62nd ANNUAL REPORT 2009-10

THE GREAT EASTERN SHIPPING CO. LTD.

Strong winds Stronger sail

62nd Annual Report 2009-10

CONTENTS

Chairman's Statement

Dear Shareholders,

At the dawn of the financial year 2009-10, there was a great deal of uncertainty about the world economy and, consequently, an expectation that in our industry, with the huge order book of ships due to deliver during the year, the spectre of the 1980s was upon us.

Events, however, turned out to be better than expected with developing economies recovering smartly and signs of a turnaround in the USA. As a result, cautious optimism returned to the shipping industry towards the end of the year. This was reflected both by an increase in asset values as well as by additional investments being made in the new building market. A detailed analysis of the shipping freight markets has been provided in the Management Discussion & Analysis section of annual report and, therefore, I will not dwell upon this in detail.

For the financial year 2009-10, your Company has recorded a net profit of Rs. 395.75 crores on a standalone basis and Rs. 512.76 crores on a consolidated basis. Your Company has announced a total dividend of Rs. 8 per share, thereby significantly enhancing the pay out ratio for the year. Your Company's Oil & Gas subsidiary, Greatship (India) Limited has now achieved significant size of operations that has contributed meaningfully to the consolidated revenues of your Company.

While global economies are on the mend, growth pockets are generally within the emerging economies as the developed nations continue to thrive more on the Government stimulus packages than on domestic consumption driven demand. Accordingly, world GDP and hence, global trade demand is expected to register steady growth in 2010 driven mostly by China, India and other Asian economies. Currently, only two factors seem certain for our freight markets – volatility and uncertainty. While tonnage demand both in the tankers and the dry bulk segments is likely to improve going forward, uncertainty of this improvement reflecting upon the shipping markets is mostly on account of the actual new building deliveries that can happen during the course of the year. However, it is only during such challenging times that real growth opportunities surface and in this connection, I am happy to report that your Company is well positioned to capitalize on any downturn in asset values to further expand its fleet. In the midst of the choppy seas, where profitable operations and meeting repayment obligations has been a challenge for many shipping companies that had expanded very aggressively in the good times, your Company was in a better position than most due to its innate conservatism philosophy. During the last few years of a very strong freight market, your Company had steered its way steadily with unwavering focus on financial prudence without compromising on the need for growth. As on March 31, 2010, your Company had cash and cash equivalents amounting to approx Rs. 3,450 crores and a net debt equity ratio of 0:03 enabling it to make significant asset acquisitions at the opportune time. The timing of such acquisition is difficult to define today, but I am certain that patience will be duly rewarded. Over the next 3 years, your Company will complete its committed capital expansion plan of approx. US$ 570 mn thereby taking the total dwt to around 3.8 mn dwt.

I take this opportunity to thank all our customers for their unstinted support extended during these extraordinary times. Needless to say, sailing through these rough seas would not have been possible without the dedication and faith exhibited by all my colleagues both on shore and on board particularly so in meeting their paramount objective of safety of life, carriage and environment. Finally, I am, as ever, grateful to the Government of India as well as the Regulatory authorities for their continuous support.

With warm regards,

K. M. Sheth
Executive Chairman

The Great Eastern Institute of Maritime Studies

The Great Eastern Institute of Maritime Studies located on a 18.5 acres land at Lonavala, commenced its pre-sea training from January 2006.

The Institute is 'bench marked' by CRISIL and awarded Grade 1 (outstanding) since December 2006 – the highest rating, and continues to be so from year to year. The Institute is ISO 9001:2008 certified by the Indian Register of Shipping with effect from November 2009.

To start with, it was contemplated to have a capacity of 160 students for Trainee Navigating Officer Cadets and Graduate Mechanical Engineer Cadets, which was subsequently, raised to train 240 students, 120 deck cadets and 120 engineering cadets. The Institute, since 2009, has been affiliated to Indian Maritime University and the Trainee Navigating Officer Cadets have been

appearing for examinations conducted by them.

The Institute has so far trained 507 Trainee Navigating Officers and 523 Graduate Mechanical Engineers. At present, there are about 50 Engineers and about 10 Navigating Officers sailing on the Company's ships. Since July 2007, the Institute has also commenced training Electrical Officers. Till now 61 such officers were trained of which about 15 Trainee Electrical Officers have taken independent charge on board the Company's ships.

The Institute has also commenced in-house training for the four mandatory STCW Safety Courses by providing the necessary equipment and trainers. With this the Institute is able to provide comprehensive training as a pre-requisite for eligibility of a C.D.C. before the cadet joins the ship.

All these efforts have helped achieve economies of integrated training.

The Institute also conducts several value added courses for senior officers of the fleet including the recently introduced 18-day Skill Enhancement Course for operational level officers in collaboration with Germanischer Lloyd.

In time to come, most of the training required in the maritime sector will be imparted at the Institute. This will help to reduce the cost of training and will develop the Company's manpower.

International Maritime Organization (IMO), in April 2010, conducted a 'workshop' at the Institute to develop an 'Advanced Training package on Ballast Water Management' for ships and ports. This workshop was backed by IMO's 'Global Industry

Alliance' members and the course is likely to be highly sought after by the Maritime Industry. IMO appreciated the assistance provided by the Institute and the valuable technical inputs provided by the Faculty. Such a programme conducted for the first time in the country, has given a tremendous boost to its image in the International Maritime Industry.

The overall objective of the Institute is not only to train competent officers to man the Company's ships but to also imbibe the appropriate values, culture, attitude and motivation in the minds of the cadets by training them for not just a job, but a life time career and commitment in the Company.

Risk Management

The Company views managing risk as an integral part of its operations. The objective of the risk management is to strike a balance between pursuing growth and business opportunities, and the need to manage the fluctuations in freight rates, currencies and other markets, along with maintaining operational and safety standards.

The Company has identified risks in the following broad categories:

1) Technical or Operational risk: This is the risk associated with the operation and safe running of the ships. These are managed by having stringent measures for quality and safety of people and cargo on board. Constant training and focused development to upgrade the skills on board is done so that the employees are fully geared to meet all possible challenges.

2) Market risk: The Company is operating in the tramp shipping business and owns crude and product tankers and dry bulk carriers, a significant portion of which are operated on the spot market. This relates to risk due to change in freight markets, bunker prices and counterparty risk. While management of fluctuation in freight rates is possible through long term charters, Contracts of Affreightment, etc., fluctuation in bunker prices can be offset through hedging transactions or by taking fixed price contracts with suppliers. Counterparty risk can be minimized by dealing with large, well reputed and good credit names.

3) Financial markets and liquidity risk: This is the risk associated with the financial position and cash flows of the Company. Liquidity risk may arise from inability to meet financial obligations, including loan repayments and payments for vessel acquisitions. This is dealt with by keeping low leverage, as a result of which the Company is able to borrow even in challenging markets such as those seen in 2008-09. It is also mitigated by keeping substantial liquidity at all times, which enables the Company to capitalize on any opportunities that may arise. Financial market risk may arise on account of exchange fluctuations, change in interest rates etc. Since the majority of the revenues of the Company are denominated in US dollars, there is a translation risk as the Company has to report its financial performance in Indian Rupees. Also, since most of the External Commercial Borrowings (ECBs) raised by the Company are based on floating rate, the Company is exposed to changes in interest rates. These risks are managed by actively hedging the net open Forex exposure and the floating/fixed rate liability.

Risk Management Strategy of the Company

- The Company has traditionally used a mix of long term time charters, contracts of affreightments to de-risk the revenues to some extent. As of March 31, 2010, the Company has 46% of its revenues from time charters and 54% from spot charters.
- As on March 31, 2010, 63% of the Company's loan portfolio was on fixed interest rates, and the balance 37% on floating rates.
- As on March 31, 2010, the Company has sold forward a total of USD 105 million for FY 2010-11, USD 63 million for FY 2011-12 and USD 30 million for FY 2012-13.
- As on March 31, 2010, the Company's gross debt equity ratio was 0.68 whilst its net debt equity ratio was 0.04.
- As on March 31, 2010, the Company had a balance of cash and equivalents totaling to Rs. 345453 lakhs, all in bank deposits and debt mutual funds.

Board of Directors

K. M. Sheth EXECUTIVE CHAIRMAN
Bharat K. Sheth DEPUTY CHAIRMAN & MANAGING DIRECTOR
R. N. Sethna
Asha V. Sheth
Cyrus Guzder
Keki Mistry
Vineet Nayyar
Berjis Desai
K. V. Kamath *(w.e.f. May 22, 2010)*
Ravi K. Sheth EXECUTIVE DIRECTOR

COMMITTEES

AUDIT COMMITTEE	SHAREHOLDER/INVESTORS' GRIEVANCE COMMITTEE	REMUNERATION COMMITTEE
Keki Mistry CHAIRMAN	Cyrus Guzder CHAIRMAN	Cyrus Guzder CHAIRMAN
R. N. Sethna	Berjis Desai	R. N. Sethna
Cyrus Guzder	Asha V. Sheth	Berjis Desai
Berjis Desai		

Jayesh M. Trivedi COMPANY SECRETARY

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

Directors' Report

Your Directors are pleased to present the 62nd Annual Report on the business and operations of your Company and Audited Accounts for the financial year ended March 31, 2010.

Financial Performance

The financial results of the Company for the financial year ended March 31, 2010 are presented below:

RS. IN LAKHS

	2009-10	2008-09
Total Income	**224539**	336474
Total Expenditure	**181343**	194505
Profit Before Tax	**43196**	141969
Less : Provision for Taxation		
- Current Tax	**3915**	4375
- Fringe Benefit Tax	**-**	125
Profit for the Year after Tax	**39281**	137469
Add : Prior period adjustments	**294**	1013
Net Profit	**39575**	138482
Less : Transfer to Tonnage Tax Reserve Account under Section 115VT of the Income-tax Act, 1961	**4000**	23000
	35575	115482
Add : Surplus brought forward from previous year	**271177**	183949
Amount available for Appropriation	**306752**	299431
Appropriations:		
- Transfer to General Reserve	**4000**	14000
- Interim Dividend on Equity Shares	**-**	12183
- Proposed Dividend on Equity Shares	**12183**	-
- Tax on Dividends	**1896**	2071
Balance Carried Forward	**288673**	271177

The total income for the year was recorded at Rs. 224539 lakhs as against Rs. 336474 lakhs in the previous year and a Net Profit after prior period adjustments of Rs. 39575 lakhs as against Rs. 138482 lakhs in the previous year.

Dividend on Equity Shares

Your Directors recommend a dividend of Rs. 8/- per share. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be Rs. 14079 lakhs including tax on dividend. This represents a payout ratio of 35.57% (previous year 10.29%).

Management Discussion and Analysis

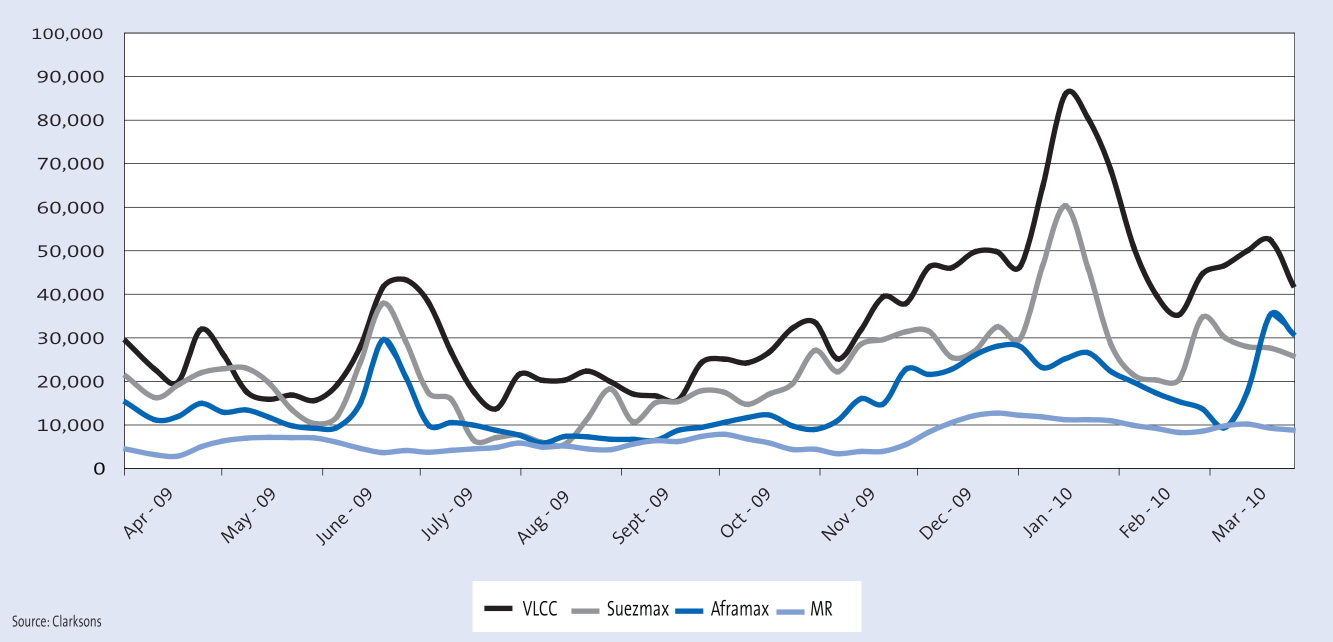
Company Performance

In FY 10, the Company recorded a total income of Rs. 224539 lakhs (previous year Rs. 336474 lakhs) and earned a PBIDT of Rs. 92139 lakhs (previous year Rs. 199182 lakhs).

Tanker Business

Market Trend and Analysis

Tanker average spot earnings over the year ($ per day)



After enjoying several years of strong tanker markets, FY 10 turned out to be a turbulent year for tanker owners. During the first half of the year, earnings across various segments fell to levels wherein certain tanker owners were faced with the dilemma of operating their ships at or below the operating costs. This was particularly true in the clean and dirty products category.

Consequent to the collapse of global financial stability, in the first nine months of FY 10 average world oil demand dipped by about 0.45% or 0.4 million barrels per day over FY 09. This was largely led by the OECD nations where demand dropped by staggering 4% or 1.9 million barrels per day during the same period. To respond to the crisis, OPEC cut its average oil supply by about 5.4 % or 1.7 million barrels per day during FY 10.

The world tanker fleet increased to 441.40 million dwt at the end of the financial year, about 6% higher than the 416.90 million dwt at the beginning of FY 10. The fleet growth was more skewed in favour of the product tanker segment.

Floating storage provided some relief to the tanker owners in such a challenging environment. The main driver of this situation was an oversupplied market, with land-based crude oil storage largely full up and final demand for refined products well down. To tap the then prevailing contango (a term used when future prices are higher than 'spot' prices) in the spot and the future oil and oil products prices, it is believed that traders withdrew close to 150 tankers out of the active fleet to store approx. 55 million barrels of crude oil and 98 million barrels of clean products at the peak of this activity sometime in November 2009.

Amongst other factors that provided some respite to the tanker owners were increased scrapping *vis-à-vis* FY 09, slow steaming and lower single hull tonnage utilization. Also, towards the end of the financial year, increased crude oil imports by China, especially from West Africa, improved the tonne-mile demand.

Company Performance

The tanker business accounted for around 83% of the Company's net revenues and 87% of the operating profits.

In FY 09-10, around 61% of the tanker earnings were derived from the period market. The crude tankers, inclusive of 'spot' and 'period', earned an average TCY of $22,300/day (previous year $41,200/day). The product carriers, inclusive of 'spot' and 'period', earned an average TCY of $18,200/day (previous year $23,700/day).

Tanker Fleet Changes

The tanker fleet of your Company stood at 32 tankers aggregating 2.48 million dwt, with an average age of 10.6 years (as of 31st March 2010) as against 31 tankers aggregating 2.3 million dwt with an average age of 9.9 years as on 31st March 2009.

During the year, your Company acquired one double hull 1996 built Medium Range Product tanker 'Jag Padma' in January 2010.

During the year, your Company also took delivery of the following new building vessels:

– Double hull Long Range One (LR1) Product tanker 'Jag Amisha' in April 2009

– Double hull Long Range One (LR1) Product tanker 'Jag Aparna' in June 2009

During the year, your Company delivered to the buyers 2007 built Medium Range Product tankers 'Jag Panna' in July 2009 and 'Jag Payal' in May 2009.

Subsequently your Company delivered to the buyers 1996 built Suezmax Crude tanker 'Jag Layak' in April 2010 which was contracted for sale in October 2009 and 1985 built General Purpose Product tanker 'Jag Palak' in May 2010.

During FY 08-09, your Company had placed orders for two Suezmax tankers, both of which were to be delivered in 2011. These have been replaced with three Very Large Crude Carrier tankers to be delivered in early 2012. The total tanker new building order-book for your Company now stands at three vessels.

Outlook for the Tanker Market

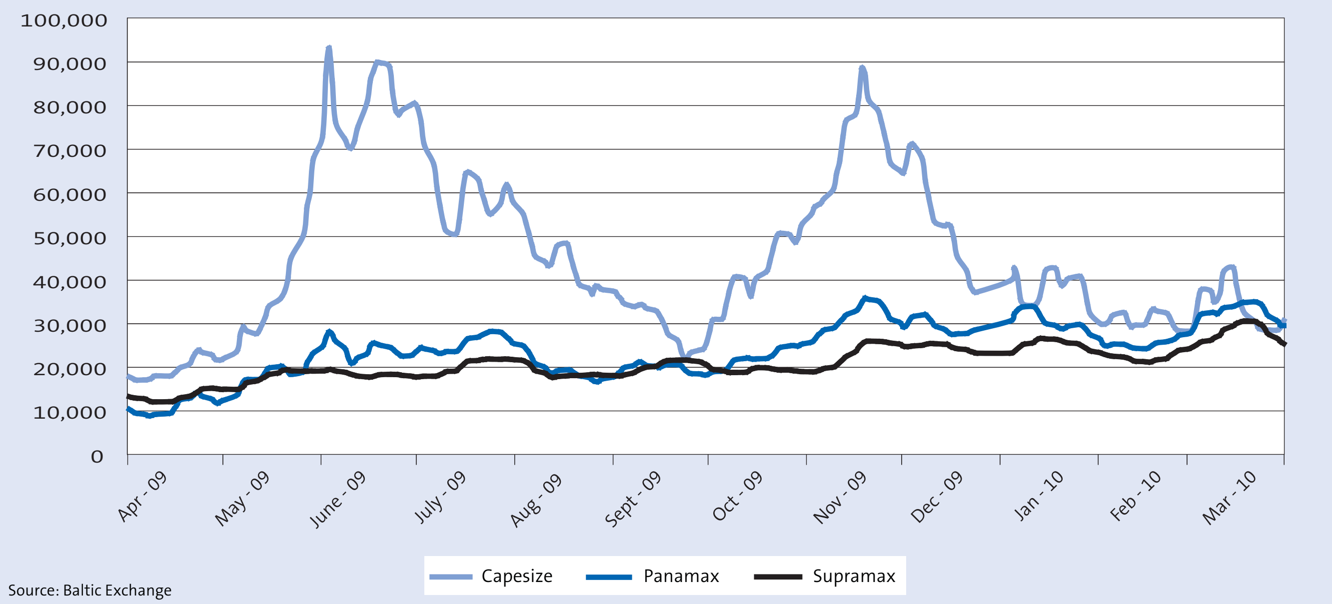
Prospects for the tanker market in FY 2010-11 remain uncertain. As per IEA, world oil demand in 2010 is expected to improve to 86.6 million barrels per day, which is about 2% or 1.7 million barrels higher than that seen in 2009. While China's oil demand growth is expected to stay in the region of 6.5%-7%, a lot depends on a sustainable oil demand recovery in the OECD nations, specifically the US and the Europe. While last quarter of the previous financial year did see slight improvement in the US oil demand, economic problems in Greece and surrounding Euro zone can dramatically alter demand dynamics. Significant refining capacity will come on stream in the Middle East and Asia in 2010, which will take away market share from refiners in the US and the Europe. This will boost tonne mile demand for the product tanker tonnage going forward.

On the supply side, the global tanker orderbook currently stands at about 128.6 million dwt or 29.1% of the fleet at the end of March 2010, with about 50.40 million dwt scheduled for delivery between April and December 2010. However, last calendar year registered 25% slippage in tanker new building deliveries against that scheduled at the beginning of the year. Assuming similar slippage and complete single hull tonnage phase out in 2010, net tanker fleet is expected to grow at approx. 2-3% in the calendar year. Overall, barring seasonal volatility, average tanker earnings in FY 11 are expected to remain similar to those seen in FY 10.

Dry Bulk Business

Market Trend and Analysis

Dry bulk average spot earnings over the year ($ per day)



Source: Baltic Exchange

After experiencing 5 years of a supercharged cycle (2003-08), the dry bulk business witnessed a slump not seen in a long time in the third quarter of FY 09. In an environment characterized by extreme global economic uncertainty and fear of an impending flood of new building deliveries, FY 10 performance was expected to be very poor. However, to the surprise of dry bulk ship owners, the year turned out to be much better than generally expected at the beginning. While on a yearly average basis, freight rates were around 40-50% lower than those seen in FY 09, they represented a significant improvement over the lows of December 2008.

Most dramatically in a year in which global steel production fell by about 110 mt (Calendar 2009 over Calendar 2008), Chinese steel production increased by 67 mt (13.5%). Consequently Chinese iron ore imports rose by a massive 184 mt (41%) to reach 628 mt. As a result despite unprecedented fall in imports by EU and Japan, global seaborne iron ore trade actually increased in one of the least expected years. The substantial escalation in Chinese imports was supported by a couple of factors. The massive economic stimulus package created strong growth in demand for steel and energy. The low price of raw materials gave great incentives to secure large volumes at bargain prices from the international market. For most of the calendar year 2009, international iron ore and coal prices were lower than domestic Chinese prices. The surge in imports triggered congestion in ports with average waiting delays both in loadports in Australia and discharge time in China increasing sharply.

The dry bulk fleet stood at 475.60 million dwt as at the end of the financial year, about 12.3% higher than the 423.4 million dwt at the beginning of FY 10. Fleet growth would have been even higher had it not been for significant slippage (about 40% in calendar 2009) in new building deliveries and sizable scrapping of the older vessels.

Overall, FY 10 turned out to be better than expected year for the dry bulk market.

Company Performance

The dry bulk fleet contributed around 17% of the Company's net revenues and 13% of the operating profits. The average TCY for dry bulk vessels, inclusive of 'spot' and 'period', was approximately \$20,300/day as compared to \$39,800/day in the previous year.

Dry Bulk Fleet Changes

The dry bulk fleet stood at 6 vessels aggregating 0.41 million dwt, with an average age of 13.6 years (as of March 31, 2010) as against 8 vessels aggregating 0.50 million dwt with an average age of 13.3 years on March 31, 2009.

During the year, your Company delivered to the buyers the following vessels –

1984 built Handymax bulk carrier 'Jag Rani' in May 2009 and 2000 built Handymax bulk carrier 'Jag Reena' in June 2009

The total bulker new building order-book for your Company now stands at five vessels.

Outlook for the Dry Bulk Market

Chinese imports policy and actual new building deliveries will set the undertone for the dry bulk shipping market in short to medium term. On the back of increased domestic demand backed by greener pastures outside China, there is a potential for Chinese steel mills to increase steel production at home at a quicker rate than domestic consumption. However, a cause of concern exists as international prices for iron ore and coal have shot up nearly 50-60% and have turned fairly uncompetitive to chinese domestic ore. If this propels higher consumption of the domestic ore in China, sea borne iron ore and coal trade can suffer severe impact at a time when the dry bulk shipping industry is already under pressure from potential new building deliveries.

Currently the dry bulk orderbook stands at 288.2 million dwt or 60.6% of the existing fleet with 109.5 million dwt scheduled for delivery in the balance of calendar year 2010. However, it must be pointed out that the above delivery schedule is fairly theoretical in nature as we have already seen 40% slippage in new building deliveries during the last calendar year.

Further extraneous factors such as trade patterns, congestion, natural calamities and weather changes can have their multiplier effect on dry bulk freight earnings.

Overall, it is expected that going forward new building deliveries are likely to cap any improvement in dry bulk earnings in the short to medium term and hence FY 11 earnings are likely to average lower than FY 10.

Asset Values

Second-hand values for modern and older tankers witnessed a drop of 10-20% over the year while modern and older dry-bulk carriers appreciated by 20-30% during the same period. New building prices for tankers also witnessed a drop of 15-25% during the year, while those for the dry bulk ships moved down by about 10-20%.

Risks and Concerns

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

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

Your Company has attempted to hedge some of this risk by entering into time charters for part of its fleet. For the year 2010-11, approximately half of the Company's operating days has been covered in this manner.

Single hull tankers in the fleet: 82% of your Company's tanker fleet is double-hulled. The single hull tankers in the fleet could be vulnerable to any further changes in regulations that may take place. However, the existing single hull tankers are likely to be phased out in the near future.

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

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

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

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

Piracy Risk : With escalation of piracy incidents in Gulf of Aden and waters around Somalia and Indian Ocean, your Company is strictly enforcing its Code of Practice to mitigate the security risks of its vessels transiting through these waters. Self protective measures are being provided to vessels transiting through piracy prone waters, wherever feasible. Your Company is engaged in dialogue and communication with Indian Government and international industry associations through Indian National Shipowners Association in finding solution to and mitigating risk of piracy.

Consolidated Financial Statements

The Consolidated Financial Statements have been prepared by your 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 Auditor's Report thereon form part of the Annual Report.

The group recorded a consolidated net profit after prior period adjustment of Rs. 51276 lakhs for the year under review as compared to Rs. 141783 lakhs for the Company. The Networth of the group as on March 31, 2010 was Rs. 570977 lakhs as compared to Rs. 523210 lakhs for the Company.

Subsidiaries

Greatship (India) Limited

Greatship (India) Limited (GIL), having commenced operations in the offshore oilfield services sector in April 2006, is one of the India's largest offshore oilfield services providers. Your Company has till date invested total of Rs. 111600 lakhs by subscribing to 861 lakhs equity shares totaling in value to Rs. 85200 lakhs and 880 lakhs preference shares totaling in value to Rs. 26400 lakhs.

GIL has recorded 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 as compared to Rs. 5063 lakhs and Rs. 4472 lakhs respectively for the year ended March 31, 2009. The net worth of GIL for FY 10 was Rs. 132342 lakhs as compared to Rs.128313 lakhs for FY 09 on a consolidated basis.

GIL, alongwith its subsidiaries, is currently owning/operating 5 Platform Supply Vessels (PSVs), 8 Anchor Handling Tug cum Supply Vessels (AHTSVs), 1 Multipurpose Platform Supply & Support Vessel (MPSSVs) and 2 Jack up Rigs.

Out of the 4207000 warrants (convertible into equity shares) of GIL, allotted to the promoter directors of the Company in FY 07-08, 2103500 warrants were converted into equal nos. of equity shares on April 30, 2010. The balance 2103500 warrants which were not converted lapsed. Upon allotment of the said equity shares, your Company's holding is 97.62% of the total equity share capital of GIL. GIL has now ceased to be a wholly owned subsidiary of the Company. During FY 10, GIL granted 492200 stock options under various Employee Stock Options Schemes. As on date GIL has 1554100 stock options outstanding.

