Deposit for sale of a vessel	**4,072,500**	**182,814,525**	-	-
Commission payable for sale of a vessel	**962,000**	**43,184,180**	-	-
Advance payments from a charterer	**312,413**	**14,024,221**	-	-
Other creditors	**512,034**	**22,985,206**	660,005	33,475,454
	6,344,392	**284,799,757**	929,238	47,130,951
Related company	**696,941**	**31,285,682**	-	-
Intermediate holding company	**199,006**	**8,933,379**	-	-
	7,240,339	**325,018,818**	929,238	47,130,951

Deposit represents 15% of selling price received from a buyer for a ship under construction which has been completed and delivered on 14 April 2010.

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollar	**528,588**	**23,728,315**	300,600	15,246,432
United States dollar	**6,711,751**	**301,290,503**	628,638	31,884,519
	7,240,339	**325,018,818**	929,238	47,130,951

12. FINANCE LEASES

	2010		2009	
	US$	RS.	US$	RS.
Due within one year	**5,577,200**	**250,360,508**	4,476,220	227,033,878
Due within two to five years	**19,135,870**	**859,009,204**	15,806,020	801,681,335
Due over five years	**32,361,355**	**1,452,701,226**	9,570,757	485,428,795
	57,074,425	**2,562,070,938**	29,852,997	1,514,144,008
Finance charge allocated to future periods	**(21,744,815)**	**(976,124,745)**	(11,416,330)	(579,036,258)
	35,329,610	**1,585,946,193**	18,436,667	935,107,750
Representing finance lease liabilities:				
Current	**2,082,135**	**93,467,040**	984,184	49,917,812
Non-current	**33,247,475**	**1,492,479,153**	17,452,483	885,189,938
	35,329,610	**1,585,946,193**	18,436,667	935,107,750

During the financial year, the Company entered into an additional finance lease agreement to purchase a motor vessel which amounted to US$18,500,000 (Rs. 830,465,000). The finance lease bears an effective interest rate of 10.3% per annum. The Company's obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the Bareboat Charter Guarantor.

The finance lease agreement entered on 18 February 2009 bears an effective interest rate of 9.47% per annum. The Company's obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the Bareboat Charter Guarantor.

The finance leases are denominated in United States dollar.

13. DEFERRED GAIN

	2010		2009	
	US$	RS.	US$	RS.
Deferred gain	**486,642**	**21,845,359**	493,744	25,042,696
Deferred loss	**(457,772)**	**(20,549,385)**	-	-
Transfer to statement of comprehensive income (Note 17)	**(15,473)**	**(694,583)**	(7,102)	(360,213)
	13,397	**601,391**	486,642	24,682,483
Less: current portion	**(4,214)**	**(189,166)**	(60,830)	(3,085,298)
Non-current portion	**9,183**	**412,225**	425,812	21,597,185

The Company had entered into a lease agreement whereby the Company sold and leased back a motor vessel with net book value of US$18,545,918 (Rs. 832,526,259). The gain arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from 18 February 2009.

During the financial year, the Company entered into a new lease agreement whereby the Company sold and leased back a motor vessel with net book value of US$18,599,691 (Rs. 834,940,129). The loss arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from 10 June 2009.

The holding company has guaranteed the repayment of these future lease obligations, and accordingly has become the primary obligor under the lease agreement.

14. BANK LOAN

In 6 August 2008, the Company obtained a loan with credit facility for US$136 million (Rs. 6105 million) from a financial institution. The loan is subject to interest of 1.2% (2009 : 2.40% to 4.78%) per annum and is repayable within ten years of the final delivery date of the vessels. The loan is secured by:-

1) A first assignment of the shipbuilding and engine contracts between the Company and the shipbuilder (Note 9).
2) Letter of undertaking from its ultimate holding company.
3) First assignment of mortgage over the vessels (Note 8).
4) Assignment of insurances and requisition compensation.
5) Assignment of earnings on default.

The carrying amount of bank loan approximates its fair value and is denominated in United States dollar.

15. SHARE CAPITAL

	2010	2009	2010		2009	
	NUMBER OF ORDINARY SHARES		US$	RS.	US$	RS.
Issued						
Ordinary shares	**94,060,224**	94,060,224	**94,060,224**	4,770,734,561	94,060,224	4,770,734,561
Issuance of ordinary shares	**7,000,000**	-	**7,000,000**	314,230,000	-	-
Foreign translation difference	**-**	-	**-**	(548,371,106)	-	-
As at end of year	**101,060,224**	94,060,224	**101,060,224**	4,536,593,455	94,060,224	4,770,734,561

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

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

The Company is not subject to externally imposed capital requirements.

16. RESERVES

	2010		2009	
	US$	RS.	US$	RS.
Hedging reserve				
Balance at the beginning of the year	**(891,456)**	**(45,214,648)**	1,118,689	56,739,906
De-recognition of fair value loss/(gain) arising from forward currency contracts	**452,293**	**20,303,433**	(1,118,689)	(56,739,906)
Fair value gain/(loss) arising from forward currency contracts	**80,430**	**3,610,503**	(891,456)	(45,214,648)
Sub-total (Note 7)	**(358,733)**	**(21,300,712)**	(891,456)	(45,214,648)
Changes in fair value of interest rate swap	**(481,920)**	**(21,633,389)**	-	-
Foreign translation difference	**-**	**5,197,188**	-	-
Balance at the end of the year	**(840,653)**	**(37,736,913)**	(891,456)	(45,214,648)
Accumulated losses				
Balance at the beginning of the year	**(113,754)**	**(5,769,603)**	(76,290)	(3,869,429)
Loss for the year	**(652,394)**	**(29,285,967)**	(37,464)	(1,900,174)
Foreign translation difference	**-**	**663,186**	-	-
Balance at the end of the year	**(766,148)**	**(34,392,384)**	(113,754)	(5,769,603)
Total reserves	**(1,606,801)**	**(72,129,297)**	(1,005,210)	(50,984,251)

