DIAMOND JUBILEE 1948-2008

1948 | Our very first ship, *Fort Ellice.* Renamed *Jag Vijay.*

2008 | One of our modern tankers *Jag Leela* sailing past the Sydney Opera House.

THE GREAT EASTERN SHIPPING COMPANY LIMITED

60TH ANNUAL REPORT 2007-2008

1948 | **Early steps to success.** Our very first office at the Sugar Market building, Frere Road, opposite the Victoria and Princess Dock, Mumbai and (below) the balcony at 32 Apollo Street, Fort, the Company's first registered office, from where Vasant Sheth and K.M Sheth worked.

The Great Eastern Shipping Company Limited

Glimpses Into the Past

60th Annual Report 2007-2008

Turning Sixty

Sixty is a landmark birthday, one of life's significant milestones.

This year, Great Eastern Shipping turns sixty. It makes me feel rather young and a little humble.

Sixty years ago, the first generation at Great Eastern Shipping lit the torch. Thanks to them, the flame still burns bright today. They were the people, the visionaries who looked far beyond where the eye could see, the pioneers who ventured into the vast unknown, and the tenacious workers who didn't give up when the seas were rough.

This is a tribute to all of them. Life is short, but we are privileged to still have some of those incredible stalwarts with us today.

On this, the Company's 60th anniversary, it is my pleasure and privilege to give you just a few glimpses into our past and into the lives of some of the great people who made our history.

There is no attempt to make it exhaustive. It can at best provide a few insights, share some reminisces, pay a silent tribute to the heroes who walked with us.

And, as we stand on the threshold of a great future, we resolve to go forward purposefully, to emulate their work, to follow their footsteps.

Bharat K. Sheth
DEPUTY CHAIRMAN & MANAGING DIRECTOR

Success is the Child of Audacity

It was the most unlikely scenario for a great success story. Two weary men seen on a small passenger ship from Africa, returning to their hometown in India.

They were travelling on the crowded lower deck of a small ship, crammed with noisy fellow passengers. The oppressive heat, the unpleasant living conditions drove them in search of solitude. As they escaped to the upper deck for a breath of fresh air under the dark midnight sky, their hearts were full of turmoil. The sea was calm, the elements obviously unmoved by all that they were going through. They had left India with the family's blessings and the carefully accumulated savings of a generation to start up a business in Africa. They had crossed continents; they had tried their hand at many things—from selling oranges from a handcart to trading in textiles. Not much had worked out. And now, standing on the deck, each tried not to communicate to the other the gnawing dread that failure can kindle. Instead, the two brothers Maneklal and Chunilal Sheth talked aimlessly about things like the simple joys of their childhood in Wadhwan, a small town in Saurashtra. Suddenly hope stirred back again.

As they approached Bombay, the glimmer of lights seemed like the dawn of hope. Here, their youngest brother Jagjiwan was waiting to greet them and discuss their plans for the future. The three of them looked at various options and tried their hand at various business ventures. Jagjiwan started trading in textiles, and was so successful that he started a textile mill and invited his brothers to join him. After some years, Chunilal, who was of a spiritual bent, decided to withdraw from business. But for Maneklal and Jagjiwan, the quest for the right business opportunity carried on. From textiles, they went into sugar. In the early 1920s, they started importing sugar from Java. A few years later, they were importing sugar from Russia as well. Simultaneously, they entered other trades. They were doing well till the Great Depression of 1929. This had devastating effects worldwide. The brothers sustained heavy losses in the stock market. The textile mill had to be closed. They were looking frantically for the right business opportunity. One chance encounter in Bombay proved providential. They met Hanuman Patel, the relative of a friend of a friend. As is so typical, Indians can always find close connections even in far away places. Hanumanbhai was the

Maneklal Ujamshi Mulji

Jagjiwan Ujamshi Mulji

Chief Accountant to the Bhiwandiwallas, a Parsi family of considerable wealth and adventurous business interests. They were looking for a trusted man to help them run their business. And here, Hanumanbhai thought, he had found two likely candidates. He offered to introduce the Sheths to his employers.

The meeting with the Bhiwandiwallas was arranged. The Sheths spoke eloquently about what was closest to their heart—the great opportunity that abounded for business. All business required was an alert mind and a formidable capacity for work. Success was but a natural corollary. They were willing to give the project all they had; they would work long, as long as the day had hours. The Sheths were so successful in convincing the Bhiwandiwallas of their ability and integrity, that they were both offered a job with a generous salary ... on the spot. The temptation to grab it must have been virtually irresistible, given the fact that there was nothing else anywhere in sight. But the Sheths apologized courteously, saying politely that they were not looking for jobs. They were interested in getting into business. Brave words for the brothers who had just experienced failure.

A.H.Bhiwandiwalla

> "Whether you think that you can, or that you can't, you're usually right."— Henry Ford

A.H. Bhiwandiwalla was an astute man. He saw that in Maneklal and Jagjiwan he had found two bright and trustworthy men and that they wanted more than anything else to make a success of business, whatever the business. To that end, they would work relentlessly. And their success would be his success. He was willing to back his instincts

and give them a chance. Henry Ford's famous words would probably have articulated his point of view clearly: "Whether you think that you can, or that you can't, you're usually right."

The Bhiwandiwallas made the Sheths an offer. They would start a company with the two brothers as partners. A business deal was struck, with the terms clearly spelt out. Those were the days when there were 16 annas to a rupee. For every rupee the business earned, the Sheth brothers would get one anna for all their effort and hard work, and the Bhiwandiwallas would get 15 annas for the capital they had put in. At a time when intellectual capital didn't command the same respect as ready cash, the deal was deemed fair by all concerned.

As to the nature of business, the enterprising Sheths were very clear—sugar was the way to go. Didn't all Indians share a sweet tooth? The brothers also brought with them some very valuable experience in the industry. Reason won the day. This was not a time for protracted feasibility studies and demand projections. Today, a marketing guru would proclaim this a great consumer insight. The decision was taken and action initiated immediately. The firm was in business. A.H. Bhiwandiwalla & Co. opened its doors in April 1932.

Hard work paid off, and soon the company was doing well, extremely well. Maneklal and Jagjiwan had a clever understanding of the market and were indefatigable in their business efforts. In a few years, the firm was controlling around 30% of India's sugar trade and they were dubbed "the sugar kings" of India.

It has been said that success makes failures of too many people. But, for the Sheth brothers, each decade brought challenges, waiting to be turned into opportunities. With World War II came a period of acute sugar shortages. To meet the need, the firm chartered ships to import sugar from Indonesia, even setting up an office in Java. Then the Sheths went even further. They were instrumental in the opening up of two new ports in India to handle sugar imports—at Porbunder and Okha.

Meanwhile, the next generation of Sheths was growing up, the older sons had already been inducted into the business. Jagjiwan's eldest son, Jayantilal looked after the sugar factories; his second son, Kantilal, who was a surgeon, took a keen interest in business activities as well. Maneklal's older son, Sevantilal, managed the family's import-export activities. All was going well, and now that the new generation was ready to play its role, Jagjiwan and Maneklal, felt that it was time to look for new challenges.

In 1948, opportunity presented itself. World War II had ended. The US Maritime Commission not seeing much use for some of the Liberty ships used for carrying war material, decided to auction them. From sugar to shipping—this would be a giant leap into the unknown seas. It was not a decision without doubts. But, not for those gifted with abundant optimism, with the audacity to aim high and the determination to get there. Of course their natural caution was also in place. So the brothers went to a good friend and family advisor, H T Parekh (the legendary founder of HDFC). He endorsed their decision heartily. And made a valuable contribution—he advised them not to mix the sugar trading business with shipping. And so, on his advice, on August 3, 1948, a new company was formed. The Great Eastern Shipping Company Limited came into being.

Thanks to their impeccable business record, finance for the shipping company was easily obtained from the First National City Bank of New York, in Bombay. The first ship bought by the company was *S S Fort Ellice*, re-named *Jag Vijay*. The chairman of the company was A.H. Bhiwandiwalla, while Jagjiwan's youngest son, Vasant Sheth, (pictured below) was appointed as the Managing Director. Vasant handled and managed the company, assisted by Kanaiyalal (Kanu) Sheth, Maneklal's younger son.

It's amazing that the story of an internationally successful shipping company started with sugar.

It's amazing that the story of an internationally successful shipping company started with sugar. With the strong entrepreneurial instincts of two people who still inspire the lives of those who have followed them. And yet, you may say, they were two ordinary people. But then aren't heroes made of the same mould as everyone else? Aren't they people who rise to extraordinary heights, driven by circumstances, propelled by a strong inner conviction, motivated by a force as powerful as their own expectations?

Jagjiwan and Maneklal proved the truth of the axiom: nothing succeeds like success—when it's accompanied by diligence and attentiveness. Otherwise, it may need to be revised to—nothing recedes like success.

The Building of our First Ship

On one unsuspecting morning, Kanu Sheth's life was to take an abrupt turn. It happened without any warning. He was summoned by his father and told in no uncertain terms that his fun days were over, it was time to say goodbye to Sydenham College.

He was being transferred to the 'family college'. This is where his real education was going to begin, and he needed to get ready for some serious learning. He realized immediately that his lessons would be out of the classroom. He was to start work. Immediately.

Kanu Sheth was just 19 years old, and a second year student at Mumbai's Sydenham College. It was his first taste of freedom, and he was revelling in it all. He enjoyed being away from the stern, watchful eye of the family elders. Going to lectures, or occasionally even missing them. Enjoying the unimaginable freedom of taking in a matinee show. Discussing the film over long cups of tea. Those were the days when such were the simple delights of college, and this is what breaking away from authority really meant.

One moment he was a carefree college student on the brink of discovering the world outside. Then suddenly his growing up was over, the age of responsibility had arrived. The message was clear—this was to be his training ground for business. The family had just entered the shipping industry. It was a tough industry and it would need everyone's hard work to make it a success. The right training was essential for the people who would one day be steering it.

It may sound strange, but Kanu's first project as an apprentice was to take charge. He was being sent to Japan to oversee the most important project the Company had handled so far. The building of its first ship. The first two ships, actually. It was so typical of the culture of the Company right from the start. Everything had to be done in double quick time.

The Company had ordered these ships from Japan and was anxious to protect the investment. Somebody responsible was needed right there, supervising the process. Who better than one of the sons of the family? So Kanu was dispatched to Japan post haste. If these were the first ships being built for the Company, there were many firsts

here for Kanu Sheth too. This was to be his first trip outside the country, his first flight, his first assignment. And his first real taste of adventure.

In those days, the flight from Mumbai to Kobe took 24 hours. Kanu flew on a small 38-seater aircraft, a DC 3 Dakota. It was an exciting trip and a rather treacherous one, with the small aircraft being buffeted along by strong winds. He landed in the middle of the night. From the safe familiar environment of home, he was transported here, to a strange country where he knew no one. He didn't know the language, couldn't read the signboards, didn't know directions...didn't even know how to ask for them. This was learning the hard way—it was like being thrown into the deep end of the pool on your first swimming lesson, with no instructor or lifebuoy on stand by. Here there was no option, you had to learn to swim. Or as one of his college professors would say with wry humour, of course, you needn't learn—survival isn't mandatory.

> One moment he was a carefree college student discovering the world outside...then suddenly the age of responsibility had arrived.

Kanu will never forget his first picture of Japan, a country so removed from the glitz and glamour of the Japan he visits today. It was a land totally devastated by war, the scars were everywhere. Shortages were plentiful—bread, rice, tea, sugar—everything was in short supply. There were long queues for everything. He remembers that petrol

was so scarce, cars and taxis used to be run at slow speed, on battery. As a foreigner, Kanu received a special Ration Book—he has it as a souvenir even today.

Every single morning, for two months, Kanu would don his boiler suit and go to Mitsubishi Shipbuilding to check on the ships that were being built. These were two small general cargo vessels of about 2,008 DWT each. In Kobe, Kanu learned some of the finer points of ship building.

But he also got to know just why his father had sent him here. Where else would he have received the kind of grounding he got here? Quality was something you could improve but never compromise on. But then, you couldn't really compromise on anything. Deadlines were sacred—unless you could better them.

Kanu returned to Bombay, with the two ships, *Jag Ganga* and *Jag Jamna*, delivered ahead of schedule. He came back with a working knowledge of Japanese and a great respect for the people. (Perhaps the only thing he didn't take to was sushi.) He also brought back some useful learnings that would stand him and the Company in good stead. He learned of the importance of meticulous precision and rigid discipline which perhaps only the Japanese bring to their work. Here was a country shattered by the war, its economy in shambles and yet everyone remained highly patriotic and deeply motivated. It was a lesson Kanu would never forget and it instilled in him a deep affection and respect for the Japanese, their work ethic and their commitment.

While he was in Japan, Kanu met Ichiro Kimura, the Managing Director of Yamashita Steamship who became a good business associate as well as a very close friend. He also came back to something of a hero's welcome. Because he came back with business, which is something nobody would have expected him to get on this particular trip. He returned with the Agency for Yamashita Steamship which brought in a good income to the Company for quite a long time, and was particularly helpful in those early years. For a 19 year old, on his first assignment for his Company, it was pretty good going.

The Joys of being a Tramp

In our early years, we fought fiercely to be allowed to become what our peers in the industry frankly looked down upon. A tramp.

When we entered the industry, we made a study of the opportunities open to us. We realized there were basically two choices before us—liners or tramp ships. Tramp ships operate rather like taxis on the high seas, they could be flagged down when they were free, they could go wherever they were needed. We saw, immediately, that this was a great advantage.

Like our resourceful counterpart the *Little Tramp* of the silver screen, we realized that being a tramp gave us the one thing we wanted most in the world. Freedom. Freedom to go where we wanted in search of cargo. Freedom to grow as we met our targets and set new ones. Freedom to compete in the big wide world, to test our mettle against the best in the world.

Tramp shipping had another big advantage—in the deployment of ships, it was volume and not value that was important. And the volume of tramp cargo was significantly larger than it was for liner cargo. There was yet another factor we considered—the British and foreign shipping companies who dominated the liner trade were most unwilling to allow Indian companies into this rather closed circle. At best they would grudgingly part with a minuscule share of the liner business.

So in 1952, four years after we started, we converted our first ship *Jag Vijay* from a coal-burning to an oil-burning engine to make it more competitive for operation in international waters. We didn't expect trouble, but it was there waiting to meet us.

The Government, as we were soon to realise, was vehemently opposed to the idea of Indian shipping companies going into international tramp shipping. In those days of protective policies, the Government believed it was safeguarding the interest of the fledgling shipping industry. So it introduced a coastal reservation policy, making the Indian coast a 'nursery' for young Indian shipping companies who could ply their vessels only here. The other Indian companies didn't complain. In fact, some of them were so enamoured by the glamour of British liner shipping that they could only see themselves following this route.

When the Director General of Shipping (DGS) refused to give us a licence to operate the *Jag Vijay* internationally, we came back and suggested a way out. We asked to be allowed to use our ship to trade overseas where we could exploit its larger capacity and its better fuel efficiency, and as a substitute, we would charter a small foreign flag vessel for the Indian coast. The DGS would not agree. We cajoled, we pleaded, we argued our case, all to no avail.

Finally, we took up the issue at the Indian Coastal Conference (ICC) and the Indian National Steamship Owners Association (INSOA now INSA). Here we felt, within the industry, we were assured of the support of our peers who would obviously see that their future and ours lay here. To our surprise, instead of supporting us, both societies complained to the Government about the nature of our proposed operations.

All this is history. But Kanu Sheth recalls some of the meetings held with the Indian National Steamship Owners Association with some amusement. Often, these were friendly meetings with fellow shipowners, good naturedly complaining about the restrictions enforced. But sometimes they could get a bit heated and even a little out of hand. Kanu Sheth still laughs and says with a chuckle, "You know how it was then, we were young. And you know how it is with youth, you know everything. It's only with age that you discover there's a lot more to learn!"

> ...being a tramp gave us the one thing we wanted most in the world. Freedom. Freedom to go where we wanted...

One such meeting is still very vivid in Kanu's mind. Vasant Sheth was, waxing eloquent on his favourite topic—tramp shipping, while his guest, a Director of Scindias, spoke in glowing terms of the future of liner shipping and how his company was ready to take on the British. It was one of those pleasant evenings when you can agree to disagree. But somehow the discussion took a rather heated turn with the director saying he found nothing in this vagrant tramping to emulate or admire. And in any case, everyone knew that tramp ships were "a dying breed". That must have really incensed Vasant Sheth. The next morning, on the director's table, were excerpts from write-ups from all over the world on the important role tramp shipping was playing in international trade and the great future that lay ahead for it. Obviously, when you are as obsessed with something as Vasant was, you have your facts and your information at hand.

The debate continued, with neither side willing to budge. Totally disillusioned, and as a mark of protest, in June 1955, we resigned from both ICC and INSOA. Neither of the organisations wanted this to happen—Great Eastern was an important and respected member of the shipping industry. Several meetings were organized, endless discussions took place and finally a compromise was reached. Our demand

for tramp shipping was accepted, but limitations were imposed. We were to be allowed to use our fleet for international trading, and substitute these ships with foreign vessels for the Indian coast. The condition was that within 2 years, we would increase our fleet and buy more ships for the coastal trade. We agreed to stay on as members of the two societies.

Thanks to Great Eastern's foray into tramp shipping...its financial results were excellent.

Thanks to Great Eastern's foray into tramp shipping and its ability to handle profitable bulk cargo, the Company's financial results were excellent. And it wasn't long before the other shipping companies had changed their mind and decided to follow suit. The authorities too came round, dropping their stern rules and regulations which were against the very principles of tramp shipping. So, it was Vasant Sheth who had the last laugh.

Tramp shipping proved one thing for us. When you know you are on to something good, you've got to hold on to it. "You've got to keep your head while all about you are losing theirs." You've got to believe in yourself and in your ideas.

Managing in Turbulent Times

Those old enough to remember the Oil Crisis recall it as a seismic jolt to the economies of Western nations, particularly the United States. It resulted in grave economic upheaval that lasted about a decade—from 1975 to 1985.

Prices sky-rocketed across the board, ushering a long era of inflation. Gas station queues extended for miles. Truckers went on strike. The stock market collapsed. Unemployment escalated dramatically. Savings were wiped out overnight. Nearly everything changed. The message was clear—the party was over.

All this was triggered off by a decision taken by the oil rich countries of the Middle East to put an embargo on oil exports to United States and other Western nations. The action was in protest against their support of Israel. The embargo would change the way the world would look at energy forever.

The effect on India and particularly on the shipping industry in India was no less dramatic. Fuel prices in India went up four-fold. The economy was stung by inflation rates of over 20%. India, and other developing countries who had friendly ties with the Arab world had hoped for favourable treatment. However the Arab states refused to follow a dual pricing policy favouring some countries.

The impact on the global shipping industry was incalculable. Given the high consumption of fuel per ship, the steep increase in price was a life-threatening blow. This was further compounded by the fact that most countries responded to the oil crisis by severely cutting down both oil imports and non-oil imports, bringing about a substantial reduction in overall freight trade. Simultaneously, the industry which in the heady optimism of boom times had wantonly increased its investment in ships, was already suffering from overcapacity. This was further heightened as ships that had been ordered earlier kept getting ready for delivery, building up overcapacity further still, and adding to the industry's woes. Freight rates dropped drastically.

How were the beleaguered shipping companies going to pay for these ships? Distress sales were commonplace. Fleets of well-established shipping companies were decimated overnight. Many cash-stricken shipping companies defaulted on loans, couldn't honour their obligations, and floundered and sank into bankruptcy. In India, 33 out of 35 shipping companies which had borrowed from the Shipping Development Fund Committee (SDFC) delayed or defaulted on loan repayments. Great Eastern was one of two companies who didn't. But it was a testing time for Great Eastern too. Fortunately the Company realized early that change, radical change, was the need of the hour, and was taking steps accordingly.

As our late Chairman, Vasant Sheth said, it was only companies with a huge capital base, low gearing, and plenty of liquidity that would survive. In 1965-1974, when shipping was earning well, for every rupee paid to shareholders, Great Eastern paid a rupee in interest. But during the depression, for every rupee paid to shareholders, Great Eastern paid Rs.4 as interest.

Strong measures were taken to deal with the situation which included restructuring the Company's finances so as to strengthen our equity base. The aim was to improve liquidity while keeping our debt equity ratio low. The judicious disposal of older, uneconomical ships reduced our loan liability and thus improved our financial liquidity. Thanks to an excellent track record, we were able to raise funds from the International Finance Corporation (IFC), Washington, thus helping augment much-needed finances during this period. It enabled us to acquire ships at the prevailing low prices. In fact, buying and selling ships became an integral part of the business, and profits made on sale of ships in Great Eastern were to soon account for a third of our profits. The Company also diversified into the offshore business, acquiring offshore supply vessels. Along with this, the Company introduced various cost control measures. These included freezing of salaries, selling off properties, travelling economy class (from the Chairman down), stopping floral arrangements in the office premises, even selling a couple of ship models to schools. Adopting these strategies with a clear vision, the Company was able to face the depression head on.

Then, we did something a little uncharacteristic. We made an announcement that would go against conventional wisdom, even against the earnest entreaties of the company's advisors and well wishers. Kanu Sheth remembers the scene in vivid detail even today. It was a packed Annual General Meeting at Mumbai's K C College Hall. There was an air of heightened expectancy on every face. So far, the Company's performance had always been good. Great Eastern had always rewarded its shareholders amply. But now, when the industry itself was in turmoil, what plan of action did the Company have to face the future?