As part of its growth plans, GIL is from time to time looking at various options to raise finances for its business and proposes to raise funds through an initial public offering. Any offering and its timing would be subject to market conditions, obtaining necessary shareholder and regulatory approvals. GIL has filed a draft red herring prospectus with the Securities and Exchange Board of India on May 12, 2010.

GIL has the following wholly owned subsidiaries :

a) Greatship Global Holdings Ltd., Mauritius

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

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

d) Greatship DOF Subsea Projects Private Limited

Other subsidiaries

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

a) The Great Eastern Shipping Co. London Ltd.

b) The Greatship (Singapore) Pte. Ltd.

c) The Great Eastern Chartering LLC (FZC).

Subsidiaries' accounts

The Central Government, in exercise of the powers conferred by sub-section (8) of Section 212 of the Companies Act, 1956, has directed that the provisions contained in sub-section(1) of Section 212 of the Companies Act, 1956 shall not apply in respect of the subsidiaries of the Company for the financial year ended March 31, 2010. Accordingly, the annual accounts of the subsidiary companies have not been attached to the Balance Sheet of the Company as at March 31, 2010. The annual accounts of the subsidiary companies and the related detailed information will be made available to the investors of the Company and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies are also available for inspection, during business hours, at the Registered Office of the Company and at the head offices of the respective subsidiary companies. As per the terms of the exemption letter, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2010 is included in the Annual Report.

Debt Fund Raising

During the year, the Company has raised funds amounting to Rs. 156079 lakhs as against Rs. 37098 lakhs during the previous financial year. A part of the debt was raised to fund capital expenditure for vessels delivered, and new-building instalments paid, during the year. Apart from this, Rs. 120000 lakhs has been raised by way of Non-Convertible Debentures with a view to fund the remaining order-book, and also to have cash in reserve for any opportunities that may arise.

Due to this level of borrowings, the Company's gross debt: equity ratio was 0.68: 1 and net (of cash) debt: equity ratio was 0.04: 1 as on March 31, 2010.

Quality, Safety, Health & Environment

During the year, the quality management system of your Company was audited and certified to updated ISO 9001: 2008 standard.

The management system now addresses the requirements of Environmental Management System to ISO 14001: 2004 and Occupational Health and Safety Management System to ISO 18001: 2008 and your Company would be seeking certification to these standards in next financial year.

Training of Floating Staff

Your Company has initiated several forms of training programmes for the floating staff and these range from class room training ashore to video / computer based training on board ships to shipboard training by visiting trainers. From this financial year the Company has initiated a compulsory shore-based training programme for all fresh Class IV Engineers and 2nd Mate COC holders prior to placing them on board for the first time as officers.

Introduction of Periodical Safety Campaign

Since June 2009 your Company has initiated a system of bimonthly safety campaign covering safety and pollution prevention aspects with a view to maintain a pro-active safety culture and to assess the operational readiness of the equipments/systems on board the Company's fleet of vessels. Some of the safety campaigns held include Personal Life Saving Equipment and Survival Crafts, Windlass and Mooring Equipment, etc.

Reduction of Green House Gas Emission from Ships

Your Company has introduced a system for measurement of CO_2 emission per tonne-mile of cargo moved by the ships as per MEPC.1/Circ.684 – Guidelines for Voluntary Use of the Ship Energy Efficiency Operational Indicator (EEOI). The information is available on line for analysis and to facilitate initiating strategy for reduction of emission and consequently fuel oil consumption. The IT based programme has been developed in-house.

AMVER Award from US Coast Guard

During the year 19 vessels of your Company were conferred award by United States Coast Guards in recognition of these vessels participation and contribution under their Automated Mutual-Assistance Vessel Rescue System (AMVER). It is a unique, computer-based and voluntary global ship reporting system used worldwide by search and rescue authorities to arrange for assistance to persons in distress at sea. With AMVER, rescue coordinators can identify participating ships in the area of distress and divert the best-suited ship or ships to respond. AMVER's mission is to quickly provide search and rescue authorities, on demand, accurate information on the positions and characteristics of vessels near a reported distress.

H1N1 Virus Threat

As a proactive measure, immediately at the outbreak of H1N1 Virus infection, your Company had engaged a medical expert of eminence and had developed and issued procedure detailing preventive actions and combating actions for H1N1 virus attacks and issued to the fleet. Necessary medicines and medical equipments have been also provided on vessels.

Internal Control Systems and their Adequacy

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

Role of Information Technology

As a part of its strategy to align IT with Business, your Company attempts to introduce new technology solutions to improve operating efficiency and quality and reduce operational cost. The major initiatives that have been undertaken this year are discussed below.

- Disaster Recovery (DR) set up at Hyderabad & Business Continuity
    - Your Company has successfully set up a DR data center in a 3rd party premises at Hyderabad with an objective to fulfill the Business Continuity, in case of any disaster to our current data center at Corporate office.
    - Your Company has implemented a technology called Server Virtualization at the time of DR set up which has saved a significant amount of cost vis-à-vis a set up of similar capacity without Virtualization.

- New Communication system with Ship :
  - Your Company has implemented a new communication system in more than 50% of the current fleet (others are in progress) which has resulted in significant savings in ship to shore communication cost, besides helping in smoother operations.
- Your Company has developed in-house and implemented a new software namely LIVIS (LIve Vessel Information System) whose objective is to make all relevant data available to employees from one single central place, based on their accessing authority defined in the system for day to day work. The operations, technical and QST department have gained huge efficiency and increased productivity out of this system.

Human Resources

One of the key areas of focus for the HR function during the year was improving the performance management system both for shore and floating staff.

Mid-term review was introduced for shore office employees to enhance the rigour of the process primarily through feedback and meaningful goal setting. The intervention is expected to result in better engagement and alignment of employees.

An improved online appraisal system was implemented for the top 2 ranks of the floating staff. This initiative has improved timely completion, neutralize biases and facilitate feedback mechanism. A similar process has been launched for rest of the officers from September 2009. During the year, the Company ran several leadership essentials workshops for the senior ranks.

A 360 degree feedback titled *Total Perspective* was initiated in the month of January for all senior and middle management. The multi rater feedback process was combined with psychometric instrument Workplace big 5 to aid reflection, self awareness and insights to one's own behavior.

Simultaneously an online team climate survey *Team Perspective* was carried out. The survey focused on clarity of roles, team flexibility, performance management, recognition, etc. The results of the survey were shared with respective teams.

The Social Café initiatives such as quizzes, sports and cultural events witnessed enthusiastic response from employees. This approach has helped the Company to harness informal network and build a positive social fabric. The Company had record number of participants for Mumbai Marathon this year.

Your Company had employee strength of 193 on shore and 295 floating as on March 31, 2010.

Directors

Mr. Vineet Nayyar and Mr. Rusi N. Sethna retire by rotation. Mr. Nayyar, being eligible offers himself for re-appointment. On account of his advanced age, Mr. Sethna did not offer himself for re-appointment. Mr. Sethna has been associated as a Director of the Company since 1974. His active participation and contribution at the meetings of the Board and various Committees have been invaluable. Your Directors place on record their appreciation for the valuable guidance and support extended by him during his tenure as a Director.

Mr. K. V. Kamath was appointed as an Additional Director on the Board of Directors of the Company with effect from May 22, 2010 as an Independent Director. He ceases to be a Director on the date of the 62nd Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as Director on the Board.

The terms of appointment of Mr. K. M. Sheth as Executive Chairman and Mr. Bharat K. Sheth as Deputy Chairman & Managing Director expire in September 2011 and that of Mr. Ravi K. Sheth as Executive Director expires in January 2011. It was thought administratively convenient to terminate their existing terms with mutual consent and to re-appoint them for a period of 5 years with effect from April 01, 2010 on fresh terms, particulars of which are set out in the Notice of 62nd Annual General Meeting.

Corporate Governance

Your Company was Corporate Governance compliant much before SEBI stipulated deadline in the year 2005. Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement, relating to Corporate Governance. A separate section on Corporate Governance forms part of the Directors' Report and the certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance is included in the Annual Report.

The Company has also complied with the *'Corporate Governance-Voluntary Guidelines 2009'* issued by the Ministry of Corporate Affairs, to the extent disclosed in the Annual Report.

Risk Management Process

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

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

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

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

Directors Responsibility Statement

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

i. in preparation of the annual accounts, the applicable accounting standards had been followed (alongwith proper explanation relating to material departures) and that there are no material departures;

ii. they have, selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis.

Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988

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

RS. IN LAKHS

(a)	Foreign Exchange earned on account of freight, charter hire earnings, etc.	162686
(b)	Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc.	157886

Particulars of Employees

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

Auditors

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

Appreciation

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

Your Directors are grateful to the Government of India, Ministry of Shipping, Transchart, Ministry of Petroleum & Natural Gas, Ministry of Finance, Directorate General of Shipping, Port Authorities, Mercantile Marine Department and various other authorities for their co-operation. Your Directors look forward to their continued support.

For and on behalf of the
Board of Directors

K.M. Sheth
Executive Chairman

Mumbai, May 22, 2010

Corporate Governance Report

1. Company's Philosophy on Code of Governance

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

2. Board of Directors

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of Directors (hereinafter referred to as 'Board') and to separate the Board functions of governance and management. The Board has an optimum combination of Executive and Non-Executive Directors and comprises of 9 Directors as on March 31, 2010 of which 6 are Non-Executive Directors. As the Company has an Executive Chairman, as per the requirements of Clause 49 of the Listing Agreement, 50% of the Board should comprise of Independent Directors. Accordingly the Company has 5 Independent Directors. The composition of the Board, Number of Directorships, Memberships/Chairmanships in public companies and details of shares of the Company held by the Non-Executive Directors as on March 31, 2010 are as follows :

NAME OF THE DIRECTOR	NO. OF OTHER DIRECTORSHIPS#	COMMITTEE MEMBERSHIP@	CHAIRPERSON OF COMMITTEES@	SHARES OF THE COMPANY HELD BY THE NON-EXECUTIVE DIRECTORS
Executive Directors (Promoters)				
Mr. K. M. Sheth	-	-	-	-
Mr. Bharat K. Sheth	1	-	-	-
Mr. Ravi K. Sheth	2	1	-	-
Non-Executive Director (Promoter Group)				
Ms. Asha V. Sheth	-	1	-	2124081
Independent Directors				
Mr. R. N. Sethna	4	4	-	50000
Mr. Cyrus Guzder	3	3	2	986
Mr. Keki Mistry	13	10	2	640
Mr. Vineet Nayyar	7	1	-	23005
Mr. Berjis Desai	8	10	3	100800

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

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

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

As per the provisions of the Companies Act, 1956, 1/3rd of the Directors liable to retire by rotation are required to retire every year. Accordingly, Mr. Vineet Nayyar and Mr. Rusi N. Sethna are liable to retire by rotation at the 62nd Annual General Meeting and are eligible for re-election. However, Mr. Rusi N. Sethna has not offered himself for re-appointment.

Mr. K. V. Kamath was appointed as Additional Director at the Board Meeting held on May 22, 2010 and holds office upto the 62nd Annual General Meeting. Mr. K. V. Kamath is proposed to be appointed as a Director at the ensuing 62nd Annual General Meeting.

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

Code of Conduct

All personnel to whom the Code of Conduct is applicable have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2010. A declaration to this effect, duly signed by the Deputy Chairman & Managing Director, is annexed hereto.

Board Meetings

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

During the year ended March 31, 2010, five Board Meetings were held on May 08, 2009, July 31, 2009, October 30, 2009, January 29, 2010 and March 19, 2010. The attendance of Directors at the Board Meetings held during the year 2009-10 is as follows :

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
Mr. K. M. Sheth	5
Mr. Bharat K. Sheth	5
Mr. Ravi. K. Sheth	5
Ms. Asha V. Sheth	4
Mr. R. N. Sethna	4
Mr. Cyrus Guzder	4
Mr. Keki Mistry	3
Mr. Vineet Nayyar	4
Mr. Berjis Desai	2

3. Committees

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

A) Audit Committee

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

Terms of Reference

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

Composition of Audit Committee

As on date the Committee comprises of 4 Independent Directors, namely, Mr. Keki Mistry (Chairman), Mr. R. N. Sethna, Mr. Cyrus Guzder and Mr. Berjis Desai. The Committee met five times on April 18, 2009, May 08, 2009, July 31, 2009, October 30, 2009 and January 29, 2010. Details of attendance of the members at the Committee meetings held during the year 2009-10 is as follows :

	MR. KEKI MISTRY (CHAIRMAN)	MR. R. N. SETHNA	MR. CYRUS GUZDER	MR. BERJIS DESAI
Number of meetings attended	4	5	3	3

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

B) Remuneration Committee

Terms of Reference

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

Composition of Remuneration Committee

As on date the Committee comprises of 3 Independent Directors, namely, Mr. Cyrus Guzder (Chairman), Mr. R. N. Sethna and Mr. Berjis Desai. The Committee met once on May 08, 2009. Details of attendance of members at the Committee meetings held during the year 2009-10 is as follows :

	MR. CYRUS GUZDER (CHAIRMAN)	MR. R. N. SETHNA	MR. BERJIS DESAI
Number of meetings attended	1	1	-

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

The Remuneration Policy

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

Details of Remuneration paid/to be paid to all Directors for FY 2009 –10

(AMOUNT IN RS.)

NAME OF DIRECTOR	SALARY*	BENEFITS	COMMISSION
Mr. K. M. Sheth	1,99,99,992	2,87,301	1,50,00,000
Mr. Bharat K. Sheth	2,07,00,000	3,46,717	3,62,25,000
Mr. Ravi K. Sheth	1,39,99,992	4,84,474	-
Mr. Cyrus Guzder	-	-	10,25,000
Mr. Keki Mistry	-	-	10,75,000
Mr. Vineet Nayyar	-	-	7,50,000
Mr. R. N. Sethna	-	-	8,75,000
Ms. Asha V. Sheth	-	-	7,75,000
Mr. Berjis Desai	-	-	9,25,000
Total	**5,46,99,984**	**11,18,492**	**5,66,50,000**

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

- Commission to the Executive Directors is paid as determined by the Remuneration Committee based on certain performance parameters and profitability of the Company and is within the overall limit fixed by the members.
- Commission to the Non-Executive Directors is determined after taking into account profitability of the Company, the valuable guidance of the Directors for the various business initiatives and decisions at the Board level, membership/chairmanship of various committees.
- Presently, the Company does not have a scheme for grant of stock options.

- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of commission to them.

- The Remuneration Committee has formulated a Retirement Benefit Scheme for the Wholetime Directors. The Board approved Scheme has been made effective from January 01, 2005. The Scheme provides for provision of pension, medical reimbursements and other benefits to the retiring Wholetime Directors. Accordingly, on the basis of an actuarial valuation an amount of Rs. 34.68 lakhs (previous year Rs. 778 lakhs) has been provided during the year for pension payable to Wholetime Directors on their retirement.

C) Shareholder/Investors' Grievance Committee

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

Terms of Reference

- Ensure redressal of shareholders' and investors' complaints relating to transfer of shares, non-receipt of balance sheet, etc.

- Redressal of investors' complaints in respect of non-receipt of dividends/ interests/ payments on redemption of preference shares, debentures, bonds or such other instruments, which are redeemable.

Composition of the Committee

As on date the Committee comprises of 3 Non-Executive Directors namely Mr. Cyrus Guzder (Chairman), Mr. Berjis Desai and Ms. Asha V. Sheth. The Committee met twice on May 08, 2009 and October 30, 2009. The details of attendance of the members at the Committee meetings held during the year 2009-10 is as follows:

	MR. CYRUS GUZDER (CHAIRMAN)	MR. BERJIS DESAI	MS. ASHA SHETH
Number of meetings attended	2	1	2

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

- During the year under review, 27 complaints were received from investors which were replied/resolved to the satisfaction of the investors.

- 08 requests for transfer involving 1551 shares and 17 requests for dematerialisation involving 4309 shares were pending for approval as on March 31, 2010. These pending requests were duly approved and dealt with by the Company.

4. Risk Management

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

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

5. General Meetings

Next Annual General Meeting and date of Book Closure

Date	July 29, 2010
Time	3.00 p.m.
Venue	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020
Dividend Payment Date	On or after July 29, 2010
Date of Book Closure	July 22, 2010 to July 29, 2010 (both days inclusive)

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

General Body Meetings held during previous three financial years

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

MEETING	TIME	LOCATION	SPECIAL RESOLUTIONS PASSED
59th Annual General Meeting	July 26, 2007 at 3.00 p.m.	Chavan Centre, Gen. Jagannath Bhosale Marg, Near Sachivalaya Gymkhana, Mumbai - 400 021	• Alteration in Article No. 117A of Articles of Association of the Company for deleting name of Mr. S. J. Mulji and inserting names of Mr. Bharat K. Sheth and Mr. Ravi K. Sheth. • Authorising the Board to issue 50,05,000 Warrants convertible into equity shares of the Company to certain Promoters and Non-Executive Directors of the Company under a preferential issue.
60th Annual General Meeting	July 18, 2008 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai - 400 020	• Revision in remuneration of Mr. K. M. Sheth. • Payment of one time additional commission to the Wholetime Directors for the financial year 2007-08.
61st Annual General Meeting	June 26, 2009 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai - 400 020	• Consent to Ms. Nirja Sheth, relative of a Director of the Company, to hold and continue to hold an office or place of profit in Greatship (India) Limited, a wholly-owned subsidiary of the Company.

All resolutions moved at the last Annual General Meeting held on June 26, 2009 were passed by a show of hands by a requisite majority of members attending the meeting.

All the Directors of the Company other than Mr. Berjis Desai and Mr. Vineet Nayyar attended the last Annual General Meeting held on June 26, 2009.

6. Disclosures

a) There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.

b) There were no instances of non-compliances nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any statutory authority during the last 3 years on any matter related to capital markets.

c) The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.

d) The Deputy Chairman & Managing Director and the Chief Financial Officer have issued a certificate to the Board in compliance with Clause 49 (V) of the Listing Agreement for the Financial Year ended March 31, 2010.

7. Means of Communication to Shareholders

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

Website of the Company: www.greatship.com

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

8. Shareholders Information

Financial Calendar

1st Quarterly Result	Last week of July 2010
2nd Quarterly Result	Last week of October 2010
3rd Quarterly Result	Fifth week of January 2011
4th Quarterly Result	April / May 2011

Listing on Stock Exchanges

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

GLOBAL DEPOSITORY RECEIPTS	NON-CONVERTIBLE DEBENTURES
Euro MTF Market - Luxembourg Stock Exchange Kredietbank S.A. Luxembourgeoise Societe Anonyme 43, Boulevard Royal L-2955 Luxembourg, R. C. Luxembourg B 6395	Wholesale Debt Market - National Stock Exchange of India Ltd. Exchange Plaza Bandra-Kurla Complex, Bandra (E) Mumbai - 400 051

Share Transfer System

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

Outstanding GDRs

48384.6 GDRs (equivalent to 241923 equity shares) were outstanding as on March 31, 2010.

Outstanding Warrants

No Warrants were outstanding as on March 31, 2010.

Plant Location

The Company has no plants.

Address for correspondence

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

9. Additional Shareholders Information

Unclaimed Dividends

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government. An amount of Rs. 35,23,590/- being unclaimed 48th (Final) dividend was transferred on August 24, 2009 to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.

The following table gives the dates of dividend declaration or payment since 2003 and the corresponding dates when unclaimed dividend are due to be transferred to the Investor Education and Protection Fund.

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

YEAR	DIVIDEND NO.	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER TO IEPF
2003	49	Final	24.07.2003	23.08.2010
2004	50 (I)	Interim	30.01.2004	01.03.2011
2004	50	Final	25.06.2004	25.07.2011
2005	51 (I)	1st Interim	29.10.2004	28.11.2011
2005	51 (I)	2nd Interim	27.01.2005	26.02.2012
2005	51	Final	24.06.2005	24.07.2012
2006	52 (I)	1st Interim	27.10.2005	26.11.2012
2006	52 (I)	2nd Interim	30.01.2006	01.03.2013
2006	52 (I)	3rd Interim	28.04.2006	28.05.2013
2007	53 (I)	1st Interim	27.10.2006	26.11.2013
2007	53 (I)	2nd Interim	25.01.2007	24.02.2014
2007	53	Final	26.07.2007	25.08.2014
2008	54 (I)	1st Interim	19.10.2007	18.11.2014
2008	54 (I)	2nd Interim	29.01.2008	28.02.2015
2008	54 (I)	3rd Interim	02.05.2008	01.06.2015
2009	55 (I)	1st Interim	24.10.2008	23.11.2015
2009	55 (I)	2nd Interim	30.01.2009	01.03.2016
2009	55 (I)	3rd Interim	08.05.2009	07.06.2016

The following table gives the details of unclaimed dividend amount since 2003.

Unclaimed Dividend as on March 31, 2010

YEAR	DIV. NO.	TYPE	NO. OF WARRANTS ISSUED	NO. OF WARRANTS UNCLAIMED	% WARRANTS UNCLAIMED	AMOUNT OF DIVIDEND DECLARED (RS. LAKHS)	AMOUNT OF DIVIDEND UNCLAIMED (RS. LAKHS)	% OF DIVIDEND UNCLAIMED
2003	49	Final	145716	8644	5.93	7613	43.86	0.58
2004	50(I)	Interim	128230	9511	7.42	4758	29.58	0.62
2004	50	Final	134202	8609	6.41	7613	42.14	0.55
2005	51(I)	1st Interim	121451	10008	8.24	6662	44.32	0.67
2005	51(I)	2nd Interim	121169	10155	8.38	4759	33.53	0.70
2005	51	Final	121845	9738	7.99	5710	37.91	0.66
2006	52(I)	1st Interim	123110	10004	8.13	7614	50.66	0.67
2006	52(I)	2nd Interim	118343	10801	9.13	4759	36.04	0.76
2006	52(I)	3rd Interim	114247	10314	9.03	6662	47.06	0.71
2007	53(I)	1st Interim	115379	9544	8.27	6091	45.54	0.75
2007	53(I)	2nd Interim	117090	9404	8.03	4568	34.00	0.74
2007	53	Final	100167	8847	8.83	6852	45.76	0.67
2008	54(I)	1st Interim	95754	9285	9.70	6091	44.16	0.73
2008	54(I)	2nd Interim	99140	9572	9.66	5330	38.42	0.72
2008	54(I)	3rd Interim	98740	9122	9.24	11421	74.08	0.65
2009	55(I)	1st Interim	102383	10726	10.48	3807	31.53	0.83
2009	55(I)	2nd Interim	102554	10935	10.66	3807	31.82	0.84
2009	55(I)	3rd Interim	102736	10452	10.17	4569	35.77	0.78

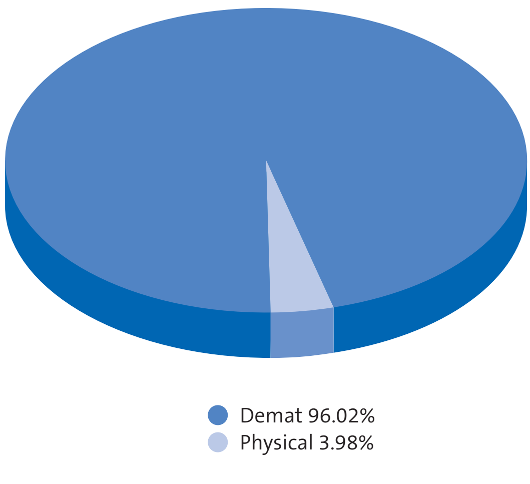
Electronic Clearing Services for payment of dividend in case of shares held in physical form

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

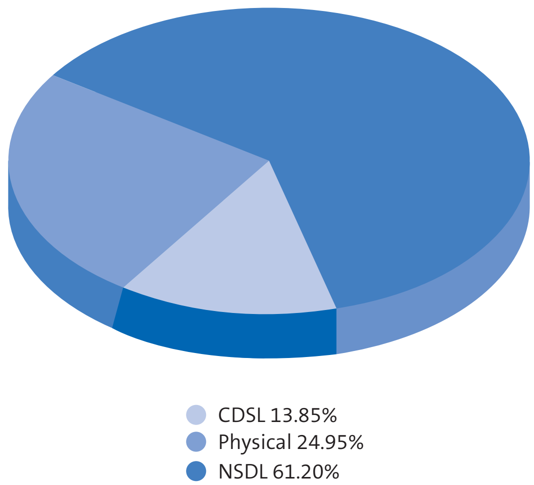
Shareholders located in places where NECS/ECS facility is not available, may submit their bank details. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

Shares held in Dematerialised Form as on March 31, 2010

Shareholding - Demat and Physical Form



Shareholders holding shares in Demat and Physical form

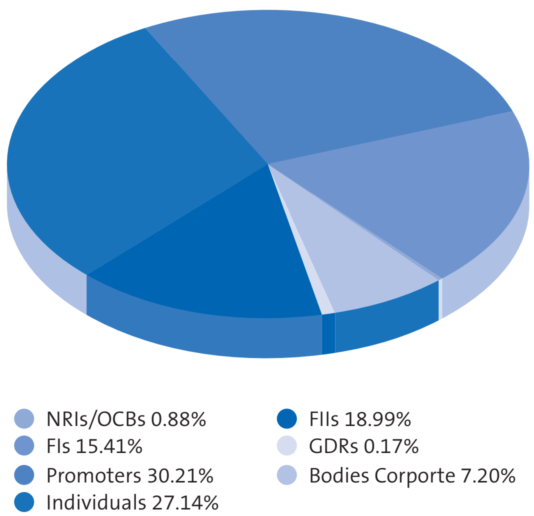


Shareholders holding shares in dematerialised form may note that:

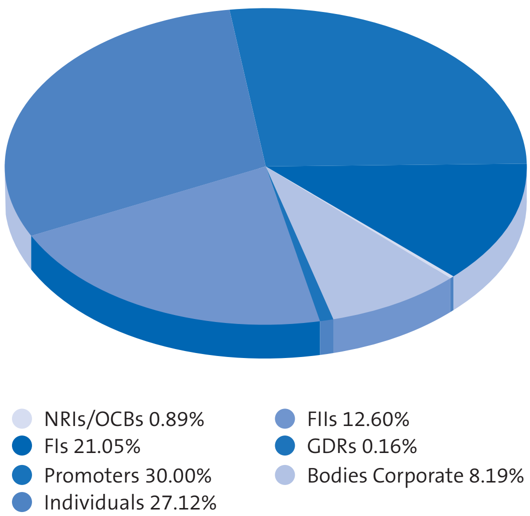
- Instructions regarding bank details which they wish to have incorporated on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories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