17. OTHER INCOME

BALANCE AT THE END OF THE YEAR	2010		2009	
	US$	RS.	US$	RS.
Government grant	**15,680**	**703,875**	-	-
Interest on cash collateralised for letter of credit	**1,399**	**62,801**	7,397	375,176
Interest on fixed deposit	**-**	**-**	8,713	441,923
Deferred gain (Note 13)	**15,473**	**694,583**	7,102	360,213
Liquidated damages receivable	**210,000**	**9,426,900**	-	-
Gain on disposal of a motor vessel	**2,445,837**	**109,793,623**	-	-
	2,688,389	**120,681,782**	23,212	1,177,313

18. CHARTER HIRE EXPENSES

	2010		2009	
	US$	RS.	US$	RS.
Charter hire	**11,775,060**	**528,582,443**	11,836,060	600,324,963
Crew salary	**1,609,413**	**72,246,550**	-	-
Fuel and fresh water	**245,151**	**11,004,828**	124,088	6,293,743
Insurance	**215,808**	**9,687,621**	-	-
Repairs and maintenance	**933,526**	**41,905,982**	249,268	12,642,874
Others	**482,124**	**21,642,546**	321,360	16,299,379
	15,261,082	**685,069,970**	12,530,776	635,560,959

19. OTHER OPERATING EXPENSES

	2010		2009	
	US$	RS.	US$	RS.
Bank charges	**84,076**	**3,774,172**	72,838	3,694,343
Director's fee	**10,016**	**449,618**	9,501	481,891
Professional fees	**70,709**	**3,174,127**	95,473	4,842,391
Office rental	**203,632**	**9,141,040**	152,034	7,711,164
Telephone	**46,911**	**2,105,835**	23,248	1,179,139
Travelling	**168,905**	**7,582,145**	132,818	6,736,529
Others	**60,975**	**2,737,168**	31,803	1,613,048
	645,224	**28,964,105**	517,715	26,258,505

20. FINANCE COST

	2010		2009	
	US$	RS.	US$	RS.
Finance charges	**146,995**	**6,598,606**	272,954	13,844,227
Interest on finance leases	**3,335,524**	**149,731,672**	204,909	10,392,984
Interest rate swap payable to a related company	**169,955**	**7,629,280**	-	-
Interest on loans	**76,452**	**3,431,930**	-	-
	3,728,926	**167,391,488**	477,863	24,237,211

21. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2010		2009	
	US$	RS.	US$	RS.
CPF contributions	**51,402**	**2,307,436**	13,171	668,033
Directors' remuneration and bonus	**181,297**	**8,138,422**	131,557	6,672,571

22. INCOME TAX EXPENSE

	2010		2009	
	US$	RS.	US$	RS.
Current year tax provision	**-**	**-**	-	-
Foreign tax paid	**698,795**	**31,368,908**	476,162	24,150,937
	698,795	**31,368,908**	476,162	24,150,937

The Singapore corporate tax rate was reduced from 18% to 17% from year of assessment 2010 onwards.

The reconciliation between tax expense and the accounting profit multiplied by the applicable tax rates are as follows:

	2010		2009	
	US$	RS.	US$	RS.
Accounting profit	**46,401**	**2,082,941**	438,698	22,250,763
Income tax expense at statutory rate	**7,888**	**354,092**	78,966	4,005,156
Exempt income	**(7,888)**	**(354,092)**	(78,966)	(4,005,156)
Foreign tax paid	**698,795**	**31,368,908**	476,162	24,150,937
	698,795	**31,368,908**	476,162	24,150,937

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

The Company has been awarded Approved International Shipping Enterprise incentive ("AISE") status by the Maritime and Port Authority of Singapore. Under Section 13F of the Singapore Income Tax Act (Cap 134) Charter hire Income of an AISE from Singapore flagged vessels operating outside the limits of the port of singapore is exempt from tax is singapore. Further, AISE status enables the Company to pay interest to non-residents without withholding tax in singapore.

23. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

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

24. SIGNIFICANT RELATED PARTIES TRANSACTIONS

During the financial year, the Company had transactions with the intermediate holding company on terms agreed between them with respect to the following:

	2010		2009	
	US$	RS.	US$	RS.
Charter hire income from intermediate holding company	**3,528,125**	**158,377,531**	729,072	36,978,532

25. BANKING FACILITIES

A payment guarantee of US$9,882,000 (Rs. 443,602,980) (2009: US$19,482,000, Rs. 988,127,040) from a financial institution has been provided to a shipyard. The banking facilities are secured by way of charges against the capital project in progress as disclosed in Note 9 to the financial statements.

26. CAPITAL AND OPERATING LEASE COMMITMENT

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

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

	2010		2009	
	US$	RS.	US$	RS.
Due within one year				
Office lease	**262,515**	**11,784,298**	241,615	12,254,713
Charter hire	**4,290,000**	**192,578,100**	12,045,000	610,922,400
	4,552,515	**204,362,398**	12,286,615	623,177,113
Due in 2 to 5 years				
Office lease	**109,381**	**4,910,113**	342,288	17,360,847
Charter hire	**-**	**-**	4,290,000	217,588,800
	109,381	**4,910,113**	4,632,288	234,949,647
Operating lease commitments	**4,661,896**	**209,272,511**	16,918,903	858,126,760

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

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

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

	2010		2009	
	US$	RS.	US$	RS.
Due within one year	**11,092,250**	**497,931,103**	13,505,000	684,973,600
Due within two to five years	**4,650,500**	**208,760,945**	4,810,000	243,963,200
	15,742,750	**706,692,048**	18,315,000	928,936,800

(iii) At the reporting date, the Company has commitments in respect of operating leases as follows:

At the reporting date, the Company has letters of credit amounting to US$870,146 (Rs. 39,060,854) (2009: US$5,061,302, Rs. 227,201,847) which are denominated in the United States dollar (Note 4).

The Company has capital expenditure contracted for at the reporting date but not recognised in the financial statements in respect to the completion of the construction of vessels amounting to approximately US$145 million (Rs. 6,509 million) (2009 : US$179 million, Rs. 8,035 million)

27. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risk

(i) Foreign currency risk

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

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

The Company's currency exposure to Singapore dollar is as follows:

	2010		2009	
	US$	**RS.**	US$	RS.
Financial assets				
Cash and cash equivalents	**212,609**	**9,544,018**	1,428,428	72,449,868
Trade receivables	**8,389**	**376,582**	7,630	3,86,994
Other receivables	**68,140**	**3,058,805**	199,697	10,128,632
	289,138	**12,979,405**	1,635,755	82,965,494
Financial liabilities				
Other payables	**(528,588)**	**(23,728,315)**	(300,600)	(15,246,432)
	(528,588)	**(23,728,315)**	(300,600)	(15,246,432)
Currency exposure	**(239,450)**	**(10,748,910)**	1,335,155	67,719,062

At 31 March 2010, an estimated 9% (2009: 10%) currency fluctuation in Singapore dollar against the United States dollar, with all other variables including tax rate being held constant, the Company's loss after tax for the financial year would have been lower/higher by approximately US$22,000 (Rs. 987,580) (2009 : US$134,000, Rs. 6,796,480) as result of currency translation.