As he looked around, he saw Rusi Olia, the Parsee gentleman whose searching questions and sharp wit had livened up many a debate at earlier AGMs. The Chairman, Vasant Sheth, had enjoyed those debates even when the two of them had been on opposing sides of the argument.

"We are at the bottom of the valley today. From here, the road leads just one way. Upwards."— Vasant Sheth

At the height of the depression, the Company was able to acquire highly-sophisticated ships...at unbelievably attractive prices.

Vasant Sheth cleared his throat and started, "He is perhaps a brave man who claims there are profitable opportunities yet to be found in shipping. But that is my belief. We are at the bottom of the valley today. From here, the road leads just one way. Upwards. I believe your industry presents unique possibilities for making substantial profits. And I believe we have the right way."

With that opening remark a resolution on a Rights Issue for the shareholders of Great Eastern Shipping was put up for discussion. As Kanu remembers, at first there was a stunned silence. And then Rusi Olia stood up. There was a hush in the room. What was he going to say today? To everyone's relief, he said "Mr Sheth... If you believe it, I believe it. I back your decision 100%." And in a moment there was a sea of hands and a vociferous cheer of support. The motion had sailed to victory.

The sequel to this scene was equally memorable. Much to everyone's delight, at the next AGM, the Company was able to confirm to shareholders that their Company had done just as promised.

It had been quite a spectacular year. With the transfusion of new equity into the Company, Great Eastern was able to update and expand its fleet. At the height of the depression, the Company was able to acquire highly-sophisticated ships, which were new or nearly new, at unbelievably attractive prices. In fact in just 24 months, the value of its acquisitions during the period more than doubled. What's more, the time had come for things in the industry to change.

As history has shown in shipping, the times and the tides are cyclic. The bad times follow the good, and vice versa. After the long difficult years of the depression, the mists finally cleared and good times were ahead. But while the situation had changed, the lessons would always be remembered. While the industry had recovered, there were some things that would never be the same.

In the new world, the mystique of shipping had been lost forever. Ships would never be seen as the proud symbols of their country again, they were not there to be paraded as the nation's assets any more. In the new reality, ships were the property of transnational financial institutions, managed by brokers, run by service providers, the routes they plied were dictated by commerce and necessity. And money, as everyone is aware, knows no nationality.

A ship is now merely a taxi on the high seas. And like its black and yellow counterparts on the road, you can flag it down if it is free, and you are ready to pay the price. Its allegiance is to business, it will go wherever business calls it. Its only preference is where the regulations are lean and the taxes are low.

As for the lessons we learned, they have been unforgettable. Tough times are the best teacher. Nobody ever needed lessons in spending. It takes tough times to teach you how to pare your needs down to the minimum. How to focus on the essentials, how to trim the fat. And how to get what you want, whatever the odds—how to win.

Two Auctions and Just a Magnificent Stroke of Luck

For a small shipping company with big ambitions, the purchase of ships was naturally essential for us to achieve our global ambitions.

The buying procedure for ships was almost boringly predictable—detailed inspection (by a team of engineers), tenders (checking out every last detail while keeping an eagle eye on the last date), applications and copies of applications (sometimes going up to 35 sets), tense negotiations (that could go on for 3 to 4 days without a break), considered offers, and the last and final agreement (that could be changed 43 times as it was vetted by lawyers from both sides and some to spare)...the whole process could be exhausting.

But there were three occasions in which the buying process was different, quite different. This was a little like playing roulette...and winning. You could feel the excitement, the tense anticipation, and that final sense of victory.

A Stroke of Luck

This is one of the most unlikely stories in shipping. Unlikely yes, but true. Hindustan Shipyard (HSL) had delivered a new type of dry cargo vessel that was making waves. It had been out for trial runs and was now available for sale. In addition, HSL was constructing a second ship to the same design and specifications. The question now was—who would get the ships?

> This was a little like playing roulette...and winning. You could feel the excitement, the tense anticipation and...sense of victory.

The main problem was there were 2 ships and 3 contenders—Great Eastern Shipping, Bharat Line and Malabar Steamship. Any suggestion HSL proposed to resolve the issue was instantly rejected as being unfair to the other parties. So the Government said to the three shipping companies, you work out the arrangement between the three of you, sort it out yourselves.

Over the next few days, various options were discussed and discarded. Finally it was agreed that a lottery would be held and whoever got lucky got the ship. The winner would get the first pick—obviously he would choose the brand new ship. The runner-up would get the second vessel, the second-hand ship. And the third contender, would get a consolation prize—a financial compensation of Rs 2.5 lakhs from each of the two winners.

As a deciding system, it couldn't have been simpler. But there were infinite minor

variations, and each of them had to be tried. Was it going to be lucky to choose first? Or was it wiser to let someone else start?

Who should reveal his hand first...? It was something straight out of a TV game show—only the audience and the artificial hype was missing. This was the real thing. Let's say opening three small slips of paper never took so long. Anyhow, the end result was that Great Eastern was the winner, getting the first choice of ship. Which proved one thing, we certainly did have luck on our side.

Our Big Fat Greek Auction

Imagine the scene. It's a café in Greece on a Sunday morning in 1985. A ship is to be auctioned and Kanu Sheth has flown down from Bombay to bid for it. He enters the crowded café and takes it all in, the boisterous bonhomie, the loud exchange of greetings and anecdotes across tables. He can't understand a word, it's all Greek to him. How is he going to handle this, he wonders?

He has come here at the behest of the Government of India with explicit instructions to bid for the ship and safely bring her back to India with her cargo. The ship, chartered by Transchart (the chartering wing of the Government of India) was carrying 18,802 MT of fertilizer to India. En route, the ship developed engine trouble and had to call at the Greek port of Pylos. Here it met bigger trouble. The owner of the ship who had taken a loan from the Bank of America had defaulted on payment. So the bank had the ship arrested and put her up for auction to recover its dues.

The Government of India, concerned about the safety of its fertilizer cargo, worth over Rs 4 crores, deputes Kanu Sheth to fly out to Greece, bid for the ship, and come back with ship and cargo. Kanu Sheth accepts the challenge—his only condition is that the

Government should give him a blanket cheque when it comes to bidding. He leaves full of confidence. But in this alien land, where he couldn't even make sense of the proceedings, things didn't seem so easy any more.

Things get a little clearer in a while. It turns out that not all present in the café are bidders—but they are happy to celebrate the victory of the winner, whoever the winner may be. The final bidders were two Indians—Capt Mehta from London and Kanu Sheth. Realising that by bidding against each other, they were only increasing their stakes and it was a third party who would enjoy the benefits, Kanu Sheth cannily convinced the Captain that this made no sense at all. That in bidding against him, the Captain was bidding against the might of the Government of India. Could he really pit his resources against the Government's? His arguments paid off. Kanu Sheth won the ship for little over the minimum bid price of half a million dollars.

Not all in the café are bidders—but they are happy to celebrate the victory of the winner, whoever the winner may be.

Kanu Sheth was returning, with a happy sense of victory, when problem struck once again. This time it was the crew who got the ship re-arrested because they hadn't received their wages. So it was back to lawyers and translators and agreements. A favourable court settlement was negotiated and an Indian crew was flown out. The ship was ready to sail.

An Indian, an Englishman and a Dutch Auction

At the height of the depression, ships were taken on time charters for just the cost of bunkers, without even as much as a contribution to operating costs. Many ship owners failed to survive in this dreadful market, including Scindia's. In 1988, at the request of the Government, Bharat Sheth and Michael Brace, a well known broker, went to Holland to bid for *Jala Yamuna*, a Scindia ship which was under arrest in Holland. It was strongly felt that Great Eastern should buy the ship and continue trading her under the Indian flag.

In Holland, they hired a lawyer who assisted them with the unfamiliar process. The lawyer explained in simple terms that a Dutch auction is held in two parts with an interval in between. The first part is like a regular auction, with the highest bidder winning and earning a small bidder's premium. Then the real auction begins. The auctioneer starts at double the original bid price and then slowly reduces it till the lawyer acting for the successful bidder, calls 'Mine'.

The day of the auction dawned and they faced a sea of buyers from the Levant, who as Michael describes, had 'knowing looks but expressionless eyes'. Michael and Bharat devised a fiendishly cunning plan.

Bharat would bid for the ship on the way up and take great delight in reaching the highest bid. After the interval, he would slip into another seat and furiously write up his notes—no mobiles in those days. Michael would sit at some distance, with the lawyer, and look disinterested but hold the authority.

The first part of the auction took place exactly as planned. As the second bidding started, tensions mounted as the auctioneer gradually reduced the bids by $10,000 a time. Michael looked suitably bored, till he remembered there was more to the role he had to play. He shot up in time, and yanked the arm of the lawyer (who yelped in pain) to tell him this was it. And the auctioneer, to much amusement asked the lawyer if he had actually said 'Mine'. 'Yes', said the lawyer, massaging his arm.

And so the *Jala Yamuna* was bought, renamed *Jag Yamuna*, and sailed as a valued addition to the fleet for the next four years.

Riding the Waves

It has been said that we live in a moment of history when change is so speeded up that we begin to see the present only as it is already disappearing. Certainly, there have been more changes in the last 60 years than in the 600 years that preceded it.

Handling the impact of change has been really critical for us—because we have had to handle all of it, all at once. As a wise man said, you can't leap a twenty foot chasm in two ten foot jumps. The challenge has also been to adjust to changing times with unchanging principles. For us, change has been encountered at every level—the environment, communication systems, technology, fleet, and of course, in the demand and supply situation.

> ...we have had to handle changes all at once. As a wise man said, you can't leap a twenty foot chasm in two ten foot jumps.

Let's start with the environment. We started out during what was called the licence raj. At that time, there was a procedure for everything, and there was a licence for every procedure. To buy or sell a ship, you had to get permission from the Directorate General of Shipping (DGS) who would then contact the Ship Acquisition Licensing Committee (SALC) in Delhi.

SALC evolved and laid down a detailed procedure that DGS was instructed to follow. Let's give you a few highlights. In the expected order of things, applications would need to be scrutinized by several important people, so it's understandable that a few extra copies would be required. SALC demanded 35! (Now this was in the days of manual typewriters, not computers and high-speed printers.) SALC then asked for projected cash flow statements—not just for the coming year...but for the next 10 years. In an industry where it is notoriously difficult to project what can happen a year from now, this was as close to asking an accountant to write fiction as you could get.

Next on the agenda was the discussion on how suitable the ship in question was for Indian coastal trade. Time to meet the Shipping Development Fund Committee (SDFC). This is where doubts were raised and queries had to be answered. Correspondence would keep piling up, time was of little consequence. To get any response, positive or negative, took months. All negotiations for the purchase of ships therefore had to have one immovable, inviolable clause—'subject to Government of India approval'. If the Indian buyer was suffering from impatience, the poor seller was in a quandary too—if ship prices went up, he was at a disadvantage, because he had committed to a lower sale price. And, should prices go down, the prospective buyer could always turn around and say sorry, the Indian Government's approval didn't come after all. Either way, the seller was at the wrong end of the bargain. To compensate for this, sellers started adding a hefty premium to the market price, just to cover the cost of possible price escalation and to compensate for time delays. So, ship-owners in India ended up paying more than their international competitors. It was an expensive price for India's nascent shipping industry to have to pay.

If there was a long procedure to buy a ship, there were strict rules before you could sell one too. You had to make a loss for three years, three consecutive years, before the Government would grant you permission. So if you made a loss in the first two years, and a small profit in the third year, you lost your eligibility—even though you could have made a really massive loss in the fourth year.

Fifty years ago, you would have been forgiven for saying that an office of Great Eastern was a little indistinguishable from a Government office—though even Government offices have changed a lot lately. Our offices were always teeming with people, desks were always full of files, bulging with applications waiting for approvals, documents waiting to be signed. On the communications front, today's snail mail would have been hailed as super fast. When speed was really critical, there were 3 types of cables you could use—the time taken varied from 4-5 hours to 24 or even 48 hours. Of course, you could also make a phone call. Only you had to book 'outstation' calls, and wait for them to come through. You had to restrict the duration of your call to 3 minutes. If you pleaded your case strongly and persuasively enough, calls could on occasion be extended by a further 3 minutes, but that was it. On the positive front, all this meant that brevity and pithiness were essential in all communication. Compare that to today's world of instant communication with its mobiles, computers, internet, emails and faxes. Today, you can talk as long as you like, as often as you want to, sometimes,

unfortunately, without worrying too much about inconvenience caused to the person at the other end of the line. Perhaps the old methods of communication did have their advantages after all. As far as our offices go, today the well-appointed Great Eastern offices would be at home anywhere in the world.

Technology has brought with it the most incredible changes to shipping. Each decade relegated the amazing marvels of the previous decade to the dusty pages of history. In the mid 1950s, for instance, we acquired our first product tanker, *Jag Jyoti*—it was India's first product tanker too. As you can imagine, it was a great day for the Company. Today, this ship, like the steam locomotive and the hand cranked motor car before it, is one of the legends of yesterday. As a matter of fact, the concept and design of the *Jag Jyoti* will soon to be housed in the Maritime Museum.

> The growth of our fleet over the years has been impressive. From a single carrier in 1948, we now have 43 cargo vessels.

When we think back of those days of yore, we feel the need to salute those magnificent men and their not so magnificent machines. The poor marine fraternity who had to work in engine rooms where the temperature hovered around 45° to 50°, coupled with high humidity levels where the heat and dust meant frequent breakdowns often right there, in the middle of the sea. Often, the navigation team had to go as much by the stars and their gut feel. Of course, the years brought many improvements. Steam engines were replaced by electrically driven ones. Air-conditioning kept men and machines happy, the engine room was cool and so were tempers. Highly sensitive navigation tools took the stress and guess work out.

And with time, we introduced many technological advances to our fleet. There were the Tween Deckers in the 50s-60s. These were multi-deck vessels specially designed to carry dry cargo. We started with 16,000 DWT carriers, and went up to 62,000 DWT by the end of the decade. These vessels carried bulk cargo—largely grain, ore, coal and fertilizer. Simultaneously, we introduced OBOs—crude tankers for the oil sector. The OBO got its name from the cargo it carried—oil, bulk (cargo like grain and coal), and ore.

The growth of our fleet over the years has been impressive. From a single carrier in 1948, we now have 43 cargo vessels. In these 60 years we have traded 200 ships, buying when prices have been low, and selling when they have been high. The total cargo carried in our first year was 152,763 MT, whilst last year, we carried a total cargo of 31,092,135 MT. Imagine, the total cargo we carried in our first year would fit comfortably in the hold of just one of our large ships today.

Our operations are global—70% of the cargo we carry is won in the face of stiff international competition. Our ships carry oil from West Africa to Peru and China; from Jamnagar to New York. We started carrying crude internationally in 1999, today it accounts for the bulk of our business. And from 5 tankers in 1955, we have 31 tankers at present. In fact today, Great Eastern is predominantly a tanker company—70% of our fleet consists of tankers. Our biggest tanker, *Jag Lalit*, the pride of our fleet, is a double hull carrier of 158,344 DWT.

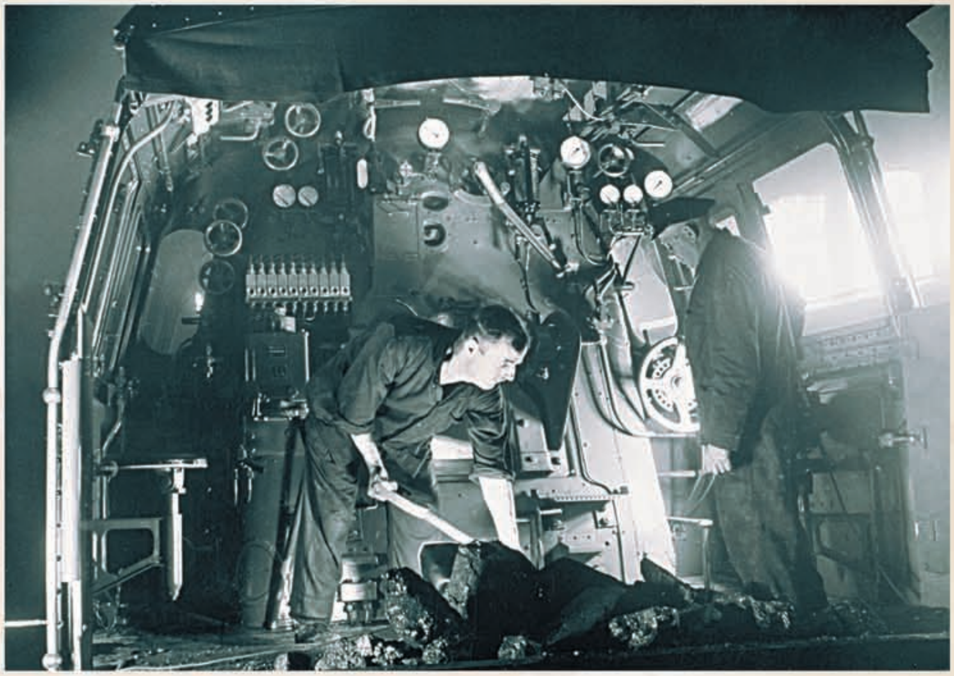
Of course, for Great Eastern, the voyage has only just begun. It's a voyage of discovery that will take us right around the world. Through it all, we know change will remain our constant companion. Innovation will follow invention. Necessity will bring its own breakthroughs. The mind will have its own frontiers to cross. Because as we know, nothing endures except change.

Shipping Then and Now: The Winds of Change

"Change is the process by which the future invades our lives, and it is important to look at it closely, not merely from the grand perspective of history, but also from the vantage point of the living, breathing individuals who experience it."- Alvin Toffler, *Future Shock*

Talk of the changes that have taken place in shipping, and what immediately comes to mind is the way ships have metamorphosed over the years. You don't have to go back to the dawn of shipping. In the last 60 years alone, change has been nothing short of dramatic. In this period, the life of the people manning ships has changed much too.

In the 40s and 50s, navigating a ship was a little like studying astronomy. Navigation was guided largely by the position of the sun at noon, and the stars after twilight. Navigating officers used a sextant to determine the angle of the sun or the stars against the horizon. When it came to measuring distance, there was the DF (Distance Finder)—an



instrument which could pick up radio signals from a fixed object (buoy), reasonably close to the ship. Lighthouses, fitted with radio signal emitting instruments, were also used as navigation aids.

Of course there was an even more unusual and unusually reliable method the captain often had to use—his sixth sense. These were times when the sky was overcast for days on end—a fairly frequent occurrence during the monsoon on the Indian coast, or when the ship hit cyclonic weather elsewhere. Around a familiar coast, many a master could determine the position of his ship simply by the colour of the seawater, trees, or even some barely visible objects ashore.

In the 40s and 50s, navigating was guided largely by the position of the sun at noon, and the stars after twilight.

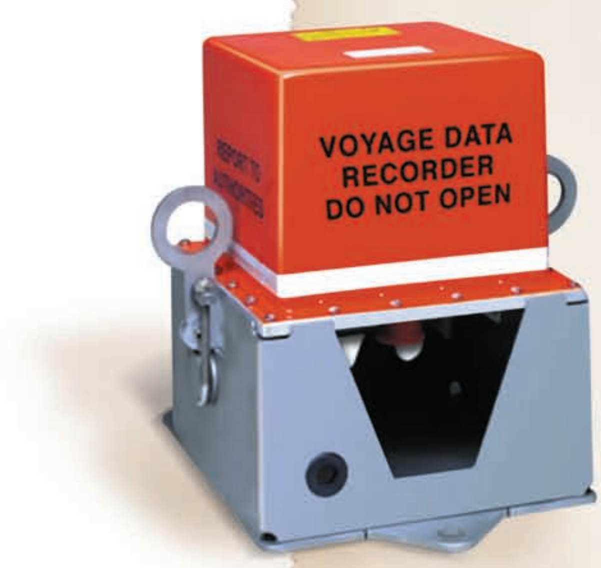
Measuring the speed of the ship could also be something of a conjuror's art. The captain would ask a member of the crew to 'stream a log' when the ship was in clear water. This was a rather primitive technique—it entailed taking a small propeller, tied to the end of a fixed length of rope, and throwing it into the sea. The movement of the ship would make the propeller rotate as it was dragged through the seas. The rotation of the cord was converted into distance by a tachometer, thus recording the speed of the ship. Today this technology and the hardware that went with it are regarded with some awe, and are treated as collector's items, understandably so.

Compare all this with the sophisticated instruments that now help our navigating officers at their job. Equipment on the bridge of the ship has been replaced by high-tech systems that make the bridge of a ship look like the control room of a space ship in a Spielberg movie. Today's SAT NAV (satellite navigator) calculates the ship's position at sea instantly, irrespective of weather conditions. Anti-collision radar systems warn of objects/ships close by. The speed of ships is also accurately measurable. Ships are equipped with VDRs (Voyage Data Recorders) which are a little like the black boxes on aircrafts. They provide valuable data on accidents and, by helping establish the cause of a disaster, are a great help in suggesting remedial measures that could be employed to avoid a recurrence.

It has been aptly said that the wind and the waves are always on the side of the ablest navigators. So is technology.

As for the ship's engineers, their life has changed dramatically as well. In the 60s, most dry/wet cargo tankers had oil-burning main propulsion engines. Consumption of fuel oils for these engines wasn't in litres, it was in tons. Ships also used steam-driven main propulsion engines and smoke boilers, with coal as fuel. This is rather similar to the old steam locomotive engines. To maintain a steady steam pressure, coal had to be shoveled continuously. It was a messy job. The man in charge of the boilers was called 'the donkey man'. He had 4 helpers —they were called firemen and stokers. Their job was to shovel coal into the boilers and take the ashes from burnt coal out of the boilers. Naturally, the engine room was a rather grimy place with blazing temperatures. Oiling the engines was quite an art. It was handled by an engineer and 'an oil man '. In fact the engineer, oilman, donkey man, fireman and stoker kept four hour vigils, twice a day, under these very trying conditions. Fortunately, fuel oil replaced coal as burning media in boilers and engine rooms, and fuel storing and handling systems became cleaner and more sophisticated.