Shareholding Pattern

Shareholding Pattern as on March 31, 2009



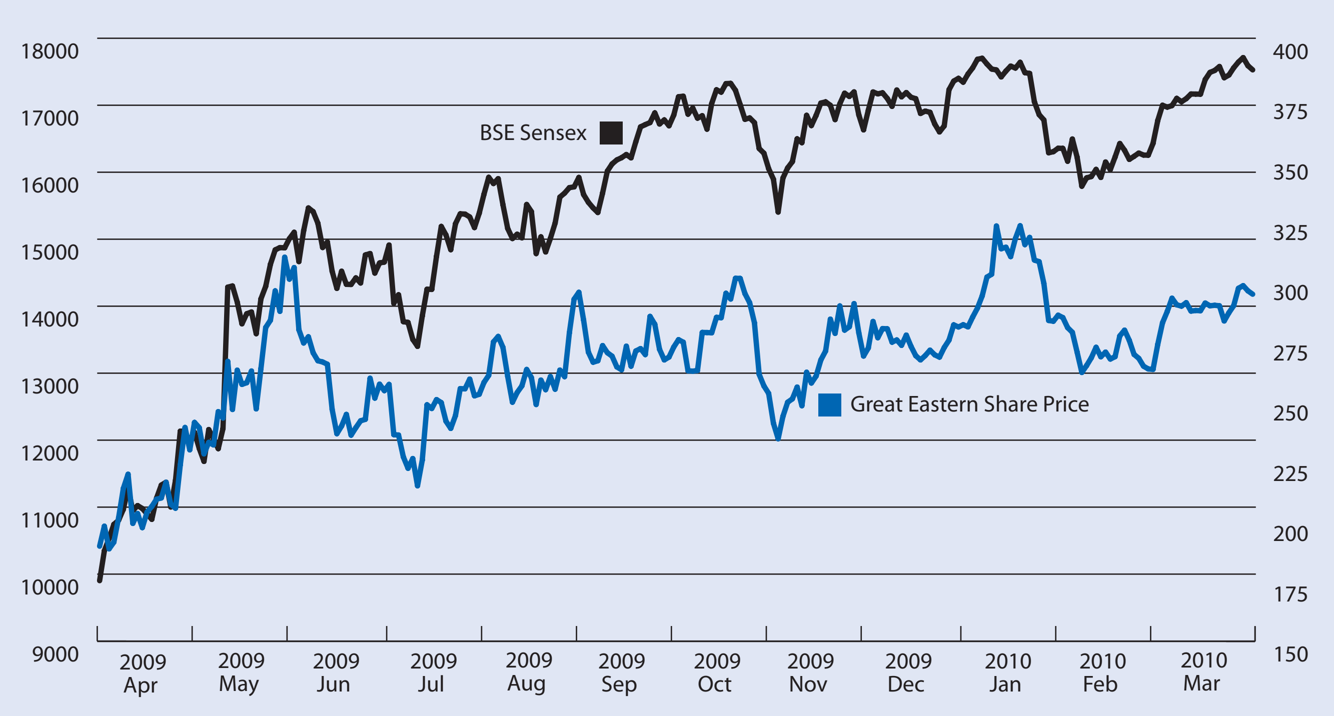
Shareholding Pattern as on March 31, 2010



Distribution of Holdings as on March 31, 2010

NO. OF SHARES HELD		SHARE HOLDERS		SHARES	
FROM	TO	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
0	500	90640	87.043	10342105	6.791
501	1000	6425	6.170	4663693	3.062
1001	2000	3476	3.338	4927623	3.236
2001	3000	1171	1.125	2892258	1.899
3001	4000	642	0.617	2264172	1.487
4001	5000	358	0.344	1633083	1.072
5001	10000	713	0.685	5038625	3.309
10001 AND ABOVE		708	0.680	120528125	79.144
TOTAL		**104133**	**100.000**	**152289684**	**100.000**

Company's Share Price Compared to BSE Sensex



Market Price Data - High/Low during each month in the year 2009-10

MONTH	MARKET PRICE (RS.)		VOLUME
	Highest	Lowest	Shares
APRIL 2009	224.45	180.10	3323453
MAY 2009	294.00	209.90	6288313
JUNE 2009	315.90	229.00	6331777
JULY 2009	266.00	211.95	4862168
AUGUST 2009	301.75	245.00	4818949
SEPTEMBER 2009	289.40	258.50	5725461
OCTOBER 2009	310.70	236.00	5760803
NOVEMBER 2009	293.00	227.00	5144439
DECEMBER 2009	286.00	266.00	2270776
JANUARY 2010	327.50	271.50	3613793
FEBRUARY 2010	292.45	258.65	1384416
MARCH 2010	302.80	264.00	1692340

Source: BSE

10. Status of Compliance with Non-Mandatory Requirements

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

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

The Company has no specific tenure specified for Independent Directors. The tenure of an Independent Director exceeds a period of 9 years.

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

Shareholders' rights to receive financial results

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

Audit qualifications

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

Training of Board members

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

Mechanism for evaluating performance of Non-Executive Board members

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

Whistle Blower Policy

Over the past few years, the Company has instilled transparency and follows an open work culture. It also provides a two way open communication system, which aims to provide ample scope for employees to exchange their views and raise concerns protecting their integrity. This has reflected in maintaining a safe and congenial working environment. The Company is confident and takes pride in its proactiveness, which has resulted in building an enterprise comparable to global companies.

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

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

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

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

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

Rotation of Audit Partners

Mr. Daraius Fraser, Partner, Kalyaniwalla & Mistry, Auditors, has taken over as Audit Partner from Mr. Viraf Mehta with effect from quarter ended September 30, 2009.

Declaration by the Deputy Chairman & Managing Director under Clause 49 of the Listing Agreement regarding adherence to the Company's Code of Conduct

In accordance with Clause 49 sub-clause I (D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2010.

For The Great Eastern Shipping Co. Ltd.

Bharat K. Sheth

Deputy Chairman & Managing Director

Date : May 22, 2010

Auditors' Certificate on Corporate Governance

The Members,
The Great Eastern Shipping Co. Ltd.,
Ocean House, 134/A, Dr. Annie Besant Road,
Worli, Mumbai - 400 018.

We have examined the compliance of conditions of Corporate Governance by The Great Eastern Shipping Co. Ltd. (the Company) for the year ended on March 31, 2010, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges in India.

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

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

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

For and on behalf of

KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

DARAIUS Z. FRASER
PARTNER
M. No. 42454

Place : Mumbai
Date : May 22, 2010.

ASSET PROFILE

Jag Amisha - Long Range One Product Tanker: Acquired in April, 2009

Fleet as on March 31, 2010

CATEGORY		TYPE		VESSEL NAME	DWT (MT)	YR. BUILT	AV. AGE (YRS.)
Crude Oil Carriers							
Total Tonnage (dwt)	1,540,651	SUEZMAX	1	Jag Lalit	158,344	2005	
No.of Ships	12		2	Jag Lok	158,145	2005	
Average Age (yrs)	10.5		3	Jag Lakshya	152,485	1989	
% of Total Tonnage	53.3		4	Jag Layak	147,834	1996	
			5	Jag Lateef	147,080	2000	
			6	Jag Lakshita	147,093	2000	
			6		**910,981**		**10.75**
		AFRAMAX	1	Jag Lyall	110,531	2006	
			2	Jag Lata	105,716	2003	
			3	Jag Leela	105,148	1999	
			4	Jag Laxmi	105,051	1999	
			5	Jag Lavanya	105,010	2004	
			6	Jag Lamha	98,214	1987	
			6		**629,670**		**10.14**
Product Carriers							
Total Tonnage (dwt)	918,360	LONG RANGE ONE					
No.of Ships	19		1	Jag Aabha	74,868	2008	
Average Age (yrs)	10.6		2	Jag Aanchal	74,811	2008	
% of Total Tonnage	31.8		3	Jag Amisha	74,889	2009	
			4	Jag Aparna	74,859	2009	
			4		**299,427**		**1.50**
		MEDIUM RANGE					
			1	Jag Pranam	50,596	1984	
			2	Jag Pavitra	50,596	1985	
			3	Jag Pahel	46,319	2004	
			4	Jag Pankhi	46,273	2003	
			5	Jag Pratap	45,693	1995	
			6	Jag Pradip	45,684	1996	
			7	Jag Padma	47,172	1996	
			8	Jag Prakash	47,848	2007	
			9	Jag Pushpa	47,848	2007	
			10	Jag Prerana	47,824	2007	
			10		**475,853**		**11.76**
		GENERAL PURPOSE					
			1	Jag Pari	29,139	1982	
			2	Jag Preeti	29,139	1981	
			3	Jag Palak	27,402	1985	
			4	Jag Pragati	27,402	1985	
			5	Jag Parwar	29,998	1988	
			5		**143,080**		**25.80**

Fleet as on March 31, 2010

CATEGORY		TYPE		VESSEL NAME	DWT (MT)	YR. BUILT	AV. AGE (YRS.)
Gas Carriers							
Total Tonnage (dwt)	17,577	LPG CARRIERS					
No. of Ships	1		1	Jag Viraj	17,577	1991	
Average Age (yrs)	19.0		**1**		**17,577**		**19.00**
% of Total Tonnage	0.6						
Dry Bulk Carriers							
Total Tonnage (dwt)	413,266	CAPESIZE	1	Jag Arjun	164,796	1996	
No. of Ships	6		**1**		**164,796**		**14.00**
Average Age (yrs)	13.6						
% of Total Tonnage	14.3						
		PANAMAX	1	Jag Arnav	71,122	1995	
			1		**71,122**		**15.00**
		SUPRAMAX	1	Jag Ratan	52,179	2001	
			2	Jag Rahul	52,364	2003	
			2		**104,543**		**8.00**
		HANDYMAX	1	Jag Ravi	45,342	1997	
			1		**45,342**		**13.00**
		HANDYSIZE	1	Jag Vikram	27,463	1980	
			1		**27,463**		**30.00**

Fleet Total	
Total Tonnage (dwt)	2,889,854
No. of Ships	38
Average Age (yrs)	10.9

Acquisitions and Sales during FY 2009-10

Acquisitions

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ACQUISITION
Product Carriers					
	Long Range One (LR1)	Jag Amisha	74,889	2009	Apr-09
	Long Range One (LR1)	Jag Aparna	74,859	2009	Jun-09
	Medium Range	Jag Padma	47,172	1996	Jan-10

Sales

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF SALE
Product Carriers					
	Medium Range	Jag Panna	37,145	2007	Jul-09
	Medium Range	Jag Payal	37,159	2007	May-09
Dry Bulk Carriers					
	Handymax	Jag Rani	41,545	1984	May-09
	Handymax	Jag Reena	45,659	2000	Jun-09

Transactions between April 01, 2010 to May 22, 2010

Sales

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF DELIVERY
Crude Carrier					
	Suezmax	Jag Layak	147,834	1996	Apr-10
Product Carrier					
	General Purpose	Jag Palak	27,402	1985	May-10

Vessels on Order as on May 22, 2010

New Building Order Book position

CATEGORY	TYPE	SHIPYARD	DWT (MT)	MONTH OF CONTRACTING	EXPECTED DELIVERY
Crude Carriers					
	VLCC	Hyundai Heavy Industries Co. Ltd.	318,000	Apr-10	Early 2012
	VLCC	Hyundai Heavy Industries Co. Ltd.	318,000	Apr-10	Early 2012
	VLCC	Hyundai Heavy Industries Co. Ltd.	318,000	Apr-10	Early 2012
Dry Bulk Carriers					
	Kamsarmax	STX Offshore & Shipbuilding Co. Ltd.	80,700	Oct-07	Early 2011
	Kamsarmax	STX Offshore & Shipbuilding Co. Ltd.	80,700	Oct-07	Early-Mid 2011
	Supramax	Cosco (Zhoushan) Shipyard Co. Ltd.	57,000	Dec-07	Early 2011
	Supramax	Cosco (Zhoushan) Shipyard Co. Ltd.	57,000	Dec-07	Early 2011
	Kamsarmax	SPP Shipbuilding Co. Ltd.	81,000	Dec-07	Mid 2011

Subsidiary Fleet as on March 31, 2010

Greatship (India) Limited

CATEGORY	TYPE		VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YRS)
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 Akhila	1,639	2009	
		4	m.v. Greatship Asmi	1,634	2009	
		5	m.v. Greatship Ahalya	1,643	2009	
		6	m.v. Greatship Aarti	1,650	2009	
		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	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

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 22, 2010

Sales

Greatship (India) Limited

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF SALE
Offshore Support Vessel					
	PLATFORM SUPPLY VESSEL	#Greatship Diya	3,350	2003	May 10

\# delivered to the buyers on May 18, 2010

Transactions between April 01, 2010 and May 22, 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 22, 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, Srilanka	Apr-08	Q3 FY11
	2. PLATFORM/ROV SUPPORT VESSEL	Colombo Dockyard Plc, Srilanka	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, Srilanka	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

FINANCIALS

Jag Aparna - Long Range One Product Tanker: Acquired in June, 2009

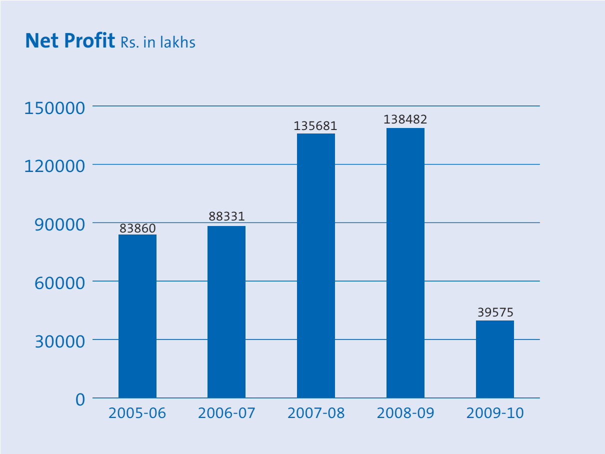
The Year at a Glance

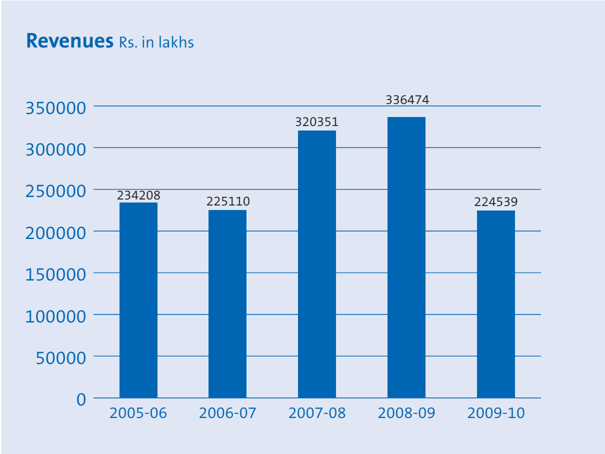
	March 31, 2010		March 31, 2009	
	Rs. (In Lakhs)	**US$ (In Millions)**	Rs. (In Lakhs)	US$ (In Millions)
	(Except for Earnings & Cash Earnings per share)			
For the year				
Total Revenue	**224539**	**471**	336474	736
Operating Profit (PBIDT)	**92139**	**193**	199182	436
Net Profit	**39575**	**83**	138482	303
Cash Profit	**74221**	**156**	180331	395
PBIDT as a percentage of total revenue	**41.03**	**41.03**	59.20	59.20
Return on Equity (percentage)	**7.68**	**7.68**	30.43	30.43
Earnings per share (Rs./US$)	**25.99**	**0.55**	90.94	1.99
Cash earnings per share (Rs./US$)	**48.73**	**1.02**	118.41	2.59
Dividend amount (Including tax on dividend)	**14079**	**30**	14254	31
Capital Investment	**18060**	**38**	122085	267
At the end of the year				
Total assets	**960467**	**2140**	878839	1733
Fixed assets	**482558**	**1075**	537401	1060
Total debt	**366889**	**817**	306655	605
Net worth	**537112**	**1197**	492822	972
Equity Capital	**15229**	**34**	15229	30

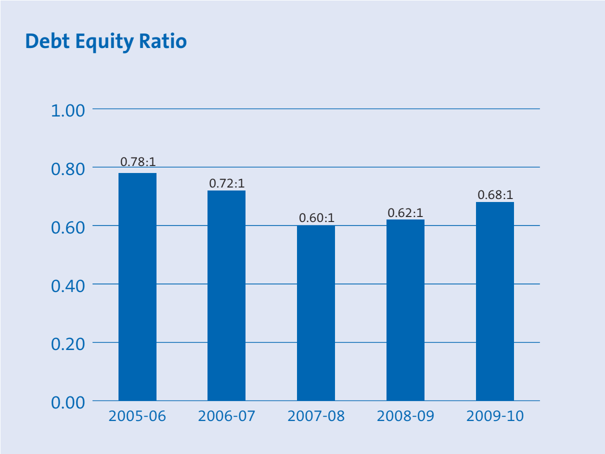
Figures in US$ are arrived at by converting Rupee figures at the average conversion rate for all for the year items and at closing rate for all year end items, as given below, to facilitate comparision

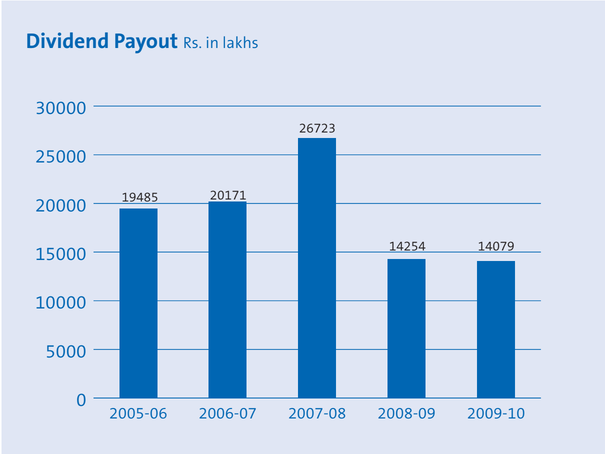
	Rs./US$	
Exchange Rate	**2009-10**	2008-09
- Average	**47.67**	45.71
- Closing	**44.89**	50.72

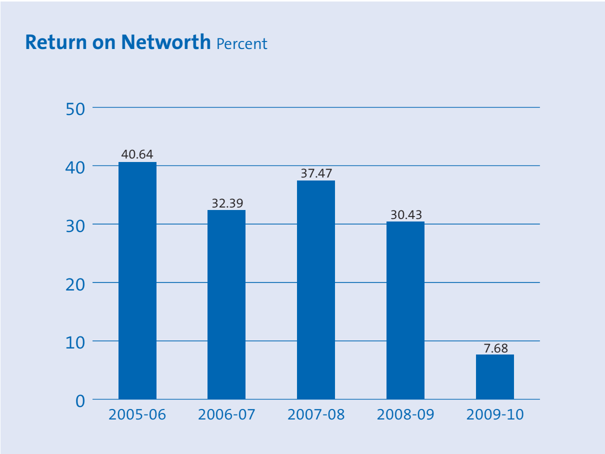
Financial Highlights

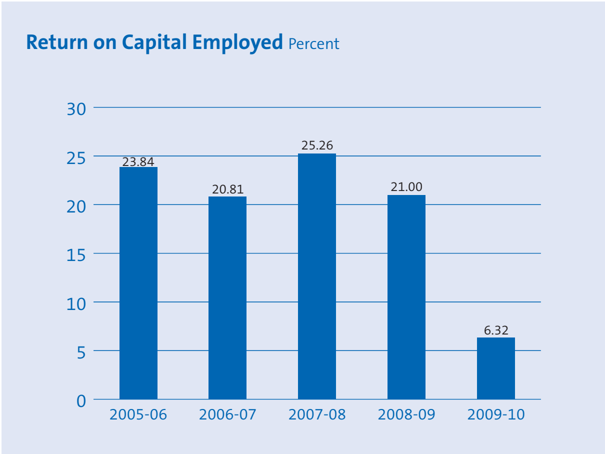












10 Years at a Glance

RS. IN LAKHS

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
PROFIT & LOSS A/C										
Revenues	115502	119535	100715	142635	211923	234208	225110	320351	336474	224539
Operating Profit (PBIDT)	47397	50478	45273	74000	115905	134307	128233	189316	199182	92139
Net Profit	17653	19719	22729	47113	80879	83860	88331	135681	138482	39575
BALANCE SHEET										
What the Company owned										
Fixed Assets	161544	181026	182260	255195	320133	286505	381241	483259	537401	482558
Investments & net current assets	37644	46065	56430	59938	106148	139029	145327	182538	262076	421443
Deferred Taxation (Net)	-	-	-	-	406	-	-	-	-	-
TOTAL	199188	227091	238690	315133	426687	425534	526568	665797	799477	904001
What the Company owed										
Loans	82639	93393	102086	145900	207975	186915	219789	248458	306655	366889
Deferred Taxation (net)	-	10072	12739	12476	-	-	-	-	-	-
TOTAL	82639	103465	114825	158376	207975	186915	219789	248458	306655	366889
Shareholders' Funds										
Equity Share Capital	21778	20256	19033	19033	19034	15227	15227	15227	15229	15229
Preference Share Capital	9500	17000	7500	7500	-	-	-	-	-	-
Application Money - Equity Warrants	-	-	-	-	-	-	-	1602	-	-
Reserves & surplus	87320	88031	98425	130693	199870	223392	291552	400510	477593	521883
Misc. Expd. (to the extent not w/off)	(2049)	(1661)	(1093)	(469)	(192)	-	-	-	-	-
TOTAL	116549	123626	123865	156757	218712	238619	306779	417339	492822	537112
Debt-Equity ratio	0.86:1	1.04:1	0.94:1	1.03:1	0.95:1	0.78:1	0.72:1	0.60:1	0.62:1	0.68:1
Return on Networth (%)	16.01	17.57	19.52	34.80	43.80	40.64	32.39	37.47	30.43	7.68
Earning per share (in Rs.)	8.00	8.80	11.40	24.30	42.34	55.07	58.01	89.11	90.94	25.99
Dividend per share (in Rs.)	2.75	4.00	4.00	6.50	9.00	11.22	11.50	15.00	8.00	8.00

Report of the Auditors to the Members of The Great Eastern Shipping Company Limited

1. We have audited the attached Balance Sheet of The Great Eastern Shipping Company Limited as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

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

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

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

5. On the basis of the written representations received from the Directors as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors 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
Firm Regn. No. 104607W

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date: May 22, 2010

Annexure to the Auditor's Report

As required by 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, we further report that :

1. Fixed Assets :

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

   b) The Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of account.

   c) In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.

2. Inventory :

   a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.

   b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records and the same have been properly dealt with in the books of account.

3. The Company has neither granted nor taken any loans, secured or unsecured, to / from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in the internal control system.

5. Transactions that need to be entered in the register maintained under Section 301 of the Companies Act, 1956 :

   a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.

   b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.

6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.

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

8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956, in respect of any of the activities of the Company.

9. Statutory Dues

a) According to the information and explanation given to us, except for the provident fund dues of floating staff, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Shore Staff Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that in respect of floating staff it is not possible to accurately ascertain the provident fund dues in view of the nature of Company's activities. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination, the balance, if any, is paid. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of income-tax, sales tax, wealth tax, service tax, customs duty, excise duty or cess outstanding on account of any dispute, other than the following :

NAME OF THE STATUTE	NATURE OF DUES	AMOUNT (RS. IN LAKHS)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
The Customs Act, 1962	Import duty	31	2000-01	High Court, Mumbai
The Tamilnadu General Sales Tax Act, 1959	Lease tax	1740	1995-96 to 1997-98	The Sales Tax Appellate Tribunal.
The Central Sales Tax Act, 1956 & Bombay Sales Tax Act, 1959	Sales Tax	746	1995-96 to 2009-10	The Sales Tax Appellate Tribunal
Maharashtra Land Revenue Code, 1966	Transfer charges for office premises under the scheme of demerger	124	2002-03	The High Court at Bombay
	Transfer Charges for office Premises	310	2003-04	Estate Department Joint Municipal Commissioner
Major Ports Trust Act, 1963	Demand for Pilotage and Berth Charges on gross tonnage	137	2001-02 to 2002-03	Karnataka High Court at Bangalore

10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.

11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks or debenture holders. There are no dues to financial institutions.

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

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

14. The Company does not deal or trade in shares, securities, debentures and other investments.

15. According to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by its subsidiary from banks are not prima facie prejudicial to the interest of the Company.

16. In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the loans were obtained.

17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.

18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. According to the information and explanations given to us, the Company has created security in respect of the secured redeemable non-convertible debentures issued.

20. The Company has not raised any money through a public issue during the year.

21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date: May 22, 2010

DETAILED FINANCIAL STATEMENTS

Jag Padma - Medium Range Product Tanker: Acquired in January, 2010

Balance Sheet as at March 31, 2010.

RS. IN LAKHS

	SCHEDULE		CURRENT YEAR	PREVIOUS YEAR
Sources of Funds :				
Shareholders' Funds :				
Capital	**1**	**15229**		15229
Reserves and Surplus	**2**	**521883**		477593
			537112	492822
Loan Funds :				
Secured Loans	**3**	**271889**		306655
Unsecured Loans	**4**	**95000**		-
			366889	306655
TOTAL			**904001**	799477
Application of Funds :				
Fixed Assets :	**5**			
Gross Block		**628693**		654039
Less : Depreciation (including impairment)		**201510**		180103
Net Block		**427183**		473936
Ships under Construction/Capital work-in-progress/Capital Advances		**55375**		63465
			482558	537401
Investments	**6**		**325100**	125096
Current Assets, Loans and Advances :				
Inventories	**7**	**4287**		4573
Sundry Debtors	**8**	**8672**		13018
Cash and Bank Balances	**9**	**132112**		183399
Other Current Assets	**10**	**1362**		2159
Loans and Advances	**11**	**6292**		13193
Incomplete Voyages (net)		**84**		-
		152809		216342
Less : Current Liabilities and Provisions :				
Current Liabilities	**12**	**40042**		75226
Provisions	**13**	**16424**		3099
Incomplete Voyages (net)		**-**		1037
		56466		79362
Net Current Assets			**96343**	136980
TOTAL			**904001**	799477
Significant Accounting Policies	**20**			
Notes on Accounts	**21**			

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
Daraius Z. Fraser
Partner
Mumbai, May 22, 2010

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

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

RS. IN LAKHS

	SCHEDULE		CURRENT YEAR	PREVIOUS YEAR
Income :				
Income from Operations	**14**		**208753**	317233
Other Income	**15**		**15786**	19241
			224539	336474
Expenditure :				
Operating Expenses	**16**	**103704**		125941
Administration & Other Expenses	**17**	**28696**		11351
Interest & Finance charges	**18**	**14297**		15364
Depreciation		**34646**		34849
Impairment Loss on Vessel		**-**		7000
			181343	194505
Profit Before Tax			**43196**	141969
Less : Provision for Taxation				
- Current Tax		**3915**		4375
- Fringe Benefit Tax		**-**		125
			3915	4500
Profit for the Year After Tax			**39281**	137469
Add : Prior period adjustments	**19**		**294**	1013
Net Profit			**39575**	138482
Less : Transfer to Tonnage Tax Reserve Account under Section 115VT of the Income-tax Act, 1961			**4000**	23000
			35575	115482
Add : Surplus Brought Forward from Previous Year			**271177**	183949
Amount Available for Appropriation			**306752**	299431
Appropriations :				
- Transfer to General Reserve		**4000**		14000
- Interim Dividend on Equity Shares		**-**		12183
- Proposed Dividend on Equity Shares		**12183**		-
- Tax on Dividends		**1896**		2071
			18079	28254
Balance Carried Forward			**288673**	271177
Basic Earnings per Share (in Rs.)			**25.99**	90.94
Diluted Earnings per Share (in Rs.)			**25.93**	90.75
Significant Accounting Policies	**20**			
Notes on Accounts	**21**			

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

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Daraius Z. Fraser
Partner
Mumbai, May 22, 2010

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

Cash Flow Statement for the Year Ended March 31, 2010.