(ii) Interest rate risk

The Company has no significant exposure to market risk for changes in interest rates except for the finance lease and loan as disclosed in Note 12 and 14 of the financial statements.

(b) Credit risk

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

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

The trade receivables of the Company comprise 1 debtor (2009: 1 debtor) that individually represents 53% (2009: 82%) of trade receivables.

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

	2010		2009	
	US$	RS.	US$	RS.
By geographical areas				
India	**3,508,040**	**157,475,916**	4,060,412	205,944,097
Singapore	**243,768**	**10,942,746**	-	-
Malaysia	**378,227**	**16,978,610**	-	-
	4,130,035	**185,397,272**	4,060,412	205,944,097
By types of customers				
Non-related parties	**2,805,085**	**125,920,266**	3,339,340	169,371,325
Intermediate holding company	**1,324,950**	**59,477,006**	729,072	36,978,532
	4,130,035	**185,397,271**	4,068,412	206,349,857

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

	2010		2009	
	US$	RS.	US$	RS.
Due less than 30 days	**2,053,697**	**92,190,458**	1,876,302	95,166,037
Due from 30 to 90 days	**1,036,000**	**46,506,040**	2,184,110	110,778,059
Due more than 90 days	**1,040,338**	**46,700,773**	-	-
	4,130,035	**185,397,271**	4,060,412	205,944,096

(c) Liquidity risk

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

Non-derivative financial liabilities

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

	ON DEMAND OR WITHIN 1 YEAR		BETWEEN 2 TO 5 YEARS		ON DEMAND OR OVER 5 YEARS		TOTAL	
	US$	RS.	US$	RS.	US$	RS.	US$	RS.
2010								
Trade payables	**2,023,543**	90,836,845	**-**	-	**-**	-	**2,023,543**	90,836,845
Other payables	**7,240,339**	325,018,818	**-**	-	**-**	-	**7,240,339**	325,018,818
Finance lease	**2,082,135**	93,467,040	**7,117,897**	319,522,396	**26,129,578**	1,172,956,756	**35,329,610**	1,585,946,193
Bank loan	**-**	-	**-**	-	**69,844,000**	3,135,297,160	**69,844,000**	3,135,297,160
	11,346,017	509,322,703	**7,117,897**	319,522,396	**95,973,578**	4,308,253,916	**114,437,492**	5,137,099,016
2009								
Trade payables	**2,970,000**	150,638,400	**-**	-	**-**	-	**2,970,000**	150,638,400
Other payables	**929,238**	47,130,951	**-**	-	**-**	-	**929,238**	47,130,951
Finance leases	**984,184**	49,917,812	**3,762,460**	190,831,971	**13,690,023**	694,357,967	**18,436,667**	935,107,750
Bank loan	**-**	-	**-**	-	**26,468,300**	1,342,472,176	**26,468,300**	1,342,472,176
	4,883,422	247,687,163	**3,762,460**	190,831,971	**40,158,323**	2,036,830,143	**48,804,205**	2,475,349,277

(d) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, forward currency contracts receivable and payable, trade and other payables, finance leases and deferred gain on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

28. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital. The Company has no external borrowings. The management sets the amount of capital in proportion to risk.

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

	2010		2009	
	US$	Rs.	US$	Rs.
Net debt	**93,437,061**	**4,194,389,669**	34,242,933	1,736,801,562
Total equity	**99,453,423**	**4,464,464,158**	93,055,014	4,719,750,310
Total capital	**192,890,484**	**8,658,853,827**	127,297,947	6,456,551,872
Gearing ratio	**0.48**		0.27	

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

The Company's overall strategies remained unchanged from 2009.

GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Venkatraman Sheshashayee Arangannal s/o Kathamuthu
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089 316
REGISTRATION NUMBER:	200615858G
AUDITORS:	Shanker Iyer & Co.
COMPANY SECRETARIES:	Cheng Lian Siang Pathima Muneera Azmi

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the company for the financial year ended 31 March 2010.

DIRECTORS

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

Naware Pradyumna Raghunath
Jaya Prakash
Venkatraman Sheshashayee
Arangannal s/o Kathamuthu

REVIEW OF BUSINESS

During the year under review, the Company has taken delivery of one 350 ft Jack up rig - Greatdrill Chitra built by Keppel Fels Ltd., Singapore on October 19, 2009, which has been chartered on bareboat basis to Greatship (India) Limited. Greatship (India) Limited has further chartered Greatdrill Chitra to ONGC for a contract for five years and is currently operating in the west coast of India.

Greatdrill Chetna, the in-chartered rig, sub-chartered to Greatship (India) Limited has successfully completed one year of operations with ONGC out of the three years contract with ONGC.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2009	As at 31.03.2010
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of previous financial year, no director of the company has received or become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, except as disclosed in the financial statements.