Faced with so much stress, it was perhaps understandable that the seamen of old found one ready consolation. The bottle. Camaraderie was initiated by alcohol, which flowed freely on the ship. The drinking escapades of captains and chief engineers were the stuff great stories were made of. The wild drinking bouts carried on when the ships were in port. There was always an endless succession of girls and boys around, depending on the whims and fancies of the senior officers. The risks posed by the possibility of having highly-inebriated men in control was incalculable. Well,



that's another thing that has changed today. The International Maritime Organisation (IMO) has regulated the consumption of alcohol on ships. It's a development that has given the industry cause to cheer.

Shipping has travelled a long way from the old days. The ships of the 50s had 'drafts' (portion of ship immersed in water) of just 6-16 ft. Compare this to ships with drafts of 36-60 ft today. Naturally new ships require far more sophisticated navigation systems, more advanced instruments. Stringent specifications now ensure that ships are better equipped to handle the vagaries of the weather. New rules and regulations have done much to safeguard lives on board. Ancient cargo handling systems have been replaced by sophisticated cranes and grabs. Oil emissions, cargo safety, toxicity of paints… everything has come under strict scrutiny. The vigilance and the improvements will carry on.

Despite all the innovations however, skill will always be the critical discriminator. It has been aptly said that the wind and the waves are always on the side of the ablest navigators. So is technology.

A Thirst to be First

From the very beginning, Great Eastern has been on the leading edge. The Company has not been afraid to try out new technologies, not worried about going against the tide. Not surprisingly the Company has an impressive history of firsts to its credit. Here are some of them.

The first of the firsts

The time was 1950. It was soon after World War II. Great Eastern, barely two years old, was the first Indian shipping company to order two coastal cargo ships from Mitsubishi Shipbuilding Company, Kobe, Japan.

Meet the Tramp

Great Eastern was a pioneer in tramp shipping in India. Tramping is basically operating your fleet like a taxi on the high seas. This opened up avenues for shipping expansion, and put an end to the stagnation of Indian shipping. Initially Great Eastern

faced considerable opposition from other Indian shipping companies operating scheduled liners and charters. Ironically, today those very companies are following the same route.

Getting into Tankers

In 1956, Great Eastern acquired its first oil tanker—it was also India's first. It opened up new avenues for business. It proved so successful that the Company's tanker fleet has just kept growing. Today about 70% of Great Eastern's total fleet is oil tankers—including crude oil tankers, product tankers and liquefied petroleum gas carriers.

Great Eastern, barely two years old, was the first Indian shipping company to order two coastal cargo ships from Mitsubishi...

Affreightment...and the art of contracting a contract

In 1956, Great Eastern was the first Indian company to enter into an affreightment contract to transport 60,000 tonnes of iron ore from India to Japan. It was a contract the Company bid for, and being the most competitive, won. Then international freight market prices started falling. The Company started sub-letting its shipments and was able to honour all its contracts without berthing a single ship of its fleet. The arrangement pleased the Japanese steel mills who then kept giving the Company their annual contracts regularly, and Great Eastern became the biggest carrier of the trade.

Size Wise

In 1957, the Company built its then largest dry bulk cargo vessel—a 13,000 DWT ship, named *Jag Laxmi*. It was also India's biggest carrier. The Company capped this achievement just a year later with a 13,528 DWT dry cargo ship called *Jag Jiwan*, built by Blohm & Voss, Germany.

Repay as you Earn

In 1958, with the foreign exchange crisis, the Reserve Bank of India stopped releasing the full foreign exchange needed to buy a ship. Great Eastern was the first shipping company to take the initiative and raise a loan from a foreign bank on an innovative "repay as you earn" basis, with a limitation of 5 years. Thanks to the Company's diligence and a favourable freight market, the loan was repaid in about three and a half years.

The Pioneer of Pioneers

In 1959, the German ship building company, Blohm & Voss produced a revolutionary "pioneer" type of ship. Great Eastern was the first company in the world to opt for it. The Company thereafter ordered four more ships in India, to this design.

On a Liner

In 1962, Great Eastern was the first shipping company to start regular liner services to carry general cargo from the Pacific coast of the US and Canada to India.

Tramp-cum-Liner

Great Eastern was the first Indian shipping company to start an international tramp-cum-liner shipping service.

OBO

In 1972, Great Eastern became the first shipping company to build an OBO (ore-bulk-oil) carrier. The Company ordered 3 such vessels from Sweden.

Offshore

In 1983, it was the first company to buy offshore supply vessels.

Oil Drilling Rig

In 1987, it was the first Indian shipping company to invest in a joint venture company owning an oil drilling rig and an oil drilling barge.

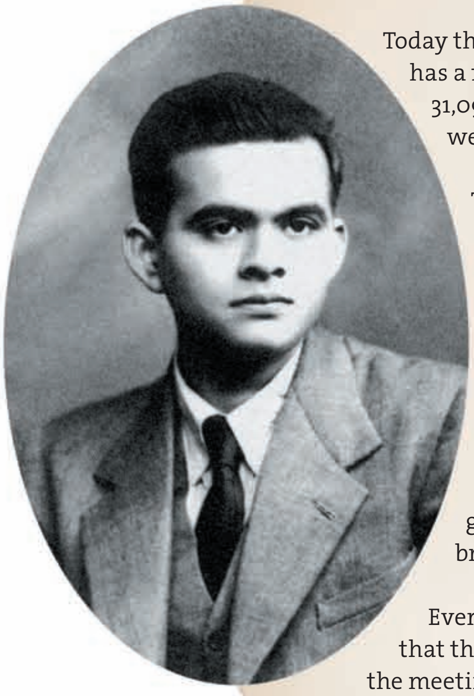
Training manpower—the ship ashore

With the growth of shipping and the development of different types of ships, the Company began to feel the need for skilled manpower. So in 1975, Great Eastern started its own training academy. It was the first private shipping company to do so. Housed on the concrete ship *Jawahar*, at Colaba, Bombay, it has trained 1585 officers. In 2004, it was shifted to Lonavla, near Mumbai.

The Man with a Visionary Zeal: Vasant Sheth

Two weeks after his death in 1992, when the Company was 45 years old, the British shipping journal "Fairplay" wrote of Vasant Sheth, Great Eastern's Chairman and Founder...

"Just once in every generation there is a formative character. Indian shipping has just lost that man. He founded the Great Eastern Shipping Company and was the first to realise the potential for bulk cargoes there. He bought the first Indian tanker, the first Indian OBO and the first clear vision that India could have a private sector shipping fleet..."

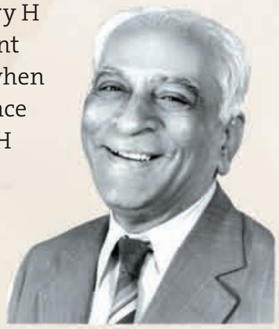


Today the Company Vasant Sheth devoted much of his life to is 60 years old. It has a fleet of 43 vessels of which 31 are tankers. In 2007-08, the fleet carried 31,092,135 MT of cargo. It continues to contribute significantly to shareholders wealth.

There was little in his early years to give anyone a hint of where Vasant Sheth was headed. In school, he had been quite disinterested in academics—to his mother's quiet despair. But that didn't worry his father too much—he had other plans for Vasant. He inducted Vasant into the family's trading business early. At 8 every morning, father and uncle would conduct their business and their lessons in business.

It was rather like an exclusive business school which sons and nephews had to attend. There was no escape. Here, they received their training in trading skills, business operations and conduct, strategy, and a basic grounding for life. Today those sessions would probably be called power breakfasts.

Every day threw up a case study and a lesson on how to deal with it. Except that the situation was not out of a textbook, it was real. And decisions taken at the meeting had very real consequences. Consequences that would impact them tomorrow, and affect their future. Like any business school, there was the occasional visit by a top-notch business consultant. He was the legendary H T Parekh, whose vision guided ICICI and whose post-retirement legacy was founding the housing finance industry in India when he started HDFC, the first and still the foremost housing finance company in India. Of course, unlike most consultants today, H T Parekh's role was entirely honorary and his presence at the meeting was as a good family friend.



Lessons at home were followed by lessons in the office, and soon it was time for Vasant to widen his area of experience further. He left for the US, sailing on the *Queen Mary*—it was a wonderful feeling. It was January 1947. Those were really heady days. India was on the brink of Independence. And amongst the Indians on the ship, the incessant conversation was of a new beginning, a glorious future and great opportunities that lay ahead. One of Vasant's co-passengers, also looking to make a new beginning for India, was I S Chopra, an IFS officer, on his way to Washington, to establish diplomatic relations with the US.

> "Just once in every generation there is a formative character. Indian shipping has just lost that man..." *Fairplay*, British Shipping Journal

Vasant and I S Chopra were soon busy conversing about India, the future, the world, and of course, Vasant's family's sugar business which they dominated and had led the family to be called the sugar kings. Then came the real surprise, the family's plans to get into shipping, and Vasant's proposed bid for one of the Liberty ships soon to be auctioned by the US Maritime Commission.

Those were young, innocent days, when everyone was happy to help. And one Indian's success was the success of every Indian. Bureaucracy wasn't synonymous with delays. It was about efficient administration and enabling people get things done. Vasant forgot the conversation. But I S Chopra did not. In his quiet, unassuming manner he started talking to his contacts in Washington to get Vasant the support he needed.

Vasant had learned early that you either have the know-how...or you know how to get it. He had no knowledge of law, so he built up his defences with a lawyer. He knew nothing about ships, so he got himself a technical consultant. On 9th April 1948, news reached Vasant Sheth that they were successful. It was a telegram from I S Chopra. The ship had been allotted. Vasant now had a ship, what he needed was a company. The Great Eastern Shipping Company came into being. The founder director of the company was Vasant Sheth. He was in charge of management. He was 21 years old.

All the early learning had paid off and Vasant's father was pleased. Today people tend to confuse learning with degrees, intelligence with examinations, cramming with knowledge. Vasant Sheth didn't have a degree—but this did not prevent him from being a keen learner all his life, nor did it come in the way of a brilliantly successful career. At 50, he enrolled at Harvard. He was still learning.

In the early years of a business, it's seldom business as usual. The company is like a baby, taking its first hesitant steps, struggling, occasionally succeeding, making frequent distress calls, but sustained by its determination, it just gets up and carries on regardless. And then, of course, comes the thrill of the final triumph. It was rather like that with Great Eastern.

The first learning experience was with the crew. The London agents managing Great Eastern's first ship recruited a multi-racial crew that soon proved to be highly-undisciplined. The situation had become extremely volatile. There was a distinct possibility of mutiny on board. The bearded English captain, a seasoned veteran who had sailed the world many times, threw up his hands and declared there was no way he could accept responsibility, these men were way beyond control. Young Vasant Sheth seized the situation. He firmly believed that management meant standing up to one's responsibilities, and if a situation was volatile, the responsibility was with the head, in this case the captain. He told the captain it was up to him to manage the ship...or leave. However, should the captain stay, he promised he would personally help replace the undesirable elements. Vasant immediately transferred the management of the ship from the firm's London agents to Bombay and took over charge. Except for a few British officers, the rest of the crew was repatriated and replaced.

It was a tough lesson the company learned, and an expensive one too. Due to labour unrest, the ship was idle for almost a year. Losses mounted to almost Rs 20 lakhs. That was the entire share capital of the small company. When that happens, technically speaking, you're bankrupt. But the company weathered the storm without caving in. As far as the financial crisis looming over the company, the tides of shipping suddenly changed. With the Korean War, freight prices zoomed and for Great Eastern, the good times had started to roll.

Vasant proved his business acumen early. With him at the helm, the company was doing extremely well. It was time Vasant felt, to discuss a rather delicate matter with his father. He felt he deserved a raise. This was not a surprising request considering that Vasant was earning just Rs 500 a month. It was a rather modest salary, even for the times. Vasant's father, Jagjiwan thought otherwise. He looked at this tall, lanky son, towering over him, and told him he was quite astonished by his request. This proposed raise would come at a cost to the company and its shareholders, and that was clearly not acceptable. The subject was quickly dropped and life went on as usual.

In those early days of business, the concept of the corporation as an entity distinct from its principal owners and managers was just about to emerge. The tight distinction needed between the interest of the company and that of the individual was frequently blurred. And it was common among business families to see companies as extensions of themselves. Today in some ways we are back to the beginning. It's an age of golden parachutes and handshakes, with employees being rewarded with handsome bonuses.

Vasant, of course, had plenty of things to think about—like the problems thrown up on one humid day in June. It was one of those typical monsoon days in Bombay. The rains battered the city. The dark, gloomy weather outside reflected the mood in Vasant's office. He had just finished a tough meeting with Dennis Storey, an Anglo-Indian engineer, who was technical head of Great Eastern. They had been discussing the problem of handling technical problems for over an hour. As Dennis put it, there was no point finding solutions on home ground. Solutions had to be found where the problem was—and that, more often than not, was on the high seas. What they had to find were technical people of the highest calibre, there was just no other way. The meeting ended inconclusively, but it left Vasant deep in thought. His next meeting with Mr Pardiwala, head

of personnel, was no better. Mr Pardiwala too felt the critical need for the company was to recruit people of the highest quality. But where could one find them? Before Vasant could come up with the philosophical reply that when you find the best you've got to be able to afford paying them the best, Pardiwala, who was also a Chartered Accountant, quickly pointed out how expensive the wrong people could be for the company. That was something Vasant could never forget—it had almost brought the company down before it had even taken off.

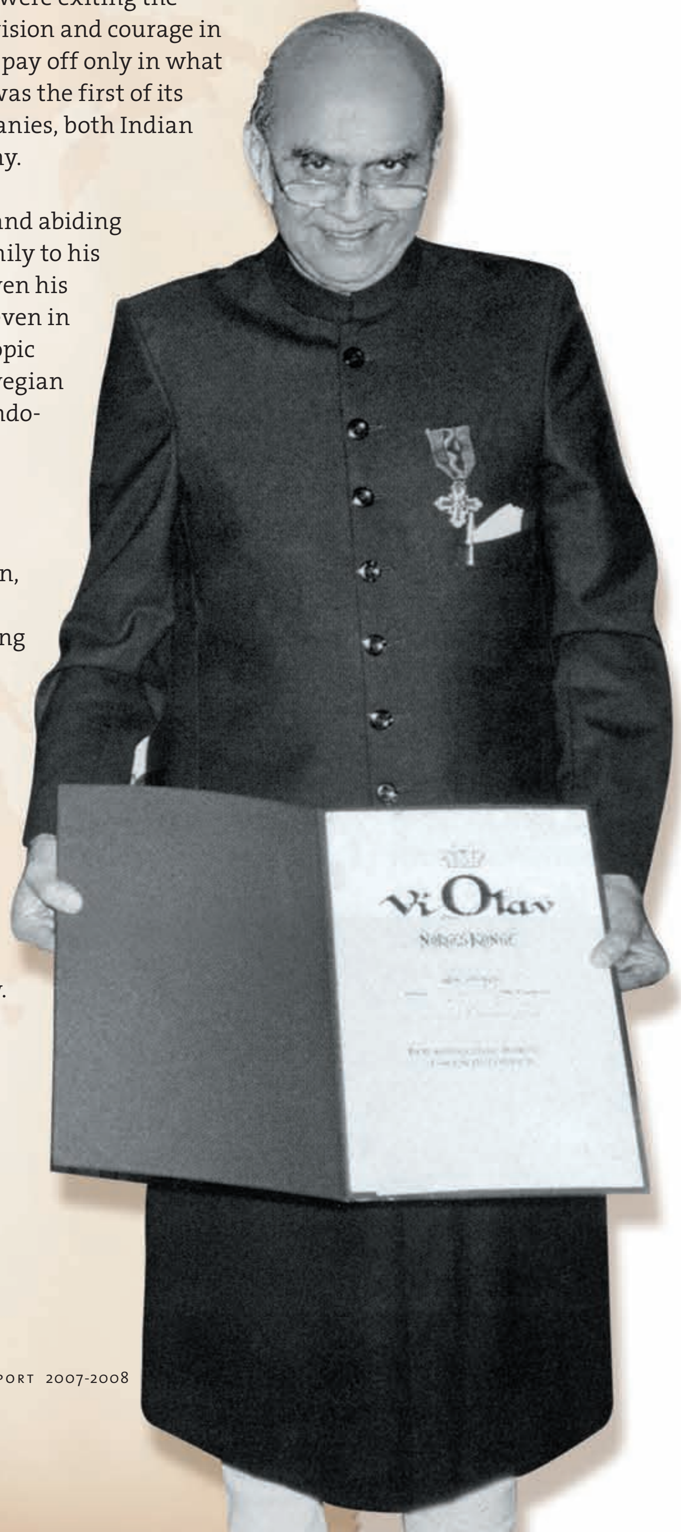
It was then that Vasant's idea of starting an Academy for maritime training took root. He believed that if India was to become a maritime nation, the need for trained manpower was crucial. The Academy came into being in 1975. It was the years just after the oil shock. Ship owners were selling their ships, some were exiting the business and others were declaring bankruptcy. It took great vision and courage in such times to make an investment, an investment that would pay off only in what would have seemed then a very distant future. The academy was the first of its kind in India, and was so successful that other shipping companies, both Indian and foreign, requested their cadets to be trained at our academy.

One of Vasant's great qualities was his ability to form strong and abiding relationships with people everywhere. From his close-knit family to his peers in the shipping community, his employees, suppliers...even his competitors. He had so many close friends all over the world, even in the closed circle of Norwegian shipping, where shipping is a topic for discussion all day, every day. He was knighted by the Norwegian Government for his contribution to shipping and promoting Indo-Norwegian relations.

His English friend, Peter Talbot Willcox, talks of Vasant as a rare companion, recalling how Vasant introduced him to Krishnamurthi at Varanasi, to a Buddhist sage living in London, an Australian poet living in Kyoto. He helped him discover miniature paintings at a university, the beauty of early morning countryside when the sun had risen no more than a few degrees above the horizon.

He recognised the importance of a few words said at the right time, and enjoyed expressing these as notes and letters. There was always something so transparently genuine about what he did. That's what made him such an engaging friend and, perhaps, such a successful ship owner.

For Vasant, there was no question of putting things off for a distant tomorrow. He believed there was just no time like now. Perhaps, as his nephew Sudhir Mulji observed, having lost so many close relatives to heart disease before they reached 65, he believed he may have inherited some flawed genetic code. He had his first heart attack when he was 45. Yet, as Sudhir observed, the last twenty years of his life, after his first heart attack, saw the very best of Vasant. He had this wonderful awareness of being alive.

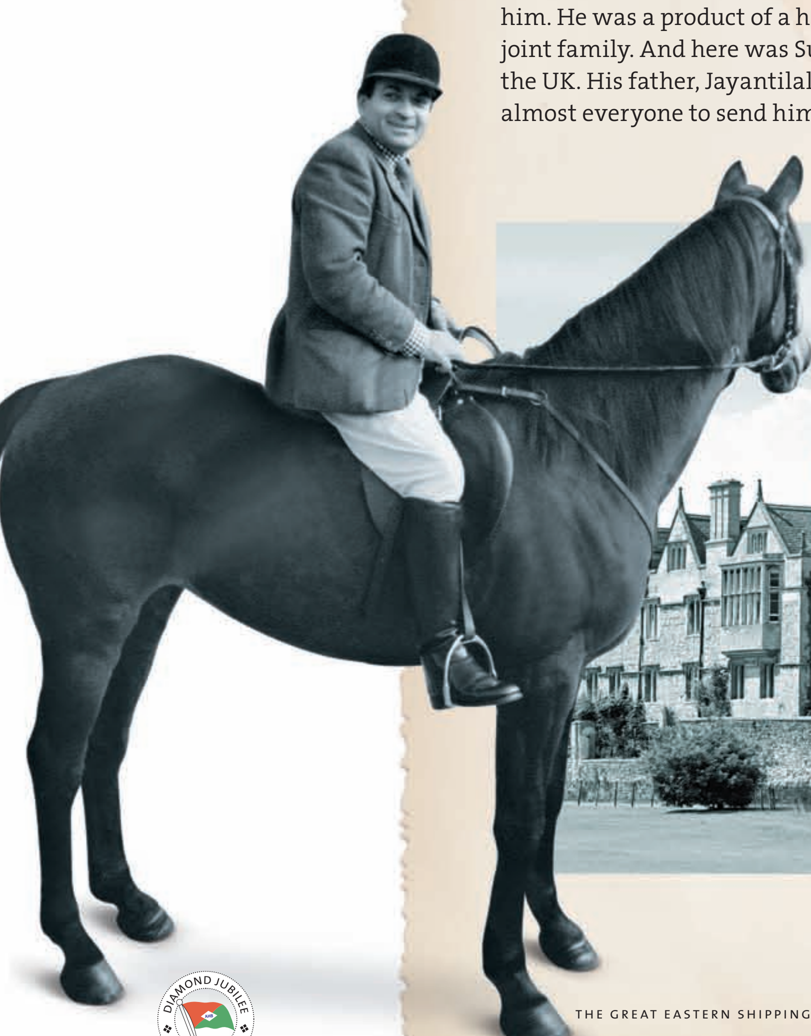


The Brilliant Contrarian: Sudhir Mulji

Sudhir Mulji was a man of many contradictions... amazingly, all of them equally true of him. He was a renowned economist...and also a highly-successful entrepreneur.