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
A.	**Cash Flow From Operating Activities**		
	Net Profit Before Tax	**43196**	141969
	Adjustments For :		
	Prior Year Adjustments	**294**	1013
	Depreciation	**34646**	34849
	Impairment Loss on Vessel	**-**	7000
	Interest Earned	**(6042)**	(10537)
	Interest Paid	**14297**	15364
	Dividend Received	**(4213)**	(2925)
	Compensation on Cancellation of Ship Building Contract	**-**	3364
	Diminution in Value of Investment Written back (net)	**(444)**	(356)
	(Profit)/Loss on Sale of Investments in Joint Venture	**457**	(3641)
	Profit on Sale of Investments	**(2225)**	-
	Profit on Sale of Sundry Assets	**(1259)**	(50)
	Bad Debts/Advances Written off	**555**	271
	Provision for Doubtful Debts	**(486)**	(384)
	Revaluation of Foreign Currency Balances	**15916**	(4163)
	Operating Profit Before Working Capital Changes	**94692**	181774
	Adjustments For :		
	Trade & Other Receivables	**13752**	(2434)
	Inventories	**286**	642
	Incomplete Voyages (net)	**(1121)**	131
	Trade Payables	**(11155)**	4586
	Cash Generated from Operations	**96454**	184699
	Tax Paid	**(4583)**	(4563)
	Net Cash From Operating Activities	**91871**	180136
B.	**Cash Flow From Investing Activities**		
	Purchase of Fixed Assets	**(48782)**	(83762)
	Sale of Fixed Assets (refer note 1)	**39516**	27147
	Acquisition of Subsidiaries/Joint Venture	**-**	(47589)
	Disposal of Investment in Joint Venture	**241**	-
	Profit on Sale of Investments	**2225**	-
	Disposal of Investment in Associates	**-**	6043
	Interest Received	**6839**	10823
	Dividend Received	**4213**	2925
	Net Cash From/(Used in) Investing Activities	**4252**	(84413)
C.	**Cash Flow From Financing Activities**		
	Proceeds from Issue of Shares	**-**	28
	Proceeds from Long Term Borrowings	**156079**	37098
	Repayments of Long Term Borrowings	**(66477)**	(39023)
	Dividend Paid	**(4602)**	(18935)
	Tax on Dividend Paid	**(776)**	(3235)
	Interest Paid	**(14863)**	(16116)
	Net Cash From/(Used in) Financing Activities	**69361**	(40183)
	Net Increase/(Decrease) in Cash and Cash Equivalents	**165484**	55540
	Cash and Cash Equivalents as at April 1, 2009 (refer note 2)	**192500**	136960
	Cash and Cash Equivalents as at March 31, 2010 (refer note 2)	**357984**	192500

Notes :

1) Profit on sale of ships, is considered as operating income, consequently the sale proceeds are net of profit on sale of ships.

2) Cash and Cash Equivalents :

	MARCH 31, 2010	MARCH 31, 2009
Cash and Cash Equivalents (refer note 3)	**345453**	196482
Effect of Exchange Rate Changes [(gain)/loss]	**12531**	(3982)
Cash and Cash Equivalents as restated	**357984**	192500

3) Cash and cash equivalent includes :

a) Rs. 2423 lakhs (previous year Rs. 1469 lakhs) which are under a lien as margin/security deposit against financial facilities granted by banks.

b) Rs. 213341 lakhs (previous year Rs. 13083 lakhs) Liquid Mutual Funds which are shown under Schedule 6(b).

4) Previous year's figures have been regrouped/restated wherever necessary to conform to current years classification.

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Daraius Z. Fraser
Partner
Mumbai, May 22, 2010

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board
K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

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

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
Schedule "1":			
Share Capital :			
Authorised :			
30,00,00,000	Equity Shares of Rs.10 each	**30000**	30000
20,00,00,000	Preference Shares of Rs.10 each	**20000**	20000
		50000	50000
Issued :			
15,27,08,445	(previous year 15,27,08,445) Equity Shares of Rs. 10 each	**15271**	15271
		15271	15271
Subscribed :			
15,22,92,202	(previous year 15,22,92,202) Equity Shares of Rs. 10 each	**15229**	15229
		15229	15229
Paid-up :			
15,22,89,684	(previous year 15,22,89,684) Equity Shares of Rs. 10 each fully paid-up	**15229**	15229
		15229	15229

Notes :

1. Out of above, 74,39,858 (previous year 74,39,858) shares are allotted as fully paid-up pursuant to a contract without payment being received in cash.
2. The Paid-up Equity Share Capital includes Rs. 0.30 lakh (previous year Rs. 0.30 lakh), on account of forfeited shares and is net of Calls in Arrears Rs. 0.31 lakh (previous year Rs. 0.31 lakh).

RS. IN LAKHS

			CURRENT YEAR	PREVIOUS YEAR
Schedule "2":				
Reserves and Surplus :				
(a)	Capital Reserve :			
	Amount forfeited on warrants not exercised		**1598**	1598
(b)	Capital Redemption Reserve :			
	As per last Balance Sheet		**23854**	23854
(c)	Tonnage Tax Reserve Account Under Section 115VT of the Income-tax Act, 1961 :			
	As per last Balance Sheet	**90000**		67000
	Add : Transfer from Profit and Loss Account	**4000**		23000
			94000	90000
(d)	Debenture Redemption Reserve :			
	As per last Balance Sheet		**5750**	5750
(e)	Hedging Reserve Account :			
	(Loss)/gain on derivative contracts designated as cash flow hedges		**(17719)**	(36513)
(f)	Share Premium Account :			
	As per last Balance Sheet	**12631**		12601
	Add : Premium on shares issued during the year	-		30
			12631	12631
(g)	General Reserve :			
	As per last Balance Sheet	**109096**		107356
	Add : Exchange difference recognised in profit and loss account in the previous year, adjusted from cost of assets on exercise of option (net of depreciation)	-		(12260)
	Add : Transfer from Profit and Loss Account	**4000**		14000
			113096	109096
(h)	Profit and Loss Account		**288673**	271177
			521883	477593

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Schedule "3" :		
Secured Loans :		
(a) Term Loans -		
- From Banks	**238156**	297922
Secured by mortgage of specific ships, assignment of bank deposit and a financial covenant to maintain unencumbered assets (refer note 3).		
(b) Non-Convertible Debentures* -		
(i) Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each -		
- 6.05 % 95 Debentures redeemable on September 19, 2010.**	**8733**	8733
(ii) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each -		
- 9.80 % 2500 Debentures redeemed on July 03, 2019.	**25000**	-
* Secured by mortgage of specified immovable properties and ships.		
** Liability for Debentures is net of amount recoverable from Great Offshore Limited amounting to Rs. 767 lakhs in respect of amount transferred on de-merger.		
	271889	306655
Schedule "4' :		
Unsecured Loans :		
Non-Convertible Debentures -		
Unsecured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each -		
(i) 9.75% 2500 Debentures redeemable on August 20, 2019.	**25000**	-
(ii) 9.60% 2000 Debentures redeemable on November 11, 2019.	**20000**	-
(iii) 9.19% 1000 Debentures redeemable on December 24, 2018.	**10000**	-
(iv) 9.40% 1000 Debentures redeemable on January 05, 2018.	**10000**	-
(v) 9.40% 1000 Debentures redeemable on January 05, 2019.	**10000**	-
(vi) 9.35% 1000 Debentures redeemable on February 08, 2018.	**10000**	-
(vii) 9.35% 1000 Debentures redeemable on February 08, 2019.	**10000**	-
	95000	-

Schedule "5" :

Fixed Assets :

RS. IN LAKHS

PARTICULARS	COST				DEPRECIATION				IMPAIRMENT			NET BLOCK
	AS AT APRIL 1, 2009	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR [NOTE 4 (b)]	AS AT MARCH 31, 2010	UPTO MARCH 31, 2009	ADJUSTMENTS/ DEDUCTIONS FOR ASSETS SOLD/ DISCARDED	FOR THE YEAR	UPTO MARCH 31, 2010	AS AT APRIL 1, 2009	FOR THE YEAR	UPTO MARCH 31, 2010	AS AT MARCH 31, 2010
Fleet	**639517**	**25765**	**50919**	**614363**	**159545**	**12809**	**33962**	**180698**	**15755**	**-**	**15755**	**417910**
	606211	*93619*	*60313*	*639517*	*159921*	*34504*	*34128*	*159545*	*8755*	*7000*	*15755*	*464217*
Plant & Machinery	**1201**	**71**	**387**	**885**	**461**	**245**	**83**	**299**	**-**	**-**	**-**	**586**
	1379	*232*	*410*	*1201*	*468*	*137*	*130*	*461*	-	-	-	*740*
Land	**4935**	**-**	**-**	**4935**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4935**
(Freehold & Perpetual Lease)	*4935*	-	-	*4935*	-	-	-	-	-	-	-	*4935*
Ownership Flats and Buildings *	**4628**	**5**	**2**	**4631**	**1262**	**2**	**162**	**1422**	**135**	**-**	**135**	**3074**
	4364	*264*	-	*4628*	*1092*	-	*170*	*1262*	*135*	-	*135*	*3231*
Furniture, Fixtures and Office Equipment	**2746**	**64**	**64**	**2746**	**2338**	**62**	**200**	**2476**	**-**	**-**	**-**	**270**
	2615	*180*	*49*	*2746*	*2175*	*47*	*210*	*2338*	-	-	-	*408*
Vehicles	**1012**	**245**	**124**	**1133**	**607**	**121**	**239**	**725**	**-**	**-**	**-**	**408**
	922	*148*	*58*	*1012*	*444*	*48*	*211*	*607*	-	-	-	*405*
SUB-TOTAL	**654039**	**26150**	**51496**	**628693**	**164213**	**13239**	**34646**	**185620**	**15890**	**-**	**15890**	**427183**
	620426	*94443*	*60830*	*654039*	*164100*	*34736*	*34849*	*164213*	*8890*	*7000*	*15890*	*473936*
Ships under construction/ Capital work-in-Progress/ Capital Advances												**55375**
												63465
												482558
												537401

Notes :

* The Ownership Flats & Buildings include Rs. 0.12 lakh (previous year Rs. 0.13 lakh), being value of shares held in various co-operative societies. (Previous year figures are in italics)

	FACE VALUE RS.	CURRENT YEAR NO. OF UNITS	CURRENT YEAR RS. IN LAKHS	PREVIOUS YEAR NO. OF UNITS	PREVIOUS YEAR RS. IN LAKHS
Schedule "6"					
Investments :					
(a) Long Term Investments :					
(At cost - fully paid unless stated otherwise)					
Equity Shares : Unquoted					
Subsidiaries :					
The Great Eastern Shipping Co. London Ltd. of Stg. Pound 10 each		**16,000**	**26**	16,000	26
The Greatship (Singapore) Pte. Ltd. of S$ 1 each		**5,00,000**	**114**	5,00,000	114
The Great Eastern Chartering L.L.C. -FZC of AED 100 each		**1,500**	**19**	1,500	19
Greatship (India) Ltd.	10	**8,61,00,000**	**85200**	8,61,00,000	85200
Joint Venture :					
CGU Logistic Limited	10	**-**	**-**	69,75,000	698
			85359		86057
Less : Provision for Diminution in Value of Long Term Investments			**-**		444
			85359		85613
Preference Shares : Unquoted					
Subsidiaries :					
Greatship (India) Ltd.	10	**8,80,00,000**	**26400**	8,80,00,000	26400
			111759		112013
(b) CURRENT INVESTMENTS :					
(At lower of cost and fair value - fully paid)					
Mutual Funds : Unquoted					
Axis Short Term Fund - Daily Dividend Reinvestment	10	**2,16,00,560**	**2160**	-	-
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	10	**5,18,36,137**	**5392**	-	-
Birla Sun Life Income Plus - Quarterly Dividend - Reinvestment	10	**38,11,495**	**428**	-	-
Birla Sunlife Dynamic Bond Fund - Retail -Growth	10	**10,88,66,760**	**16855**	-	-
Birla Sunlife Floating Rate Fund Long Term Instl - Growth	10	**4,38,86,615**	**4731**	-	-
Birla Sunlife Income Plus - Growth	10	**24,18,682**	**1000**	-	-
BSL Floating Rate Fund - Weekly Dividend	10	**37,50,975**	**376**	-	-
BSL Interval Income Fund - Institutuinal - Quarterly - Series 1 - Growth	10	**1,00,00,000**	**1000**	-	-
DSP Black Rock Bond Fund - Retail Quarterly Dividend Reinvestment	10	**-**	**-**	18,28,510	193
DSP Black Rock Short Term Fund - Weekly Dividend Reinvestment	10	**7,47,87,286**	**7614**	-	-
DWS Treasury Fund Cash - Institutional Plan - Growth	10	**1,46,95,574**	**1503**	-	-
DWS Treasury Fund Cash - Institutional Plan Daily Dividend Plan	10	**5,24,22,197**	**5268**	-	-
Fortis Flexi Debt Fund - Regular Weekly Dividend	10	**3,51,23,420**	**3530**	-	-
Fortis Overnight - Institutional Plus Growth	10	**9,60,67,354**	**9617**	-	-
Fortis Overnight Institutional Plus Daily Dividend	10	**3,84,92,631**	**3850**	-	-
Fortis Short Term Income Fund Institutional Plus Daily Dividend	1000	**-**	**-**	5,40,63,014	5408
Fortis Short Term Income Fund Institutional Plus Daily Dividend	10	**11,81,89,914**	**11823**	-	-
HDFC Quarterly Interval Fund - Plan C Wholesale Growth	10	**2,50,00,000**	**2500**	-	-
HDFC Short Term Institutional Plus Growth	10	**4,80,17,251**	**8581**	-	-

		Current Year		Previous Year	
	FACE VALUE RS.	NO. OF UNITS	RS. IN LAKHS	NO. OF UNITS	RS. IN LAKHS
HDFC Short Term Plan Dividend Option Reinvestment	10	**6,89,35,215**	**7126**	1,93,90,946	2005
HSBC Flexi Debt - Institutional Plus Dividend	10	**-**	**-**	2,10,36,630	2052
ICICI Prudential Banking & PSU Debt Fund - Daily Dividend	10	**4,48,72,886**	**4496**	-	-
ICICI Prudential Banking and PSU Debt Fund Growth	10	**1,27,34,959**	**1278**	-	-
ICICI Prudential Gilt Fund - Investment Plan - Dividend	10	**2,02,90,231**	**2495**	-	-
ICICI Prudential Income Opportunities Fund Institutional Monthly Dividend Reinvestment	10	**1,49,47,552**	**1534**	-	-
ICICI Prudential Institutional Income Plan Dividend Quarterly Reinvestment	10	**2,06,76,359**	**2432**	-	-
ICICI Prudential Institutional Short Term Plan - Cumulative Option	10	**2,07,21,482**	**4000**	-	-
ICICI Prudential Institutional Short Term Plan - Fortnightly Dividend Reinvestment	10	**4,38,50,253**	**5263**	-	-
ICICI Prudential Medium Term Plan Premium Plus Growth	10	**5,00,29,535**	**5029**	-	-
ICICI Prudential Medium Term Premium Plus - Monthly Dividend	10	**3,26,92,190**	**3272**	-	-
IDFC - Savings Advantage Fund Plan A - Growth	1000	**5,89,001**	**7600**	-	-
IDFC - SSIF - Short Term - Plan D - Fortnightly Dividend Reinvest	10	**94,63,654**	**952**	-	-
IDFC - SSIF - Short Term - Plan D - Growth	10	**4,06,97,789**	**5001**	-	-
IDFC Fixed Maturity Plan Half Yearly Series 9 - Dividend Reinvestment	10	**3,06,52,057**	**3065**	-	-
IDFC Money Manager Fund - Investment Plan B - Growth	10	**5,32,93,735**	**7544**	-	-
IDFC Money Manager Fund Investment Plan B - Daily Dividend Fund	10	**2,00,32,294**	**2006**	-	-
IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvestment	1000	**3,60,302**	**3604**	-	-
Kotak Bond Short Term - Monthly Dividend	10	**11,55,44,397**	**11633**	2,10,90,842	2126
Kotak Floater Long Term - Growth	10	**6,97,34,833**	**10172**	-	-
Kotak Gilt (Investment Regular) - Growth	10	**32,15,951**	**1000**	-	-
Kotak Quarterly Interval Plan Series 6 - Growth	10	**2,18,12,154**	**2500**	-	-
Principal Money Manager - Institutional Growth Plan	10	**4,76,30,388**	**5000**	-	-
Reliance Income Fund - Retail Plan - Monthly Dividend	10	**-**	**-**	97,84,138	999
Reliance Liquidity Fund - Daily Dividend Plan	10	**-**	**-**	29,99,538	300
Reliance Medium Term Fund - Daily Dividend Plan	10	**6,69,32,609**	**11442**	-	-
Reliance Medium Term Retail Plan Growth Plan	10	**3,98,28,454**	**7586**	-	-
Tata Treasury Manager Ship	1000	**5,79,814**	**6065**	-	-
Tata Treasury Manager Ship - Daily Dividend	1000	**2,49,269**	**2518**	-	-
UTI Fixed Income Interval Fund - Series II Quarterly Interval Plan V - Institutional Growth Plan	10	**2,50,02,462**	**2500**	-	-
			213341		13083
			325100		125096

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
Schedule "7" :			
Inventories :			
Fuel oils		**4287**	4573
		4287	4573
Schedule "8" :			
Sundry Debtors :			
(Unsecured)			
(a) Debts outstanding over six months :			
- Considered good	**232**		925
- Considered doubtful	**1130**		1515
		1362	2440
(b) Other Debts :			
- Considered good	**8440**		12093
- Considered doubtful	**27**		16
		8467	12109
		9829	14549
Less : Provision for Doubtful Debts		**1157**	1531
		8672	13018
Schedule "9" :			
Cash and Bank Balances :			
(a) Cash and Cheques on Hand		**3**	1
(b) Balances with Scheduled Banks :			
- In Current Account	**1175**		2539
- In Deposit Account	**118276**		140992
		119451	143531
(c) Balances with Other Banks :			
- In Current Account with Royal Bank of Scotland, London (Maximum Balance Rs. 34639 lakhs, previous year Rs. 35689 lakhs)	**6323**		12923
- In Term Deposits with Royal Bank of Scotland, London (Maximum Balance Rs. 2032 lakhs, previous year Rs. 6431 lakhs)	**-**		2032
- In Current Account with Royal Bank of Scotland, Dubai (Maximum Balance Rs. 68 lakhs, previous year Rs. 68 lakhs)	**13**		1
- In Current Account with Citi Bank, London (Maximum Balance Rs. 59 lakhs, previous year Rs. 63 lakhs)	**56**		63
- In Term Deposits with Citi Bank, London (Maximum Balance Rs. 1417 lakhs, previous year Rs. 1417 lakhs)	**1254**		1417
- In Current Account with Citi Bank, Dubai (Maximum Balance Rs. 35 lakhs, previous year Rs. "Nil")	**2**		-
- In Current Account with HSBC, London (Maximum Balance Rs. 5069 lakhs, previous year Rs. 559 lakhs)	**4943**		472
- In Current Account with HSBC, Singapore (Maximum Balance Rs. 287 lakhs, previous year Rs. 235 lakhs)	**67**		135
- In Term Deposits with Punjab National Bank (International) Ltd., London (Maximum Balance Rs. 34362 lakhs, previous year Rs. 22824 lakhs)	**-**		22824
		12658	39867
		132112	183399

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Schedule "10" :		
Other Current Assets :		
Interest Accrued on Deposits	**1362**	2159
	1362	2159
Schedule "11" :		
Loans and Advances :		
(Unsecured - considered good, unless otherwise stated)		
(a) Advances recoverable in cash or in kind or for value to be received	**4886**	5625
(Net of provision for doubtful advances Rs. 95 lakhs, previous year Rs. 207 lakhs)		
(b) Agents' Current Accounts	**175**	3646
(c) Derivative Contracts Receivable	**-**	3356
(d) Balances with Customs, Port Trust, etc.	**7**	10
(e) Advance payment of Income-tax & Tax Deducted at Source	**1224**	556
(Net of provision for taxation - Rs. 16201 lakhs, previous year Rs. 12295 lakhs)		
	6292	13193
Schedule "12" :		
Current Liabilities :		
(a) Sundry Creditors		
- Outstanding Dues to Micro, Medium and Small Enterprises	**-**	-
- Dues to Other Creditors	**16381**	24445
(b) Due to Subsidiary Companies	**-**	112
(c) Advance Charter Hire	**1106**	1014
(d) Derivative Contracts Payable (net)	**17727**	36312
(e) Liabilities towards Investor Education and Protection Fund, not due - Unpaid dividend	**746**	779
(f) Other Liabilities	**458**	3832
(g) Interest Accrued but not Due on Loans	**3063**	3290
(h) Managerial Remuneration Payable	**561**	873
(i) Interim Dividend Payable	**-**	4569
	40042	75226
Schedule "13" :		
Provisions :		
(a) Proposed Dividend	**12183**	-
(b) Provision for Tax on Dividend	**1896**	776
(c) Provision for Retirement Benefits	**2345**	2323
	16424	3099

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

RS. IN LAKHS

			CURRENT YEAR	PREVIOUS YEAR
Schedule "14" :				
Income From Operations :				
(a)	Freight and Demurrage		**102180**	168305
(b)	Charter Hire		**86040**	114595
(c)	Profit on Sale of Ships		**17326**	25447
(d)	Gain on Foreign Currency Transactions (net)		**-**	8158
(e)	Miscellaneous Operating Income		**3207**	728
			208753	317233
Schedule "15" :				
Other Income :				
(a)	Dividend :			
	- from a Subsidiary Company	**768**		18
	- from Current Investments	**3445**		2907
			4213	2925
(b)	Interest Earned (Gross) :			
	- on Term Deposits	**5876**		8820
	- on Call Deposit	**2**		694
	- others	**164**		1023
	(Income-tax Deducted at Source Rs. 335 lakhs, previous year Rs. 1718 lakhs)		**6042**	10537
(c)	Profit on Sale of Investments :			
	- Long Term Investment	**-**		3641
	- Current Investments (net)	**2225**		-
			2225	3641
(d)	Provision for Diminution in Investment Written Back (net)		**284**	356
(e)	Profit on Sale of Sundry Assets (net)		**1259**	50
(f)	Provision for Doubtful Debts & Advances Written Back (net)		**486**	384
(g)	Miscellaneous Income		**1277**	1348
			15786	19241
Schedule "16" :				
Operating Expenses :				
(a)	Fuel Oil and Water		**30975**	47370
(b)	Port, Light and Canal Dues		**13504**	13841
(c)	Stevedoring, Despatch & Cargo Expenses		**388**	778
(d)	Hire of Chartered Ships		**14635**	6380
(e)	Brokerage & Commission		**1745**	4009
(f)	Agency Fees		**644**	989
(g)	Wages, Bonus and Other Expenses - Floating Staff		**17152**	18215
(h)	Contribution to Provident & Other Funds - Floating Staff		**(155)**	549
(i)	Stores		**5535**	5712
(j)	Repairs & Maintenance - Fleet		**14024**	21377
(k)	Insurance & Protection Club Fees		**3261**	3377
(l)	Vessel Management Expenses		**171**	264
(m)	Sundry Operating Expenses		**1654**	1595
(n)	Compensation on Modification/Cancellation of Contracts		**171**	1485
			103704	125941

RS. IN LAKHS

			CURRENT YEAR	PREVIOUS YEAR
Schedule "17" :				
Administration & Other Expenses :				
(a)	Staff Expenses -			
	- Salaries, Allowances & Bonus	**4674**		6484
	- Staff Welfare Expenses	**171**		166
	- Contribution to Provident & Other Funds	**230**		564
			5075	7214
(b)	Rent		**50**	48
(c)	Insurance		**76**	84
(d)	Repairs and Maintenance -			
	- Buildings	**57**		57
	- Others	**327**		383
			384	440
(e)	Property Taxes		**14**	14
(f)	Miscellaneous Expenses		**2430**	3108
(g)	Loss on Foreign Currency Transactions (net)		**19655**	-
(h)	Loss on Sale of Current Investments		**457**	172
(i)	Bad Debts and Advances Written off		**555**	271
			28696	11351
Schedule "18":				
Interest & Finance Charges :				
(a)	Interest on Fixed Loans		**14290**	15838
(b)	Other Interest		**31**	4
(c)	Finance Charges		**316**	370
			14637	16212
(d)	Less : Pre-delivery Interest Capitalised		**340**	848
			14297	15364
Schedule "19":				
Prior Period Adjustments :				
Income-tax Adjustments of Prior Years (net)			**294**	1013
			294	1013

Schedule "20":

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 issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

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

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and borrowings cost during construction period. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of 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 are carried at lower of cost or net realisable value. Cost is ascertained on first-in- first out basis.

(f) Incomplete Voyages :

Incomplete voyages represent freight received and direct operating expenses in respect of voyages which were not complete as at the Balance Sheet date.

(g) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition/construction of the qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction.

(h) Revenue recognition :

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

(i) Operating expenses :

(i) Fleet direct operating expenses are charged to revenue on completed voyage basis.

(ii) Stores and spares delivered on board the ships are charged to revenue.

(iii) Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred. Claims against the underwriters are accounted for on submission of average adjustment by the adjustors.

(j) Employee Benefits :

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Other Long-Term Benefits

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

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

(k) Depreciation :

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

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

* Subject to the life of single side single bottom vessels being restricted to March 31, 2010.

(ii) Depreciation on fleet is provided on prorata basis and on Other Assets depreciation is provided for the full year on additions and no depreciation is provided in the year of disposal.

(iii) In case of assets depreciated under the straight-line method, 95% of the original cost is written off over the estimated useful life. However, if an asset continues in operation beyond the useful life, as estimated by the management, the balance cost is depreciated in the subsequent year.

(l) Asset Impairment :

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

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

(m) Foreign Exchange Transactions :

(i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long-term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency 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 and 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 or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

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

(n) Derivative Financial Instruments and Hedging :

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

Cash Flow Hedge :

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 and commodity future contracts, 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 is recorded in the Hedging Reserve account and is recognized in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition.

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

(o) Provision for Taxation :

Tax expense comprises both current and deferred tax.

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

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

(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 "21":

Notes to Accounts

For the year ended March 31, 2010.