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the directors

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Executive Director

30 April 2010

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2010 and of its results, changes in equity and cash flows for the financial year then ended; and

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

The directors authorised these financial statements for issue on 30 April 2010.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Executive Director

30 April 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

We have audited the accompanying financial statements of GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD. (the "Company") which comprise the statement of financial position as at 31 March 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

Opinion

In our opinion,

(a) the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2010 and its results, changes in equity and cash flows for the year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Shanker Iyer & Co.
Public Accountants and
Certified Public Accountants

Singapore
30 April 2010.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

	NOTE	2010 US$	2010 RS.	2009 US$	2009 RS.
ASSETS					
Current assets					
Cash and cash equivalents	4	**6,693,488**	**300,470,676**	6,976,208	353,833,270
Derivative financial instruments receivable	5	**-**	**-**	9,315,391	472,476,632
Trade receivables	6	**13,453,012**	**603,905,709**	2,106,435	106,838,383
Other receivables	7	**6,504,542**	**291,988,890**	4,659,450	236,327,304
		26,651,042	**1,196,365,275**	23,057,484	1,169,475,589
Non-current assets					
Plant and equipment	8	**190,783,461**	**8,564,269,564**	16,975	860,972
Capital project in progress	9	**-**	**-**	129,840,121	6,585,490,937
		190,783,461	**8,564,269,564**	129,857,096	6,586,351,909
Total assets		**217,434,503**	**9,760,634,839**	152,914,580	7,755,827,498
LIABILITIES					
Current liabilities					
Trade payables	10	**2,939,233**	**131,942,169**	1,919,533	97,358,714
Other payables	11	**2,744,139**	**123,184,400**	4,748,525	240,845,188
Derivative financial instruments payable	5	**5,267,965**	**236,478,949**	10,000,000	507,200,000
Borrowings	12	**-**	**-**	70,472,430	3,574,361,650
		10,951,337	**491,605,518**	87,140,488	4,419,765,552
Non-current liability					
Borrowings	12	**134,072,981**	**6,018,536,117**	-	-
Total liabilities		**145,024,318**	**6,510,141,635**	87,140,488	4,419,765,552
NET ASSETS		**72,410,185**	**3,250,493,204**	65,774,092	3,336,061,946
SHAREHOLDERS' EQUITY					
Share capital	13	**68,964,161**	**3,095,801,187**	66,964,161	3,396,422,246
Reserves	14	**3,446,024**	**154,692,017**	(1,190,069)	(60,360,300)
TOTAL EQUITY		**72,410,185**	**3,250,493,204**	65,774,092	3,336,061,946

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	NOTE	2010		2009	
		US$	RS.	US$	RS.
REVENUE					
Charter hire income		**50,874,057**	**2,283,736,419**	2,105,260	106,778,787
Other income	15	**11,688**	**524,674**	-	-
Total revenue		**50,885,745**	**2,284,261,093**	2,105,260	106,778,787
EXPENSES					
Charter hire expenses		**33,718,606**	**1,513,628,223**	1,919,533	97,358,714
Employee benefits expenses		**412,528**	**18,518,382**	200,917	10,190,510
Depreciation of plant and equipment	8	**2,978,598**	**133,709,264**	2,665	135,169
Early delivery incentive		**300,000**	**13,467,000**	-	-
Other operating expenses	16	**246,036**	**11,044,557**	112,293	5,695,501
Finance costs	17	**7,567,911**	**339,723,525**	-	-
Total expenses		**45,223,679**	**2,030,090,951**	2,235,408	113,379,894
Profit/(loss) before income tax	18	**5,662,066**	**254,170,142**	(130,148)	(6,601,107)
Income tax expense	19	**-**	**-**	-	-
Net profit/(loss)		**5,662,066**	**254,170,142**	(130,148)	(6,601,107)
Other comprehensive income					
De-recognition of fair value gain arising from derivative financial instruments		**684,609**	**30,732,098**	(517,350)	(26,239,992)
Fair value loss arising from derivative financial instruments		**(1,710,582)**	**(76,788,026)**	(684,609)	(34,723,368)
Other comprehensive loss for the year, net of tax		**(1,025,973)**	**(46,055,928)**	(1,201,959)	(60,963,360)
Total comprehensive income/(loss) for the year		**4,636,093**	**208,114,214**	(1,332,107)	(67,564,467)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2010

	SHARE CAPITAL		HEDGING RESERVE		(ACCUMULATED LOSSES)/ RETAINED PROFITS		TOTAL	
	US$	RS.	US$	RS.	US$	RS.	US$	RS.
2010								
Balance as at 1 April 2009	**66,964,161**	3,396,422,246	**(684,609)**	(34,723,368)	**(505,460)**	(25,636,932)	**65,774,092**	3,336,061,946
Issuance of ordinary shares	**2,000,000**	89,780,000	**-**	-	**-**	-	**2,000,000**	89,780,000
Foreign translation difference	**-**	(390,401,059)	**-**	3,991,270	**-**	2,946,833	**-**	(383,462,956)
Total comprehensive (loss)/ income for the year	**-**	-	**(1,025,973)**	(46,055,928)	**5,662,066**	254,170,142	**4,636,093**	208,114,214
Balance as at 31 March 2010	**68,964,161**	3,095,801,187	**(1,710,582)**	(76,788,026)	**5,156,606**	231,480,043	**72,410,185**	3,250,493,204
2009								
Balance as at 1 April 2008	**45,364,097**	2,300,867,000	**517,350**	26,239,992	**(375,312)**	(19,035,825)	**45,506,135**	2,308,071,167
Issuance of ordinary shares	**21,600,064**	1,095,555,246	**-**	-	**-**	-	**21,600,064**	1,095,555,246
Total comprehensive loss for the year	**-**	-	**(1,201,959)**	(60,963,360)	**(130,148)**	(6,601,107)	**(1,332,107)**	(67,564,467)
Balance as at 31 March 2009	**66,964,161**	3,396,422,246	**(684,609)**	(34,723,368)	**(505,460)**	(25,636,932)	**65,774,092**	3,336,061,946