He was an intellectual...but he loved being with people. He could be fiercely argumentative...but he was always sensitive to the other person's point of view. He loved books...and sports in equal measure. He was a journalist...yes, but in business he displayed sharp skills as a great negotiator too. Sudhir was also an unusual product of East and West. In him the twain had met happily, finally disproving any theory to the contrary.

Contradiction entered Sudhir's life early, perhaps that's why it sat so comfortably with him. He was a product of a highly-conservative environment—a traditional Indian joint family. And here was Sudhir, at the young age of 11 sent to a boarding school in the UK. His father, Jayantilal, had to overcome considerable opposition from almost everyone to send him so far away from home. His grandfather,



Jagjivandas Mulji, was particularly dismayed, and agreed only reluctantly and after much persuasion. Sudhir studied at Claremont and Charterhouse and then went on to Oxford. When he returned to India, his father asked Sudhir to join him at the Bhopal Sugar Industries, which he dutifully did. But he found the running of a sugar company too uneventful for him. He craved for bigger challenges, so he was moved to shipping, where his interest lay, and very soon he began to demonstrate his abilities.

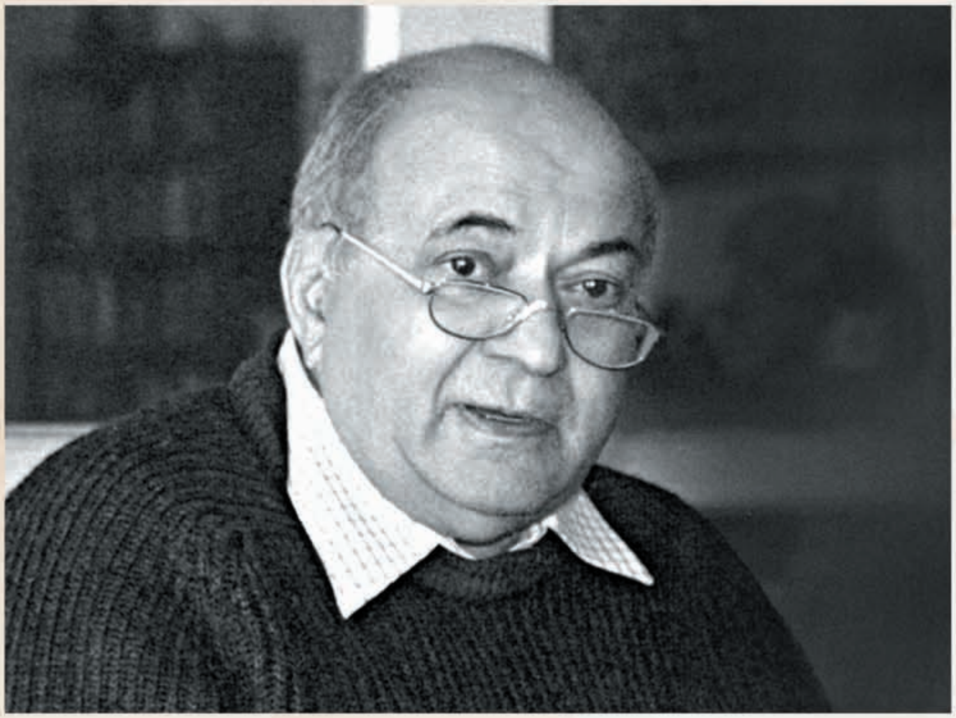
Sudhir Mulji's career with Great Eastern goes back to 1960, when he joined the family business, but not as the pampered son of the family, with an impressive Masters in Economics from Oxford. He started as any bright young graduate would, as an Executive Trainee eager to learn the ropes of the business. From there, he moved up, becoming a manager with the Company, rising to the position of Joint Managing Director, a post he held from 1974 -1979.

Contradiction entered Sudhir's life early, perhaps that's why it sat so comfortably with him.

One of Sudhir's most important contributions was the setting up of the London office of Great Eastern. At that time, London was the maritime centre of the world. It was where the action was—for purchase and sale of ships, chartering, shipping finance, marine insurance ... everything. The London office enabled ship-owners to keep abreast of important developments, to judge market trends, and to increase efficiency. There was yet another compelling reason for Great Eastern opening its London office. With the onset of the depression, the tanker and OBO markets were most adversely affected. The supply of ships far exceeded demand, and shippers and charterers were in a position to really dictate terms to ship-owners. London was where the negotiations took place, so the Company's presence here was critical. For an Indian shipping company, perhaps the most important advantage of all was that the London office provided a way for the Company to participate in the international markets without the constraints of Indian government controls, procedures and regulations. The opening of Great Eastern's London office helped the Company weather the difficult depression years. And it was Sudhir, with his excellent contacts and his great abilities as a negotiator who really helped the Company ride the waves. Sudhir started the London arm of Great Eastern in 1980, and was the CEO of the Company from 1980-85. He was deputy Chairman of Great Eastern from 1992 onwards.

Sudhir Mulji lived out his belief that it was not about winning or losing, but how you played the game. What he appreciated most of all was exercising the intellect, and the ultimate compliment he could pay anyone was to say the person has a great mind. He never took anything at face value, always ready to delve a little deeper. As it has been said, a prudent question is half of wisdom. He could be the guiding spirit for those around him, and his competence in day-to-day functioning and strategic planning greatly helped everyone.

His was a rare ability to strip things of detail and reduce them to essential principles. Sudhir could explain the complex world of shipping in a few succinct sentences. Think of a ship, he would say, as just a metal box with cargo. Now, how will it deliver that cargo most efficiently? Where would the costs accrue? How would it earn the maximum? And how would you ensure that it serves a long life? For someone whose grew up with shipping in his blood, who could be really passionate about it, he could be quite cool and analytical when the occasion demanded it.

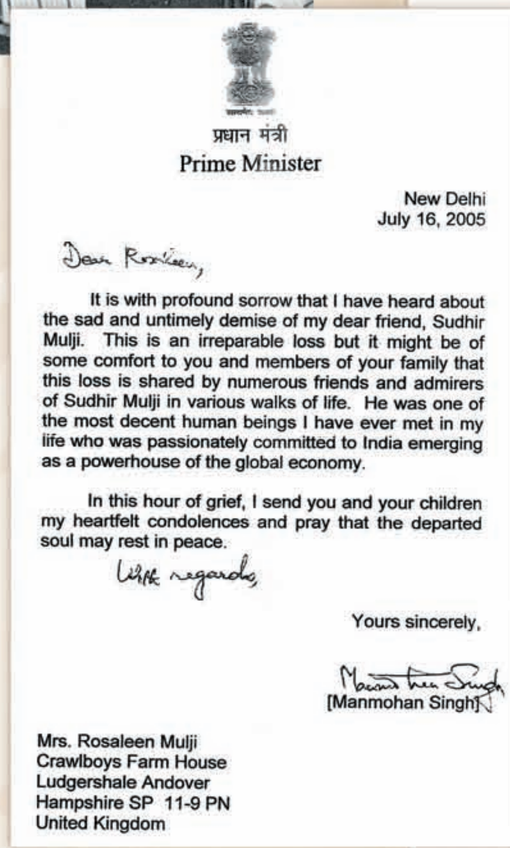


Sudhir was a brilliant Keynesian economist. He played host to many eminent economists, sometimes startling them by quoting detailed passages verbatim from some obscure corners of their work. He has described as a perennial student of economics who read widely, thought deeply and argued passionately. He knew about crunching numbers and was someone whose voice was equally respected in government circles too. He was always a champion of liberalization and free-market policies in India.

He was described as a 'cultural chameleon' as he blended so perfectly with his surroundings whether in India or in England.

A man of strong opinions, Sudhir Mulji enjoyed nothing more than a healthy debate whether verbal or on paper. Despite his many commitments, he allowed himself to be persuaded to write a regular provocative column in the Business Standard, because he realized the therapeutic advantage of expressing his strongly held opinions. This column, sometimes constructed in the form of a dialogue between Akbar and Birbal, proved to be very popular. Of course the reason for its success was the fact that he really knew his subject. He had discovered that the best way to win an argument is to start by being right.

Sudhir was a real gourmet. He enjoyed playing host to a wide circle of friends. He would invite his guests to some of the finest restaurants in London. He introduced many to Japanese food at a time when London had barely one shushi restaurant to boast of. His knowledge of food, like his knowledge of any subject that interested him, was phenomenal. The maitre d's could sense that trouble had just walked through the door, but that this was going to be an experience to look forward to, for both Sudhir's guests and them alike. When he was in India, he knew where to get just the meal he wanted. He would sit down and with anticipated relish wait for the maharaj to serve him a traditional Gujarati meal on a gleaming silver thali, relishing everything from the farsan to the meeetha. It was the food of his childhood which he once yearned for when he first went to the UK as a child.



प्रधान मंत्री
Prime Minister

New Delhi
July 16, 2005

Dear Rosaleen,

It is with profound sorrow that I have heard about the sad and untimely demise of my dear friend, Sudhir Mulji. This is an irreparable loss but it might be of some comfort to you and members of your family that this loss is shared by numerous friends and admirers of Sudhir Mulji in various walks of life. He was one of the most decent human beings I have ever met in my life who was passionately committed to India emerging as a powerhouse of the global economy.

In this hour of grief, I send you and your children my heartfelt condolences and pray that the departed soul may rest in peace.

With regards,

Yours sincerely,

[Manmohan Singh]

Mrs. Rosaleen Mulji
Crawlboys Farm House
Ludgershale Andover
Hampshire SP 11-9 PN
United Kingdom

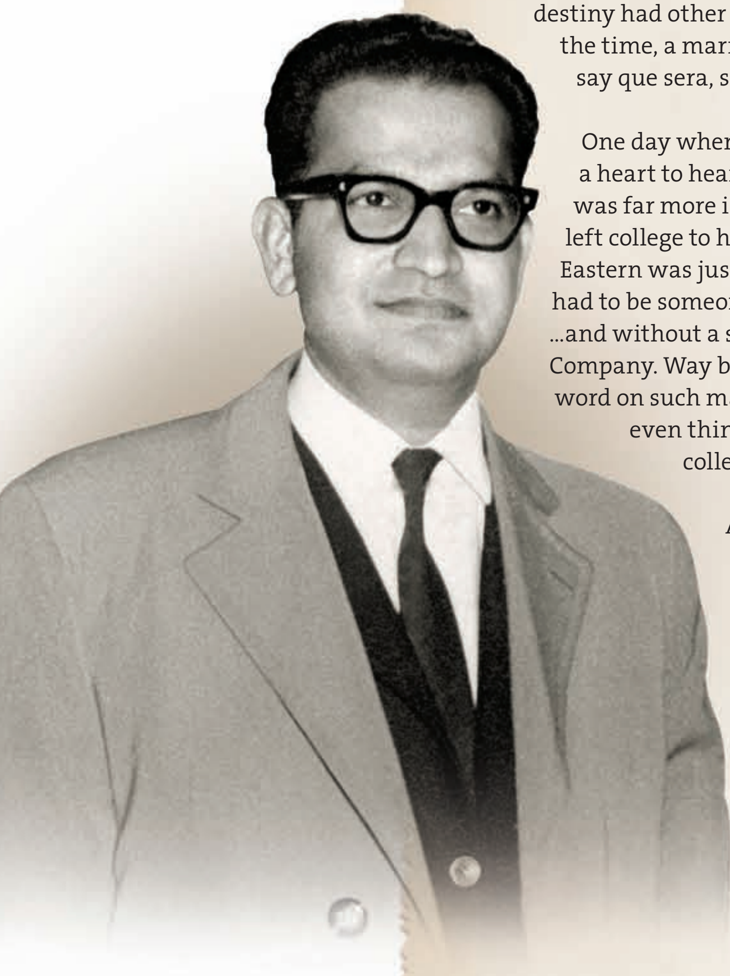
Sudhir has been rather aptly and colourfully described as a 'cultural chameleon' because he blended so perfectly with his surroundings whether he was in India or in England. He was a voracious reader and a great conversationalist too. Kanu Sheth, while highly appreciative of Sudhir's powerful pen, says that what he misses most of all is his friendly informal chats with Sudhir over a cup of coffee. On his passing away, the Prime Minister of India, Dr Manmohan Singh, sent a personal note of condolence to his wife lamenting the sad and untimely death of a very dear friend.

The Chairman reminisces: Kanu Sheth

Today, as I write these lines to you, I look back a little nostalgically over my years with Great Eastern. It's been a long association going back 57 years, and a truly extraordinary one.

Memories keep flooding back—where do I begin? Over the years, I have weathered many a storm, risen to many a challenge. I have had some happy surprises, and yes, seen a few rather tense moments.

To think that I once had dreams of becoming an airline pilot—in fact I had already started flying lessons and even cleared my first exam. But fate clipped my wings, destiny had other plans for me. I was a student in Mumbai's Sydenham College at the time, a maritime career was something I hadn't even thought of. But as they say que sera, sera, what will be, will be.



One day when I got back from college, my uncle, Vasant's father, called me for a heart to heart talk. I knew both he and my father believed practical training was far more important in life than book learning. Now they felt it was time I left college to help my cousin Vasant run the family business. At the time, Great Eastern was just three years old, and Vasant needed someone to assist him. It had to be someone from the family—who else would work with total dedication ...and without a salary. So they decided that I should leave college and join the Company. Way back then, it was the elders in the family who always had the last word on such matters. (How different things are today.) There was no question of even thinking of disobeying them. So without hesitation, I left my carefree college world behind and started working at Great Eastern.

As soon as I joined the Company, I was deputed to fly to Japan, to learn the business and to supervise the construction of two ships the Company had ordered from Mitsubishi Shipbuilding Company in Kobe. In those days, there were no jet planes. I left Bombay on a DC3 Dakota and reached Japan after nearly 24 hours.

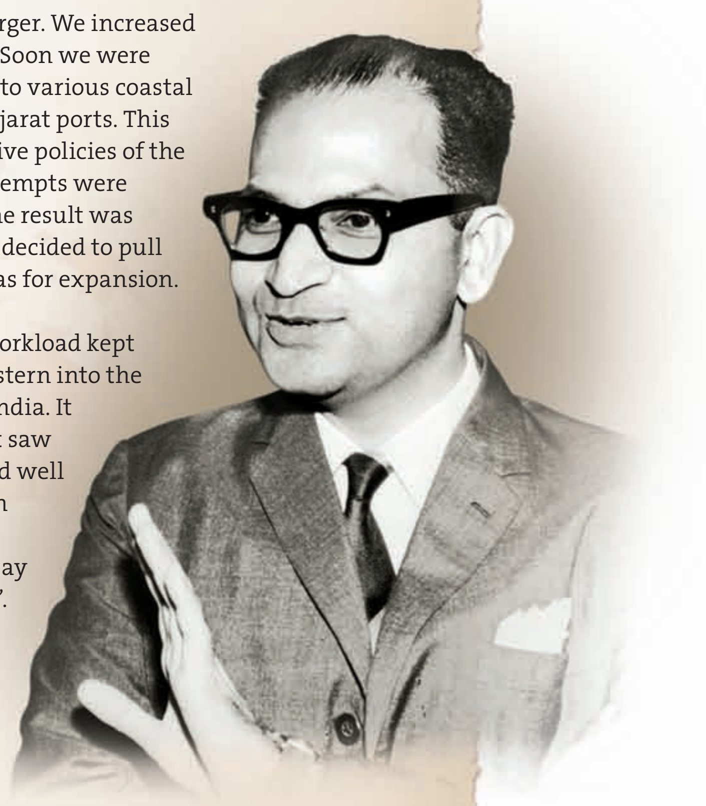
Two happy things were in store for me. The first was my meeting with Ichiro Kimura, Managing Director of Yamashita Steamship Co., the company's agents in Japan. Mr Kimura treated me almost like a son—perhaps because he had no children of his own. The second was that in Kobe I was to stay in an Indian home, with good friends of the family. So not only was I very comfortable, I got authentic Indian vegetarian food, not easy to get in Japan at the time.

Japan was a very different place from the high-tech, glitzy country I now visit. It was after World War II, the ravages of war were everywhere. There were long queues and acute shortages. Everything was rationed—from tea and coffee to petrol. In fact most cars ran on rechargeable batteries, the maximum speed was 35 km per hour. Like every foreigner, I too needed a ration book, and got one immediately on arrival. Interestingly, I have that ration book with me till today—and it's my Japanese friends who are most amazed to see it.

For two months, I donned my boiler suit and went to the Japanese shipyard, day after day, to see how a ship was built. I established such a good relationship with the senior managers that when I returned home I had won the Yamashita agency for India. It was my first great achievement.

On my return from Japan, I got down to work at Great Eastern's Apollo Street office in Bombay. In those early days, my cousin Vasant and I sat across a table, discussing the issues that came up every day. At that time, our fleet was small and we had a lot of time at our disposal, so I could go into everything in minute detail. Gradually I got to understand the intricacies of the shipping business. Initially, I was in charge of preparing bills of lading and manifests, arranging and collecting crew permits, booking trunk calls to coastal agents and booking cargo for ships. It helped me learn about the planning of ship movements along the Indian coast. It was an excellent training ground for me.

With time, our ambitions and our business grew larger. We increased the size of our fleet and the capacity of our vessels. Soon we were playing a major role in carrying coal from Calcutta to various coastal destinations, and returning with bulk salt from Gujarat ports. This went on for some years, until we found the restrictive policies of the Government a little too frustrating. Some small attempts were made by the authorities, but little was achieved. The result was that slowly the coastal fleet started dwindling. We decided to pull our fleet out from the Indian coast and look overseas for expansion.



Over the years, our fleet kept expanding and our workload kept growing. I had this great ambition to turn Great Eastern into the biggest shipping company in the private sector in India. It was a goal I worked towards, day and night. Vasant saw this, and appreciated my determination. We worked well together, and a strong bond had developed between us. Whenever I complained about the unnecessary bureaucratic hurdles Vasant would just smile and say remember, 'Tough times don't last, tough people do'.

For me, duty and responsibility have always been prime motivators. Often, especially when I was personally involved in negotiations for an oil tanker, I would work right through the night, sometimes for 24 hours at a stretch. In 1970, when negotiating ship building contracts with Hindustan Shipyard Ltd., for instance, my chief technical superintendent and I worked without sleep, for 3 nights and 4 days. In those days, there were no modern gadgets, we had to do everything manually. Also, professional managers hadn't yet found their place in shipping. I used to personally negotiate shipbuilding contracts, sale and purchase documents for ships, charter parties, loan agreements with banks, agreements with labour unions, etc. Every document had to be painstakingly prepared and meticulously scrutinized by me. Today, for almost everything, there's an army of professionals at work.

Unfortunately Vasant passed away, at a comparatively young age. The Board of Directors then asked me to take charge. I am pleased to say that I have been able to justify their confidence in me. I have been able to carry on the high tradition set by my predecessor.

We have been fortunate in having the loyalty and commitment of our employees. Great Eastern has always enjoyed the strong support of its shareholders, even during the depression, when the Company could not declare a dividend. The Company is sincerely committed to living up to this confidence. Great Eastern now has a very strong footing, and it is a matter of great personal satisfaction for me to know that one day when I bow out, it will continue to grow from strength to strength and will continue to prosper.

I am confident that the firm foundation that has been laid will stand the Company in good stead. It has been said if you want to go far in business, you've got to stay close to it. I believe in that. Implicitly. Great Eastern's success has been in large measure due to the fact that we have had our operations under tight control. We've kept our watch. On quality, technical innovation, skilled manpower, financial controls...everything.

Equally important, we have had our grand vision for the Company, to help us chart our course. And today as we stand on the threshold of a brave new world, we need that vision more than ever, we need to dream. But we need to remember...

A dream is not what you see in your sleep, it is what does not let you sleep.

Investment in Great Eastern *vs.* Gold

Great Eastern Shipping has created immense wealth for its shareholders. And in our sixtieth year we benchmark wealth created through investments in Great Eastern shares, against Gold, an asset that has been an age old favourite with investors.

A note on the methodology

Any such comparison can only be made with some underlying assumptions. Our assumptions are:

1 The investment was first made in Great Eastern in 1948.

2 All subsequent Rights and Bond Issues have been subscribed to, and in full extent of the entitlement.

3 All shares are still held and no divestments have been made. This includes shares in companies that were de-merged from Great Eastern Shipping.

4 To calculate wealth created by investments in Great Eastern, we have taken the value of Great Eastern shares as on March 31, 2008 as well as proportionate holdings in companies de-merged from Great Eastern Shipping.

5 To measure appreciation through investments in Gold, we have assumed that an equivalent amount was invested in Gold and in Great Eastern equity at the same time.

The tables below and on the opposite page, detail the extent of the investments, the current value of the investments, dates on which we assumed the investments were made and price of gold during the same period.

Current Value of Investment in Great Eastern

CAPITAL APPRECIATION	NO. OF SHARES	RATE PER SHARE (31.03.2008)	AMOUNT (RS.)
Shares of Great Eastern Shipping	38,708	375	1,45,15,500
Shares of Gesco Corp†	5,376	413	22,20,288
Shares of Great Offshore	9,676	637	61,63,612
Total	53,760		2,28,99,400
Add: Dividend paid by the Company			39,96,730
Less: Amount Invested			4,44,100
Wealth Created as on March 31, 2008			**2,64,52,030**

† now Mahindra Lifespace Developers Ltd

Current Value of Investment in Gold

GOLD QUANTITY	RATE CALCULATION	AMOUNT (RS.)
68 ounces	Gold price $935. $ rate Rs.40.12	25,50,830
Less: Amount Invested		4,44,100
Wealth Created as on March 31, 2008		**21,06,730**


CERTIFICATE NO. 2403

SHARE CERTIFICATE

NO. OF SHARES 100

REGISTER FOLIO 1

The GREAT EASTERN SHIPPING Co. Ltd.