1. **Contingent Liabilities :**

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SR. NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(a)	Guarantees given by banks counter guaranteed by the Company	**23627**	26712
(b)	Guarantees by bank given on behalf of a subsidiary company/joint venture	**190**	409
(c)	Guarantees given to banks/shipyard on behalf of subsidiaries	**34898**	128192
(d)	Sales Tax demands under BST Act for the years 1995-96, 1996-97, 1997-98, 1998-99, 2001-02, against which the Company has preferred appeals	**746**	746
(e)	Lease Tax liability in respect of a matter decided against the Company, against which the Company has filed a revision petition in the Madras High Court	**1740**	1740
(f)	Possible obligation in respect of matters under arbitration/appeal	**59**	59
(g)	Demand from the Office of the Collector & District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Company	**434**	434

2. **Share Capital :**

Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 2,85,922 (previous year 2,85,922) rights equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 (previous year 40,608) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange. During the year "Nil" (previous year 5,760) equity shares have been allotted out of the shares kept in abeyance.

3. **Secured Loans :**

(a) Term loans from banks are secured by mortgage of specific ships.

(b) Term loans from banks includes a syndicated loan of USD 32 million from a consortium of banks against security by way of assignment of bank deposit of USD 2.5 million and a financial covenant *inter alia*, to maintain unencumbered assets of value not less than 1.25 times the said borrowing.

(c) 6.05% 95 Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each, redeemable on September 19, 2010, are secured by *pari-passu* first charge on assets of the Company and the asset cover ratio will be not less than 1.25 times.

(d) 9.80% 2500 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each, redeemable on July 03, 2019 are secured by exclusive charge on ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the Company.

4. **Fixed Assets :**

(a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for – Rs. 206426 lakhs (previous year Rs. 236883 lakhs).

(b) The amount of exchange gain on account of fluctuation of the rupee against foreign currencies and gains/(losses) on hedging contracts (including on cancellation of forward covers), relating to long-term monetary items for acquisition of depreciable capital assets and gains/(losses) on forward contracts for hedging capital commitments for acquisition of depreciable assets, deducted from the carrying amount of fixed assets during the year is Rs. 31022 lakhs. Corresponding loss relating to the previous year added to the carrying amount of fixed assets was Rs. 54023 lakhs.

(c) The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.

5. **Debtors and Creditors :**

Debtors and Creditors are subject to confirmation, reconciliation and adjustments, if any.

6. Cash and Bank Balance :

Balances with scheduled banks on deposit account include margin deposits of Rs. 1301 lakhs (previous year Rs. 201 lakhs) placed with the bank, under a lien against guarantees issued by the said bank. Balance with other banks include a deposit of Rs. 1122 lakhs (previous year Rs. 1268 lakhs) which is under lien as security against a syndicated loan.

7. Loans and Advances :

Loans and Advances include amount due from subsidiary companies :

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
The Greatship (Singapore) Pte. Ltd.	**12**	-
(Maximum balance during the year Rs. 12 lakhs, previous year "Nil")		
Greatship India Ltd. (Rs. 32,691)	**-**	-
(Maximum balance during the year Rs. 36 lakhs, previous year Rs. 202 lakhs)		

8. Current Liabilities :

According to the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006", no amount is overdue as on March 31, 2010, to Micro, Medium and Small Enterprises on account of principal or interest.

9. Deferred Tax :

Pursuant to the introduction of Section 115VA 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 the deemed Tonnage Income of the Company and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered necessary.

10. Provisions :

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

RS. IN LAKHS

DESCRIPTION	BALANCE AS ON APRIL 1, 2009	ADDITIONS DURING THE YEAR	REVERSED/PAID DURING THE YEAR	BALANCE AS ON MARCH 31, 2010
Manning dues and related contributions to welfare funds Provisions have been recognised for payment of arrears of wages to officers in anticipation of wage agreements.	251	-	212	39
Vessel Performance/Offhire Claims Provisions have been recognised for the estimated liability for under performance of certain vessels and offhire claims under dispute.	1877	268	1219	926

11. The Company has provided a performance guarantees in favour of parties which have awarded a contract to the Company's wholly owned subsidiary which would require it to assume the benefits and costs of this contracts in the event the subsidiary is not able to fulfill the same, in which event, the company does not expect any net liability or outflow of resources.

12. Managerial Remuneration :

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

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
(a) Salaries	**431**	431
(b) Contribution to Provident fund and Superannuation fund	**116**	116
(c) Perquisites	**11**	13
(d) Commission to whole-time directors	**512**	824
(e) Commission to non-whole-time directors	**54**	54
TOTAL	**1124**	1438

Notes :

The above does not include:

- Contribution to Gratuity Fund and provision for retirement leave encashment benefit as separate figures are not available in respect of the whole time directors.
- Provision for retirement pension benefits payable [Rs. 35 lakhs (previous year Rs. 778 lakhs)] (on the basis of an actuarial valuation) to the whole-time directors as per the scheme approved by the Board of Directors.

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

RS. IN LAKHS

	CURRENT YEAR		PREVIOUS YEAR	
Profit for the Year Before Tax		**43196**		141969
Add : Managerial Remuneration	**1159**		2216	
Prior Period Adjustments	**294**		1013	
Depreciation as per books	**34646**		34849	
		36099		38078
		79295		180047
Less : Profit on Sale of Investments (net)	**1768**		3469	
Provision for Doubtful Debts and Advances Written Back (net)	**486**		384	
Provision for Diminution in Investments Written Back (net)	**284**		356	
Depreciation u/s 350 of the Companies Act, 1956	**34646**		34849	
Capital Profit on Sale of Fixed Assets	**12968**		16585	
		50152		55643
Eligible Net Profit as per Section 349 of the Companies Act, 1956		**29143**		124404
Maximum Limit of Remuneration payable as per Section 198 read with Schedule XIII of the Companies Act, 1956 :				
a) To Whole-time Directors @10% of eligible profit		**2914**		12440
b) To Non-whole-time Directors @1% of eligible profit		**291**		1244
Total Managerial Remuneration (including commission and provision for retirement pension benefits)				
a) To Whole-time Directors		**1105**		2162
b) To Non-whole-time Directors		**54**		54
		1159		2216

13. Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits":

A) Defined Contribution Plans :

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

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Contribution to Employees Provident Fund	**241**	246
Contribution to Employees Superannuation Fund	**257**	248
Contribution to Employees Pension Scheme 1995	**24**	25
Contribution to Seamen's Provident Fund	**47**	53
Contribution to Seamen's Annuity Fund	**72**	80
Contribution to Seamen's Rehabiliation Fund	**62**	66
Contribution to Seamen's Gratuity Fund	**(88)**	18

B) Defined Benefit Plans and Other Long Term Benefits :

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

ACTUARIAL ASSUMPTIONS FOR THE YEAR	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
(a) Discount Rate (p.a.)	**6.00%**	6.00%	**6.00%**	6.00%	**6.00%**	6.00%
(b) Rate of Return on Plan Assets	**6.00%**	6.00%	**-**	-	**-**	-
(c) Salary Escalation rate	**4.00%**	4.00%	**-**	-	**4.00%**	4.00%
(d) Mortality	**LIC– Ultimate 94-96**	LIC– Ultimate 94-96	**LIC– Ultimate 94-96**	LIC– Ultimate 94-96	**LIC– Ultimate 94-96**	LIC– Ultimate 94-96
(e) Withdrawal rate	**0.50%**	0.50%	**-**	-	**0.50%**	0.50%
(f) Expected average remaining service	**17.93**	18.23	**-**	-	**13.94**	15.10

(i) Change in Benefit Obligation :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
Liability at the beginning of the year	**1490**	1068	**2060**	1260	**264**	196
Interest Cost	**87**	76	**122**	94	**16**	12
Current Service Cost	**151**	154	**-**	-	**91**	91
Benefits Paid	**(73)**	(56)	**(20)**	(20)	**(9)**	(4)
Actuarial (gain)/loss on obligations	**(582)**	248	**(73)**	726	**(106)**	(31)
Liability at the end of the year	**1073**	1490	**2089**	2060	**256**	264

(ii) Fair value of Plan Assets :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
Fair Value of Plan Assets at the beginning of the year	**1044**	1071	**-**	-	**-**	-
Adjustment to Opening Balance	**445**	-	**-**	-	**-**	-
Expected Return on Plan Assets	**87**	63	**-**	-	**-**	-
Employer's Contribution	**-**	-	**20**	20	**9**	4
Benefits Paid	**(73)**	(56)	**(20)**	(20)	**(9)**	(4)
Actuarial gain/(loss) on Plan Assets	**175**	(34)	**-**	-	**-**	-
Fair Value of Plan Assets at the end of the year	**1678**	1044	**-**	-	**-**	-

(iii) Actual Return on Plan Assets :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
Expected Return on Plan Assets	**87**	63	**-**	-	**-**	-
Actual gain/(loss) on Plan Assets	**175**	(34)	**-**	-	**-**	-
Actual Return on Plan Assets	**262**	29	**-**	-	**-**	-

(iv) Amount Recognised in the Balance Sheet :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Liability at the end of the year	**1073**	1490	**2089**	2060	**256**	264
Fair Value of Plan Assets at the end of the year	**1678**	1044	**-**	-	**-**	-
Unrecognised past service cost	**-**	-	**-**	-	**-**	-
Amount recognised in the Balance Sheet	**(605)**	446	**2089**	2060	**256**	264

(v) Expenses Recognised in the Profit & Loss Account :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Service Cost	**151**	154	**-**	-	**91**	91
Interest Cost	**87**	76	**122**	94	**16**	12
Expected Return on Plan Assets	**(87)**	(63)	**-**	-	**-**	-
Net Actuarial (Gain)/loss to be recognised	**(757)**	282	**(73)**	726	**(106)**	(31)
Expenses recognised in Profit and Loss Account	**(606)**	449	**49**	820	**1**	72

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

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

(vii) General description of significant defined plans :

Gratuity Plan :

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

Pension Plan :

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

Leave Encashment :

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed at 15 days for employees on CTC basis and at 300 days for other employees. The leave over and above 15 days for CTC employees and over 300 days for others is encashed and paid to employees as per the balance as on June 30th every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

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

	CURRENT YEAR %	PREVIOUS YEAR %
Government of India securities	**7%**	9%
State Government securities	**4%**	5%
Bonds	**18%**	21%
HDFC Defence Fund	**71%**	65%
Total	**100%**	100%

14. Auditors' Remuneration (including service tax) :

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Audit Fees	**33**	25
In other capacities :		
- Tax Audit	**3**	2
- Taxation	**35**	27
- Certification & Other Services	**17**	16
Total	**88**	70

15. Particulars of Investments Purchased and Sold During the Year :

RS. IN LAKHS

	FACE VALUE	NO. OF UNITS	PURCHASE AMOUNT
Mutual Funds :			
Reliance Liquidity Fund - Daily Dividend Plan	10	39,65,80,055	39670
Reliance Medium Term Fund - Daily Dividend Plan (Reinvestment)(IP-DD)	10	9,62,25,300	16450
Reliance Income Fund - Retail Plan - Monthly Dividend Plan	10	1,36,185	14
HSBC Flexi Debt - Institutional Plus Dividend	10	2,55,276	26
HSBC Cash Fund - Institutional Plus Dividend	10	26,66,36,355	26679
HSBC Floating Rate - Long Term Plan - Institutional Option Weekly Dividend	10	15,95,01,795	17925
HSBC Income Fund Short Term - Institutional Plus Weekly Dividend	10	4,01,82,334	4033
Kotak Liquid (Institutional Premium) Daily Dividend	10	19,44,54,879	23778
Kotak Floater Long Term - Daily Dividend	10	16,51,40,027	16646
ICICI Prudential Institutional Liquid Super Institutional - Dividend - Daily	10	22,18,67,258	30401
ICICI Prudential Ultra Short Term Plan Super Premium Daily Dividend	10	4,07,41,046	4077
ICICI Prudential Floating Rate Plan D - Daily Dividend	10	5,98,68,042	10914
ICICI Prudential Institutional Short Term Plan - Fortnightly	10	58,28,670	703
DSP Black Rock Liquidity Fund - Institutional Plan - Daily Dividend	1,000	18,44,969	18452
DSP Black Rock Floating Rate Fund-Institutional Plan - Daily Dividend	1,000	13,30,673	13317
HDFC Liquid Premium Plan Daily Dividend Option Reinvest	10	6,36,29,444	7801
HDFC Floating Rate Income Fund Short Term Plan Wholesale Option Dividend Reinvest	10	3,04,61,947	3071
Fortis Overnight - Institutional Plus - Daily Dividend	10	27,29,86,210	27307
Fortis Short Term Income Fund - Institutional Plus - Daily Dividend	10	10,26,39,975	10267
Birla Sun Life Cash Plus - Institutional Premium - Daily Dividend - Reinvestment	10	6,38,80,529	6401
Birla Sun Life Cash Manager - Institutional Premium - Daily Dividend	10	2,76,64,680	2767
Birla Sun Life Income Plus - Quarterly Dividend - Reinvestment	10	40,06,303	455
DWS Insta Cash Plus Fund - Super Institutional Plan Daily Dividend	10	12,61,50,627	12653
DWS Ultra Short Term Fund - Institutional Daily Dividend Plan	10	5,25,88,602	5268
DWS Short Maturity Fund - Institutional Weekly Dividend Plan	10	10,43,37,240	10907
JP Morgan India Liquid Fund - Super Institutional Daily Dividend Plan	10	2,44,83,143	2450
JP Morgan India Treasury Fund - Super Institutional Daily Dividend Plan	10	2,45,00,232	2452
Tata Liquid Super High Investment Fund - Daily Dividend	1,000	15,07,628	16803
Tata Treasury Manager SHIP - Daily Dividend	1,000	7,04,348	7116
Canara Robeco Liquid Super Institutional Daily Dividend	10	4,80,65,427	4826
Canara Robeco Dynamic Bond Institutional Dividend Fund	10	49,79,750	505
Canara Robeco Short Term Institutional Weekly Dividend Fund	10	2,90,00,358	2935
IDFC Cash Fund Plan Institutional Daily Dividend Fund	10	9,45,21,038	9476
IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Daily Dividend	10	5,59,16,126	5600
Templeton India Treasury Management Account Super Institutional Plan - Daily Dividend Reinvest	1,000	1,14,960	1150
Axis Liquid Fund - Institutional Daily Dividend	1,000	2,15,017	2150

	FACE VALUE	NO. OF UNITS	PURCHASE AMOUNT
Fidelity Cash Fund	10	2,00,59,606	2450
Fidelity Ultra Short Term Debt Fund	10	2,12,71,820	2450
JP Morgan India Liquid Fund Super Institutional Growth Plan	10	2,12,42,283	2450
JP Morgan India Treasury Fund Super Institutional Growth Plan	10	2,11,49,143	2450
Tata Liquid Fund Ship Growth	1,000	4,78,144	8000
Tata Treasury Manager SHIP Growth	1,000	7,77,729	8002
Tata Floater Fund Growth	10	4,42,01,412	6063
Birla Sunlife Cash Plus Institutional Plan Growth	10	15,91,51,861	23040
Birla Sunlife Dynamic Bond Fund - Retail - Growth	10	11,53,86,134	17312
Birla Sunlife Dynamic Bond Fund - Retaill - Quarterly Dividend	10	14,96,74,997	16848
DSP Black Rock Cash Manager Institutional Plan Growth	1,000	8,69,715	9964
DSP Br Floating Rate Fund - Institutional Plan Growth	1,000	5,99,272	7701
DSP Br Short Term Fund - Institutional Plan Growth	10	1,46,45,888	2264
DWS Insta Cash Super Institutional Plan Growth	10	10,85,86,464	12702
DWS Short Maturity Fund Growth Plan	10	10,44,76,536	11210
DWS Treasury Fund Cash - Institutional Plan - Growth	10	1,38,72,956	1400
DWS Ultra Short Term Fund - Institutional Growth	10	1,38,78,407	1502
HSBC Cash Fund IP Growth	10	14,83,01,151	20722
HSBC Floating Rate Long Term Plan Institutional Option - Growth	10	8,34,20,919	11801
HSBC Income Fund Short Term Institutional Plus - Growth	10	3,85,55,462	4050
Canara Robeco Liquid Super Institutional Plan Growth	10	2,29,58,739	2500
Canara Robeco Short Term Institutional Growth Fund	10	2,41,77,305	2500
Kotak Liquid (Institutional Premium) - Growth	10	13,32,45,685	24619
Kotak Floater Long Term - Growth	10	10,06,39,927	14451
Reliance Liquidity Fund Growth	10	10,95,09,894	15010
Reliance Medium Term fund - Retail Plan - Growth Plan - Growth Option	10	3,98,28,502	7426
HDFC Liquid Fund Premium Plan Growth	10	8,19,05,993	14872
HDFC Short Term Plus - Growth	10	2,76,72,283	4912
HDFC Floating Rate Income Fund Short Term Plan - Wholesale Option Growth	10	8,06,09,432	12470
Templeton India Treasury Management Account Super Institutional Plan - Growth	1,000	13,16,249	17750
IDFC Cash Fund Super Institutional Plan C - Growth	10	18,07,62,410	20100
IDFC Money Manager Fund - Investment Plan - Institutional Plan B - Growth	10	2,86,61,708	4057
ICICI Prudential Institutional Liquid Super Institutional Plan - Growth	100	76,05,247	10300
ICICI Prudential Institutional Short Term Plan - Cumulative Option	10	66,59,449	1272
Fortis Overnight - Institutional Plus - Growth	10	12,05,30,148	13522
Fortis Short Term Income Fund - Institutional Plus - Growth	10	9,33,86,248	9534
AIG India Liquid Fund - Super Institutional Growth	1,000	2,10,578	2475
AIG India Treasury Fund - Super Institutional Growth	10	2,08,45,022	2475
UTI Liquid Cash Plan - Institutional Growth	1,000	1,66,267	2500

16. Hedging Contracts :

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

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

1. **Derivative Instruments Outstanding :**

i) **Cash Flow Hedges :**

(a) **Commodity Futures Contracts for Import of Bunker :**

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	**4**	**-**	5	-
No. of units in MT under above contracts	**9000**	**-**	8000	-
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**45**	**-**	(1242)	-
Maturity Period	**Upto 9 Months**	**-**	Upto 6 Months	-

(b) **Forward Exchange Contracts :**

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	**-**	**3**	-	-
Foreign Currency Value (USD in million)	**-**	**3.000**	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**-**	**85**	-	-
Maturity Period	**-**	**Upto 5 Months**	-	-

(c) **Forward Exchange Option Contracts :**

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	**-**	**7**	-	4
Foreign Currency Value (USD in million)	**-**	**167.500**	-	207.000
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**-**	**(7382)**	-	(22634)
Maturity Period	**-**	**Upto 3 Years**	-	Upto 3 Years

(d) **Interest Rate Swap Contracts :**

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding	**6**	16
Principal Notional Amount (USD in million)	**113.025**	179.490
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**(3808)**	(6114)
Maturity Period	**Upto 5 Years**	Upto 6 Years

(e) **Interest Portion of Currency Swap Contracts :**

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding		**6**	9
Principal Notional Amount (USD in million)	USD/INR	**-**	31.683
Principal Notional Amount (JPY in million)	JPY/USD	**18288.720**	21425.223
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)		**(4506)**	(6013)
Maturity Period		**Upto 7 Years**	Upto 8 Years

(f) **Currency Swap Contracts :**

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding		**8**	-
Principal Notional Amount (Rs. in lakhs)	INR/USD	**120000**	-
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)		**(2161)**	-
Maturity Period		**Upto 10 Years**	-

(ii) (a) Forward Exchange Contracts :

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	**-**	**11**	6	-
Foreign Currency Value (USD in million)	**-**	**28.000**	10.000	-
Maturity Period	**-**	**Upto 9 Months**	Upto 8 Months	-

(b) Currency Swap Contract :

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding		**6**	9
Principal Notional Amount (USD in million)	USD/INR	**-**	31.683
Principal Notional Amount (JPY in million)	JPY/USD	**18288.720**	21425.223
Maturity Period		**Upto 7 Years**	Upto 8 Years

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

	CURRENCY	CURRENT YEAR IN MILLIONS	PREVIOUS YEAR IN MILLIONS
Loan Liabilities and Payables	AED	**1.312**	1.950
	AUD	**0.007**	0.177
	BHD	**-**	0.001
	CAD	**0.001**	0.038
	CHF	**0.007**	0.014
	DKK	**0.987**	1.786
	EUR	**0.427**	1.710
	GBP	**0.017**	0.048
	HKD	**-**	0.051
	JPY	**38.787**	62.631
	KRW	**-**	0.003
	NOK	**0.405**	0.460
	SAR	**0.057**	0.057
	SEK	**0.107**	0.139
	SGD	**0.715**	1.692
	TWD	**-**	0.487
	USD	**814.970**	568.194
	ZAR	**0.034**	0.053
Receivables	AED	**0.009**	0.082
	AUD	**0.008**	0.116
	CAD	**-**	0.002
	DKK	**0.093**	0.238
	EUR	**0.308**	1.088
	GBP	**0.002**	0.016
	JPY	**-**	1.330
	NOK	**0.685**	0.016
	SAR	**0.050**	0.054
	SEK	**0.072**	-
	SGD	**0.077**	0.298
	TWD	**-**	0.243
	USD	**10.967**	24.544
	ZAR	**-**	0.147
Bank Balances	AED	**0.127**	0.008
	DKK	**0.201**	0.011
	EUR	**5.932**	6.841
	GBP	**0.068**	0.087
	NOK	**0.193**	0.068
	SGD	**0.208**	0.405
	USD	**253.610**	268.182

3. 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. 17727 lakhs (previous year Rs. 36003 lakhs) has been recorded in the Hedging Reserve Account.

17. Segment Reporting :

The Company is only engaged in shipping business and there are no separate reportable segments as per Accounting Standard AS -17 'Segment Reporting'.

18. Related Party Disclosures :

(I) List of Related Parties

a) Parties where control exists :

Subsidiary Companies :

The Great Eastern Shipping Co.(London) Ltd.

The Greatship (Singapore) Pte. Ltd.

Great Eastern Chartering LLC – FZC

Greatship (India) Ltd. and its subsidiaries :

- Greatship Holdings Ltd., Mauritius.
- Greatship Global Energy Services Pte Ltd., Singapore.
- Greatship Global Offshore Services Pte Ltd., Singapore.
- Greatship DOF Subsea Projects Private Ltd., Mumbai.

b) Other related parties with whom transactions have taken place during the year

(i) Joint Venture :

CGU Logistic Ltd. (Upto March 31, 2009)

(ii) Key Management Personnel :

Mr. K. M. Sheth - Executive Chairman

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

Mr. Ravi K. Sheth - Executive Director

(II) Significant Transactions with Related Parties :

RS. IN LAKHS

NATURE OF TRANSACTION	SUBSIDIARY COMPANIES		JOINT VENTURE		KEY MANAGEMENT PERSONNEL		TOTAL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Services received	**1085**	1155	**-**	-	**-**	-	**1085**	1155
- The Greatship (Singapore)								
Pte Ltd. Rs. 548 lakhs								
- The Great Eastern								
Chartering LLC.								
Rs. 537 lakhs								
Reimbursement of expenses	**54**	27	**-**	-	**-**	-	**54**	27
- Greatship (India) Ltd.								
Dividend income	**768**	18	**-**	-	**-**	-	**768**	18
- Greatship (India) Ltd.								
Rs. 768 lakhs								
Rendering of Service	**-**	4	**-**	-	**-**	-	**-**	4
- Greatship (India) Ltd.								
Sale of Assets	**-**	-	**-**	-	**1250**	-	**1250**	-
a) Sale consideration for flat 9-B Manek								
- Mr. Bharat K. Sheth Rs. 623.63 lakhs								
- Mr. Ravi K. Sheth Rs. 623.63 lakhs								

RS. IN LAKHS

NATURE OF TRANSACTION	SUBSIDIARY COMPANIES		JOINT VENTURE		KEY MANAGEMENT PERSONNEL		TOTAL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
b) Payment relating to transfer of lessors right from the date of sale in the above flat leased to SKF India Ltd.								
- Transfer of lease rent received & recovery of society outgoings								
- Mr. Bharat K. Sheth Rs. 1.37 lakhs								
- Mr. Ravi K. Sheth Rs. 1.37 lakhs								
Finance Provided								
(including loans and equity/preference contributions)	**-**	47400	**-**	189	**-**	-	**-**	47589
- Greatship (India) Ltd.								
Rs. 47400 lakhs								
- CGU Logistics Ltd.								
Rs. 189 lakhs								
Remuneration	**-**	-	**-**	-	**1105**	2162	**1105**	2162
- Mr. K. M. Sheth								
Rs. 328 lakhs								
- Mr. Bharat K. Sheth								
Rs. 607 lakhs								
- Mr. Ravi K. Sheth								
Rs. 170 lakhs								
Guarantee letters given	**35088**	128407	**-**	194	**-**	-	**35088**	128601
- Greatship (India) Ltd.								
Rs. 20301 lakhs								
- Greatship Global								
Offshore Services Pte.Ltd.								
Rs. 14787 lakhs								
Outstanding balance								
as on 31-03-2010:								
Receivables	**780**	-	**-**	-	**-**	-	**780**	-
- Greatship (India) Ltd.								
Rs. 768 lakhs								
- The Greatship (Singapore) Pte. Ltd.								
Rs. 12 lakhs								
Payables	**10**	112	**-**	-	**-**	-	**10**	112
- The Great Eastern Chartering LLC								
Rs. 10 lakhs								

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

19. Interest in Joint Venture :

The Company's interest as a venturer (upto March 31, 2009) in a jointly controlled entity and its proportionate share in the assets, liabilities, income and expenses of the Joint Venture Company, is as under :

SR. NO.	NAME OF THE COMPANY	COUNTRY OF INCORPORATION	% OF HOLDING	
			CURRENT YEAR	PREVIOUS YEAR
1.	CGU Logistic Ltd.	India	-	22.50%

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Assets		
Fixed Assets	-	1640
Inventory	-	16
Cash and Bank Balances	-	168
Other Current Assets	-	9
Loans and Advances	-	102
Profit and Loss Account	-	879
Total	-	2814
Liabilities		
Equity Share Capital	-	697
Share Application Money	-	416
Secured Loans	-	1559
Unsecured Loans	-	114
Current Liabilities	-	28
Total	-	2814
Income		
Income from Operations	-	-
Other Income	-	3
Total	-	3
Expenditure		
Operating Expenses	-	141
Administration and Other Expenses	-	68
Foreign Exchange Fluctuation Loss	-	367
Interest & Finance Charges	-	98
Depreciation	-	180
Provision for Taxation – Current Tax	-	2
Total	-	856

The Company's share of each of the assets, liabilities, income & expenses related to its interests in the joint venture is based on the unaudited financial information received from the venturers.