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 MARCH 2010

	NOTE	2010 US$	2010 RS.	2009 US$	2009 RS.
Operating Activities					
Profit/(loss) before income tax		**5,662,066**	**254,170,142**	(130,148)	(6,601,107)
Adjustments for:					
Depreciation of plant and equipment	8	**2,978,598**	**133,709,264**	2,665	135,169
Finance costs		**7,567,911**	**339,723,525**	-	-
Foreign exchange loss		**16,275**	**730,585**	-	-
		16,224,850	**728,333,516**	(127,483)	(6,465,938)
Changes in working capital:					
Trade receivables		**(11,346,577)**	**(509,347,842)**	(2,106,435)	(106,838,383)
Other receivables		**(1,363,172)**	**(61,192,791)**	(4,659,450)	(236,327,304)
Trade payables		**1,019,700**	**45,774,333**	1,919,533	97,358,714
Other payables		**(2,004,386)**	**(89,976,888)**	4,586,674	232,636,105
Cash generated from/(used in) operating activities		**2,530,415**	**113,590,328**	(387,161)	(19,636,806)
Finance costs paid		**(7,007,469)**	**(314,565,283)**	-	-
Net cash from/(used in) operating activities		**(4,477,054)**	**(200,974,955)**	(387,161)	(19,636,806)
Investing Activities					
Purchase of plant and equipment		**-**	**-**	(15,543)	(788,341)
Additions to capital project in progress	8	**(63,904,963)**	**(2,868,693,789)**	(84,876,816)	(4,304,952,108)
Net cash used in investing activities		**(63,904,963)**	**(2,868,693,789)**	(84,892,359)	(4,305,740,448)
Financing activities					
Proceeds from issuance of ordinary shares	13	**2,000,000**	**89,780,000**	21,600,064	1,095,555,246
Draw-down of bank loan		**140,000,000**	**6,284,600,000**	70,472,430	3,574,361,650
Repayment of bank loan		**(73,884,428)**	**(3,316,671,973)**	-	-
Net cash from financing activities		**68,115,572**	**3,057,708,027**	92,072,494	4,669,916,896
Net (decrease)/increase in cash and cash equivalents		**(266,445)**	**(11,960,717)**	6,792,974	344,539,641
Unrealised exchange difference		**(16,275)**	**(730,585)**	-	-
Foreign translation difference		**-**	**(40,671,292)**	-	-
Cash and cash equivalents at the beginning of the year		**6,976,208**	**353,833,270**	183,234	9,293,629
Cash and cash equivalents at the end of the year	4	**6,693,488**	**300,470,676**	6,976,208	353,833,270

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

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

1. CORPORATE INFORMATION

Greatship Global Energy Services Pte. Ltd. (Company Registration No. 200615858G) is domiciled in Singapore with its registered office at 15 Hoe Chiang Road, #06-03 Singapore 089316.

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

The financial statements of the company for the year ended 31 March 2010 were authorised and approved by the directors for issuance on 30 April 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = Rs. 44.89 and rounded upto the nearest rupee (2009: USD 1 = Rs. 50.72)

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

(i) *FRS 1 – Presentation of Financial Statements (Revised)*

FRS 1 (2008) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements. In addition, the revised Standard requires the presentation of a third statement of financial position at the beginning of the earliest comparative period presented if the entity applies new accounting policies retrospectively or makes retrospective restatements or reclassifies items in the financial statements.

(ii) Amendments to FRS 107 Financial Instruments: Disclosures – *Improving Disclosures about Financial Instruments*

The amendments to FRS 107 expand the disclosures required in respect of fair value measurements and liquidity risk.

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

b) Currency translation

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

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

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

c) Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances.

d) Derivative financial instruments and hedging activities

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

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

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

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

Cash flow hedge – currency forwards

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

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

Cash flow hedge – interest rate swaps

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

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

e) Financial instruments

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

(i) *Classification*

The company classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

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

(ii) *Effective interest rate method*

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

(iii) *Recognition and derecognition*

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

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

(iv) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

(v) *Subsequent measurement*

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

(vi) *Impairment*

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

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

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

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

f) <u>Plant and equipment</u>

(i) *Measurement*

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Components of costs

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

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

(ii) *Depreciation*

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

	Useful lives
Computers	3-5 years
Newly built rig	30 years

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

(iii) *Subsequent expenditure*

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

(iv) *Disposal*

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

g) <u>Impairment of non-financial assets</u>

Plant and equipment

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

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

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

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

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

h) Capital project in progress

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

i) Trade and other payables

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

j) Provisions

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

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

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

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

k) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

Current and deferred income taxes are recognised as income or expense in the statement of comprehensive income.

l) Fair value estimation of financial assets and liabilities

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

m) Revenue recognition

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

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

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

n) Employee benefits

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

Defined Contribution Plans

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

o) Share capital

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

p) Operating lease

Company is the lessor

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

Company is the lessee

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

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

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

q) Government grants

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income upon receipt.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) *Depreciation of plant and equipment*

The company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's plant and equipment. The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's plant and equipment as at the end of each reporting date were disclosed in Note 8 to the financial statements.

(b) *Impairment of loans and receivables*

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

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

4. CASH AND CASH EQUIVALENTS

	2010		2009	
	US$	RS.	US$	RS.
Cash on hand	-	-	2,686	136,234
Cash at bank	**6,693,488**	**300,470,676**	6,973,522	353,697,036
	6,693,488	**300,470,676**	6,976,208	353,833,270

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollars	**268,471**	**12,051,663**	432,234	21,922,908
United States dollars	**6,425,017**	**288,419,013**	6,543,974	331,910,362
	6,693,488	**300,470,676**	6,976,208	353,833,270

5. DERIVATIVE FINANCIAL INSTRUMENTS RECEIVABLE/(PAYABLE)

	2010		2009	
	US$	RS.	US$	RS.
Forward currency contracts receivable	-	-	9,315,391	472,476,632
Forward currency contracts payable	-	-	(10,000,000)	(507,200,000)
	-	-	(684,609)	(34,723,368)
Fair value on interest rate swaps	**(5,267,965)**	**(236,478,949)**	-	-
Unrealised loss on market-to-market	**3,557,383**	**159,690,923**	-	-
Fair value reserve (Note 14)	**(1,710,581)**	**(76,788,026)**	(684,609)	(34,723,368)

The interest swaps are entered to hedge floating semi-annual interest payments on borrowings that will mature on 30 September 2014. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to statement of comprehensive income as part of interest expense over the period of the borrowings.