AUTHORISED CAPITAL RS.100,00,000.
DIVIDED INTO 10,00,000 ORDINARY SHARES OF RS.10 EACH.

This is to Certify that SHREE CHANGDEO SUGAR MILLS LTD. of BOMBAY is the Registered Holder of 100 Ordinary Shares of Rupees Ten each being fully paid Numbered 15101 to 15200 both inclusive in the above named Company, subject to the conditions and regulations of the MEMORANDUM AND ARTICLES OF ASSOCIATION of the Company.
Given under the Common Seal of the Company.
Dated this 20th day of November 1948.

DIRECTOR.

FOR A.H. BHIWANDIWALLA & CO. (BOMBAY) LTD.

DIRECTOR,
MANAGING AGENTS.

Appreciation of Capital Investment in Great Eastern Shares

PARTICULARS	YEAR	ALLOTMENT DATE	NO. OF SHARES	CUMULATIVE SHARES	AMOUNT INVESTED (RS)	GOLD QTY (OUNCE)
Assumed Original Purchase	1948		50	50	500	3.20
Bonus Issue - 1952 (1:2)	1952	March 17	25	75	-	
Rights Issue - 1953 (2:3)	1952	November 28	50	125	500	3.01
Bonus Issue - 1956 (1:5)	1956	January 23	25	150	-	
Rights Issue - 1957 (1:1)	1957	January 23	150	300	1,500	9.02
Bonus Issue - 1964 (1:4)	1964	March 28	75	375	-	
Bonus Issue - 1966 (1:5)	1966	March 31	75	450	-	
Bonus Issue - 1968 (1:3)	1968	March 19	150	600	-	
Bonus Issue - 1970 (1:1)	1970	February 26	600	1,200	-	
Bonus Issue - 1974 (1:1)	1974	March 21	1,200	2,400	-	
Bonus Issue - 1977 (3:5)	1977	July 28	1,440	3,840	-	
Bonus Issue - 1982 (2:3)	1981	December 22	2,560	6,400	-	
Bond Conversion	1985	September 1	3,200	9,600	32,000	11.88
Rights Issue - 1987 (2:3)	1987	March 10	6,400	16,000	64,000	11.19
Bonus Issue - 1991 (1:5)	1991	June 28	3,200	19,200	-	
Rights Issue - 1992 (1:1)	1993	February 25	19,200	38,400	1,92,000	16.99
Rights Issue - 1994 (2:5)	1994	June 16	15,360	53,760	1,53,600	12.72
1st Demerger Real Estate Division (90:10)	2000	March 21	(5,376)	48,384	-	
2nd Demerger Offshore Division (80:20)	2006	November 16	(9,676)	38,708	-	
Total holding as on March 31, 2008			**38,708**		**4,44,100**	**68**

The information contained in this section of the Annual Report has been compiled solely for the purpose of providing general historical background information about the Company and certain key people associated with it. It is based on various published/unpublished documents and reminiscences of certain persons. Whilst all reasonable steps have been taken to ensure the accuracy of the information, the Company and concerned persons accept no responsibility or liability for any inaccuracies, omissions or incompleteness. The Company assumes no obligation whatsoever to modify or revise or update the information. The information neither constitutes nor shall be taken to constitute an invitation or inducement to invest either in the Company or its associate undertakings and must not be relied upon in any way in connection with any investment decision.

Directors on Board since Inception

	Name of Director	Appointment Date	Cessation Date
1	Ardeshir Hormusji Bhiwandiwalla	03-08-1948	18-10-1973
2	F.H. Mehta	03-08-1948	expired on 20-04-1954
3	Manmohandas Madhavdas Amersey	03-08-1948	expired on 14-11-1958
4	Navinchandra Mafatlal	03-08-1948	expired on 15-09-1955
5	Madanmohan R. Ruia	03-08-1948	expired on 10-05-1989
6	Pratapsinh Mathuradas Vissanji	03-08-1948	21-01-1980
7	Behramgore Hormusji Bhiwandiwalla	03-08-1948	expired on 27-03-1981
8	Jayantilal Narbheram Parekh	03-08-1948	11-10-1949
9	Sukhlal Mansukhlal Mehta	03-08-1948	11-10-1949
10	Maneklal Ujamshi	03-08-1948	expired on 22-04-1959
11	Vasant Jagjiwan Sheth	03-08-1948	expired on 13-05-1992
12	Ishwarlal Chunilal Parekh	11-10-1949	14-04-1950
13	P.R. Subramanian	28-09-1956	19-06-1959
14	Madanmohan Mangaldas	16-04-1959	12-06-1976
15	Mohamed Hussein Hasham Premji	16-04-1959	expired on 11-08-1966
16	L.T. Gholap	16-07-1959	29-04-1960
17	Jayantilal Jagjiwan Mulji	30-12-1959	expired on 16-04-1974
18	R.G. Abbhi	02-06-1961	31-05-1963
19	T.S. Parasuraman	31-05-1963	31-05-1964
20	Yeshwant N. Sukthankar	29-04-1965	10-11-1967
21	Prabodh Chandra Bhattacharyya	10-11-1967	23-03-1971
22	S. Rajagopalan	25-03-1970	07-10-1971
23	Kanaiyalal M. Sheth	03-04-1970	currently serving
24	Anand Kumar Srivastava	02-09-1971	16-12-1980
25	Narsingh Dev Bhatia	29-06-1972	29-03-1975
26	Sanat P. Mehta	27-06-1974	expired on 02-03-1990
27	Rusi N. Sethna	27-06-1974	currently serving

	Name of Director	Appointment Date	Cessation Date
28	Sevantilal M. Sheth	27-06-1974	22-12-1976
29	Sudhir J. Mulji	27-06-1974	expired on 15-07-2005
30	Arvind Raghunath Khare	24-07-1975	12-07-1977
31	Calambhur Srinivasan	28-07-1977	01-02-1982
32	Sarukkai Jagannathan	30-06-1977	expired on 01-11-1996
33	Shrinivasan Sathyamoorthy	16-12-1980	31-03-1982
34	Darbari S. Seth	22-12-1981	17-11-1997
35	Anil Vaish	30-06-1982	13-06-1986
36	Girish Chandra Kudaisya	30-06-1982	26-06-1987
37	Dr. Nandlal P. Tolani	04-09-1984	02-05-1986
38	Bhupendranath Vidyanath Bhargava	05-08-1987	25-04-1991
39	Ghanshyam S. Sheth	09-05-1989	28-04-2000
40	Khushrooh P. Byramjee	29-06-1989	expired on 24-12-2002
41	Arvind K. Parikh	29-06-1989	25-06-2004
42	Vijay K. Sheth	01-07-1989	16-10-2006
43	Bharat K. Sheth	01-07-1989	currently serving
44	V. Mahadevan	23-01-1991	20-07-1992
45	C. Chandrasekhar	25-04-1991	22-02-1993
46	Asha V. Sheth	17-06-1992	currently serving
47	T.N. Pandey	06-10-1992	18-12-2006
48	Manu R. Shroff	07-10-1992	expired on 29-01-2007
49	M.J. Subbaiah	04-05-2001	31-01-2002
50	Cyrus Guzder	14-03-2003	currently serving
51	Keki Mistry	14-03-2003	currently serving
52	Vineet Nayyar	24-03-2004	currently serving
53	Ravi K. Sheth	30-01-2006	currently serving
54	Berjis Desai	27-10-2006	currently serving

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
Ravi K. Sheth EXECUTIVE DIRECTOR

STATUTORY COMMITTEES

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

Jayesh M. Trivedi COMPANY SECRETARY

REGISTERED OFFICE	SHARE TRANSFER AGENTS	AUDITORS
Ocean House	Sharepro Services (India) Pvt. Ltd	Kalyaniwalla & Mistry
134/A, Dr. Annie Besant Road	3rd floor, Satam Estate	Kalpataru Heritage
Worli	Above Bank of Baroda	127, Mahatma Gandhi Road
Mumbai 400 018	Cardinal Gracious Road	Mumbai 400 001
	Chakala, Andheri (E)	
	Mumbai 400 099	

(standing left to right): Keki Mistry, Ravi K. Sheth, Vineet Nayyar, Bharat K. Sheth, Cyrus Guzder, Berjis Desai
(seated left to right): R. N. Sethna, K. M. Sheth, Asha V. Sheth

The Year at a Glance

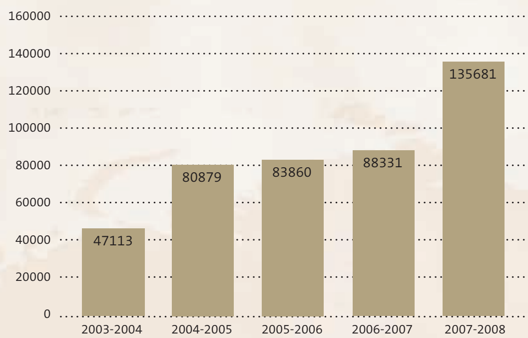
	MARCH 31, 2008		MARCH 31, 2007	
	RS (IN LAKHS)	**US$ (IN MILLIONS)**	RS (IN LAKHS)	US$ (IN MILLIONS)
	(EXCEPT FOR EARNINGS & CASH EARNINGS PER SHARE)			
For the year				
Total Revenue	**320351**	**793**	225110	497
Operating Profit (PBIDT)	**189316**	**469**	128233	283
Net Profit	**135681**	**336**	88331	195
Cash Profit	**169776**	**420**	114857	254
PBIDT as a percentage of total revenue	**59.10**	**59.10**	56.96	56.96
Return on Equity (%)	**37.47**	**37.47**	32.39	32.39
Earnings per share (Rs./US$)	**89.11**	**2.21**	58.01	1.28
Cash earnings per share (Rs./US$)	**111.50**	**2.76**	75.43	1.67
Dividend amount	**26723**	**66**	20171	45
(Including tax on dividend)				
Capital Investment	**154418**	**382**	130385	288
At the end of the year				
Total assets	**711636**	**1774**	560254	1291
Fixed assets	**483259**	**1205**	381241	878
Total debt	**248458**	**619**	219789	506
Net worth	**417339**	**1040**	306779	707
Equity Capital	**15227**	**38**	15227	35

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

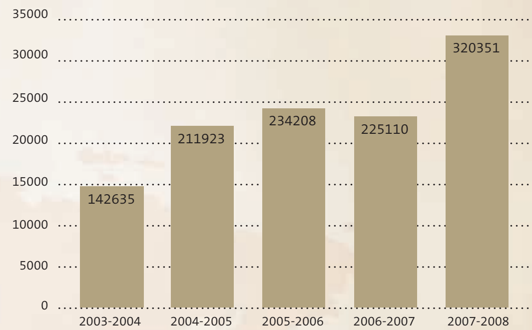
	Rs./US$	
Exchange Rate	**2007-08**	2006-07
- Average	**40.40**	45.26
- Closing	**40.12**	43.40

Financial Highlights

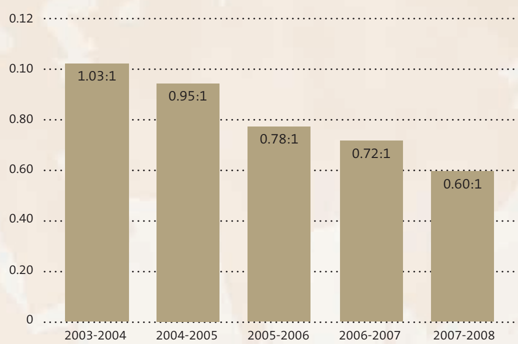
Net Profit Rs in lakhs



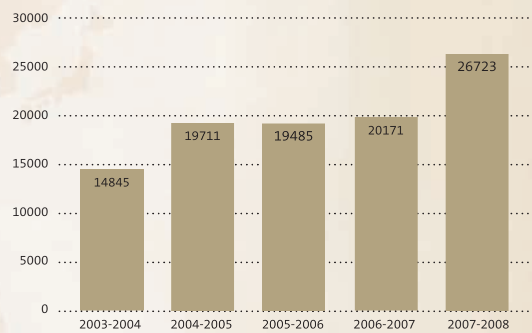
Revenues Rs in lakhs



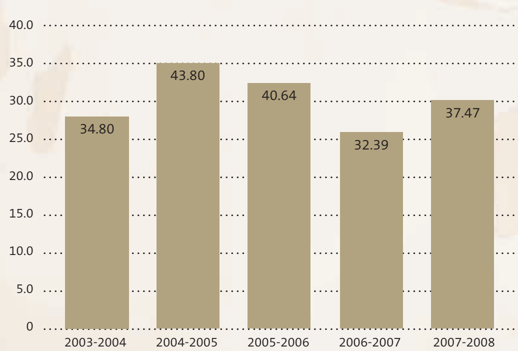
Debt Equity Ratio



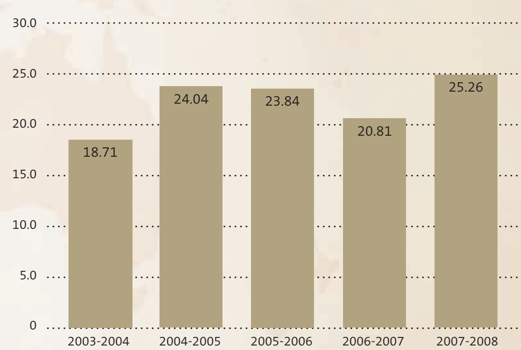
Dividend Payout Rs in lakhs



Return On Networth Percent



Return On Capital Employed Percent



10 Years at a Glance

RS. IN LAKHS

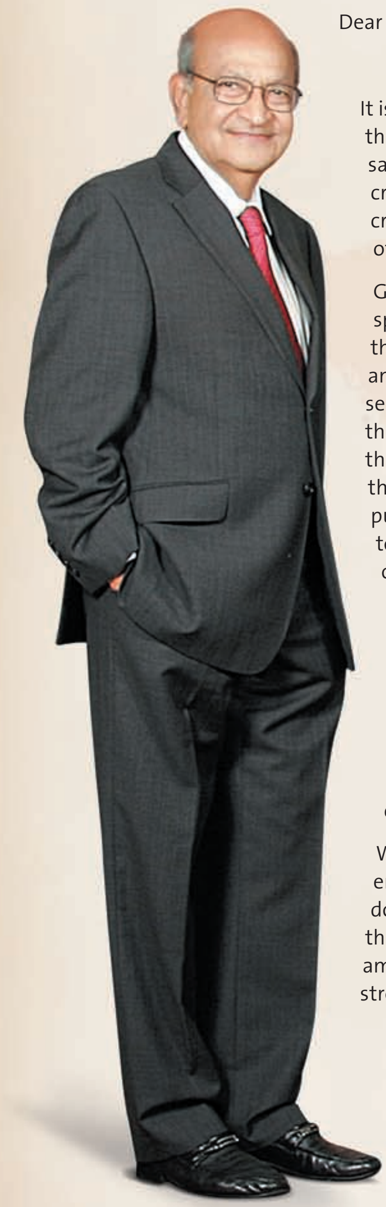
	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Profit & Loss A/c										
Revenues	98040	99446	115502	119535	100715	142635	211923	234208	225110	320351
Operating profit (PBIDT)	38195	36843	47397	50478	45273	74000	115905	134307	128233	189316
PAT	12768	11140	17653	19719	22729	47113	80879	83860	88331	135681
Balance Sheet										
What the Company owned										
Fixed Assets	171074	168043	161544	181026	182260	255195	320133	286505	381241	483259
Investments & net current assets	41572	43193	37644	46065	56430	59938	106148	139029	145327	182538
Deferred Taxation (Net)	-	-	-	-	-	-	406	-	-	-
TOTAL	212646	211236	199188	227091	238690	315133	426687	425534	526568	665797
What the Company owed										
Loans	93472	100535	82639	93393	102086	145900	207975	186915	219789	248458
Deferred Taxation (Net)	-	-	-	10072	12739	12476	-	-	-	-
TOTAL	93472	100535	82639	103465	114825	158376	207975	186915	219789	248458
Shareholders' Funds										
Equity Share Capital	28760	25884	21778	20256	19033	19033	19034	15227	15227	15227
Preference Share Capital	-	-	9500	17000	7500	7500	-	-	-	-
Application Money - Equity Warrants	-	-	-	-	-	-	-	-	-	1602
Reserves & surplus	92334	86927	87320	88031	98425	130693	199870	223392	291552	400510
Misc. Expd. (to the extent not w/off)	(1920)	(2110)	(2049)	(1661)	(1093)	(469)	(192)	-	-	-
TOTAL	119174	110701	116549	123626	123865	156757	218712	238619	306779	417339
Debt-Equity ratio	0.78:1	0.91:1	0.86:1	1.04:1	0.94:1	1.03:1	0.95:1	0.78:1	0.72:1	0.60:1
Return on Networth(%)	10.82	9.69	16.01	17.57	19.52	34.80	43.80	40.64	32.39	37.47
Earning per share (in Rs.)	4.40	4.30	8.00	8.80	11.40	24.30	42.34	55.07	58.01	89.11
Dividend per share (in Rs.)	2.00	1.50	2.75	4.00	4.00	6.50	9.00	11.22	11.50	15.00

Growth over the Decades

RS. IN LAKHS

	1948-49 1ST YEAR (10 MTHS) 30.06.1949	1957-58 10TH YEAR 30.06.1958	1967-68 20TH YEAR 30.06.1968	1977-78 30TH YEAR 30.06.1978	1987-88 40TH YEAR 30.06.1988	1997-98 50TH YEAR 31.03.1998	2007-08 60TH YEAR 31.03.2008
Profit & Loss A/C							
Revenues	40	375	982	3433	11600	96410	320351
Expenditure	35	253	592	2724	6561	54352	131035
Operating profit (PBIDT)	5	122	390	709	5039	42058	189316
Profit before tax	3	75	218	(881)	1950	19123	140293
Net Profit	3	65	218	(881)	1643	16690	135681
Balance Sheet							
Fixed Assets	21	465	1884	15063	22362	144833	483259
Equity Share Capital	20	90	240	1533	5561	28756	15227
Reserves & surplus	3	192	654	1985	3917	91141	400510
Earning per equity share (in Rs.)	1.50	7.22	9.08	(5.75)	2.95	5.80	89.11

Chairman's Statement



Dear Shareholders,

It is with a deep sense of nostalgia, satisfaction and pride that I write to you in this our 60th year. Nostalgia, since 60 years is indeed a long time in one's life, satisfaction, because we have recorded our highest ever profit of Rs. 1453.35 crores (on a consolidated basis) and declared highest ever dividend of Rs.267.23 crores (including tax on dividend), and pride, because your Company today is one of the most respected and admired shipping companies across the world.

Great Eastern's story is that of enterprise, business acumen, entrepreneurial spirit and a great sense of commitment. I, myself, have been associated with the Company for 57 of these 60 years. Even today, I vividly recall the excitement and enthusiasm when we acquired our first vessel in 1948. Today, the same sense of excitment prevails when I am informed of our latest acquisition. Over the 60 years, your Company has faced many challenges and I am happy to state that with the strong commitment of all employees, past and present, and with the goodwill of all shareholders, past and present, we have successfully and purposefully overcome the same. As I reminisce the various challenges, I wish to take this opportunity to thank one and all who have stood by your Company over these 60 eventful years.

The present outlook for both the dry bulk business and the tanker business is positive and your Company is well positioned to deliver another good year. With the price of crude oil surging and exploration activity worlwide gathering tremendous momentum, your Company remains bullish on the oilfield services sector. Through its subsidiary, Greatship (India) Ltd, your Company has significantly increased its capital commitment to this business and expects it to become a sizeable contributor to your Company's consolidated earnings in the years ahead.

We are, however, surrounded by certain dark clouds in the form of record energy prices, global credit uncertainty, as well as a possible industrial slow down. It is, therefore, wise to be cautious and take small steps at a time rather than be overly ambitious. This is my message to your Management team and I am confident that when we celebrate our next milestone year, we will be even stronger and bigger than today.

K. M. Sheth
EXECUTIVE CHAIRMAN

Directors' Report

From its humble beginning as the owner of a single dry bulk ship in 1948, your Company has emerged as one of the most respected shipping companies in the world. The last 6 decades have been full of challenges and changes both within and outside our industry. Your Company has effectively managed both, setting milestones for itself and others, as you will observe from the 60th Annual Report on the business and operations of your Company for the financial year ended March 31, 2008. Your Directors believe that it will continue to do so in the times to come. The glimpses of your Company's journey of 6 decades have been captured elsewhere in this Annual Report. You will find the journey as interesting as the financial performance for the year under review.