20. Basic and Diluted Earnings Per Share :

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
(a)	Profit for the Year After Tax	**39281**	137469
	Add : Extraordinary Items and Prior Period Adjustments	**294**	1013
	Net Profit After Tax	**39575**	138482
(b)	Number of Equity Shares		
	(i) Basic Earning per Share :		
	Number of Equity shares as at the begining of the year	**15,22,89,684**	15,22,73,924
	Add: Shares allotted from abeyance quota	**-**	5,760
	Shares issued during the year	**-**	10,000
	Number of Equity Shares as at the end of the year	**15,22,89,684**	15,22,89,684
	Weighted Average Number of Equity Shares	**15,22,89,684**	15,22,82,319
	(ii) Diluted Earning per Share :		
	Weighted Average Number of Equity Shares	**15,22,89,684**	15,22,82,319
	Add : Potential Equity Shares on exercise of options and Rights Shares kept in abeyance	**3,26,530**	3,11,743
	Weighted Average Number of Equity Shares	**15,26,16,214**	15,25,94,062
(c)	Face Value per Equity Share	**Rs. 10**	Rs. 10
(d)	Earnings per Share : - Basic	**Rs. 25.99**	Rs. 90.94
	- Diluted	**Rs. 25.93**	Rs. 90.75

21. The Company has been obtaining exemption from disclosure of information pursuant to paras 4D(a), (b), (c) and (e) of Part-II of Schedule-VI to the Companies Act, 1956 as amended vide Notification No. GSR 494(E) dated 30th October 1973 from Ministry of Corporate Affairs on a yearly basis. Details relating to the said provisions have not been disclosed. Approval for the financial year 2009-10 is under process*.

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

** The Company has received the exemption order no. 46/44/2010-CL-III dated June 18, 2010 from Ministry of Corporate Affairs.*

22. Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.

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.	6472 of 1948
	State Code	11
	Balance Sheet Date	31-03-2010
II.	**Capital Raised during the year :**	**RS. IN LAKHS**
	Public Issue	NIL
	Rights Issue	NIL
	Bonus Issue	NIL
	Private Placement	NIL
III.	**Position of Mobilisation and Deployment of Funds :**	**RS. IN LAKHS**
	Total Liabilities	960467
	Total Assets	960467
	Sources of Funds :	
	Paid-up Capital	15229
	Reserves & Surplus	521883
	Secured Loans	271889
	Unsecured Loans	95000
	Application of Funds :	
	Net Fixed Assets	482558
	Investments	325100
	Net Current Assets	96343
	Miscellaneous Expenditure	NIL
	Accumulated Losses	NIL
IV.	**Performance of Company :**	**RS. IN LAKHS**
	Turnover	224539
	Total Expenditure	181343
	Profit Before Tax	43196
	Net Profit	39575
	Earning Per Share (In Rs.) :	
	- Basic	25.99
	- Diluted	25.93
	Dividend Rate (%)	80
V.	**Generic Names of Three Principal Products/**	
	Services of Company (as per monetary terms) :	
	Description	**ITEM CODE NO.**
	I) Shipping	N.A.

Auditors' Report on the Consolidated Financial Statements of The Great Eastern Shipping Company Limited and its Subsidiaries

1. We have audited the attached consolidated Balance Sheet of THE GREAT EASTERN SHIPPING COMPANY LIMITED (the Company) and its subsidiaries (collectively referred to as the "Group") as at March 31, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended annexed thereto (Consolidated Financial Statements). These Consolidated Financial Statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3. We did not audit the financial statements of certain subsidiaries included in the Consolidated Financial Statement whose financial statements reflect the Group's share of total assets of Rs. 198904 lakhs as at March 31, 2010, the Group's share of total revenues of Rs. 67975 lakhs and net cash outflows amounting to Rs. 6420 lakhs for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries, is based solely on the report of the other auditors.

4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21- Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.

5. Based on our audit and on consideration of reports of other auditors on separate financial statements and on the management's certification of the unaudited financial statements, in our opinion and to the best of our information and according to the explanations given to us, the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (a) in the case of the Consolidated Balance Sheet, of the consolidated state of affairs of The Great Eastern Shipping Company Limited and its subsidiaries as at March 31, 2010;

   (b) in the case of the Consolidated Profit and Loss Account, of the consolidated profit for the year ended on that date; and

   (c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows for the year ended on that date.

For and on behalf of

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

Daraius Z. Fraser
Partner
Membership No. 42454

Place : Mumbai
Date: May 22, 2010

Consolidated Balance Sheet as at March 31, 2010.

RS. IN LAKHS

	SCHEDULE		CURRENT YEAR	PREVIOUS YEAR
Sources of Funds :				
Shareholders' Funds :				
Capital	1	15229		15229
Application Money - Equity Shares and Warrants		591		1006
Employee stock options outstanding		232		189
Reserves and Surplus	2	554925		506786
			570977	523210
Loan Funds :				
Secured Loans	3	442016		426478
Unsecured Loans	4	95000		114
			537016	426592
TOTAL			1107993	949802
Application of Funds :				
Fixed Assets :	5			
Gross Block		854381		751477
Less : Depreciation (including impairment)		214141		185286
Net Block		640240		566191
Ships under Construction/Capital work-in-progress/Capital Advances		110106		191805
			750346	757996
Investments	6		217886	30233
Deferred tax assets			70	-
Current Assets, Loans and Advances :				
Inventories	7	8611		7311
Sundry Debtors	8	22567		22835
Cash and Bank Balances	9	174392		221767
Other Current Assets	10	1363		2226
Loans and Advances	11	11462		17196
Incomplete Voyages (net)		84		-
		218479		271335
Less : Current Liabilities and Provisions :				
Current Liabilities	12	61385		94868
Provisions	13	17403		13108
Incomplete Voyages (net)		-		1786
		78788		109762
Net Current Assets			139691	161573
TOTAL			1107993	949802
Significant Accounting Policies	20			
Notes on Accounts	21			

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

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Daraius Z. Fraser
Partner
Mumbai, May 22, 2010

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

Consolidated Profit and Loss Account for the year ended March 31, 2010.

RS. IN LAKHS

	SCHEDULE		CURRENT YEAR	PREVIOUS YEAR
Income :				
Income from Operations	**14**		**307551**	412393
Other Income	**15**		**24656**	21895
			332207	434288
Expenditure :				
Operating Expenses	**16**	**172936**		206104
Administration & Other Expenses	**17**	**40129**		19012
Interest & Finance charges	**18**	**21227**		18468
Depreciation		**42457**		38395
Impairment loss on vessel		**-**		7000
			276749	288979
Profit before tax			**55458**	145309
Less : Provision for Taxation				
- Current Tax		**4571**		4393
- Deferred Tax		**(70)**		-
- Fringe Benefit Tax		**-**		146
			4501	4539
Profit for the year after tax			**50957**	140770
Add : Prior period adjustments	**19**		**319**	1013
Net Profit			**51276**	141783
Less : Transfer to Tonnage Tax Reserve Account under Section				
115VT of the Income-tax Act, 1961			**5200**	24600
			46076	117183
Add : Surplus brought forward from previous year		**289907**		200254
Add : Subsidiary loss adjusted against Capital on				
liquidation of Subsidiary		**-**		725
			289907	200979
Amount available for appropriation			**335983**	318162
Appropriations :				
- Transfer to General Reserve		**4000**		14000
- Interim Dividend on Equity Shares		**-**		12184
- Proposed Dividend on Equity Shares		**12183**		-
- Tax on Dividends		**2024**		2071
			18207	28255
Balance carried forward			**317776**	289907
Basic earnings per share (in Rs.)			**33.67**	93.11
Diluted earnings per share (in Rs.)			**33.60**	92.92
Significant Accounting Policies	**20**			
Notes on Accounts	**21**			

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

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Daraius Z. Fraser
Partner
Mumbai, May 22, 2010

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

Consolidated Cash Flow Statement for the Year Ended March 31, 2010.

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
A.	**Cash Flow from Operating Activities**		
	Net Profit Before Tax :	**55458**	145309
	Adjustments For :		
	Prior Year Adjustments	**319**	1013
	Depreciation	**42457**	38395
	Impairment Loss on Vessel	**-**	7000
	Interest Earned	**(6552)**	(11072)
	Interest Paid	**21227**	18468
	Dividend Received	**(3751)**	(3381)
	Compensation on Cancellation of Ship Building Contract	**-**	3364
	Provision for diminution in Value of Investments (net)	**943**	3526
	Provision for Loss on Subsidiary	**-**	762
	Loss written back on Sale of Joint Venture	**(880)**	-
	(Profit)/Loss on Sale of Investments in Joint Venture	**456**	(6043)
	Profit on Sale of Investments	**(2225)**	-
	Profit on Sale of Sundry Assets	**(1259)**	(40)
	ESOP Costs	**43**	-
	Bad Debts/Advances Written off	**574**	271
	Provision for Doubtful Debts	**524**	258
	Provision for Loss on Onerous Incharter Hire Contracts	**-**	8993
	Provision for Loss on Onerous Incharter Hire Contracts written back	**(8207)**	-
	Deferred Gain/(Loss) Realised	**(7)**	3
	Revaluation of Foreign Currency Balances	**12713**	(47)
	Operating Profit Before Working Capital Changes	**111833**	206779
	Adjustments For :		
	Trade & Other Receivables	**8882**	(11385)
	Inventories	**410**	1045
	Incomplete Voyages (net)	**(1121)**	131
	Trade Payables	**(12011)**	12350
	Cash Generated from Operations	**107993**	208920
	Tax Paid	**(5420)**	(4688)
	Net Cash from Operating Activities	**102573**	204232
B.	**Cash Flow from Investing Activities**		
	Purchase of Fixed Assets	**(147995)**	(218790)
	Sale of Fixed Assets (refer note 1)	**61349**	36539
	Purchase of Investments	**(653)**	(3852)
	Disposal of Investment in Joint Venture	**241**	-
	Profit on Sale of Investments	**2225**	-
	Disposal of Investment in Associates	**-**	6043
	Interest Received	**7412**	11315
	Dividend Received	**3751**	3381
	Net Cash from/(Used in) Investing Activities	**(73670)**	(165364)
C.	**Cash Flow from Financing Activities**		
	Application Money Towards Equity Shares	**-**	306
	Proceeds from Issue of Shares	**-**	28
	Proceeds from Long-Term Borrowings	**254823**	130803
	Proceeds from Finance Lease	**8349**	-
	Repayments of Long-Term Borrowings	**(106610)**	(39023)
	Repayment of Finance Lease	**(766)**	-
	Dividend Paid	**(3834)**	(18936)
	Tax on Dividend Paid	**(776)**	(3235)
	Interest Paid	**(21392)**	(18828)
	Net Cash from/(Used in) in Financing Activities	**129794**	51115
	Net increase/(decrease) in cash and cash equivalents	**158697**	89983
	Cash and cash equivalents as at April 1, 2009 (refer note 2)	**247117**	157134
	Cash and cash equivalents of Joint Venture upto the date of sale	**(168)**	-
	Cash and cash equivalents as at March 31, 2010 (refer note 2)	**405646**	247117

Notes :

1. Profit on sale of ships, is considered as operating income, consequently the sale proceeds are net of profit on sale of ships.
2. Cash and cash equivalents :

	March 31, 2010	March 31, 2009
Cash and cash equivalents (refer note 3)	**392278**	251245
Effect of exchange rate changes [(gain)/loss]	**13368**	(4128)
Cash and cash equivalents as restated	**405646**	247117

3. Cash and cash equivalent includes :
   a) Rs. 2814 lakhs (Previous Year Rs. 4268 lakhs) which are under a lien as margin/security deposit against financial facilities granted by banks.
   b) Rs. 217886 lakhs (Previous Year Rs. 29478 lakhs) Mutual Funds which are shown under Schedule 6(b).
4) Previous year's figures have been regrouped/restated wherever necessary to conform to current years classification.

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Daraius Z. Fraser
Partner
Mumbai, May 22, 2010

Jayesh M. Trivedi
Company Secretary

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

Schedule Annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2010.

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
Schedule "1" :			
Share Capital :			
Authorised :			
30,00,00,000 Equity Shares of Rs. 10 each		**30000**	30000
20,00,00,000 Preference Shares of Rs. 10 each		**20000**	20000
		50000	50000
Issued :			
15,27,08,445 (previous year 15,27,08,445) Equity Shares of Rs. 10 each		**15271**	15271
		15271	15271
Subscribed :			
15,22,92,202 (previous year 15,22,92,202) Equity Shares of Rs. 10 each		**15229**	15229
		15229	15229
Paid-Up :			
15,22,89,684 (previous year 15,22,89,684) Equity Shares of Rs. 10 each fully paid up		**15229**	15229
		15229	15229
Notes :			
1. Out of above, 74,39,858 (previous year 74,39,858) shares are allotted as fully paid-up pursuant to a contract without payment being received in cash.			
2. The Paid-up Equity Share Capital includes Rs. 0.30 lakh (previous year Rs. 0.30 lakh), on account of forfeited shares and is net of Calls in Arrears Rs. 0.31 lakh (previous year Rs. 0.31 lakh).			
Schedule "2" :			
Reserves and Surplus :			
(a) Capital Reserve :			
Amount forfeited on warrants not exercised		**1598**	1598
(b) Capital Redemption Reserve :			
As per last Balance Sheet		**23854**	23854
(c) Tonnage Tax Reserve Account Under Section : 115VT of the Income-Tax Act, 1961 :			
As per last Balance Sheet	**92485**		67885
Add : Transfer from Profit and Loss Account	**5200**		24600
		97685	92485
(d) Statutory Reserves :			
As per last Balance Sheet		**10**	10
(e) Debenture Redemption Reserve :			
As per last Balance Sheet		**5750**	5750
(f) Share Premium Account :			
As per last Balance Sheet	**12631**		12601
Add : Premium on Shares Issued During the Year	**-**		30
		12631	12631
(g) Foreign Currency Translation Reserve :			
As per last Balance Sheet	**17068**		(626)
Add : Gain/(Loss) on Foreign Currency Translation	**(11739)**		17694
		5329	17068
(h) Hedging Reserve Account :			
(Loss)/Gain on Derivative Contracts Designated as Cash Flow Hedges		**(20268)**	(43083)
(i) Foreign Currency Monetary Translation Difference Account :			
Gain on Long-Term Foreign Currency Monetary Item		**57**	63

			CURRENT YEAR	PREVIOUS YEAR
Schedule "2" : Reserves and Surplus (Contd.)				
(J)	General Reserve :			
	As per last Balance Sheet	**106503**		105945
	Add : Exchange difference recognised in profit and loss account in the previous year, adjusted from cost of assets on exercise of option (net of depreciation)	**-**		(13442)
	Add : Transfer from Profit and Loss Account	**4000**		14000
			110503	106503
(K)	Profit and Loss Account :		**317776**	289907
			554925	506786
Schedule "3" :				
Secured Loans :				
(a)	Term Loans -			
	- From Banks		**392424**	408394
	Secured by mortgage of specific ships, assignment of bank deposit and a financial covenent to maintain unencumbered assets (refer note no. 7).			
(b)	Non-Convertible Debentures* -			
	(i) Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each -			
	- 6.05% 95 Debentures redeemable on September 19, 2010.**		**8733**	8733
	(ii) Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each -			
	- 9.80% 2500 Debenuters redeemable on July 03, 2019.		**25000**	-
* Secured by mortgage of specified immovable properties and ships				
** Liability for Debentures is net of amount recoverable from Great Offshore Limited amounting to Rs. 767 lakhs in respect of amount transferred on de-merger.				
Finance Lease Payables (refer note no. 19)			**15859**	9351
			442016	426478
Schedule "4' :				
Unsecured Loans :				
(a)	Unsecured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each -			
	(i) 9.75% 2500 Debentures redeemable on August 20, 2019.		**25000**	-
	(ii) 9.60% 2000 Debentures redeemable on November 11, 2019.		**20000**	-
	(iii) 9.19% 1000 Debentures redeemable on December 24, 2018.		**10000**	-
	(iv) 9.40% 1000 Debentures redeemable on January 05, 2018.		**10000**	-
	(v) 9.40% 1000 Debentures redeemable on January 05, 2019.		**10000**	-
	(vi) 9.35% 1000 Debentures redeemable on February 08, 2018.		**10000**	-
	(vii) 9.35% 1000 Debentures redeemable on February 08, 2019.		**10000**	-
(b)	From Others		**-**	114
			95000	114

Schedule "5" :

Fixed Assets :

RS. IN LAKHS

PARTICULARS	COST				DEPRECIATION				IMPAIRMENT			NET BLOCK
	AS AT APRIL 1, 2009	ADDITIONS DURING THE YEAR	DEDUCTIONS DURING THE YEAR [NOTE 8 (b)]	AS AT MARCH 31, 2010	UPTO MARCH 31, 2009	ADJUSTMENTS/ DEDUCTIONS FOR ASSETS SOLD/ DISCARDED	FOR THE YEAR	UPTO MARCH 31, 2010	AS AT APRIL 1, 2009	FOR THE YEAR	UPTO MARCH 31, 2010	AS ON MARCH 31, 2010
Fleet	**736300**	**68747**	**53820**	**751227**	**164534**	**13060**	**39939**	**191413**	**15755**	**-**	**15755**	**544059**
	644289	*161457*	*69446*	*736300*	*161554*	*34555*	*37535*	*164534*	*8755*	*7000*	*15755*	*556011*
Plant & Machinery :												
- Rigs	**-**	**86997**	**-**	**86997**	**-**	**83**	**1417**	**1334**	**-**	**-**	**-**	**85663**
	-	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
- Others	**1201**	**759**	**387**	**1573**	**461**	**245**	**292**	**508**	**-**	**-**	**-**	**1065**
	1376	*232*	*407*	*1201*	*468*	*137*	*130*	*461*	*-*	*-*	*-*	*740*
Land	**4935**	**-**	**-**	**4935**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4935**
(Freehold & Perpetual Lease)	*4935*	*-*	*-*	*4935*	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*4935*
Ownership Flats and												
Buildings *	**4628**	**5**	**2**	**4631**	**1262**	**2**	**162**	**1422**	**135**	**-**	**135**	**3074**
	4364	*264*	*-*	*4628*	*1092*	*-*	*170*	*1262*	*135*	*-*	*135*	*3231*
Furniture, Fixtures and Office Equipment	**3288**	**552**	**139**	**3701**	**2489**	**87**	**370**	**2772**	**-**	**-**	**-**	**929**
	2986	*378*	*76*	*3288*	*2229*	*62*	*321*	*2488*	*-*	*-*	*-*	*800*
Vehicles	**1125**	**324**	**132**	**1317**	**651**	**126**	**277**	**802**	**-**	**-**	**-**	**515**
	1018	*181*	*74*	*1125*	*467*	*55*	*239*	*651*	*-*	*-*	*-*	*474*
SUB-TOTAL	**751477**	**157384**	**54480**	**854381**	**169397**	**13603**	**42457**	**198251**	**15890**	**-**	**15890**	**640240**
	658968	*162512*	*70003*	*751477*	*165810*	*34809*	*38395*	*169396*	*8890*	*7000*	*15890*	*566191*
Ships under construction/Capital work-in-Progress/Capital Advances												**110106**
												191805
												750346
												757996

Notes :

* The Ownership Flats & Buildings include Rs. 0.12 lakh (Previous Year Rs. 0.13 lakh), being value of shares held in various co-operative societies.
(Previous year figures are in italics)

	Face Value Rs.	CURRENT YEAR		PREVIOUS YEAR	
		No. of Units	Rs. in lakhs	No. of Units	Rs. in lakhs
Schedule "6" :					
Investments :					
(a) Long Term Investments :					
(At cost - fully paid unless stated otherwise)					
Equity Shares : Unquoted					
Sea Change Maritime			-	11,04,000	4667
Less : Provision for Diminution in Value of Investment			-		3912
			-		755
(b) Current Investments :					
(At lower of cost and fair value - fully paid)					
Mutual Funds: Unquoted					
Axis Short Term Fund - Daily Dividend Reinvestment	**10**	**2,16,00,560**	**2160**	-	-
Birla Sun Life Dynamic Bond Fund - Retail Plan - Monthly Dividend	**10**	**5,18,36,137**	**5392**	-	-
Birla Sun Life Income Plus - Quarterly Dividend - Reinvestment	**10**	**38,11,495**	**428**	-	-
Birla Sunlife Dynamic Bond Fund - Retail - Growth	**10**	**10,88,66,760**	**16855**	-	-
Birla Sunlife Floating Rate Fund Long Term Instl - Growth	**10**	**4,38,86,615**	**4731**	-	-
Birla Sunlife Income Plus - Growth	**10**	**24,18,682**	**1000**	-	-
BSL Floating Rate Fund - Weekly Dividend	**10**	**37,50,975**	**376**	-	-
BSL Interval Income Fund - Institutuional - Quarterly - Series 1 - Growth	**10**	**1,00,00,000**	**1000**	-	-
DSP Black Rock Bond Fund - Retail Quarterly Dividend Reinvestment	**10**	**-**	**-**	18,28,510	193
DSP Black Rock Short Term Fund - Weekly Dividend Reinvestment	**10**	**7,47,87,286**	**7614**	-	-
DWS Treasury Fund Cash - Institutional Plan - Growth	**10**	**1,46,95,574**	**1503**	-	-
DWS Treasury Fund Cash - Institutional Plan Daily Dividend Plan	**10**	**5,24,22,197**	**5268**	-	-
Fortis Flexi Debt Fund - Regular Weekly Dividend	**10**	**3,51,23,420**	**3530**	-	-
Fortis Overnight - Institutional Plus Growth	**10**	**9,60,67,354**	**9617**	-	-
Fortis Overnight - Institutional Plus Daily Dividend	**10**	**3,84,92,631**	**3850**	-	-
Fortis Short Term Income Fund Institutional Plus Daily Dividend	**1000**	**-**	**-**	5,40,63,014	5408
Fortis Short Term Income Fund Institutional Plus Daily Dividend	**10**	**11,81,89,914**	**11823**	-	-
HDFC Cash Management Fund - Treasury Advance Plan	**10**	**1,05,26,074**	**1056**	4,07,17,528	4084
HDFC Liquid Fund - Premium Plan DDR	**10**	**40,78,902**	**500**	-	-
HDFC Quarterly Interval Fund - Plan C Wholesale Growth	**10**	**2,50,00,000**	**2500**	-	-
HDFC Short Term Institutional Plus Growth	**10**	**4,80,17,251**	**8581**	-	-
HDFC Short Term Plan Dividend Option Reinvestment	**10**	**6,89,35,215**	**7126**	1,93,90,946	2005
HSBC Flexi Debt - Institutional Plus Dividend	**10**	**-**	**-**	2,10,36,630	2052
HSBC Ultra Short Term Bond Fund - IP DDR	**10**	**-**	**-**	4,12,33,741	4144
ICICI Prudential Banking & PSU Debt Fund - Daily Dividend	**10**	**4,48,72,886**	**4496**	-	-
ICICI Prudential Banking and PSU Debt Fund Growth	**10**	**1,27,34,959**	**1278**	-	-
ICICI Prudential Gilt Fund - Investment Plan - Dividend	**10**	**2,02,90,231**	**2495**	-	-
ICICI Prudential Income Opportunities Fund Institutional Monthly Dividend Reinvestment	**10**	**1,49,47,552**	**1534**	-	-
ICICI Prudential Institutional Income Plan Dividend Quarterly Reinvestment	**10**	**2,06,76,359**	**2432**	-	-

	Face Value Rs.	CURRENT YEAR		PREVIOUS YEAR	
		No. of Units	Rs. in lakhs	No. of Units	Rs. in lakhs
Schedule "6" :					
Investments (Contd.)					
ICICI Prudential Institutional Short Term Plan - Cumulative Option	**10**	**2,07,21,482**	**4000**	-	-
ICICI Prudential Institutional Short Term Plan - Fortnightly Dividend Reinvestment	**10**	**4,38,50,253**	**5263**	-	-
ICICI Prudential Medium Term Plan Premium Plus Growth	**10**	**5,00,29,535**	**5029**	-	-
ICICI Prudential Medium Term Premium Plus - Monthly Dividend	**10**	**3,26,92,190**	**3272**	-	-
IDFC - Savings Advantage Fund Plan A - Growth	**1000**	**5,89,001**	**7600**	-	-
IDFC - SSIF - Short Term - Plan D - Fortnightly Dividend Reinvest	**10**	**94,63,654**	**952**	-	-
IDFC - SSIF - Short Term - Plan D - Growth	**10**	**4,06,97,789**	**5001**	-	-
IDFC Fixed Maturity Plan Half Yearly Series 9 - Dividend Reinvestment	**10**	**3,06,52,057**	**3065**	-	-
IDFC Money Manager Fund - Investment Plan B - Growth	**10**	**5,32,93,735**	**7544**	-	-
IDFC Money Manager Fund Investment Plan B - Daily Dividend Fund	**10**	**2,00,32,294**	**2006**	-	-
IDFC Savings Advantage Fund - Plan A - Daily Dividend Reinvestment	**1000**	**3,60,302**	**3604**	-	-
Kotak Bond Short Term - Monthly Dividend	**10**	**11,55,44,397**	**11633**	2,10,90,842	2126
Kotak Floater Long Term - Growth	**10**	**6,97,34,833**	**10172**	-	-
Kotak Gilt (Investment Regular) - Growth	**10**	**32,15,951**	**1000**	-	-
Kotak Quarterly Interval Plan Series 6 - Growth	**10**	**2,18,12,154**	**2500**	-	-
Principal Money Manager - Institutional Growth Plan	**10**	**4,76,30,388**	**5000**	-	-
Reliance Income Fund - Retail Plan - Monthly Dividend	**10**	**-**	**-**	97,84,138	999
Reliance Liquidity Fund - Daily Dividend Plan	**10**	**-**	**-**	29,99,538	300
Reliance Medium Term Fund	**10**	**29,31,248**	**501**	-	-
Reliance Medium Term Fund - Daily Dividend Plan	**10**	**6,69,32,609**	**11442**	-	-
Reliance Medium Term Retail Plan Growth Plan	**10**	**3,98,28,454**	**7586**	-	-
Reliance Money Manager Fund Institution Option	**1000**	**1,79,386**	**1796**	4,10,978	4114
SBI SHF Ultra Short Tem Fund IP	**10**	**69,18,034**	**692**	4,05,05,973	4053
Tata Treasury Manager Ship	**1000**	**5,79,814**	**6065**	-	-
Tata Treasury Manager Ship - Daily Dividend	**1000**	**2,49,269**	**2518**	-	-
UTI Fixed Income Interval Fund - Series II Quarterly Interval Plan V - Institutional Growth Plan	**10**	**2,50,02,462**	**2500**	-	-
			217886		29478
			217886		30233

		CURRENT YEAR	PREVIOUS YEAR
Schedule "7" :			
Inventories :			
(a) Stores and Spares on board Rig		**3526**	1747
(b) Fuel Oils		**5085**	5564
		8611	7311
Schedule "8" :			
Sundry Debtors :			
(Unsecured)			
(a) Debts outstanding over six months :			
- Considered Good	**303**		1162
- Considered Doubtful	**2170**		1525
		2473	2687
(b) Other Debts :			
- Considered Good	**22264**		21673
- Considered Doubtful	**27**		280
		22291	21953
		24764	24640
Less : Provision for Doubtful Debts		**2197**	1805
		22567	22835
Schedule "9" :			
Cash and Bank Balances :			
(a) Cash and Cheques on Hand		**6**	4
(b) Balances with Scheduled Banks :			
- In Current Account		**14113**	10870
- In Deposit Account		**120941**	144607
		135054	155477
(c) Balances with Other Banks on Call/Deposit Accounts		**39332**	66286
		174392	221767
Schedule "10" :			
Other Current Assets :			
Interest Accrued on Deposits		**1363**	2226
		1363	2226
Schedule "11" :			
Loans and Advances :			
(Unsecured - considered good, unless otherwise stated)			
(a) Advances recoverable in cash or in kind or for value to be received		**9711**	9462
(Net of provision for doubtful advances Rs. 95 lakhs - previous year Rs. 207 lakhs)			
(b) Agents' Current Accounts		**297**	3731
(c) Derivative Contracts Receivable		**-**	3356
(d) Balances with Customs, Port Trust, etc.		**7**	10
(e) Advance Payment of Income-tax & Tax Deducted at Source		**1447**	637
(Net of Provision for taxation - Rs. 16939 lakhs, previous year Rs. 12423 lakhs)			
		11462	17196

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Schedule "12" :		
Current Liabilities :		
(a) Sundry Creditors		
- Outstanding Dues to Micro, Medium and Small Enterprises	**-**	-
- Dues to Other Creditors	**26127**	34580
(b) Advance Charter Hire	**1613**	1440
(c) Derivative Contracts Payable (net)	**21657**	42882
(d) Liabilities towards Investor Education and Protection Fund, not due - Unpaid Dividend	**746**	779
(e) Other Liabilities	**6723**	5958
(f) Interest Accrued but not Due on Loans	**3958**	3787
(g) Managerial Remuneration Payable	**561**	873
(h) Interim Dividend Payable	**-**	4569
	61385	94868
Schedule "13" :		
Provisions :		
(a) Proposed Dividend	**12951**	-
(b) Provision for Tax on Dividends	**2024**	776
(c) Provision for Retirement Benefits	**2428**	2353
(d) Provision for Loss on Onerous Incharter Hire Contract	**-**	9979
	17403	13108

Schedule Annexed to and forming part of the Consolidated Profit and Loss Account for the year ended March 31, 2010.