6. TRADE RECEIVABLES

	2010		2009	
	US$	RS.	US$	RS.
Third parties	**1,847**	**82,912**	1,175	59,596
Intermediate holding company	**13,451,165**	**603,822,797**	2,105,260	106,778,787
	13,453,012	**603,905,709**	2,106,435	106,838,383

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

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

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

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollars	**1,847**	**82,912**	1,175	59,596
United States dollars	**13,451,165**	**603,822,797**	2,105,260	106,778,787
	13,453,012	**603,905,709**	2,106,435	106,838,383

7. OTHER RECEIVABLES

	2010		2009	
	US$	RS.	US$	RS.
Advance to creditors	**351,156**	**15,763,393**	854,901	43,360,579
Intermediate holding company	**5,450,108**	**244,655,348**	-	-
Related company	**696,941**	**31,285,681**	3,735,691	189,474,248
Deposits and prepayment	**6,337**	**284,468**	68,858	3,492,478
	6,504,542	**291,988,890**	4,659,450	236,327,304

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollars	**21,105**	**947,403**	9,258	469,566
United States dollars	**6,483,437**	**291,041,487**	4,650,192	235,857,738
	6,504,542	**291,988,890**	4,659,450	236,327,304

8. PLANT AND EQUIPMENT

	RIG		COMPUTERS		TOTAL	
	US$	RS.	US$	RS.	US$	RS.
2010						
Cost						
1 April 2009	**-**	-	**20,013**	1,015,059	**20,013**	1,015,059
Reclassified from capital project in progress	**193,745,084**	8,697,216,820	**-**	-	**193,745,084**	8,697,216,820
Foreign translation difference	**-**	-	**-**	(116,675)	**-**	(116,675)
At 31 March 2010	**193,745,084**	8,697,216,820	**20,013**	898,384	**193,765,097**	8,698,115,204
Accumulated depreciation						
At 1 April 2009	**-**	-	**3,038**	154,087	**3,038**	136,376
Charge for the year	**2,972,527**	133,436,737	**6,071**	272,527	**2,978,598**	133,709,264
Foreign translation difference	**-**	-	**-**	(17,711)	**-**	(17,711)
At 31 March 2010	**2,972,527**	133,436,737	**9,109**	408,903	**2,981,636**	133,845,640
Net Book Value						
At 31 March 2010	**190,772,557**	8,563,780,084	**10,904**	489,481	**190,783,461**	8,564,269,564

	COMPUTERS	
	US$	RS.
2009		
Cost		
At 1 April 2008		
Additions	**4,470**	226,718
At 31 March 2009	**15,543**	788,341
	20,013	1,015,059
Accumulated depreciation		
At 1 April 2008		
Charge for the year	**373**	18,918
At 31 March 2009	**2,665**	135,169
	3,038	154,087
Net Book Value		
At 31 March 2009	**16,975**	860,972

9. CAPITAL PROJECT IN PROGRESS

Capital project in progress represented the direct costs and other initial costs incurred towards construction of a new Jack up Drilling rig. The construction was completed on 15 October 2009 and was transferred to plant and equipment.

10. TRADE PAYABLES

The carrying amounts of trade payables approximate their fair values and are denominated in United States dollars.

11. OTHER PAYABLES

	2010		2009	
	US$	RS.	US$	RS.
Accruals	**956,726**	**42,947,430**	1,028,535	52,167,295
Purchases on behalf by holding company	**1,786,791**	**80,209,048**	3,572,823	181,213,583
Other creditors	**622**	**27,922**	15,610	791,739
Related company	**-**	**-**	131,557	6,672,571
	2,744,139	**123,184,400**	4,748,525	240,845,188

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

	2010		2009	
	US$	RS.	US$	RS.
Singapore dollars	**89,090**	**3,999,250**	164,472	8,342,020
United States dollars	**2,655,049**	**119,185,150**	4,584,053	232,503,168
	2,744,139	**123,184,400**	4,748,525	240,845,188

12. BORROWINGS

	2010		2009	
	US$	RS.	US$	RS.
Loan	**136,588,002**	**6,131,435,410**	70,472,430	3,574,361,650
Unamortised facility fees	**(2,515,021)**	**(112,899,293)**	-	-
	134,072,981	**6,018,536,117**	70,472,430	3,574,361,650

The loan is subject to interest ranging from 3.58% to 5.00% (2009: 2.7475% to 4.075%) per annum and is repayable within five years of the final delivery date of the vessels. The subject loan is secured by:-

1) A first assignment of the rig building contract.

2) Letter of undertaking from the company's ultimate holding company.

The carrying amount of loan approximates its fair value and is denominated in United States dollars.

13. SHARE CAPITAL

	2010	2009	2010		2009	
	NUMBER OF ORDINARY SHARES ISSUED		US$	RS.	US$	RS.
At the beginning of the year	**1,046,316**	708,815	**66,964,161**	**3,396,422,246**	45,364,097	2,300,867,000
Foreign translation difference	**-**	-	**-**	**(390,401,059)**	-	-
Issuance of ordinary shares	**31,250**	337,501	**2,000,000**	**89,780,000**	21,600,064	1,095,555,246
As at end of year	**1,077,566**	1,046,316	**68,964,161**	**3,095,801,187**	66,964,161	3,396,422,246

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

During the financial year, the company increased its paid up share capital from US$66,964,161 (Rs. 3,006,021,187) to US$68,964,161 (Rs. 3,095,801,187) by way of further allotment of 31,250 ordinary shares for cash consideration.

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

14. RESERVES

	2010		2009	
	US$	RS.	US$	RS.
Hedging reserve				
Balance at the beginning of the year	**(684,609)**	**(34,723,368)**	517,350	26,239,992
De-recognition of fair value gain arising from derivative financial instruments	**684,609**	**30,732,098**	(517,350)	(26,239,992)
Foreign translation difference	**-**	**3,991,270**	-	-
Changes in fair value of interest rate swaps	**(1,710,582)**	**(76,788,026)**	(684,609)	(34,723,368)
Balance at the end of the year (Note 5)	**(1,710,582)**	**(76,788,026)**	(684,609)	(34,723,368)
Retained profits/(accumulated losses)				
Balance at the beginning of the year	**(505,460)**	**(25,636,932)**	(375,312)	(19,035,825)
Profit/(loss) for the year	**5,662,066**	**254,170,143**	(130,148)	(6,601,107)
Foreign translation difference	**-**	**2,946,833**	-	-
Balance at the end of the year	**5,156,606**	**231,480,043**	(505,460)	(25,636,931)
Total reserves	**3,446,024**	**154,692,017**	(1,190,069)	(60,360,300)

15. OTHER INCOME

	2010		2009	
	US$	RS.	US$	RS.
Government grant	**11,688**	**524,674**	-	-

16. OPERATING EXPENSES

	2010		2009	
	US$	RS.	US$	RS.
Bank charges	**78,943**	**3,543,751**	14,745	747,866
Director's fees	**8,937**	**401,182**	9,651	489,499
General expenses	**9,397**	**421,831**	9,132	463,175
Professional fees	**81,274**	**3,648,390**	13,660	692,835
Quality control fees	**-**	**-**	40,984	2,078,708
Travelling expenses	**16,473**	**739,473**	600	30,432
Others	**51,012**	**2,289,930**	23,521	1,192,986
	246,036	**11,044,557**	112,293	5,695,501