Financial Performance

Your Company has for the 8th year in succession achieved record profits:

RS. IN LAKHS

	2007-08	2006-07
Total Income	**320351**	225110
Total Expenditure	**180058**	134121
Profit before tax	**140293**	90989
Less : Provision for taxation		
-Current tax	**4500**	3100
-Fringe Benefit tax	**120**	100
Profit for the year after tax	**135673**	87789
Add : Prior period adjustments	**8**	542
	135681	88331
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961	**22500**	15000
	113181	73331
Add: Transfer from Reserve under Section 33AC of the Income-tax Act, 1961	**24000**	-
Add: Transfer from Exchange Fluctuation Reserve	**2500**	-
(Less): Transfer to Debenture Redemption Reserve	**-**	(1500)
	139681	71831
Add : Surplus brought forward from previous year	**90991**	59331
Amount available for appropriation	**230672**	131162
Appropriations:		
-Transfer to General Reserve	**20000**	20000
-Interim Dividend on Equity Shares	**22841**	10659
-Proposed Dividend on Equity Shares	**-**	6852
-Tax on Dividends	**3882**	2660
Balance Carried Forward	**183949**	90991

The total income for the year was recorded at Rs. 320351 lakhs as against Rs. 225110 lakhs in the previous year and Net Profit after prior period adjustments of Rs. 135681 lakhs as against Rs. 88331 lakhs in the previous year.

Dividend on Equity Shares

For the year under review, your Directors declared 3 interim dividends of Rs. 4/-, Rs. 3.50/- and Rs.5/- per share respectively. Your Directors also declared a one time Special Diamond Jubilee interim dividend of Rs.2.50/- per share to commemorate your Company's 60th year.

The aggregate outflow on account of the equity dividend for the year @ Rs.15/- per share would be Rs.26723 lakhs including tax on dividend. This represents a payout ratio of 19.70% (previous year 23%).

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

Preferential issue of Convertible Warrants

Consequent upon your approval at the last Annual General Meeting held on July 26, 2007, the Company on August 09, 2007, allotted 50,05,000 Warrants on preferential basis to certain Promoters and Non Executive Directors of the Company. Each Warrant is convertible into one equity share of the face value of Rs.10/- each of the Company at the option of the Warrant holders at anytime prior to the expiry of 18 months from the date of allotment of the Warrants, i.e. August 09, 2007. As per the terms of the issue, out of the conversion price of Rs.312.75/- per share, Rs. 32/- per Warrant has been paid by the Warrant holders and the balance is payable on exercising the option.

Subsidiaries

Your Company has 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)

d) Greatship (India) Ltd., which, in turn, has the following wholly owned subsidiaries-

   i) Greatship Global Holdings Ltd., Mauritius (incorporated on May 30, 2007)

   ii) Greatship Global Offshore Services Pte. Ltd., Singapore (incorporated on May 08, 2007)

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

   iv) Greatship Holdings B.V., Netherlands (under liquidation)

Greatship (India) Limited (GIL) is establishing itself as a premier service provider in the offshore energy exploration and production domain globally and in India. During FY 08 your Company invested Rs.38600 lakhs in the equity share capital of GIL taking the total investment by way of equity to Rs.64200 lakhs.

GIL commenced commercial activities during FY 07. It has achieved a profit of Rs.4402 lakhs on a stand-alone basis and Rs.4103 lakhs on a consolidated basis for the year ended March 31, 2008. The net worth of GIL for FY 08 was Rs.68845 lakhs as compared to Rs.25533 lakhs for FY 07 on a consolidated basis.

GIL is currently owning and operating 3 Platform Supply Vessels (PSV) and 2 Anchor Handling Tug cum Supply Vessels (AHTSV). In addition, GIL with its subsidiaries, has a committed capital expenditure of USD 706 million (approx Rs.2860 crores) for 19 more assets. These include 2 PSVs, 8 Multipurpose Platform Supply & Support Vessels, 2 MSVs, 6 AHTSVs and a 350 ft Jack up Rig. These assets are likely to be delivered between FY 09 and FY 11.

During the year, GIL allotted 42,07,000 Warrants convertible into equity shares on preferential basis to the promoter directors of The Great Eastern Shipping Co. Ltd. and granted 7,94,300 stock options to its employees (including employees of Parent Company) under various Employee Stock Options Schemes.

During the year, GIL had invested in Greatship Global Offshore Services Pte. Ltd., Singapore through Greatship Holdings B. V., Netherlands (GHBV) and Greatship Global Holdings Ltd., Mauritius (GGHL) and in Greatship Global Energy Services Pte. Ltd., Singapore through GGHL, Mauritius. GHBV, Netherlands has been put into voluntary dissolution on March 28, 2008 and now both the Singapore companies are subsidiaries of GGHL, Mauritius.

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, 2008. Accordingly, the annual accounts of the subsidiary companies have not been attached to the Balance Sheet of the Company as at March 31, 2008. 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, 2008 is included in the Annual Report.

Management Discussion and Analysis

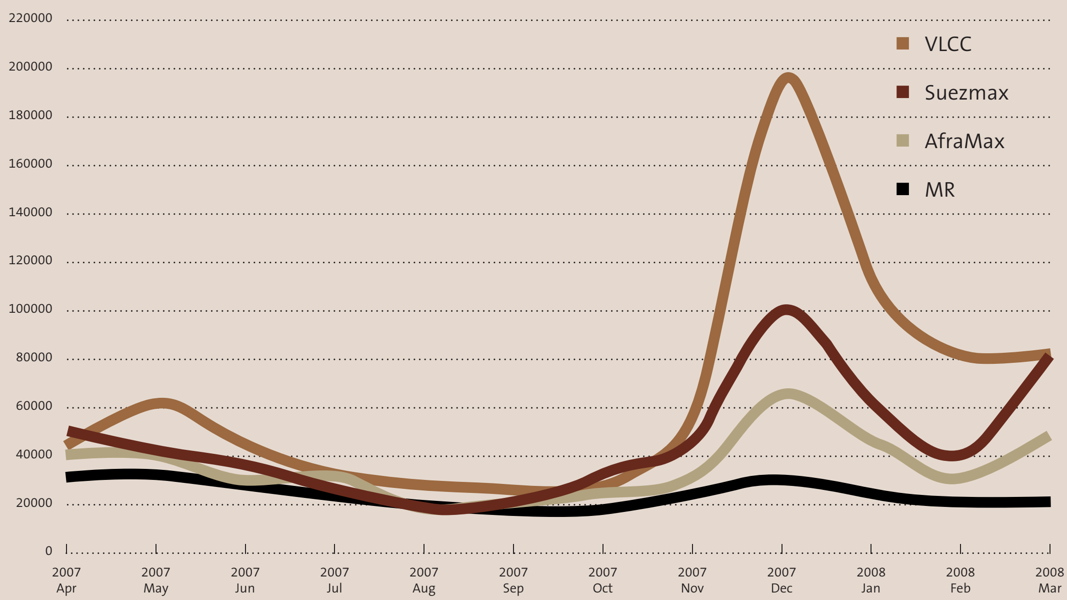
Company Performance

In FY 08, the Company recorded a total income of Rs.320351 lakhs (Previous year Rs.225110 lakhs) and earned a PBIDT of Rs.189316 lakhs (previous year Rs.128233 lakhs).

Tanker Business

Market Trend and Analysis

Tanker Average Spot Earnings over the year $ per day



Source: Clarksons

Similar to FY 07, FY 08 was characterized by significant volatility in shipping markets. World oil demand grew by 1.2%, or 1.1 million barrels per day ("b/d"), in 2007, after recording a growth of 1% in 2006. The growth rate in 2007 was similar to that of 2006 primarily due to virtually unchanged oil demand growth in the U.S. and Europe. China, on the other hand increased its petroleum consumption by 5.5% in 2007. Higher oil prices and global economic concerns kept a lid on crude oil demand in 2007.

The world tanker fleet increased to 387.7 million dwt at the end of the financial year, 5% higher than the 369.2 million dwt at the beginning of FY 07-08.

OPEC production cuts towards the end of 2006 and early 2007 in anticipation of slower demand growth and willingness of the refiners to draw down on the inventories in view of backwardation in oil prices resulted in decline in tanker earnings in the 1st half of the FY 08. OPEC raised production in November, which led to increased imports by US refiners to replenish the depleted inventories, resulting in increased loadings from the Arabian Gulf.

Overall, tanker rates in 2007, though healthy as compared to historical averages, fell during the middle of the year as a result of subdued demand emanating from high oil prices and an increasing world tanker fleet.

The markets however witnessed a high degree of volatility due to imbalances in tonnage supply and also periodic geopolitical tensions and safety concerns. VLCC spot rates, for instance for the route between the Arabian Gulf to Japan ranged between World Scale 319 (WS) (Time Charter Equivalent, or TCE, approx. $ 260,000 /day) and WS 49 (TCE approx. $ 12,500/day) during the year.

Company Performance

The tanker business accounted for around 62 % of the Company's net revenues and 49% of the operating profits.

In FY 07-08, around 42% of the earnings was derived from the spot market. The crude tankers earned an average TCY of $ 30,000/day (previous year $29,700/day). The product carriers earned an average TCY of $ 20,250/day (previous year $23,000/day). Your Company's two LPG carriers earned an average TCY of $17,000/day (previous year $15,800/day).

Tanker Fleet Changes

The tanker fleet of your Company stood at 33 tankers aggregating 2.35 million dwt, with an average age of 10.53 years (as of March 31, 2008) as against 34 tankers aggregating 2.65 million dwt with an average age of 12.09 years as on March 31, 2007.

Your Company acquired two 2000 built double hull Suezmax tankers, 'Jag Lakshita' and 'Jag Lateef' in September 2007.

Your Company also took delivery of two double hull product tankers 'Jag Pushpa' in April 2007 and 'Jag Prerana' in October 2007.

During the year, your Company sold the following vessels -

VLCC tanker 'Ardeshir H Bhiwandiwalla' in September 2007, Aframax tankers 'Jag Labh' and 'Jag Leher' in November 2007 and product tanker 'Jag Anjali' in February 2008

During the year, your Company also delivered 'Jag Laadki' in April 2007.

Subsequently your Company also delivered product tankers 'Jag Praja' and 'Jag Arpan' in April 2008.

Your Company has contracted to deliver the ice class product tankers 'Jag Panna' and 'Jag Payal' in May 2010.

Total tanker new buildings orders for the Company now rest at four vessels.

Outlook for the Tanker Market

International Energy Agency (IEA) expects that the average oil demand for 2008 in total will be 87.2 million barrels per day or a 1.5 % growth from 2007, hence showing belief in continued demand growth. It is expected that the incremental demand for tankers will be approximately 3-4%. With a total of 40.5 million dwt of tankers to be delivered in 2008 and about 18 million dwt of removals expected, the net fleet growth in tankers in 2008 will be about 6%. Hence broadly the average earnings for tanker markets in FY 09 may not far exceed the averages for FY 08. However, on the larger size crude tankers there is an upside potential in spot earnings due to tighter tonnage supply.

The tanker orderbook stands at about 159.9 million dwt or 41.2% of the fleet, at the end of March 2008.

Dry Bulk Business

Market Trend and Analysis

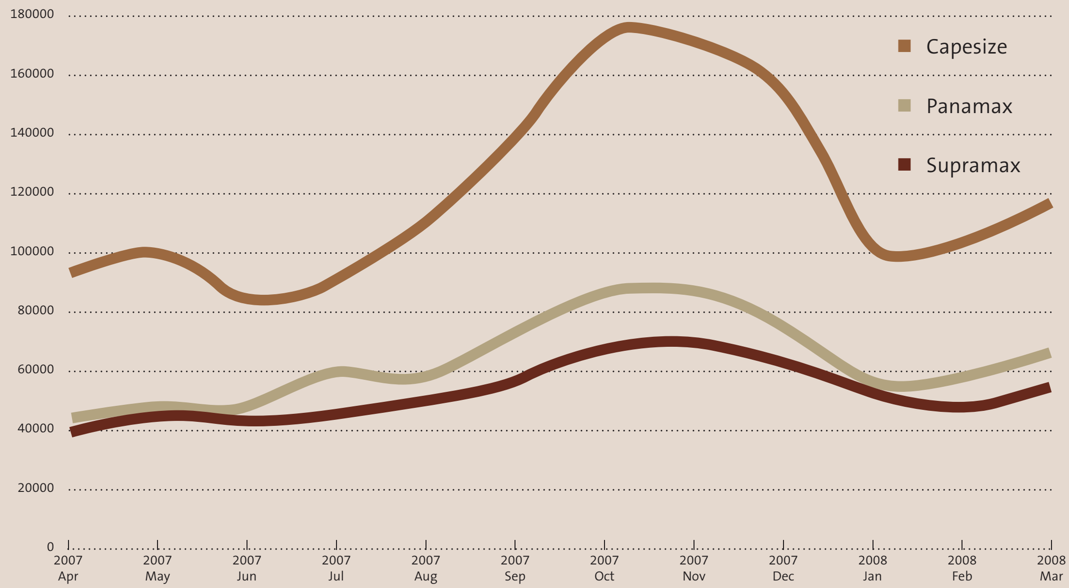
2007 was the strongest year ever for the Dry Bulk Markets. Yearly average freight rates more than doubled compared to the previous year. Apart from a short-lived drop in the early part of the year, freight rates rose steadily from the beginning of the year until the end of November when a moderate downturn was recorded. The dry-bulk markets in 2007 were predominantly driven by the Chinese demand for commodities. Chinese imports of iron ore grew by 57.3 million ton over the 2006 level of 326.3 million ton totaling 383.6 million ton, while steel production moved up 73 million ton to 487 million ton in 2007. India too registered a robust increase in steel production from 42 million ton in 2006 to 49.5 million ton in 2007.

Surging demand for both coking coal and steam coal led to record waiting delays in Australian ports in Q2 FY08. Drought in Australia led to increased grain shipments from South America to Asia, which supported the Handymax and Handysize trades. Also, demand of cement clinker in the Middle East firmed up significantly in 2007. Against this, the world dry bulk fleet increased to 396.7 million dwt at the end of FY 08, 7% higher than the 371.6 million dwt at the beginning of FY 08. Though the fleet growth was robust, it was not enough to service the trade growth adequately.

Company Performance

The dry bulk fleet contributed around 38% of the Company's net revenues and 51% of the operating profits. The average TCY for dry bulk vessels was approximately $38,400/day as compared to $17,500/day in the previous year.

Dry Bulk Average Earnings over the year $ per day



Source: Clarksons

Dry Bulk Fleet Changes

The dry bulk fleet stood at 13 vessels aggregating 0.72 million dwt, with an average age of 14.48 years (as of March 31, 2008) as against 11 vessels aggregating 0.62 million dwt with an average age of 14.37 years on March 31, 2007.

Your Company acquired a 1997 built Handymax bulk carrier 'Jag Riddhi' in April 2007 and 2001 built Supramax bulk carrier, 'Jag Ratan' in October 2007.

Subsequently your Company also delivered Panamax bulk carrier 'Jag Akshay' in April 2008.

Subsequently your Company will deliver handysize bulk carrier, 'Jag Vikas' in May 2008.

During FY 2007-08, your Company placed orders for four new building Supramaxes, all of which are to be delivered in 2010.

Your Company also placed orders for four new building Kamsarmaxes with delivery in 2011.

Total bulker new buildings orders for the Company now rest at eight vessels.

Outlook for the Dry Bulk Market

After five years with persistent high economic growth it seems like 2008 is bringing a slow-down, initiated by the US subprime crisis. The global economy is projected to grow by about 4% in 2008 down from last year's 5.2%. The demand for dry bulk commodities is expected to grow by 4.5-5%. A total of 30.4 million dwt is due for delivery in 2008 resulting in a fleet growth of about 7%. Average earnings may therefore be slightly lower than FY 08, but due to periodic supply-demand mismatches, sharp volatility in freight markets may continue during FY 09 as well.

The dry bulk vessel orderbook stands at about 236.1 million dwt, or about 59.5% of the existing fleet, at the end of March 2008.

Asset Values

Second-hand values for modern and older tankers witnessed marginal gains of 5-15 % over the year, while modern dry-bulk carriers appreciated by 40-60% in value during the same period. Older bulkers also saw their values go up in line with the modern vessels.

New building prices for tankers increased by about 10-15% during the year, while those for the dry bulk ships however moved up higher by about 20-30%.

Risks and Concerns

Economic risk: Shipping is a global business whose performance is closely linked to the state of the global economy. Therefore, any slowdown of the pace of growth globally, especially in the major economies like the US and China, could negatively impact the earnings of the Company.

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 2008-09, approximately half of the Company's operating days has been covered in this manner.

Single hull tankers in the fleet: As stated above, 75% 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.

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.

Oil Price Risk: With crude oil prices expected to remain high, there is a risk of increase in operating costs due to higher cost of bunkers, lube oil etc which could negatively impact the earnings of the Company. Your Company continuously endeavors to mitigate the same by hedging at least part of the risk at opportune times.

Foreign Exchange and Risk Management

Your Company's revenue is largely denominated in U.S. Dollars, this exposes the Company to profit/loss on currency fluctuation. A significant part of this exposure is hedged by denominating most of its debt servicing obligations in U.S. Dollars and incurring some of its operating and repair costs in foreign currency. The net currency exposure is then managed actively using hedged products like foreign exchange forwards and option contracts. The tenure of these contracts is up to five years.

As on March 31, 2008, your Company had forward sold position of U.S. Dollars 360 million.

Similarly your Company also has a system for taking suitable hedges through fixed rate interest swaps to minimize its effective borrowing costs.

Quality, Safety, Health & Environment

Your Company, in order to ensure provision of highest standard of service, has implemented and initiated various measures with respect to Quality, Safety and Environment Management Systems.

Tanker Management and Self Assessment

Your Company has embraced Tanker Management and Self Assessment of the Oil Companies International Marine Forum (OCIMF) and is incorporating and implementing OCIMF's various requirements in a phased manner in its quest for achieving highest standard of Safety and Environmental Excellence. To facilitate its implementation, major changes have been made in areas of Incident Investigation and Analysis, Management of Change, Environment Management, Emergency Preparedness, Contingency Planning and Risk Management Systems.

Training of Floating Staff

Declining competency standards and shortage of seafarers is a cause of serious concern to all in the shipping industry today. To deal with this situation your Company has embarked on a training initiative in various fronts e.g. Company specific shore based training programme on technical and navigational topics for shipboard Officers and Engineers, Vessel Resource Management Programme for senior floating staff ashore, Shore based training programme for ratings, Computer based training programme on specific technical and management topics on board ships, etc. It is expected with these measures that vessels would be operated by personnel of competency standard set by the Company.

Safety Management System

During the year Directorate General of Shipping has carried out Document of Compliance Audits required by International Safety Management Code with satisfactory results. The Audits carried out were Initial Audits for Ship Type Chemical Carrier, Annual Audit for Ship Type Bulk Carrier and Renewal Audit for Ship Type Oil Tanker and Gas Carrier.

Occupational Health and Environment Management System

Your Company is in the process of implementing Environment Management System and Occupational Health & Safety Standards and would be seeking certification to ISO 14001 and OSHAS 18001 shortly.

Great Eastern Institute of Maritime Studies

Spread over 18.3 acres, Great Eastern Institute of Maritime Studies (GEIMS) at Lonavala, an ISO 9001-2000 Certified Institute, has been providing residential Graduate Marine Engineer (GME) and Trainee Navigating Officer Cadet (TNOC) courses since January 2006. The first regular Batch of TNOC (37 Cadets) passed out on December 30, 2006 and GME Batch (32 Cadets) passed out on January 31, 2007. Of the above, 27 TNOCs and 22 GMEs were placed on your Company's vessels and the balance were accommodated by an agency, with whom your Company has a tie-up. Till date 294 trainees (TNOC & GME) have been trained of which 242 were absorbed by the Company & 52 by the agency referred to above.

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.145335 lakhs for the year under review as compared to Rs.135681 lakhs for the Company. The networth of the group as on March 31, 2008 was Rs.433165 lakhs as compared to Rs.417339 lakhs for the Company.

Debt Fund Raising

Overall, your Company has raised Rs.78118 lakhs for the year towards capital expenditure for expansion of fleet as against Rs.68118 lakhs in the previous year. In spite of this level of borrowings, as on March 31, 2008 your Company's gross debt : equity ratio was 0.60:1 and net (of cash) debt : equity ratio was 0.33:1.

Internal Control System 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 observation 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 5 times during the year.

Role of Information Technology

In keeping with trends worldwide, your Company has redefined the role of its Information Technology Department. Hitherto it used to be seen as a mere processor of accounting related information and an enabler of e-communications within and outside the Company. The Department now plays an active role in the Company's business processes and is expected to aid the timely and efficient delivery of the Company's services to its customers.

To meet its enhanced role, the Department has substantially upgraded the IT infrastructure in the Company's offices with a view to improve productivity. During the year new processes were put in place that has speeded up the work flow. The Department has now initiated a programme to replace certain existing business related softwares with more efficient ones that will be developed in house.

Human Resources

Focused efforts were initiated during the year to enhance competence and commitment levels of employees, the two main aspects of Human capital.

A 360 degree process named 'Total Perspective' was launched at your Company with development intent. The target group for this process were employees in the grade of Senior Managers and above. The on line survey was designed in house to customize to your Company's organization. Each individual was rated by his superior, peers/internal customers and subordinates. The feedback received was shared with the concerned employees so as to enable them to identify their developmental needs.

Taking into consideration the importance of identifying and nurturing young leadership your Company have commenced a series of developmental programmes during the course of the year. Programmes included leadership workshops and exposure to psychometric profiling. This endeavor will help your Company create a talent pipeline for future organizational requirements. Workshops were held for the middle management executives to enable them enhance business performance.

Like last year, your Company saw enthusiastic participation from employees for Mumbai Marathon run.

Fleet Personnel function played a creditable role to ensure manning levels on board ships in a difficult market plagued by shortage of competent sea farers. Great Eastern Institute of Maritime Studies at Lonavala is functioning as per plan and will help alleviate the shortage situation in the long run.

Your Company had employee strength of 185 on shore and 378 floating as on March 31, 2008.