RS. IN LAKHS

			CURRENT YEAR	PREVIOUS YEAR
Schedule "14" :				
Income from Operations :				
(a)	Freight and Demurrage		**116708**	207463
(b)	Charter Hire		**168945**	171693
(c)	Profit on Sale of Ships		**18492**	25447
(d)	Compensation on Modification/Cancellation of Contracts (net)		**15**	-
(e)	Gain on Foreign Currency Transactions (net)		**-**	6867
(f)	Miscellaneous Operating Income		**3391**	923
			307551	412393
Schedule "15" :				
Other Income :				
(a)	Dividend on Current Investment		**3751**	3381
(b)	Interest Earned (Gross) :			
	- on Term Deposits	**6386**		9319
	- on Call Deposit	**2**		730
	- Others	**164**		1023
	(Income-tax Deducted at Source Rs. 336 lakhs, previous year Rs. 1718 lakhs)		**6552**	11072
(c)	Profit on Sale of Investments :			
	- Long Term Investment	**-**		6043
	- Current Investments (net)	**2225**		-
			2225	6043
(d)	Provision for Loss on Onerous Incharter Hire Contract Written back (net)		**8207**	-
(e)	Profit on Sale of Sundry Assets (net)		**1259**	40
(f)	Provision for Doubtful Debts & Advances Written Back (net)		**486**	-
(g)	Miscellaneous Income		**2176**	1359
			24656	21895
Schedule "16":				
Operating Expenses :				
(a)	Fuel Oil and Water		**35794**	57139
(b)	Port, Light and Canal Dues		**14810**	16587
(c)	Stevedoring, Despatch & Cargo Expenses		**421**	1052
(d)	Hire of Chartered Ships and Rigs		**60862**	56866
(e)	Rig Mobilisation Expenses		**1233**	1475
(f)	Provision for Loss on Onerous Incharter Hire Contract - an exceptional item		**-**	8993
(g)	Brokerage & Commission		**2262**	5107
(h)	Agency Fees		**857**	1138
(i)	Wages, Bonus and Other Expenses - Floating Staff		**25507**	20807
(j)	Contribution to Provident & Other Funds - Floating Staff		**(121)**	589
(k)	Stores		**7722**	6131
(l)	Repairs & Maintenance - Fleet and Rigs		**15843**	22151
(m)	Insurance & Protection Club Fees		**4890**	3848
(n)	Vessel Management Expenses		**171**	280
(o)	Sundry Operating Expenses		**2685**	2623
(p)	Compensation Modification/Cancellation of Contracts		**-**	1318
			172936	206104

RS. IN LAKHS

			CURRENT YEAR	PREVIOUS YEAR
Schedule "17" :				
Administration & Other Expenses :				
(a)	Staff Expenses -			
	- Salaries, Allowances & Bonus	**7672**		8146
	- Staff Welfare Expenses	**196**		177
	- Contribution to Provident & Other Funds	**402**		592
			8270	8915
(b)	Rent		**555**	437
(c)	Insurance		**140**	122
(d)	Repairs and Maintenance -			
	- Buildings	**57**		57
	- Others	**342**		411
			399	468
(e)	Property Taxes		**14**	14
(f)	Miscellaneous Expenses		**5801**	4296
(g)	Loss on Foreign Currency Transactions (net)		**21434**	-
(h)	Loss on Sale of Current Investments		**-**	172
(i)	Provision for Diminution in Value of Investments		**1932**	3257
(j)	Loss on Liquidation of Subsidiary		**-**	762
(k)	Bad Debts and Advances Written off		**574**	271
(l)	Provision for Doubtful Debts & Advances (net)		**1010**	298
			40129	19012
Schedule "18":				
Interest & Finance Charges :				
(a)	Interest on Fixed Loans		**21198**	18479
(b)	Other Interest		**33**	5
(c)	Finance Charges		**794**	874
			22025	19358
(d)	Less : Pre-delivery Interest Capitalised		**798**	890
			21227	18468
Schedule "19":				
Prior Period Adjustments :				
Income-tax Adjustments of Prior Years (net)			**319**	1013
			319	1013

Schedule “20”:

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 and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

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

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and borrowings cost during construction period. Exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of 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 realisable value. Cost is ascertained on first-in-first-out basis for fuel oil and on weighted average basis for stores & spares on rigs.

(f) Incomplete Voyages :

Incomplete voyages represent freight received and direct operating expenses in respect of voyages which were not complete as at the Balance Sheet date.

(g) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition/construction of the qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction.

(h) Revenue recognition :

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

(i) Operating expenses :

(i) Fleet direct operating expenses are charged to revenue on completed voyage basis.

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

(iii) Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred. Claims against the underwriters are accounted for on submission of average adjustment by the adjustors.

(j) Leases :

(i) Finance lease

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

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

(ii) Operating lease

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

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

(k) Employee Benefits :

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

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

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

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

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

(l) Depreciation :

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

		Estimated Useful life/depreciation rate
Fleet		
- Single Hull Tankers	Straight line over balance useful life or 5%, whichever is higher	20 to 23 years*
- Double Hull Tankers		20 to 25 years
- Dry Bulk Carriers		23 to 30 years
- Gas Carriers		27 to 30 years
- Offshore Supply Vessels		25 to 30 years
Newly Built Rigs	Straight line	30 years
Leasehold land	Straight line	Lease period
Ownership flats and buildings	Written down value	5%
Leasehold improvements	Straight line	5 years
Furniture & Fixtures, Office Equipment, etc.	Straight line	5 years
Computers	Straight line	3 years
Vehicles	Straight line	4 years
Software	Straight line	5 years
Plant & Machinery	Straight line	3 to 10 years

* Subject to the life of single side single bottom vessels being restricted to March 31, 2010.

(ii) Depreciation on fleet is provided on pro rata basis and on Other Assets depreciation is provided for the full year on additions and no depreciation is provided in the year of disposal.

(iii) In case of assets depreciated under the straight line method, 95% of the original cost is written off over the estimated useful life. However, if an asset continues in operation beyond the useful life, as estimated by the management, the balance cost is depreciated in the subsequent year.

(m) Asset Impairment :

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

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

(n) Foreign Exchange Transactions :

(i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long-term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency 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 and 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 or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

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

(o) Derivative Financial Instruments and Hedging :

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

Cash Flow Hedge :
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 and commodity future contracts, 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 is recorded in the Hedging Reserve account and is recognised in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition.

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

(p) Provision for Taxation :

Tax expense comprises both current and deferred tax.

(i) Current income tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws enacted or substaintially enacted as at the Balance Sheet date. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company. Foreign tax is recognised on accrual basis in accordance with the respective laws.

(ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-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.

(q) Provisions and Contingent Liabilities :

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

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

Notes on Consolidated Accounts :

Schedule “21”:

1. Basis of Consolidation :

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

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

2. The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company i.e. March 31, 2010.

3. The subsidiary companies considered in these consolidated financial statements are :

SR. NO.	NAME OF THE COMPANY	COUNTRY OF INCORPORATION	% OF HOLDING	
			CURRENT YEAR	PREVIOUS YEAR
1.	The Great Eastern Shipping Co. London Ltd.	U.K.	**100%**	100%
2.	The Greatship (Singapore) Pte. Ltd.	Singapore	**100%**	100%
3.	The Great Eastern Chartering LLC (FZC)	U.A.E.	**100%**	100%
4.	Greatship (India) Ltd.	India	**100%**	100%
5.	Greatship Global Energy Services Pte. Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Singapore	**100%**	100%
6.	Greatship Global Holdings Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Mauritius	**100%**	100%
7.	Greatship Global Offshore Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Holdings Ltd.)	Singapore	**100%**	100%
8.	Greatship DOF Subsea Projects Private Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Mumbai	**100%**	100%

4. Interest in Joint Venture :

The Group’s interest as a venturer (upto March 31, 2009) in a jointly controlled entity and its proportionate share in the assets, liabilities, income and expenses of the Joint Venture Company, is as under :

SR. NO.	NAME OF THE COMPANY	COUNTRY OF INCORPORATION	% OF HOLDING	
			CURRENT YEAR	PREVIOUS YEAR
1.	CGU Logistic Ltd.	India	-	22.50%

(RS. IN LAKHS)

	CURRENT YEAR	PREVIOUS YEAR
ASSETS		
Fixed Assets	-	1640
Inventory	-	16
Cash and Bank Balances	-	168
Other Current Assets	-	9
Loans and Advances	-	102
Profit and Loss account	-	879
TOTAL	-	2814

(RS. IN LAKHS)

	CURRENT YEAR	PREVIOUS YEAR
LIABILITIES		
Equity Share Capital	-	697
Share Application Money	-	416
Secured Loans	-	1559
Unsecured Loans	-	114
Current Liabilities	-	28
TOTAL	-	2814
INCOME		
Income from Operations	-	-
Other Income	-	3
TOTAL	-	3
EXPENDITURE		
Operating Expenses	-	141
Administration and Other Expenses	-	68
Foreign exchange Fluctuation Loss	-	367
Interest & Finance Charges	-	98
Depreciation	-	180
Provision for Taxation – Current Tax	-	2
TOTAL	-	856

The Company's share of each of the assets, liabilities, income and expenses related to its interests in the joint venture is based on the unaudited financial information received from the venturers.

5. **Contingent Liabilities :**

RS. IN LAKHS

SR. NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(a)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the group.	**30675**	33678
(b)	Guarantees given to banks/shipyard on behalf of subsidiaries.	**197256**	238229
(c)	Sales Tax demands under BST Act for the years 1995-96, 1996-97, 1997-98, 1998-99, 2001-02, against which the Group has preferred appeals.	**746**	746
(d)	Lease Tax liability in respect of a matter decided against the Group, against which the Group has filed a revision petition in the Madras High Court.	**1740**	1740
(e)	Possible obligation in respect of matters under arbitration/appeal.	**59**	59
(f)	Demand from the Office of the Collector & District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Company.	**434**	434
(g)	Uncalled amount on investment in Preferred Units.	**-**	1419
(h)	Customs Duty Payable for clearance of a vessel under DFCEC scheme	**882**	-
(i)	Service Tax paid in respect of a disputed liability and claimed as refund, pending with authorities (net).	**55**	-

6. **Share Capital :**

(a) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, - the allotment of 2,85,922 (previous year 2,85,922) rights equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956, till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 (previous year 40,608) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange. During the year "Nil" (previous year 5,760) equity shares have been allotted out of the shares kept in abeyance.

(b) **Warrants against Share Capital :**

On March 19 , 2008, Greatship (India) Ltd. had issued and allotted 42,07,000 warrants out of total 60,27,000 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 'The Great Eastern Shipping Company Limited' had not exercised the option of conversion of above warrants to equity shares.

Subsequent to the Balance Sheet date, 21,03,500 warrants were converted into equal number of equity shares on April 30, 2010, at the predetermined price of Rs. 140. 40 per euqity share, and Rs. 2658 lakhs was received on conversion of warrants into equity shares. For the balance 21,03,500 warrants which were not converted, the advance amount of Rs. 295 lakhs paid at the time of applying for the warrants, stood forfeited. The remaining 18,20,000 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.

7. Secured Loans :

(a) Term loans from banks are secured by mortgage of specific ships.

(b) Term loans from banks includes a syndicated loan of USD 32 million from a consortium of banks against security by way of assignment of bank deposit of USD 2.5 million and a financial covenant inter-alia, to maintain unencumbered assets of value not less than 1.25 times the said borrowing.

(c) 6.05% 95 Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each, redeemable on September 19, 2010, are secured by *pari-passu* first charge on assets of the Company and the asset cover ratio will be not less than 1.25 times.

(d) 9.80% 2500 Secured Redeemable Non-Convertible Debentures of Rs. 10,00,000 each, redeemable on July 03, 2019 are secured by exclusive charge on ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the Company.

(e) The loans of subsidiary companies are secured by :-

(1) First priority mortgage of vessels/rig financed.

(2) First assignment of the shipbuilding and engine contracts of the vessel.

(3) Letter of undertaking/Corporate Guarantee from Holding Company.

(4) Assignment of insurances and requisition compensation.

(5) Assignment of earnings in the event of default.

(6) Charge of operating account of the vessel/rig.

(7) Outstanding Letter of credit facility provided to the yard, secured by a corporate guarantee provided by the holding company.

8. Fixed Assets :

(a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. 320720 lakhs (previous year Rs. 436423 lakhs).

(b) The amount of exchange gain/(loss) on account of fluctuation of the rupee against foreign currencies and gain/(loss) on hedging contracts (including on cancellation of forward covers), relating to long-term monetary items for acquisition of depreciable capital assets and gains/(losses) on forward contracts for hedging capital commitments for acquisition of depreciable assets, deducted from the carrying amount of fixed assets during the year is Rs. 37576 lakhs. Corresponding loss relating to the previous year added to the carrying amount of fixed assets was Rs. 64903 lakhs.

(c) The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.

9. Debtors and Creditors :

Debtors and Creditors are subject to confirmation, reconciliation and adjustments, if any.

10. Cash and Bank balances :

Balances with scheduled banks on deposit account include margin deposits of Rs. 1301 lakhs (previous year Rs. 201 lakhs) placed with the bank under a lien against guarantees issued by the said bank. Balances with other banks include a deposit of Rs. 1122 lakhs (previous year Rs. 1268 lakhs) which is under lien as security against a syndicated loan and cash collateralised towards letter of credit facilities amounting to Rs. 391 lakhs (previous year Rs. 2799 lakhs).

11. Employee Stock Options Plans :

All the ESOPs issued by Greatship (India) Limited (GIL) are in respect of GIL's shares where each stock option is equivalent to one equity share. The employee stock options of the GIL are presently operated under four different Employee Stock Options Schemes ('Scheme/s') for the employees of GIL (including employees of parent company and subsidiaries). During the year under review, the GIL has granted 4,45,500 options under ESOP 2008 – II and 46,700 options under ESOP 2007.

Subsequent to the Balance Sheet date, the share holders 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 GIL and its 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 Drafts Red Herring Prospectus.

As of March 31, 2010 13,85,600, options were outstanding under the existing schemes.

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

SR. NO.	PARTICULARS	ESOP 2007	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II
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	10,00,000	2,00,000	1,00,000	17,10,000
5.	Options outstanding at the beginning of the year	5,37,900	89,100	60,000	3,11,900
6.	Options granted during the year	05/05/09 - 46,700	-	-	05/05/09 – 81,400 24/07/09 – 32,900 23/10/09 – 2,01,200 28/12/09 – 1,18,400 18/03/10 – 11,600
7.	Options cancelled/ forfeited during the year	-	-	-	1,05,500
8.	Options Exercised during the year	-	-	-	-
9.	Options outstanding at the end of the year	5,84,600	89,100	60,000	6,51,900
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. 43 lakhs (previous year Rs. 114 lakhs).

The cumulative amount of Employee Stock Option expense amortised upto March 31, 2010 of Rs. 232 lakhs 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. 24 lakhs (previous year Rs. 7 lakhs).

12. Deferred tax :

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Group 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 the deemed Tonnage Income of Group and no deferred tax is applicable to such income as there are no timing differences. Provision for deferred tax in respect of non-tonnage income of one of the Indian Subsidiary Company is made of Rs. 70 lakhs (previous year "nil").

13. Provisions :

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

RS. IN LAKHS

DESCRIPTION	BALANCE AS ON APRIL 1, 2009	ADDITIONS DURING THE YEAR	REVERSED/PAID DURING THE YEAR	BALANCE AS ON MARCH 31, 2010
Manning dues and related contributions to welfare funds : Provisions have been recognised for payment of arrears of wages to officers in anticipation of wage agreements.	251	-	212	39
Vessel Performance/Offhire Claims : Provisions have been recognised for the estimated liability for under performance of certain vessels and offhire claims under dispute.	1877	268	1219	926
Provision for loss on onerous contracts : Provision for loss on onerous in charter hire contracts has been recognised for losses established on a prudent basis in respect of unavoidable vessel charter hire contract entered into by a group 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.	9979	-	8207	1772

14. The Holding Company has provided a performance guarantees in favour of parties which have awarded a contract to the one of its subsidiary which would require it to assume the benefits and costs of this contract in the event the subsidiary is not able to fulfill the same, in which event, the Holding Company does not expect any net liability or outflow of resources.

15. Employee Benefits :

A) Defined Contribution Plans :

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

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Contribution to Employees Provident Fund	**355**	277
Contribution to Employees Superannuation Fund	**266**	257
Contribution to Employees Pension Scheme 1995	**24**	25
Contribution to Seamen's Provident Fund	**47**	53
Contribution to Seamen's Annuity Fund	**72**	80
Contribution to Seamen's Rehabiliation Fund	**62**	66
Contribution to Seamen's Gratuity Fund	**(88)**	18

B) Defined Benefit Plans and Other Long Term Benefits :

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

RS. IN LAKHS

ACTUARIAL ASSUMPTIONS FOR THE YEAR	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
(a) Discount Rate (p.a.)	**6.00 %**	6.00 %	**6.00 %**	6.00 %	**6.00 %**	6.00%
(b) Rate of Return on Plan Assets	**6.00 %**	6.00 %	**-**	-	**-**	-
(c) Salary Escalation rate	**4.00% to 6.00%**	4.00%	**-**	-	**4.00% to 6.00%**	4.00%
(d) Mortality	**LIC– Ultimate 94-96**	LIC– Ultimate 94-96	**LIC– Ultimate 94-96**	LIC– Ultimate 94-96	**LIC– Ultimate 94-96**	LIC– Ultimate 94-96
(e) Withdrawal rate	**0.50%**	0.50%	**-**	-	**0.50%**	0.50%
(f) Expected average remaining service	**17.93**	18.23	**-**	-	**13.94**	15.10

(i) Change in Benefit Obligation :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Liability at the beginning of the year	**1505**	1086	**2060**	1260	**270**	206
Interest Cost	**88**	77	**122**	94	**16**	12
Current Service Cost	**184**	164	**-**	-	**115**	101
Benefits Paid	**(73)**	(56)	**(20)**	(20)	**(9)**	(5)
Actuarial (gain)/loss on obligations	**(572)**	234	**(73)**	726	**(122)**	(44)
Liability at the end of the year	**1132**	1505	**2089**	2060	**270**	270

(ii) Fair value of Plan Assets :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Fair Value of Plan Assets at the beginning of the year	**1044**	1071	**-**	-	**-**	-
Adjustment to Opening Balance	**445**	-	**-**	-	**-**	-
Expected Return on Plan Assets	**87**	63	**-**	-	**-**	-
Employer's Contribution	**-**	-	**20**	20	**9**	4
Benefits Paid	**(73)**	(56)	**(20)**	(20)	**(9)**	(4)
Actuarial gain/(loss) on Plan Assets	**175**	(34)	**-**	-	**-**	-
Fair Value of Plan Assets at the end of the year	**1678**	1044	**-**	-	**-**	-

(iii) Actual Return on Plan Assets :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Expected Return on Plan Assets	**87**	63	**-**	-	**-**	-
Actual gain/(loss) on Plan Assets	**175**	(34)	**-**	-	**-**	-
Actual Return on Plan Assets	**262**	29	**-**	-	**-**	-

(iv) Amount Recognised in the Balance Sheet :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Liability at the end of the year	**1132**	1505	**2089**	2060	**270**	270
Fair Value of Plan Assets at the end of the year	**1678**	1044	**-**	-	**-**	-
Unrecognised past service cost	**-**	-	**-**	-	**-**	-
Amount recognised in the Balance Sheet	**(546)**	461	**2089**	2060	**270**	270

(v) Expenses recognised in the Profit and Loss Account :

RS. IN LAKHS

	GRATUITY		PENSION PLAN		LEAVE ENCASHMENT	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Current Service Cost	**184**	164	**-**	-	**115**	101
Interest Cost	**88**	77	**122**	94	**16**	12
Actual Return on Plan Assets	**(87)**	(63)	**-**	-	**-**	-
Net Actuarial (Gain)/loss to be recognised	**(747)**	264	**(73)**	726	**(122)**	(40)
Expenses recognised in Profit and Loss Account	**(562)**	442	**49**	820	**9**	73

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

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

(vii) General description of significant defined plans :

a) Gratuity Plan :

Gratuity is payable to all eligible employees of the Company on superannuation, death, permanent disablement and resignation in terms of the provisions of the Payment of Gratuity Act or as per the Company's Scheme whichever is more beneficial. Benefit would be paid at the time of separation based on the last drawn basic salary. This benefit is applicable only to the employees of the Holding Company and one of the Indian Subsidiary Company and figures given above are in respect of aforesaid companies.

b) Pension Plan :

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

c) 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 for employees on CTC basis and at 300 days for other employees. The leave over and above 15 days for CTC employees and over 300 days for others is encashed and paid to employees as per the balance as on June 30 every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

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

	CURRENT YEAR %	PREVIOUS YEAR %
Government of India securities	**7%**	9%
State Government securities	**4%**	5%
Bonds	**18%**	21%
HDFC Defence Fund	**71%**	65%
Total	**100%**	100%

16. Hedging Contracts :

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

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

1. **Derivative Instruments Outstanding :**

i) **Cash Flow Hedges :**

(a) **Commodity Futures Contracts for Import of Bunker :**

RS. IN LAKHS

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	**4**	-	5	-
No. of units in MT under above contracts	**9000**	-	8000	-
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**45**	-	(1242)	-
Maturity Period	**Upto 1 Year**	-	Upto 1 Year	-

(b) **Forward Exchange Contracts :**

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	-	**3**	-	11
Foreign Currency Value (USD in million)	-	**3.000**	-	13.000
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	-	**85**	-	(688)
Maturity Period	-	**Upto 5 Months**	-	Upto 11 Months

(c) **Cross Currency Forward Exchange Contracts :**

DETAILS	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding	**6**	9
Cross currency Euro to (USD in million)	**7.170**	12.610
Cross currency Singapore to (USD in million)	**55.420**	60.380
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**(1107)**	(4651)
Maturity Period	**Upto 1 Year**	Upto 2 Year

(d) **Forward Exchange Option Contracts :**

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	-	**7**	-	4
Foreign Currency Value (USD in million)	-	**167.500**	-	207.000
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	-	**(7382)**	-	(22634)
Maturity Period	-	**Upto 3 Years**	-	Upto 3 Years

(e) **Interest Rate Swap Contracts :**

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding	**15**	18
Principal Notional Amount (USD in million)	**430.715**	256.670
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)	**(5409)**	(7010)
Maturity Period	**Upto 8 Years**	Upto 6 Years

(f) **Interest portion of Currency Swap Contract :**

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding		**11**	14
Principal Notional Amount (USD in million)	**USD/INR**	-	31.683
Principal Notional Amount (JPY in million)	**JPY/USD**	**25825.470**	29874.543
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)		**(4347)**	(6028)
Maturity Period		**Upto 9 Years**	Upto 10 Years

(g) **Currency Swap Contract :**

RS. IN LAKHS

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding		**8**	-
Principal Notional Amount (Rs. in lakhs)	**INR/USD**	**120000**	-
Amount recognised in Hedging Reserve (loss)/gain (Rs. in lakhs)		**(2161)**	-
Maturity Period		**Upto 10 Years**	-

ii) (a) **Forward Exchange Contracts :**

RS. IN LAKHS

DETAILS	CURRENT YEAR		PREVIOUS YEAR	
	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts outstanding	**-**	**11**	6	-
Foreign Currency Value (USD in million)	**-**	**28.000**	10.000	-
Maturity Period	**-**	**Upto 9 Months**	Upto 8 Months	-

(b) **Currency Swap Contracts :**

RS. IN LAKHS

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts outstanding		**11**	14
Principal Notional Amount (USD in million)	**USD/INR**	**-**	31.683
Principal Notional Amount (JPY in million)	**JPY/USD**	**25825.470**	29874.543
Maturity Period		**Upto 9 Years**	Upto 10 Years

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

	CURRENCY	CURRENT YEAR IN MILLIONS	PREVIOUS YEAR IN MILLIONS
Loan liabilities and payables	AED	**2.542**	1.970
	AUD	**0.007**	0.177
	BHD	**-**	0.001
	CAD	**0.001**	0.038
	CHF	**0.007**	0.014
	DKK	**0.987**	1.786
	EUR	**1.867**	1.720
	GBP	**0.167**	0.788
	HKD	**-**	0.051
	JPY	**38.857**	127.591
	KRW	**-**	0.003
	NOK	**1.485**	0.550
	SAR	**0.057**	0.237
	SEK	**0.107**	0.139
	SGD	**3.775**	2.592
	THB	**0.280**	-
	TWD	**-**	0.487
	USD	**988.490**	574.394
	ZAR	**0.594**	0.263
Receivables	AED	**0.009**	0.082
	AUD	**0.008**	0.116
	CAD	**-**	0.002
	DKK	**0.093**	0.238
	EUR	**0.308**	1.088
	GBP	**0.002**	0.396
	JPY	**-**	1.330
	NOK	**0.685**	0.016
	SAR	**0.050**	0.054

	CURRENCY	CURRENT YEAR IN MILLIONS	PREVIOUS YEAR IN MILLIONS
	SEK	**0.072**	-
	SGD	**0.177**	0.508
	TWD	**-**	0.243
	USD	**40.647**	24.544
	ZAR	**-**	0.147
Bank balances	AED	**0.127**	0.008
	DKK	**0.201**	0.011
	EUR	**5.932**	6.841
	GBP	**0.518**	1.597
	NOK	**0.193**	0.068
	SGD	**0.688**	2.265
	USD	**265.950**	291.452

3. The above mentioned derivative contracts having been entered into 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. 20276 lakhs has been recorded in the Hedging Reserve Account as on March 31, 2010. The corresponding mark-to-market loss of Rs. 42253 lakhs in the previous year was recognised on settlement.