17. FINANCE COSTS

	2010		2009	
	US$	RS.	US$	Rs.
Interest rate swaps	**4,408,912**	**197,916,060**	-	-
Arrangement fee	**647,012**	**29,044,369**	-	-
Interest on bank loan	**2,487,331**	**111,656,288**	-	-
Interest on late payment	**3,322**	**149,125**	-	-
Interest on intercompany loan	**21,334**	**957,683**	-	-
	7,567,911	**339,723,525**	-	-

Interest rate swaps comprise of the following:

	2010		2009	
	US$	RS.	US$	RS.
Unrealised marked-to-market interest rate swaps	**4,179,143**	**187,601,729**	-	-
Interest rate swaps paid	**963,399**	**43,246,981**	-	-
	5,142,542	**230,848,710**	-	-
Unrealised marked-to-market interest rate swap with a related company	**(481,920)**	**(21,633,389)**	-	-
Interest rate swap recoverable from a related company	**(251,710)**	**(11,299,262)**	-	-
	4,408,912	**197,916,060**	-	-

18. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2010		2009	
	US$	RS.	US$	RS.
CPF contributions	**25,252**	**1,133,562**	6,743	342,005
Directors' remuneration and bonus	**181,297**	**8,138,422**	131,557	6,672,571

19. INCOME TAX EXPENSE

The current year income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2009: 18%) to profit/(loss) before income tax as a result of the following differences:

	2010		2009	
	US$	RS.	US$	RS.
Accounting profit/(loss)	**5,662,066**	**254,170,142**	(130,148)	(6,601,107)
Income tax expense/(benefit) at statutory rate	**962,551**	**43,208,914**	(22,125)	(1,122,180)
Non-deductible items	**-**	**-**	901	45,699
Exempt income	**(962,551)**	**(43,208,914)**	21,224	1,076,481
	-	**-**	-	-

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

Charter hire income of the Company is exempt from income tax under Section 13A of Singapore Income Tax Act as income is derived from rigs operating outside the limits of the port of Singapore.

20. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

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

21. SIGNIFICANT RELATED PARTY TRANSACTIONS

During the financial year, the Company had transactions with its intermediate holding company on terms agreed between them with respect to the following:

	2010		2009	
	US$	RS.	US$	RS.
Charter hire income from intermediate holding company	**50,874,057**	**2,283,736,419**	2,105,260	106,778,787
Expenses paid for intermediate holding company	**-**	**-**	(3,735,691)	(189,474,248)
Interest paid to intermediate holding company	**(21,334)**	**(957,683)**	-	-

22. OPERATING LEASE COMMITMENTS

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

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

	2010		2009	
	US$	Rs.	US$	Rs.
Due within one year	**33,835,500**	**1,518,875,595**	33,856,879	1,717,220,903
Due within two to five years	**33,464,700**	**1,502,230,383**	65,724,300	3,333,536,496
	67,300,200	**3,021,105,978**	99,581,179	5,050,757,399

Operating lease payments represent rentals payable by the company for rig and staff accommodation. The leases have varying terms and renewal rights.

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

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

	2010		2009	
	US$	Rs.	US$	Rs.
Due within one year	**68,015,925**	**3,053,234,873**	37,120,500	1,882,751,760
Due within two to five years	**147,937,230**	**6,640,902,255**	72,105,300	3,657,180,816
	215,953,155	**9,694,137,128**	109,225,800	5,539,932,576

23. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risk

i) Foreign currency risk

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

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

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

	2010		2009	
	US$	Rs.	US$	Rs.
Financial assets				
Cash and cash equivalents	**268,471**	**12,051,663**	432,234	21,922,908
Trade receivables	**1,847**	**82,912**	1,175	59,596
Other receivables	**21,105**	**947,403**	9,258	469,566
	291,423	**13,081,978**	442,667	22,452,070
Financial liabilities				
Other payables	**(89,090)**	**(3,999,250)**	(164,472)	(8,342,020)
	(89,090)	**(3,999,250)**	(164,472)	(8,342,020)
Currency exposure of net financial assets/ (liabilities)	**202,333**	**9,082,728**	278,195	14,110,050

At 31 March 2010, an estimated 2% (31 March 2009: 5%) currency fluctuation in Singapore dollars against the United States dollars, with all other variables including tax rate being held constant, the company's profit/(loss)

after tax for the financial year would have been lower/higher by approximately US$4,000 (Rs 179,560) (31 March 2009: US$14,000, Rs 710,080) as result of currency translation.

ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates except for the loan as disclosed in note 12 of the financial statements.

(b) *Credit risk*

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

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

The trade receivables of the company comprise 1 debtor (2009: 1 debtor) that individually represented 99% (2009: 99%) of trade receivables.

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

	2010		2009	
	US$	Rs.	US$	Rs.
By geographical area				
India	**13,451,165**	**603,822,797**	2,105,260	106,778,787
Singapore	**1,847**	**82,912**	1,175	59,596
	13,453,012	**603,905,709**	2,106,435	106,838,383

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

	2010		2009	
	US$	Rs.	US$	Rs.
Due less than 30 days	**13,453,012**	**603,905,709**	2,106,435	106,838,383

(c) *Liquidity risk*

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

Non-derivative financial liabilities

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

	Less than 1 year		Between 2 and 5 Years	
	US$	Rs.	US$	Rs.
AT 31 MARCH 2010				
Trade payable	2,939,233	131,942,169	-	-
Other payables	2,744,139	123,184,400	-	-
Derivative financial instruments payable	5,267,965	236,478,949	-	-
Borrowings	-	-	134,072,981	6,018,536,117
	10,951,337	491,605,518	134,072,981	6,018,536,117
AT 31 MARCH 2009				
Trade payable	1,919,533	97,358,714		
Other payables	4,748,525	240,845,188		
Derivative financial instruments payable	10,000,000	507,200,000		
Borrowings	70,472,430	3,574,361,650		
	87,140,488	4,419,765,552		

(d) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, trade and other receivables, derivative financial instruments receivable and payable, trade and other payables, related parties balances and loan balance on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

24. CAPITAL RISK MANAGEMENT

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

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

	2010		2009	
	US$	**Rs.**	US$	Rs.
Net debt	**133,062,865**	**5,973,192,010**	70,164,280	3,558,732,282
Total equity	**72,410,185**	**3,250,493,205**	65,774,092	3,336,061,946
Total capital	**205,473,050**	**9,223,685,215**	135,938,372	6,894,794,228
Gearing ratio	**0.65**	**0.65**	0.52	0.52

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

The Company's overall strategies remained unchanged from 2009.