Directors

At the last Annual General Meeting of the Company held on July 26, 2007, Mr. Bharat K. Sheth and Mr. Ravi K. Sheth were, subject to the approval of the Central Government, made non-retiring Directors so long as they continue to be the Directors of the Company and Article No. 117A of the Articles of Association of the Company was altered accordingly. Approval of the Central Government has since been received.

Ms. Asha V. Sheth and Mr. Keki Mistry retire by rotation and being eligible, offer themselves for re-appointment.

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.

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, with assistance from external experts. 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. The Risk Management framework itself is being reviewed and modified to suit the business requirements of your Company.

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

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

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

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

	(Rs. in lakhs)
(a) Foreign Exchange earned on account of freight, charter hire earnings, etc.	217417
(b) Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc.	188308

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, ONGC Ltd., 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 02, 2008

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 and to separate the Board functions of governance and management. The Board of Directors of the Company has an optimum combination of Executive and Non Executive Directors and comprises of 9 Directors as on March 31, 2008 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 as on March 31, 2008.

The composition of the Board, Number of Directorships, Memberships/Chairmanships in public companies and details of shares and convertible warrants of the Company held by the Non Executive Directors as on March 31, 2008 are as follows:

NAME OF THE DIRECTOR	NO. OF OTHER DIRECTORSHIPS #	COMMITTEE MEMBERSHIP @	CHAIRPERSON OF COMMITTEES @	SHARES/WARRANTS OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS	
				SHARES	CONVERTIBLE WARRANTS
Promoter Executive Directors					
Mr. K. M. Sheth	-	-	-	-	-
Mr. Bharat K. Sheth	1	-	-	-	-
Mr. Ravi K. Sheth	4	-	-	-	-
Promoter Non Executive Director					
Ms. Asha V. Sheth	-	-	-	2144081	-
Independent Directors					
Mr. R. N. Sethna	4	1	1	40000	10000
Mr. Cyrus Guzder	4	-	1	986	-
Mr. Keki Mistry	11	5	2	640	20000
Mr. Vineet Nayyar	7	1	-	23005	50000
Mr. Berjis Desai	11	5	2	100800	425000

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

@ Includes memberships of Audit and Shareholders' Grievance Committees. Membership does not include 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, 1/3 rd of the Directors liable to retire by rotation are required to retire every year. Accordingly, Ms. Asha V. Sheth and Mr. Keki Mistry are liable to retire by rotation at the 60th Annual General Meeting and are eligible for re-election.

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, 2008. 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 decision. Agenda papers are generally circulated seven days prior to the meeting of the Board.

During the year ended March 31, 2008, 7 Board Meetings were held on May 04, 2007, June 26, 2007, July 30, 2007, October 19, 2007, December 14-16, 2007, January 29, 2008 and March 20, 2008. The attendance of Directors at the Board Meetings held during the year 2007-08 is as follows:

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
Mr. K. M. Sheth	7
Mr. Bharat K. Sheth	7
Mr. Ravi K. Sheth	5
Ms. Asha V. Sheth	7
Mr. R. N. Sethna	6
Mr. Cyrus Guzder	7
Mr. Keki Mistry	7
Mr. Vineet Nayyar	3
Mr. Berjis Desai	6

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 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, Mr. R. N. Sethna, Mr. Cyrus Guzder and Mr. Berjis Desai. The Committee met 5 times on April 05, 2007, May 04, 2007, July 30, 2007, October 19, 2007 and January 29, 2008. Details of attendance of the members at the Committee meetings held during the year 2007-08 is as follows:

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

* Mr. Keki Mistry has been designated as Chairman of the Audit Committee w.e.f. April 05, 2007.

The Audit Committee Meetings are attended by the President - Corporate, Chief Financial Officer, representatives of Internal Audit Firm 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 determine 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, Mr. R. N. Sethna and Mr. Berjis Desai. The Committee met once on May 04, 2007. Details of attendance of members at the Committee meeting held during the year 2007-08 is as follows:

	MR. CYRUS GUZDER (CHAIRMAN)	MR. R. N. SETHNA	MR. BERJIS DESAI
Number of meetings attended	1	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 2007 -08

(AMOUNT IN RS.)

NAME OF DIRECTOR	SALARY*	BENEFITS	SITTING FEES#	COMMISSION
Mr. K. M. Sheth	1,80,00,000	1,18,540	--	5,40,00,000@
Mr. Bharat K. Sheth	1,44,00,000	2,33,895	--	5,76,00,000@
Mr. Ravi K. Sheth	1,08,00,000	5,37,881	--	3,78,00,000@
Mr. Cyrus Guzder	--	--	80,000	12,50,000
Mr. Keki Mistry	--	--	70,000	12,50,000
Mr. Vineet Nayyar	--	--	20,000	12,50,000
Mr. R. N. Sethna	--	--	60,000	12,50,000
Ms. Asha V. Sheth	--	--	45,000	12,50,000
Mr. Berjis Desai	--	--	1,05,000	12,50,000
Total	**4,32,00,000**	**8,90,316**	**3,80,000**	**15,69,00,000**

* Salary includes contribution to provident fund and superannuation fund.

\# Includes sitting fees for meetings of the special committees of Directors.

@ Includes one time additional commission of Rs. 180 lacs, Rs. 144 lacs & Rs. 108 lacs payable to Mr. K. M. Sheth, Mr. Bharat K. Sheth and Mr. Ravi. K. Sheth respectively, after approval of the shareholders at the ensuing Annual General Meeting.

- 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 of Directors and also attendance at the Board and Committee meetings.
- 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 sitting fees to them for attending Board and Committee meetings and 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. An amount of Rs.241.07 lakhs was provided during the previous year for pension payable to the Wholetime Directors on their retirement. On the basis of an actuarial valuation, an amount of Rs.26.31 lakhs has been reversed during the year.

C) Shareholder / Investors' Grievance Committee

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

Terms of reference

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

Composition of the Committee

As on date the Committee comprises of 3 Non Executive Directors namely Mr. Cyrus Guzder, Mr. Berjis Desai and Ms. Asha V. Sheth. The Committee met once on October 19, 2007. The details of attendance of the members at the Committee meeting held during the year 2007-08 is as follows:

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

- Mr. Jayesh M. Trivedi, Company Secretary, is the Compliance Officer of the Company.
- During the year under review, 58 complaints were received from investors which were replied / resolved to the satisfaction of the investors.
- 07 requests for transfer involving 1,666 shares and 27 requests for dematerialisation involving 5,090 shares were pending for approval as on March 31, 2008. These pending requests were duly approved and dealt with by the Company.

4. Risk Management

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

Detailed note on Risk Management is given in the Directors' Report.

5. General Meetings

Next Annual General Meeting and date of Book Closure

Date	July 18, 2008
Time	3.00 p.m.
Venue	Rama Watumal Auditorium, K.C. College, Churchgate, Mumbai - 400 020
Date of Book closure	July 11, 2008 to July 18, 2008 (both days inclusive)

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
57th Annual General Meeting	June 24, 2005 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai - 400 020	• Revision in the terms of appointment of Mr. Ravi K. Sheth.
Extra-Ordinary General Meeting	November 16, 2005 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai - 400 020.	• Court convened meeting for approving the Scheme of Arrangement being demerger of the Offshore Services Division of the Company into Great Offshore Limited.* • Reduction of issued, subscribed and paid up share capital of the Company upon the demerger.
58th Annual General Meeting	December 18, 2006 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai - 400 020.	• Payment of commission to Non Wholetime Directors. • Appointment of Mr. K. M. Sheth as Wholetime Director designated as Executive Chairman. • According consent to Ms. Ketaki Sheth to hold and continue to hold an office or place of profit in the Company as an officer of the Company.

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.

* This was passed by a dual majority comprising of more than three-fourth in value and majority in number of shareholders.

All resolutions moved at the last Annual General Meeting held on July 26, 2007 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 attended the last Annual General Meeting held on July 26, 2007.

6. Postal Ballot

During the year, an Ordinary Resolution under Section 293(1)(d) of the Companies Act, 1956 authorising the Board of Directors of the Company to borrow upto Rs.5,000 crore was approved by the members with requisite majority by way of Postal Ballot. Dr. K. R. Chandratre, Practising Company Secretary, was appointed as the scrutinizer for conducting the Postal Ballot process. The Postal Ballot was conducted as per the procedure prescribed under Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. On December 12, 2007 the results of Postal Ballot were declared. 8,68,18,958 votes were cast in favour of the Resolution and 36,23,169 votes were cast against.

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

7. 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 and 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, 2008.

8. 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 Business Standard, 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.

9. Shareholders Information

Financial Calendar

1st Quarterly Result	Third week of July 2008
2nd Quarterly Result	Fourth week of October 2008
3rd Quarterly Result	Last week of January 2009
4th Quarterly Result	Last week of April 2009/first week of May 2009

Listing on Stock Exchanges

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

GLOBAL DEPOSITORY RECEIPTS	NON CONVERTIBLE DEBENTURES
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

2,41,923 GDRs were outstanding as on March 31, 2008.

Outstanding Warrants

50,05,000 Warrants were outstanding as on March 31, 2008. Each Warrant is convertible into 1 (one) equity share of the face value of Rs.10/- each of the Company at the option of the Warrant holders at any time prior to the expiry of 18 months from the date of allotment of the Warrants i.e. August 9, 2007.

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 Email: shares@greatship.com	Sharepro Services (India) Pvt. Ltd. Satam Estate, 3rd floor Above Bank of Baroda Cardinal Gracious Road, Chakala Andheri (East), Mumbai - 400 099 Tel: 022-67720300 Fax: 022-28375646 Email: sharepro@shareproservices.com

10. 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. 17,54,447/- being unclaimed 46th (Interim) dividend was transferred on May 04, 2007 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 2001 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
2001	47	Final	26.07.2001	25.08.2008
2002	48	Final	25.07.2002	24.08.2009
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	23.07.2012
2006	52 (I)	1st Interim	27.10.2005	25.11.2012
2006	52 (I)	2nd Interim	30.01.2006	28.02.2013
2006	52 (I)	3rd Interim	28.04.2006	27.05.2013
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

The following table gives the details of unclaimed dividend amount since 2001.

Unclaimed Dividend as on March 31, 2008

YEAR	DIV. NO.	TYPE	NO. OF WARRANTS ISSUED	NO. OF WARRANTS UNCLAIMED	% OF WARRANTS UNCLAIMED	AMOUNT OF DIVIDEND DECLARED	AMOUNT OF DIVIDEND UNCLAIMED	% OF DIVIDEND UNCLAIMED
						RS. IN LAKHS	RS. IN LAKHS	
2001	47	Final	160040	7809	4.88	5937	28.36	0.48
2002	48	Final	159175	7590	4.77	6981	35.62	0.51
2003	49	Final	145716	8792	6.03	7613	44.91	0.59
2004	50 (I)	Interim	128230	9696	7.56	4758	30.33	0.64
2004	50	Final	134202	8776	6.54	7613	43.25	0.57
2005	51 (I)	Interim	121451	10204	8.40	6662	45.38	0.68
2005	51 (I)	2nd Interim	121169	10356	8.55	4758	34.38	0.72
2005	51	Final	121845	9935	8.15	5710	38.99	0.68
2006	52 (I)	Interim	123110	10239	8.32	7613	52.39	0.69
2006	52 (I)	2nd Interim	118343	11061	9.35	4758	37.37	0.79
2006	52 (I)	3rd Interim	114247	10580	9.26	6662	48.91	0.73
2007	53 (I)	Interim	115379	9856	8.54	6090	47.55	0.78
2007	53 (I)	2nd Interim	117090	9790	8.36	4568	36.42	0.80
2007	53	Final	100167	9274	9.26	6852	49.81	0.73
2008	54 (I)	Interim	95754	9910	10.35	6090	49.45	0.81
2008	54 (I)	2nd Interim	99140	16248	16.39	5329	55.87	1.05

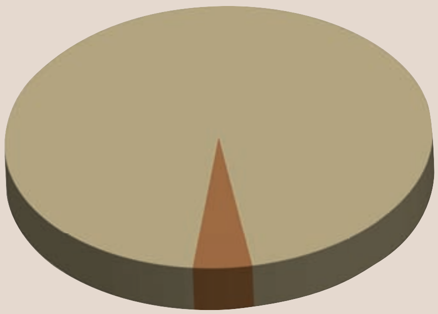
Electronic Clearing Services (ECS) for payment of dividend

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

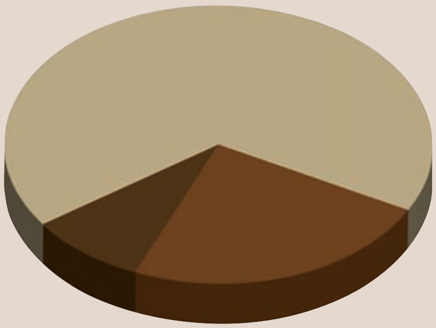
Shareholders located in places where ECS facility is not available, may submit their bank details. This will enable the Company to incorporate this information on the dividend warrants and thus prevent fraudulent encashment.

Shares held in Dematerialised form

Shareholding - Demat and Physical Form



Shareholders holding shares in Demat and Physical form

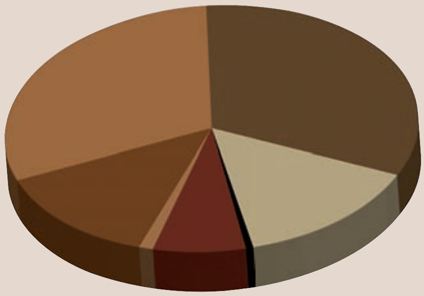


Shareholders holding shares in dematerialised form may note that:

- 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 ECS facility for shares held in electronic form and for reasons mentioned earlier, shareholders may wish to avail of this facility.

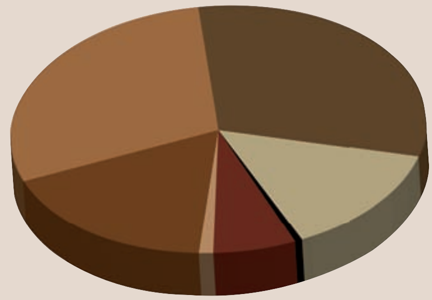
Shareholding Pattern

Shareholding Pattern as on March 31, 2007



- Promoters ....29.31 %
- FIs..................................17.78 %
- NRIs/ OCBs .... 1.14 %
- Bodies Corporate .... 6.41 %
- GDRs .... 0.16 %
- FIIs ....13.83 %
- Individuals ....31.37 %

Shareholding Pattern as on March 31, 2008



- Promoters ....29.75 %
- FIs..................................13.03 %
- NRIs/ OCBs .... 0.88 %
- Bodies Corporate .... 7.05 %
- GDRs .... 0.16 %
- FIIs ....21.04 %
- Individuals ....28.09 %

Distribution of holdings as on March 31, 2008

NO. OF SHARES HELD		SHARE HOLDERS		NO. OF SHARES	
FROM	TO	NUMBER	% TO TOTAL	SHARES	% TO TOTAL
1	500	86090	86.204	10094880	6.629
501	1000	6508	6.517	4690512	3.080
1001	2000	3567	3.572	5058645	3.322
2001	3000	1225	1.227	3023456	1.986
3001	4000	684	0.685	2408007	1.581
4001	5000	347	0.347	1566033	1.028
5001	10000	726	0.727	5170319	3.395
10001 AND ABOVE		721	0.722	120262072	78.977
	TOTAL	**99868**	**100.00**	**152273924**	**100.00**

Company's Share Price Compared to BSE Sensex

Market price data - high / low during each month in the year 2007- 08

MONTH	MARKET PRICE (RS.)		VOLUME
	HIGHEST	LOWEST	SHARES
April 2007	249.90	194.25	3123179
May 2007	306.60	248.25	3655791
June 2007	362.10	279.05	11045027
July 2007	366.50	320.00	3579447
August 2007	357.35	273.50	3479398
September 2007	345.00	312.00	2592116
October 2007	509.50	337.40	6176791
November 2007	533.00	435.00	2677128
December 2007	572.00	480.05	2475225
January 2008	564.00	302.20	2166342
February 2008	452.00	370.00	2691862
March 2008	420.40	311.00	1362242

Source : BSE

11. 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 adoption of non mandatory requirements under Clause 49 of the Listing Agreement are reviewed by the Board from time to time. The status of the non mandatory requirements is as follows:

Office space for Non Executive Chairman

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 certain Independent Directors exceeds the period of 9 years.

Remuneration Committee

The Company has a Remuneration Committee, the details of which are mentioned elsewhere in this Annual Report.

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 besides being available on the SEBI website www.sebiedifar.nic.in.

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 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. As the spirit and purpose of the Whistle Blower Policy are met and respected, the Company has currently neither formulated nor adopted any such policy.

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, 2008.

For The Great Eastern Shipping Co. Ltd.

Bharat K. Sheth
DEPUTY CHAIRMAN & MANAGING DIRECTOR

Mumbai, May 02, 2008

To the Members of,

The Great Eastern Shipping Co. Ltd.,

Mumbai.

Auditors' Report on Corporate Governance

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, 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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 the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the above mentioned Listing Agreement.

We 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

V. R. Mehta

Partner
M. No. 32083

Mumbai, May 09, 2008

Statement of Equity Share Capital Built-Up

SR NO.	PARTICULARS	ALLOTMENT DATE	NO. OF SHARES
1	Original Capital		200,000
2	Bonus Issue - 1952 (1:2)	March 17, 1952	100,000
3	Rights Issue - 1953 (2:3)	November 28, 1952	200,000
4	Bonus Issue - 1956 (1:5)	January 23, 1956	100,000
5	Rights Issue - 1957 (1:1)	January 23, 1957	600,000
6	Bonus Issue - 1964 (1:4)	March 28, 1964	300,000
7	Bonus Issue - 1966 (1:5)	March 31, 1966	299,143
8	Forfeiture of Shares	1967-1968	(3,498)
9	Bonus Issue - 1968 (1:3)	March 19, 1968	596,170
10	Bonus Issue - 1970 (1:1)	February 26, 1970	2,395,313
11	Bonus Issue - 1974 (1:1)	March 21, 1974	4,790,626
12	Bonus Issue - 1977 (3:5)	July 28, 1977	5,748,751
13	Bonus Issue - 1982 (2:3)	December 22, 1981	10,220,002
14	Bond Conversion - Part "A"	September 1, 1985	6,390,998
15	Bond Conversion - Part "B" - Early Option	July 1, 1986	5,620,280
16	Rights Issue - 1987 (2:3)	March 10, 1987	24,814,966
17	IFC Allotment	June 17, 1987	2,000,000
18	Bond Conversion - Part "B" Optional	September 1, 1987	692,620
19	IFC Allotment - Partly Loan Conversion	June 7, 1988	3,000,000
20	IFC Allotment - Loan Conversion	December 6, 1990	3,250,000
21	Bonus Issue - 1991 (1:5)	June 28, 1991	14,263,074
22	Rights Issue 1992 & Employee Quota (1:1)	February 25, 1993	85,610,478
23	Abeyance Allotment - Rights Issue 1992	Year 1992-1993	55,323
24	SCICI Ltd. Allotment - Loan Conversion	September 17, 1993	2,080,000
25	Amalgamation (AHB / MDSV / DV)	December 21, 1993	3,675,974
26	Shares allotted against GDR	February 22, 1994	31,367,500
27	Abeyance Allotment - Rights Issue 1992	Year 1993-1994	4,540
28	Rights Issue - 1994 (2:5)	June 16, 1994	70,224,665
29	Abeyance Allotment - Rights Issue 1992 & 1994	Year 1994-1995	107,386
30	Employee Quota - 1994	October 27, 1994	236,200
31	Amalgamation (GAL Offshore)	March 18, 1996	8,481,615
32	Abeyance Allotment - Rights Issue 1992 & 1994	Year 1995-1996	118,875
33	Abeyance Allotment - Rights Issue 1992 & 1994	Year 1996-1997	18,263
34	Abeyance Allotment - Rights Issue 1992 & 1994	Year 1997-1998	2,790
35	Abeyance Allotment - Rights Issue 1992 & 1994	Year 1998-1999	39,286
36	1st Demerger Real Estate Division (10%)	March 21, 2000	(28,760,134)
37	1st Buyback	April 17, 2001	(42,940,921)
38	Abeyance Allotment - Rights Issue 1992 & 1994	Year 2002-2003	20,898
39	2nd Buyback	July 25, 2002	(25,594,168)
40	Abeyance Allotment - Rights Issue 1992 & 1994	Year 2004-2005	12,960
41	Abeyance Allotment - Rights Issue 1992 & 1994	Year 2005-2006	2,430
42	2nd Demerger Offshore Division (20%)	November 16, 2006	(38,068,481)
	Total Equity as on March 31, 2008		**152,273,924***

* Excluding 50,05,000 Warrants convertible into equity shares of the Company

Asset Profile

Fleet as on March 31, 2008

Crude Oil Carriers

Total Tonnage (dwt)	1,540,705
No. of Ships	12
Average Age (years)	8.5
% of Total Tonnage	50.11

TYPE		VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YEARS)
SUEZMAX	1	Jag Lalit	158,344	2005	
	2	Jag Lok	158,280	2005	
	3	Jag Lakshya	152,485	1989	
	4	Jag Layak	147,834	1996	
	5	Jag Lateef	147,092	2000	
	6	Jag Lakshita	147,000	2000	
	6		**911,035**		**8.75**
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**		**8.14**

Product Carriers

Total Tonnage (dwt)	771,362
No. of Ships	19
Average Age (years)	13.71
% of Total Tonnage	25.09