17. Segment Reporting :

a) Primary segment reporting by business segment :

RS. IN LAKHS

	SHIPPING		OFFSHORE		OTHERS		TOTAL	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
Revenue :								
Total Revenue	**255902**	403693	**76305**	30224	**-**	(364)	**332207**	433553
Less : Inter Segment Revenue							**-**	(735)
Net Revenue							**332207**	434288
Results :								
Profit/(Loss) before tax and interest	**58637**	154984	**18048**	7500	**-**	1293	**76685**	163777
Less : Interest							**21227**	18468
Total Profit before tax							**55458**	145309
Provision for taxation :								
- Current tax							**4571**	4393
- Deffered Tax							**(70)**	-
- Fringe Benefit tax							**-**	146
Profit for the year after tax :							**50957**	140770
Add : Prior period adjustments							**319**	1013
Net Profit							**51276**	141783
Other Information :								
Assets	**864209**	793005	**322572**	264624	**-**	1935	**1186781**	1059564
Liabilities	**425631**	398309	**190173**	136343	**-**	1701	**615804**	536353
Capital Expenditure	**18060**	122097	**57625**	148421	**-**	16	**75685**	270534
Depreciation	**34651**	34866	**7806**	3348	**-**	181	**42457**	38395

b) Secondary segment reporting by geographical segment :

(i) Segment-wise Revenue from Operations and Sales :

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Revenue from customers outside India	**171784**	327496
Revenue from customers within India	**160423**	106792
TOTAL	**332207**	434288

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

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

18. Related Party Disclosures :

(i) List of Related Parties

Related parties with whom transactions have taken place during the year.

(a) Key Management Personnel :

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

(ii) Significant Transactions with related parties :

RS. IN LAKHS

NATURE OF TRANSACTION	KEY MANAGEMENT PERSONNEL	
	CURRENT YEAR	PREVIOUS YEAR
Sale of Assets	**1250**	-
a) Sale consideration for flat 9-B Manek		
- Mr. Bharat K. Sheth Rs. 623.63 lakhs		
- Mr. Ravi K. Sheth Rs. 623.63 lakhs		
b) Payment relating to transfer of lessors right from the date of sale in the above flat leased to SKF India Ltd.		
- Transfer of lease rent received & recovery of society outgoings		
- Mr. Bharat K. Sheth Rs. 1.37 lakhs		
- Mr. Ravi K. Sheth Rs. 1.37 lakhs		
Remuneration	**1376**	2163
- Mr. K.M. Sheth		
Rs. 328 lakhs		
- Mr. Bharat K. Sheth		
Rs. 607 lakhs		
- Mr. Ravi K. Sheth		
Rs. 380 lakhs		
- Mr. P. R. Naware		
Rs. 56 lakhs		
- Ms. Nirja B. Sheth		
Rs. 5 lakhs		

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

19. Leases :

Finance Leases

The Group has entered into lease agreements whereby the Group sold and leased back two offshore supply vessels with net book of Rs. 8325 lakhs and Rs. 8349 lakhs respectively. The gain/(loss) arising from the sale and leaseback transactions are deferred and amortised over the lease period of eight years. Greatship (India) Ltd. has guaranteed the repayment of these future lease obligations and accordingly has become primary obligor under the lease agreement.

The obligations in respect of vessels taken under finance lease arrangement for a period of eight years are as under :

RS. IN LAKHS

DETAILS	CURRENT YEAR	PREVIOUS YEAR
Due within one year	**2503**	2270
Due within two to five years	**8590**	8017
Due over five years	**14527**	4854
	25620	15141
Finance charges allocated to future periods	**(9761)**	(5790)
Representing finance lease liabilities	**15859**	9351

The Group entered into a new lease agreement on June 10, 2009 of Rs. 8305 lakhs bearing interest at flat rate of 10.30% p.a. The earlier finance lease entered on February 18, 2009 bears interest at flat rate of 9.47% p.a.

The obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the Bareboat Charter Guarantor.

The gain/(loss) on the above sale and leaseback transaction is deferred and amortised as under :

RS. IN LAKHS

DETAILS	CURRENT YEAR	PREVIOUS YEAR
Deferred Gain	**232**	226
Deferred Loss	**(218)**	-
Net Deferred Gain	**14**	226
Transfer to income statement	**7**	(3)
	7	223

Operating Lease :

The Group has taken a Rig on operating lease for 3 years and premises on leave and license basis which is similar to an operating lease are also included in the leasing arrangements hereunder :

a) Total future minimum lease payments

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
- Not later than 1 year		
Premises	**430**	439
Rigs & Vessels	**29371**	17161
- Later than 1 year and not later than 5 years		
Premises	**654**	935
Rigs & Vessels	**53228**	33335
- Later than 5 years		
Premises	**Nil**	Nil
Rigs & Vessels	**Nil**	Nil

b) Lease payments recognised in the statement of Profit and Loss Account for the year Rs. 47524 lakhs (previous year Rs. 1229 lakhs).

20. Basic and Diluted Earnings per Share :

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
(a) Profit for the year after tax	**50957**	140770
Add : Prior Period Adjustments	**319**	1013
Net Profit After Tax for Equity Shareholders	**51276**	141783
(b) Number of Equity shares		
(i) Basic Earning per Share :		
Number of Equity Shares as at the beginning of the year	**15,22,89,684**	15,22,73,924
Add : Shares allotted from abeyance quota	**-**	5,760
Shares issued during the year	**-**	10,000
Number of Equity Shares as at the end of the year	**15,22,89,684**	15,22,89,684
Weighted Average Number of Equity Shares	**15,22,89,684**	15,22,82,319
(ii) Diluted Earning per Share :		
Weighted Average Number of Equity Shares	**15,22,89,684**	15,22,82,319
Add : Potential Equity Shares on exercise of options and Rights Shares kept in abeyance	**3,26,530**	3,11,743
Weighted Average Number of Equity Shares	**15,26,16,214**	15,25,94,062
(c) Face Value of Equity Share	**Rs. 10**	Rs. 10
(d) Earnings per Share :		
- Basic	**Rs. 33.67**	Rs. 93.11
- Diluted	**Rs. 33.60**	Rs. 92.92

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

Statement pursuant to Section 212 of the Companies Act, 1956

(AMOUNT IN RS.)

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	Greatship (India) Limited	Greatship Global Holdings Ltd.*	Greatship Global Offshore Services Pte. Ltd.$	Greatship Global Energy Services Pte. Ltd.**	Greatship DOF Subsea Projects Pvt. Ltd.
Financial Year ended	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010	March 31, 2010
Date from which it became a Subsidiary	July 3, 1985	March 28, 1994	November 1, 2004	June 26, 2002	May 30, 2007	May 8, 2007	October 23, 2006	November 10, 2008
Extent of interest of the Holding Company in the Capital of the Subsidiary	100%	100%	100%	100%	100%	100%	100%	100%
Net aggregate amount of the Subsidiary's profits less losses not dealt with in the Holding Company's Accounts								
(i) Current Year	(91948492)	6961477	193433562	821759351	(1866201)	(31099633)	269910796	(1000)
(ii) Previous Year since it became Subsidiary	172248285	37885321	895793031	599143403	(4196571)	(4794606)	(21111763)	-
Net aggregate amount of the Subsidiary's profits less losses dealt with in the Holding Company's Accounts								
(i) Current Year	-	-	-	-	-	-	-	-
(ii) Previous Year since it became Subsidiary	-	-	-	-	-	-	-	-

* Greatship Global Holdings Ltd. is a wholly owned subsidiary of Greatship (India) Limited, which in turn, is a wholly owned subsidiary of the Company.
$ Greatship Global Offshore Services Pte. Ltd. is a wholly owned subsidiary of Greatship Global Holdings Ltd.
** The entire share capital of Greatship Global Energy Services Pte. Ltd. is held by Greatship (India) Limited and Greatship Global Holdings Ltd.

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director

Jayesh M. Trivedi
Company Secretary

Mumbai, May 22, 2010

Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to subsidiary companies.

RS. IN LAKHS

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	Greatship (India) Limited	Greatship Global Holdings Ltd.	Greatship Global Offshore Services Pte. Ltd.	Greatship Global Energy Services Pte. Ltd.	Greatship DOF Subsea Projects Pvt. Ltd.
Capital	132	131	18	17410	68278	45366	30958	0.99
Reserves	681	429	11834	108584	(62)	(721)	(1547)	-
Total Assets	815	603	14109	208677	68221	100494	98735	0.99
Total Liabilities	815	603	14109	208677	68221	100494	98735	0.99
Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-
Turnover	12	555	32355	67169	-	11040	24114	-
Profit/(Loss) before taxation	(923)	78	1934	8800	(19)	(311)	2699	(0.01)
Provision for taxation	3	(8)	-	(559)	-	-	-	-
Profit/(Loss) after taxation	(920)	70	1934	8217	(19)	(311)	2699	(0.01)
Proposed dividend	-	64	-	-	-	-	-	-

Notes

Notes

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

Notice

NOTICE is hereby given that the Sixty Second Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai 400 020 on Thursday, July 29, 2010 at 03.00 p.m. (I.S.T.) to transact the following business :

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Vineet Nayyar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution :

   "RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W) be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."
5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

   "RESOLVED THAT Mr. K. V. Kamath who was appointed as an Additional Director at the meeting of the Board of Directors held on May 22, 2010 and who holds office as such upto the date of this Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. K. V. Kamath as a candidate for the Office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."
6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. K. M. Sheth as Wholetime Director designated as 'Executive Chairman' for a period of 5 years commencing from April 1, 2010 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. K. M. Sheth and the Board."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
7. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Bharat K. Sheth as 'Deputy Chairman & Managing Director' for a period of 5 years commencing from April 1, 2010 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. Bharat K. Sheth and the Board."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to this Resolution."
8. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution :

   "RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act, the approval of the Company be and is hereby accorded to the re-appointment of Mr. Ravi K. Sheth as Wholetime Director designated as 'Executive Director' for a period of 5 years commencing from April 1, 2010 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. Ravi K. Sheth and the Board."

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

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

   "RESOLVED THAT pursuant to the provisions of Section 309(4) and other applicable provisions of the Companies Act, 1956, the Company's Directors who are neither in the whole time employment nor Managing Director(s) shall be paid remuneration, each year, by way of commission at a rate not exceeding one percent of the net profits of the Company for a period of five financial years commencing from the financial year 2010-2011 and that such commission shall be paid to and distributed amongst the aforesaid Directors or such of them, in such amounts or in such proportions and in such manner as may be decided by the Board of Directors from time to time."

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

   "RESOLVED THAT in supersession of the Resolution passed by means of a Postal Ballot, the results of which were declared on December 12, 2007, consent of the Company be and is hereby accorded to the Board of Directors, pursuant to Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may, in its discretion, think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however, that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed Rs. 6,000 Crore (Rupees Six Thousand Crore only).

By Order of the Board

Jayesh M. Trivedi
Company Secretary

Mumbai, May 22, 2010

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

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from July 22, 2010 to July 29, 2010 (both days inclusive).
4. The dividend declared at the Meeting will be made payable on or after July 29, 2010, as applicable, in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company on or before the end of business hours on July 21, 2010 and in respect of shares held in the electronic form to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on that date.
5. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the 40th dividend for the year 1993-94 paid by the Company on October 5, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, C/o. Central Government Office Building, A Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur 400 614.
6. Consequent to the amendment to Sub-section (5) of Section 205A vide Companies (Amendment) Act, 1999, the Company has transferred the unclaimed dividend for the year 2001-2002 (48th final dividend) to the Investor Education and Protection Fund. All unclaimed dividend for the year 2002-2003 (49th final dividend) will be due for transfer to the Investor Education and Protection Fund on August 23, 2010. Shareholders who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Company's Share Department at the Registered Office of the Company on or before August 06, 2010.
7. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of the special business as per Item Nos. 5 to 10 hereinabove, is annexed hereto.

Annexure to Notice

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

Item No. 5 (Ordinary Resolution):

Mr. K. V. Kamath was appointed as an Additional Director of the Company with effect from May 22, 2010. By virtue of the provisions of Section 260 of the Companies Act, 1956, read with Article 130 of the Articles of Association of the Company, Mr. K. V. Kamath would hold office only upto the date of the ensuing Annual General Meeting.

The Company has received a notice from a Member under Section 257 of the Companies Act, 1956, with requisite deposit proposing the name of Mr. K. V. Kamath as a candidate for the Office of Director of the Company.

Mr. K. V. Kamath is the non-executive Chairman of the Board of Directors of ICICI Bank Limited. Mr. Kamath has a degree in mechanical engineering and did his management studies at the Indian Institute of Management, Ahmedabad. He started his career in 1971 at ICICI, an Indian financial institution that founded ICICI Bank and merged with it in 2002. In 1988, he moved to the Asian Development Bank and spent several years in South-East Asia before returning to ICICI as its Managing Director & CEO in 1996.

Under his leadership, the ICICI Group transformed itself into a diversified, technology-driven financial services group that has leadership positions across banking, insurance and asset management in India, and an international presence. Mr. Kamath was conferred with the Padma Bhushan, one of India's highest civilian honours, in 2008. He has been a co-chair of the World Economic Forum's Annual Meeting in Davos and is a member of the Board of the Institute of International Finance.

Mr. Kamath is also on the Board of Directors of the following public limited companies viz., ICICI Bank Limited, Infosys Technologies Ltd. and Lupin Ltd.

Mr. Kamath is also a member/chairman of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
ICICI Bank Limited	Credit Committee Customer Service Committee Risk Committee Fraud Monitoring Committee Board Governance, Remuneration & Nomination Committee	Chairman Chairman Chairman Member Member
Infosys Technologies Ltd.	Audit Committee Nomination Committee Compensation Committee	Member Member Chairman

Mr. Kamath does not hold any equity shares of the Company.

Your Directors commend the resolution at Item No. 5 of the Notice for your approval.

Mr. K. V. Kamath is interested in the resolution as it relates to his appointment. No other Director of the Company is concerned or interested in the said resolution.

Item Nos. 6, 7 and 8 (Special Resolutions) :

The resolutions at Item Nos. 6, 7 and 8 of the notice seek approval of the Members in respect of the re-appointment of the Company's Wholetime Directors, namely Mr. K. M. Sheth, Executive Chairman, Mr. Bharat K. Sheth, Deputy Chairman & Managing Director and Mr. Ravi K. Sheth, Executive Director, who were appointed at the Annual General Meeting of the Members of the Company held on December 18, 2006 on the terms as contained in the resolutions passed at the said Meeting. The Members, at the Annual General Meeting held on July 18, 2008, inter-alia, revised the consolidated salary and commission payable to the Wholetime Directors as follows:

NAME	CONSOLIDATED SALARY*	COMMISSION
Mr. K. M. Sheth, Executive Chairman	In the scale of Rs. 200 lakh p.a. to Rs.225 lakh p.a.	Upto twice the annual consolidated salary.
Mr. Bharat K. Sheth, Deputy Chairman & Managing Director	In the scale of Rs. 190 lakh p.a. to Rs. 220 lakh p.a.	Upto four times the annual consolidated salary.
Mr. Ravi K. Sheth, Executive Director	In the scale of Rs. 130 lakh p.a. to Rs. 150 lakh p.a.	Upto four times the annual consolidated salary.

** including Company's contribution to Provident Fund, Superannuation Fund and all other allowances.*

The Remuneration Committee noted that the existing terms of appointment of Mr. K. M. Sheth, Executive Chairman and Mr. Bharat K. Sheth, Deputy Chairman & Managing Director expire on September 30, 2011 and that of Mr. Ravi K. Sheth, Executive Director expires on January 29, 2011. The Remuneration Committee thought it appropriate and administratively convenient to terminate, with mutual consent, their existing appointments from March 31, 2010 and to re-appoint them for a period of 5 years with effect from April 1, 2010 on fresh terms, particulars of which are set out hereinafter. The Remuneration Committee also recommended a revision in the remuneration payable to the Wholetime Directors, with a view to align remuneration packages with the best corporate practices prevailing in the industry and particularly in the shipping industry globally.

In accordance with the recommendations of the Remuneration Committee, the Board of Directors, at their meeting held on May 22, 2010, terminated the existing appointments of the Wholetime Directors with mutual consent and re-appointed them for a period of 5 years with effect from April 01, 2010 on fresh terms, particulars of which are as follows:

(a) **Salary :** Consolidated salary, including Company's contribution to Provident Fund, Superannuation Fund and all other allowances, as may be decided by the Board of Directors of the Company for each Wholetime Director as follows :

NAME	CONSOLIDATED SALARY
Mr. K. M. Sheth, Executive Chairman	In the scale of Rs. 220 lakh p.a. to Rs. 322 lakh p.a.
Mr. Bharat K. Sheth, Deputy Chairman & Managing Director	In the scale of Rs. 225 lakh p.a. to Rs. 330 lakh p.a.
Mr. Ravi K. Sheth, Executive Director	In the scale of Rs. 154 lakh p.a. to Rs. 225 lakh p.a.

(b) **Commission :** Payment of commission, calculated with reference to the net profit of the Company for each financial year and subject to the ceiling laid down in Section 309 of the Companies Act, 1956, as may be fixed by the Board of Directors of the Company for each Wholetime Director as follows :

NAME	COMMISSION
Mr. K. M. Sheth, Executive Chairman	Upto twice the annual consolidated salary referred to at (a) above
Mr. Bharat K. Sheth, Deputy Chairman & Managing Director	Upto four times the annual consolidated salary referred to at (a) above
Mr. Ravi K. Sheth, Executive Director	Upto four times the annual consolidated salary referred to at (a) above*

** Mr. Ravi K. Sheth shall not be entitled to any commission from the Company in the event he receives any commission/ remuneration from the Company's subsidiary, Greatship (India) Limited, where he is a Managing Director.*

(c) In addition, each Wholetime Director will be entitled to:

(i) Transportation/conveyance facilities.

(ii) Telecommunication facilities at residence.

(iii) Leave encashment as per the rules of the Company.

(iv) Reimbursement of medical expenses incurred for himself and his family.

(v) Personal accident insurance cover as per the rules of the Company.

(vi) Housing Loan, subject to the rules of the Company.

(vii) Fees of Clubs subject to a maximum of two clubs.

(d) Expenses incurred by the Wholetime Directors during business trips for travelling, boarding and lodging, including for their respective spouses shall be reimbursed and not be considered as perquisites.

(e) Though not likely, in the event of absence or inadequacy of profit in any financial year, each Wholetime Director shall be paid aforesaid remuneration as minimum remuneration subject to the approval of the Central Government (if required).

(f) In addition, each Wholetime Director shall also be entitled to bonafide payment (which shall include providing perquisites) by way of pension in respect of his past services to the Company in accordance with a scheme formulated by the Board of Directors from time to time, subject to the limits prescribed, if any, under the Companies Act, 1956.

(g) In the event of loss of his office as a Wholetime Director, each Wholetime Director shall be paid compensation in the manner and to the extent provided under Sections 318, 319 and 320 of the Companies Act, 1956.

The resolutions passed by the Members at the Annual General Meeting held on December 18, 2006 as modified by the resolutions passed at the Annual General Meeting held on July 18, 2008 for appointment of and remuneration payable to each of the Wholetime Directors will cease to have effect only upon the respective resolutions for re-appointment becoming effective.

Mr. K. M. Sheth has been a Director on the Board of the Company since 1970 and has been providing invaluable guidance to the management and Board of Directors of the Company.

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

Mr. Ravi K. Sheth has handled various functions like diversification projects, strategic investments/disinvestments and has been spearheading various strategic initiatives of the Company. He has also been entrusted with the additional responsibility of overseeing the operations of Greatship (India) Limited, the subsidiary of the Company, which is in the business of owning and operating assets relating to the offshore oil and gas business.

Pursuant to the requirements of Schedule XIII of the Companies Act, 1956 the resolutions for re-appointment of the Wholetime Directors are proposed as special resolutions.

Your Directors commend the resolutions at Item Nos. 6, 7 and 8 for your approval.

Mr. K. M. Sheth, Mr. Bharat K. Sheth and Mr. Ravi K. Sheth are deemed to be interested in their own appointment. They, being relatives of each other, may also be deemed to be interested in the appointments of each other although they derive no pecuniary interest in it. No other Director of the Company is concerned or interested in the above resolutions.

Item No. 9 (Special Resolution) :

At the Annual General Meeting of the Company held on December 18, 2006, the Members had approved the payment of remuneration to the Non-Wholetime Directors of the Company, i.e. the Directors other than the Managing Director(s) and Wholetime Directors of the Company, by way of commission upto an amount permissible under the Companies Act, 1956, i.e. an amount in the aggregate for all the Non-Wholetime Directors put together not exceeding one percent of the Net Profits computed in accordance with the provisions of Section 198 of the Companies Act, 1956. This approval was granted for a period of 5 years from the financial year 2005-2006 while the Board was authorised to fix the actual amount and the manner of payment.

The role of Non-Wholetime Directors is not only restricted to formulating strategies and providing guidance but also monitoring of various functions like compliances, internal audit, compensation, shareholders grievances, etc. The amount of time that needs to be devoted by the Non-Wholetime Directors have increased manifold over the period of years. In view of the aforesaid it is proposed to compensate the Non-Wholetime Directors by way of a commission upto an amount not exceeding 1% of the Net Profits in aggregate for all the Non-Wholetime Directors for a further period of 5 years commencing from April 1, 2010. The Board of Directors is required to be authorised to decide the quantum of commission payable every year within the overall limits stipulated aforesaid. The Board of Directors have over the last 3 years paid the following commission to the Non-Wholetime Directors :

RS. IN LAKH

YEAR	MAXIMUM LIMIT (1%)	COMMISSION PAID/PAYABLE
2007-08	1371.68	75.00
2008-09	1244.04	54.25
2009-10	291.43	54.25

Under the provisions of Section 309(4) of the Companies Act, 1956, such payment requires authorisation by the members of the Company by way of a special resolution.

Your Directors commend the resolution at Item No. 9 of the Notice for your approval.

All the Directors except Mr. K. M. Sheth, Executive Chairman, Mr. Bharat K. Sheth, Deputy Chairman & Managing Director and Mr. Ravi K. Sheth, Executive Director are concerned or interested in this resolution.

Item No. 10 (Ordinary Resolution) :

Under Section 293(1)(d) of the Companies Act, 1956, the Members' approval is required for borrowing, if the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves. The Members of the Company had, by a resolution passed by means of Postal Ballot (results of which were declared on December 12, 2007) authorised the Board of Directors of the Company to borrow upto Rs. 5,000 crore. The present borrowings coupled with further borrowings in near future may exceed the aforesaid limits of Rs. 5,000 crore.

It is proposed to authorise the Board of Directors to borrow upto Rs. 6,000 crore in order to meet the Company's capital expenditure requirements, general corporate purposes and asset acquisitions at the opportune time.

Your Directors commend the resolution at Item No. 10 of the Notice for your approval.

None of the Directors of the Company are concerned or interested in this resolution.

By Order of the Board

Jayesh M. Trivedi
Company Secretary

Mumbai, May 22, 2010

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

Information as required under Clause 49 (IV)(G) of the Listing Agreement in respect of Directors being re-appointed

(A) Mr. Vineet Nayyar

Mr. Vineet Nayyar holds a Master's degree in Development Economics from Williams College, Massachusetts. He has varied experience in Government, multilateral financial institutions and corporate sector. He was the member of the Indian Administrative Service. He has held major assignments such as:

- 1970-73 : Secretary, Agriculture, State of Haryana.
- 1973-78 : Director, Department of Economic Affairs, Ministry of Finance, Government of India.

He has held various prestigious positions in The World Bank, Washington DC :

- 1978-86 : Chief, Petroleum Department, Europe, Middle East and North Africa. Chief and Head of Energy Department, East Asia and Pacific.
- 1991-95 : Chief and Head of Energy, Finance and Infrastructure Departments, East Asia and Pacific.

During this period he led the first Energy mission to China and was responsible for the privatization of Infrastructure in Philippines, reorganisation of the Central Bank of Philippines and financial reforms and reorganisation of the Central Bank of South Korea, etc.

He was the Promoter and Vice Chairman of HCL Technologies. He was also the founder and Chief Executive Officer of HCL Perot Systems. He was also the Chairman and Managing Director of Gas Authority of India Limited (GAIL). As the first regular Chairman of GAIL he was responsible for setting up the HBJ pipeline, gas fractionation plants and the startup of Auriya Petro Chemical Plant.

He is currently Vice Chairman & MD of Tech Mahindra Ltd. and Chairman of Satyam Computer Services Ltd.

Mr. Vineet Nayyar holds 23,005 equity shares in the Company. He is also a Director on the Board of following public limited companies:

1) Tech Mahindra Ltd.
2) Kotak Mahindra Old Mutual Life Insurance Ltd.
3) CanvasM Technologies Ltd.
4) The Mahindra Holidays & Resorts India Ltd.
5) Mahindra Logisoft Business Solutions Ltd.
6) Greatship (India) Ltd.
7) Satyam Computer Services Ltd.

Mr. Vineet Nayyar is also a member/chairman of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER/CHAIRMAN
Tech Mahindra Ltd.	Investor Grievance-cum-share transfer Committee	Member
The Mahindra Holidays & Resorts India Ltd.	Remuneration Committee	Member

ATTENDANCE SLIP

The Great Eastern Shipping Company Limited

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

Please fill the attendance slip and hand it over at the entrance of the meeting hall.
Joint shareholders may obtain additional slip on request

DP. ID* [ ] Registered Folio No. [ ]

Client ID* [ ]

NAME AND ADDRESS OF THE SHAREHOLDER

No. of Share(s) held :

I hereby record my presence at the 62nd Annual General Meeting of the Company held on Thursday, July 29, 2010 at 3.00 p.m. at Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai 400 020.

Signature of the shareholder or proxy ______________________

*Applicable for investors holding shares in electronic form.

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PROXY FORM

The Great Eastern Shipping Company Limited

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

DP. ID* [ ] Registered Folio No. [ ]

Client ID* [ ]

I/We ____

of ____

being a member/members of The Great Eastern Shipping Co. Ltd. hereby appoint ______________________

____

of ____

or failing him ____

of ____

as my/our proxy to vote for me/us and on my/our behalf at the 62nd Annual General Meeting to be held on Thursday, July 29, 2010 at 3.00 p.m. or at any adjournments thereof.

Signed this _____________ day of ___________ 2010

Place: _______________

Affix
Revenue
Stamp

*Applicable for investors holding shares in electronic form.

Note : This form, in order to be effective, should be duly completed, stamped and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the meeting. The proxy need not be a member of the Company.