GREATSHIP DOF SUBSEA PROJECTS PRIVATE LIMITED

A Subsidiary Company

DIRECTORS:	Ravi K. Sheth P. R. Naware
REGISTERED OFFICE:	Ocean House 134/A, Dr. Annie Besant Road Worli, Mumbai – 400 018
CORPORATE IDENTITY NUMBER:	U 74999 MH 2008 PTC 188103
AUDITORS:	Kalyaniwalla & Mistry Chartered Accountants Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai - 400 023

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the first report, for the period from incorporation i.e. November 10, 2008 to March 31, 2010.

FINANCIAL RESULTS

Your Company was incorporated on November 10, 2008, as a wholly owned subsidiary of Greatship (India) Limited to focus on subsea projects opportunities. Your Company has incurred a loss of Rs. 1,000/- for the period from incorporation till March 31, 2010.

DIVIDEND

The Directors do not recommend any dividend for the period under review, in view of the loss sustained by the Company.

CURRENT YEAR

Your Company was incorporated pursuant to joint venture agreement dated September 8, 2008 between Greatship (India) Limited and DOF Subsea Pte. Ltd., Singapore to focus on subsea projects opportunities. This joint venture agreement has been terminated by mutual consent on May 7, 2010.

DIRECTORS

The Board comprises of two Directors – Mr. Ravi K. Sheth and Mr. P. R. Naware.

Mr. P. R. Naware, Director retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

As per the Notification No. GSR 1029 dated 31.12.1988, the Company is not required to furnish information in relation to conservation of energy under Clause (e) of Sub-section (1) of Section 217 of the Companies Act, 1956. The Company, has no particulars to furnish in Form B as regards technology absorption.

There was no Foreign exchange earnings and expenditure during the period under review:

PARTICULARS OF EMPLOYEES

There is no employee who was in receipt of remuneration exceeding the limits specified in Section 217(2A) of the Companies Act, 1956 (Act), read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS

Messrs Kalyaniwalla & Mistry, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such reappointment within the meaning of Section 226 of the said Act.

APPRECIATION

Your Directors wish to place on record their gratitude to the Company's Bankers for their continuous support.

For and on behalf of the
Board of Directors

Ravi K. Sheth
Chairman

Mumbai, May 14, 2010

REPORT OF THE AUDITORS
TO THE MEMBERS OF
GREATSHIP DOF SUBSEA PROJECTS PRIVATE LIMITED

1. We have audited the attached Balance Sheet of Greatship DOF Subsea Projects Private Limited, as at March 31, 2010 and also the Profit and Loss Account of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, since in our opinion and according to the explanations given to us, the said order is not applicable to the Company.
4. Further, we report that:
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
   c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
   d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
   e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010; and
      ii) in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date
5. On the basis of the written representations received from the Directors of the Company as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2010 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place : Mumbai
Date: May 14, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	SCHEDULE	AS AT MARCH 31, 2010 RS.
SOURCES OF FUNDS :		
Shareholders' Funds :		
Share Capital	1	**100,000**
		100,000
Current Assets, Loans and Advances :		
Cash and Bank Balances	2	**99,000**
Miscelleneous Expenditure (to the extent not written off)		
Profit and Loss Account		**1,000**
		100,000
Significant Accounting Policies	3	
Notes on Accounts	4	

The Schedules referred to above form an integral part of the Balance Sheet.

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, May 14, 2010

For and on behalf of the Board

Ravi K. Sheth
Director

P. R. Naware
Director

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED MARCH 31, 2010

PARTICULARS	FOR THE PERIOD ENDED MARCH 31, 2010 RS.
INCOME :	-
EXPENDITURE :	
Filing Fees	**(1,000)**
Loss for the period	**(1,000)**
Basic and diluted earnings per share (in Rs.)	**(0.10)**

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, May 14, 2010

For and on behalf of the Board

Ravi K. Sheth
Director

P. R. Naware
Director

SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

PARTICULARS	AS AT MARCH 31, 2010 RS.
SCHEDULE "1"	
SHARE CAPITAL :	
AUTHORISED	
10,000 Equity Shares of Rs.10 each	**100,000**
ISSUED, SUBSCRIBED & PAID UP	
10,000 Equity shares of Rs.10 each fully paid up	**100,000**
	100,000
Note:	
The entire share capital is held by Greatship (India) Limited, the holding company.	
SCHEDULE "2"	
CASH AND BANK BALANCES :	
Balance with scheduled bank in current account	**99,000**
	99,000

SCHEDULE: 3

SIGNIFICANT ACCOUNTING POLICIES :

(a) Accounting Convention :

The financial statements are prepared under the historical cost convention on accrual basis, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards as specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government and the provisions of the Companies Act, 1956.

(b) Expenses :

Expenses are accounted on accrual basis.

SCHEDULE: 4

NOTES TO ACCOUNTS :

(a) The company was incorporated on November 10, 2008, to focus on subsea project opportunities pursuant to a Joint Venture Agreement with Dof Subsea Pte. Ltd. ,Singapore. The Joint Venture has been terminated by mutual consent post the Balance Sheet date.

(b) These Financial Statements are for the period from the date of incorporation November 10, 2008 to March 31, 2010. There are thus no previous year comparatives.

(c) Earnings Per Share :

	Basic and diluted earnings per share		
			For the period ended March 31, 2010
(a)	Loss for the period after tax attributable to equity shareholders	Rs.	**(1000.00)**
(b)	Weighted average number of Equity shares outstanding during the year		**10000**
(c)	Face value of Equity Share	Rs.	**10.00**
(d)	Basic earnings per shares	Rs.	**(0.10)**

Notes

Notes

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