TYPE		VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YEARS)
PANAMAX	1	Jag Arpan	66,183	1986	
	1		**66,183**		**22**
MEDIUM RANGE	1	Jag Pranam	50,600	1984	
	2	Jag Pavitra	50,600	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 Panna	37,145	2007	
	8	Jag Payal	37,159	2007	
	9	Jag Prakash	47,848	2007	
	10	Jag Pushpa	47,400	2007	
	11	Jag Prerana	47,400	2007	
	11		**502,121**		**8.27**
GENERAL PURPOSE	1	Jag Prayog	29,990	1982	
	2	Jag Praja	29,990	1982	
	3	Jag Pari	29,139	1982	
	4	Jag Preeti	29,139	1981	
	5	Jag Palak	27,400	1985	
	6	Jag Pragati	27,402	1985	
	7	Jag Parwar	29,998	1988	
	7		**203,058**		**24.45**

Fleet as on March 31, 2008

CATEGORY	TYPE		VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YEARS)
Gas Carriers						
Total Tonnage (dwt) 45,997	LPG CARRIERS	1	Jag Vayu	28,400	1978	
No. of Ships 2		2	Jag Viraj	17,577	1991	
Average Age (years) 25.03		**2**		**45,977**		**25.03**
% of Total Tonnage 1.5						
Dry Bulk Carriers						
Total Tonnage (dwt) 716,385	CAPESIZE	1	Jag Arjun	164,796	1996	12
No. of Ships 13		**1**		**164,796**		**12**
Average Age (years) 14.5						
% of Total Tonnage 23.3						
	PANAMAX	1	Jag Arnav	71,122	1995	
		2	Jag Akshay	73,350	1994	
		2		**144,472**		**13.5**
	SUPRAMAX	1	Jag Ratan	52,179	2001	
		2	Jag Rahul	52,364	2003	
		2		**104,543**		**6**
	HANDYMAX	1	Jag Reena	45,659	2000	
		2	Jag Ravi	45,342	1997	
		3	Jag Rani	41,545	1984	
		4	Jag Rishi	41,093	1984	
		5	Jag Riddhi	47,240	1997	
		5		**220,879**		**15.2**
	HANDYSIZE	1	Jag Vikram	27,463	1980	
		2	Jag Vidya	27,451	1977	
		3	Jag Vikas	26,781	1977	
		3		**81,695**		**30**

Fleet Total

Total Tonnage (dwt)	3,074,449
No. of Ships	46
Average Age (years)	11.4

Acquisitions and Sales during FY 2007-08

Acquisitions

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries					
Product Tankers	MEDIUM RANGE (MR)	Jag Pushpa	47,400	2007	Apr-07
	MEDIUM RANGE (MR)	Jag Prerana	47,400	2007	Oct-07
Second Hand Additions					
Crude Oil Carriers	SUEZMAX	Jag Lateef	147,092	2000	Sept-07
	SUEZMAX	Jag Lakshita	147,000	2000	Sept-07
Dry Bulk Carriers	HANDYMAX	Jag Riddhi	47,240	1997	Apr-07
	SUPRAMAX	Jag Ratan	52,179	2001	Oct-07

Sales

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF SALE
Crude Oil Carriers	SUEZMAX	Jag Laadki	145,242	1992	Apr-07
	VLCC	Ardeshir H Bhiwandiwalla	265,955	1992	Sept-07
	AFRAMAX	Jag Leher	107,592	1986	Nov-07
	AFRAMAX	Jag Labh	96,551	1988	Nov-07
Product Tanker	PANAMAX	Jag Anjali	66,203	1986	Feb-08

Transactions between April 01, 2008 to May 02, 2008

Sales

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT
Product Tankers	PANAMAX	Jag Arpan	66,183	1986
	GENERAL PURPOSE	Jag Praja	29,990	1982
Dry Bulk Carrier	PANAMAX	Jag Akshay	73,350	1994

Vessels on order as on May 02, 2008

CATEGORY	TYPE	SHIPYARD	DWT (MT)	MONTH OF CONTRACTING	EXPECTED DELIVERY
New Building Order Book position					
Product Carriers	LONG RANGE ONE	STX Shipbuilding Co.Ltd	74,500	Mar-06	End 2008
	LONG RANGE ONE	STX Shipbuilding Co.Ltd	74,500	Mar-06	End 2008
	LONG RANGE ONE	STX Shipbuilding Co.Ltd	74,500	Mar-06	Mid 2009
	LONG RANGE ONE	STX Shipbuilding Co.Ltd	74,500	Mar-06	Mid 2009
Dry Bulk Carriers	KAMSARMAX	STX Shipbuilding Co.Ltd	80,700	Oct-07	Early 2011
	KAMSARMAX	STX Shipbuilding Co.Ltd	80,700	Oct-07	Early 2011
	SUPRAMAX	Cosco (Zhoushan) Shipyard Co.Ltd	57,000	Nov-07	Early 2010
	SUPRAMAX	Cosco (Zhoushan) Shipyard Co.Ltd	57,000	Nov-07	Early 2010
	SUPRAMAX	Cosco (Zhoushan) Shipyard Co.Ltd	57,000	Dec-07	Mid 2010
	SUPRAMAX	Cosco (Zhoushan) Shipyard Co.Ltd	57,000	Dec-07	Mid 2010
	KAMSARMAX	SPP Shipbuilding Co. Ltd	81,000	Dec-07	Mid 2011
	KAMSARMAX	SPP Shipbuilding Co. Ltd	81,000	Dec-07	Mid 2011

Vessels contracted to sell as on May 02, 2008

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	EXPECTED DELIVERY
Product Tankers	MEDIUM RANGE	Jag Panna	37,145	2007	Q1 FY2010
	MEDIUM RANGE	Jag Payal	37,159	2007	Q1 FY2010
Dry Bulk Carrier	HANDYSIZE	Jag Vikas	26,781	1977	Q1 FY2009

Subsidiary Fleet as on May 02, 2008
Greatship (India) Limited

CATEGORY	TYPE		VESSEL NAME	DWT (MT)	YEAR BUILT	AVG. AGE (YEARS)
Offshore Support Vessels						
	PLATFORM SUPPLY VESSEL	1	m.v. Greatship Disha	3,115	1999	
		2	m.v. Greatship Diya	3,350	2003	
		3	m.v. Greatship Dipti	3,300	2005	
		3		**9,765**		**5.7**
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	1	m.v. Greatship Anjali	2,209	2008	
		2	m.v. Greatship Amrita	1,996	2008	
		2		**4,205**		**0**

Fleet Total

Number	**5**
Total Tonnage (dwt)	**13,970**
Average Age (yrs)	**3.4**

Subsidiary Order Book as on May 02, 2008

New Building Order Book Position

Offshore Support Vessels in Greatship (India) Ltd.

CATEGORY	TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
	PLATFORM SUPPLY VESSEL	Aker Yard ASA, Norway	Apr-06	Q2 FY2009
	PLATFORM SUPPLY VESSEL	Aker Yard ASA, Norway	Apr-06	Q3 FY2009
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Labroy Shipbuilding & Engineering Pte. Ltd., Singapore	Sep-06	Q4 FY2009
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Labroy Shipbuilding & Engineering Pte. Ltd., Singapore	Sep-06	Q4 FY2009
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Labroy Shipbuilding & Engineering Pte. Ltd., Singapore	Sep-06	Q1 FY2010
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Labroy Shipbuilding & Engineering Pte. Ltd., Singapore	Sep-06	Q2 FY2010
	MULTIPURPOSE SUPPLY VESSEL	Colombo Dockyard Plc., Srilanka	Apr-08	Q2 FY2011
	MULTIPURPOSE SUPPLY VESSEL	Colombo Dockyard Plc., Srilanka	Apr-08	Q4 FY2011

Offshore Support Vessels in Greatship Global Offshore Service Pte. Ltd., Singapore

CATEGORY	TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Colombo Dockyard Limited, Srilanka	June-07	Q4 FY2009
	ANCHOR HANDLING TUG CUM SUPPLY VESSEL	Colombo Dockyard Limited, Srilanka	June-07	Q1 FY2010
	MULTIPURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	Keppel Singmarine Pte. Ltd., Singapore	July-07	Q2 FY2010
	MULTIPURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	Keppel Singmarine Pte. Ltd., Singapore	July-07	Q2 FY2010
	MULTIPURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	Keppel Singmarine Pte. Ltd., Singapore	July-07	Q3 FY2010
	MULTIPURPOSE PLATFORM SUPPLY AND SUPPORT VESSEL	Keppel Singmarine Pte. Ltd., Singapore	July-07	Q4 FY2010
	MULTIPURPOSE SUPPORT VESSEL	Mazagon Dockyard Limited, Mumbai	Sep-07	Q4 FY2010
	MULTIPURPOSE SUPPLY VESSEL	Colombo Dockyard Plc., Srilanka	Dec-07	Q4 FY2010
	MULTIPURPOSE SUPPORT VESSEL	Mazagon Dockyard Limited, Mumbai	Sep-07	Q1 FY2011
	MULTIPURPOSE SUPPLY VESSEL	Colombo Dockyard Plc., Srilanka	Dec-07	Q1 FY2011

Drilling Unit in Greatship Global Energy Services Pte. Ltd., Singapore

CATEGORY	TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
	JACK UP RIG	Keppel Fels Ltd., Singapore	June-06	Q3 FY2010

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, 2008 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3) As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government 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 in paragraph (3) above, we report that:

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

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

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

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

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

      i) Note 12 of Schedule 20: Notes to Accounts regarding the change in accounting policy, pursuant to the notification of AS 11 (Revised 2003) by the Ministry of Corporate Affairs, in respect of foreign exchange fluctuations on repayment and year end translation of foreign currency liabilities relating to ships acquired from a country outside India being credited to Profit & Loss Account as against the earlier practice of adjusting against the carrying cost of the ships. The profit for the year and corresponding reserves are higher by Rs. 13259 lakhs consequent to the change.

      ii) Note 13 (ii) of Schedule 20: Notes to Accounts regarding provision of an additional one time Ex-gratia payment to the Executive Chairman, Deputy Chairman & Managing Director and the Executive Director of Rs. 180 lakhs, Rs. 144 lakhs and Rs. 108 lakhs respectively in addition to the maximum amount approved by the shareholders. The same is subject to the approval of the shareholders at the ensuing annual general meeting.

      iii) Note 17 (iii) of Schedule 20, Notes to Accounts regarding derivative contracts entered into by the Company to hedge foreign currency risks and bunker price risk. As per the policy consistently followed by the Company in the past, such derivative contracts are accounted only on settlement and the mark-to-market (loss) / gain thereon amounting to Rs. (5520) lakhs and Rs. 17 lakhs respectively has not been provided for in the accounts for the year ended March 31, 2008.

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

i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

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 for the year ended on that date.

5) On the basis of written representations received from the Directors of the Company as on March 31, 2008, and taken on record by the Board of Directors, we report that none of the Directors of the Company is disqualified as on March 31, 2008, 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

Viraf R. Mehta
Partner
Membership No: 32083
Place : Mumbai
Date: May 02, 2008

Annexure to the Auditor's Report

Referred to in Paragraph 3 of our report of even date on the accounts of The Great Eastern Shipping Company Limited for the year ended March 31, 2008:

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

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

   (c) In our opinion, a substantial part of the fixed assets has not been disposed off by the Company during the year.

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

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

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

3. (a) The Company had granted an unsecured loan to a company covered in the register maintained under section 301 of the Companies Act, 1956. The said company has ceased to be a company covered under section 301 of the Act with effect from 18th September 2007. The amount outstanding as on 31st March, 2008 is 161 lakhs.

   (b) In our opinion, the rate of interest and other terms and conditions of the loan given by the Company are prima facie not prejudicial to the interest of the Company.

   (c) The receipt of interest thereon has been regular and no principal amount has fallen due as of the balance sheet date.

   (d) No amount is overdue against the said loan.

   (e) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.

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 purchase of inventory and fixed assets, and for the sale of goods and services. During the course of our audit no major weakness has been observed in the internal controls.

5. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act 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 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

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

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

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

9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, except for the provident fund dues of floating staff, the company is generally regular in depositing undisputed statutory dues including Shore Staff Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities. We are informed that in respect of floating staff it is not possible to accurately ascertain the provident fund dues in view of

the nature of the Company's activities. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination the balance, if any, is paid.

(b) According to the books of account and records as produced and examined by us, there are no dues of Sales tax, Income tax, Custom duty, Wealth tax, Service tax, Excise duty or cess which have not been deposited on account of any dispute, other than those stated below :

NO.	NAME OF THE STATUTE	NATURE OF DUES	AMOUNT RS. IN LAKHS	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE DISPUTE IS PENDING
1	The Customs Act 1962	Import duty	31	2000-01	High Court, Mumbai
2	The Tamilnadu General Sales Tax Act 1959	Lease tax	1740	1995-96 to 1997-98	The Sales Tax Appellate Tribunal.
3	The Central Sales Tax Act, 1956 & Bombay Sales tax Act, 1959	Sales Tax	646	1995-96 to 1998-99	The Sales Tax Appellate Tribunal
4	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
5	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 has no accumulated losses at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanation given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi/ mutual benefit fund/ societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the company.
16. As informed to us, the term loans were applied by the Company for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanations given to us, we report that the company has not utilised any funds raised on short term basis for long term investments.
18. In our opinion the price at which equity warrants have been allotted, on a preferential basis, to parties covered in the Register maintained under section 301 of the Companies Act, 1956 is not prima facie prejudicial to the interest of the Company.

19. According to the explanation given to us, securities have been created in respect of the debentures issued by the Company.

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

21. Based upon the audit procedures performed and the information and explanations given by the management, we report that except for an irregularity detected by the Company in the material procurement cell involving an employee who is resigned, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No: 32083
Place : Mumbai
Date: May 02, 2008

The Great Eastern Shipping Company Limited

Detailed Financial Statements

Balance Sheet as at March 31, 2008.

	Schedule		Current Year	Previous Year
				RS. IN LAKHS
Sources of Funds :				
Shareholders' Funds :				
Capital	1	15227		15227
Application Money - Equity Warrants		1602		-
Reserves and Surplus	2	400510		291552
			417339	306779
Loan Funds :				
Secured Loans	3		248458	219789
TOTAL			665797	526568
Application of Funds :				
Fixed Assets :	4			
Gross Block		620426		535938
Less : Depreciation (including impairment)		172990		172697
Net Block		447436		363241
Ships under Construction/Capital work-in-progress		35823		18000
			483259	381241
Investments	5		92135	40361
Current Assets, Loans and Advances :				
Inventories	6	5215		3515
Sundry Debtors	7	12354		15294
Cash and Bank balances	8	108856		106537
Other Current assets	9	2445		3203
Loans and Advances	10	7372		10103
		136242		138652
Less : Current Liabilities and Provisions :				
Current Liabilities	11	41536		23158
Provisions	12	3398		9503
Incomplete Voyages (net)		905		1025
		45839		33686
Net Current Assets			90403	104966
TOTAL			665797	526568
Significant Accounting Policies	19			
Notes to Accounts	20			

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

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Viraf R. Mehta
Partner
Mumbai, May 02, 2008

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

Mumbai, May 02, 2008

Profit and Loss Account for the Year Ended March 31, 2008.

RS. IN LAKHS

	SCHEDULE		CURRENT YEAR	PREVIOUS YEAR
Income :				
Income from Operations	13		306275	213594
Other Income	14		14076	11516
			320351	225110
Expenditure :				
Operating Expenses	15	120347		88745
Administration & Other Expenses	16	10688		8132
Interest & Finance charges	17	14928		10718
Depreciation		34095		26526
			180058	134121
Profit before tax			140293	90989
Less : Provision for taxation				
- Current tax		4500		3100
- Fringe Benefit tax		120		100
			4620	3200
Profit for the year after tax			135673	87789
Add : Prior period adjustments	18		8	542
			135681	88331
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act,1961			22500	15000
			113181	73331
Add : Transfer from Reserve Under Section 33AC of the Income-tax Act, 1961.		24000		-
Add : Transfer from Exchange Fluctuation Reserve		2500		-
Less : Transfer to Debenture Redemption Reserve		-		1500
			26500	1500
			139681	71831
Add : Surplus brought forward from previous year			90991	59331
Amount available for appropriation			230672	131162
Appropriations :				
Transfer to General Reserve		20000		20000
Interim Dividend on Equity Shares		22841		10659
Proposed Dividend on Equity Shares		-		6852
Tax on Dividends		3882		2660
			46723	40171
Balance Carried Forward			183949	90991
Basic earnings per share (in Rs.)			89.11	58.01
Diluted earnings per share (in Rs.)			88.37	58.01
Significant Accounting Policies	19			
Notes to Accounts	20			

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
Viraf R. Mehta
Partner
Mumbai, May 02, 2008

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

Mumbai, May 02, 2008

Cash Flow Statement for the Year Ended March 31, 2008.

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
A. Cash Flow From Operating Activities :		
Net Profit Before Tax :	**140293**	90989
Adjustments For :		
Prior year adjustments	**8**	542
Depreciation	**34095**	26526
Interest earned	**(8369)**	(9459)
Interest paid	**14928**	10718
Dividend received	**(2426)**	(1051)
Profit on sale of investments (Net)	**(184)**	(280)
Profit on sale of sundry assets	**(1588)**	(8)
Bad debts/advances w/off	**252**	50
Provision for doubtful debts	**920**	426
Foreign exchange	**(14663)**	(932)
Operating Profit Before Working Capital Changes :	**163266**	117521
Adjustments For :		
Trade & Other Receivables	**3655**	(10252)
Inventories	**(1700)**	(170)
Incomplete Voyages (Net)	**(120)**	544
Trade Payables	**6380**	(1320)
Cash Generated From Operations :	**171481**	106323
Tax Paid	**(4843)**	(3428)
Net Cash Flow From Operating Activities :	**166638**	102895
B. Cash Flow From Investing Activities :		
Purchase of fixed assets	**(153867)**	(134821)
Sale proceeds of fixed assets (refer note 1)	**19893**	9131
Purchase of Investments	**(393114)**	(202559)
Sale proceeds of Investments	**373104**	208987
Investments in subsidiaries/joint venture	**(38600)**	(28264)
Disposal of investment in associates	**7020**	334
Interest received	**9127**	7773
Dividend received	**2426**	1051
Net Cash From/(Used In) Investing Activities :	**(174011)**	(138368)
C. Cash Flow From Financing Activities :		
Application money towards Equity Warrants	**1602**	-
Proceeds from long term borrowings	**78118**	84521
Repayments of long term borrowings	**(32762)**	(47010)
Dividend paid	**(18181)**	(17284)
Tax on Dividend paid	**(3106)**	(2429)
Interest paid	**(15017)**	(11055)
Net Cash From/(Used In) Financing Activities :	**10654**	6743
Net increase/(decrease) in cash and cash equivalents	**3281**	(28730)
Cash and cash equivalents as at April 1, 2007 (refer note 2)	**108015**	136745
Cash and cash equivalents as at March 31, 2008 (refer note 2)	**111296**	108015

Note

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 as on

	MARCH 31, 2008	MARCH 31, 2007
Cash and Bank Balances	**108856**	106537
Effect of exchange rate changes [Loss/(gain)]	**2440**	1478
Cash and cash equivalents as restated	**111296**	108015

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Viraf R. Mehta
Partner
Mumbai, May 02, 2008

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

Mumbai, May 02, 2008

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2008.

		CURRENT YEAR	PREVIOUS YEAR
		RS. IN LAKHS	
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			
15,26,98,445	(Previous Year 15,26,98,445) Equity Shares of Rs.10 each	**15270**	15270
		15270	15270
Subscribed			
15,22,76,442	(Previous Year 15,22,76,442) Equity Shares of Rs.10 each	**15227**	15227
		15227	15227
Paid-Up			
15,22,73,924	(Previous Year 15,22,73,924) Equity Shares of Rs.10 each fully paid up	**15227**	15227
		15227	15227

Notes :

1. Out of above, 74,39,858 (Previous Year 74,39,858) shares are allotted as fully paid up persuant 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 Redemption Reserve :			
	As per last Balance Sheet		**23854**	23854
(b)	Reserve Under Section 33AC of the Income-Tax Act,1961 :			
	As per last Balance Sheet	**24000**		24000
	Less : Transfer to Profit & Loss Account	**24000**		-
			-	24000
(c)	Tonnage Tax Reserve Account Under Section 115VT of the Income-Tax Act,1961 :			
	As per last Balance Sheet	**44500**		29500
	Add : Transfer from Profit and Loss Account	**22500**		15000
			67000	44500
(d)	Debenture Redemption Reserve :			
	As per last Balance Sheet	**5750**		4250
	Add : Transfer from Profit and Loss Account	**-**		1500
			5750	5750
(e)	Exchange Fluctuation Reserve :			
	As per last Balance Sheet	**2500**		2500
	Less : Transfer to Profit and Loss Account	**2500**		-
			-	2500
(f)	Share Premium Account :			
	As per last Balance Sheet		**12601**	12601
(g)	General Reserve :			
	As per last Balance Sheet	**87356**		67356
	Add : Transfer from Profit and Loss Account	**20000**		20000
			107356	87356
(h)	Profit and Loss Account		**183949**	90991
			400510	291552

			CURRENT YEAR	PREVIOUS YEAR
Schedule "3" :				
Secured Loans :				
(a)	Term Loans -			
	- From Banks		**238475**	201429
	Secured by mortgage of specific ships, assignment of bank deposit and a financial covenant to maintain unencumbered assets. (refer note 4)			
(b)	Non Convertible Debentures*-			
	(i) Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each-			
	- 8.95 % redeemed on July 07, 2007.**		**-**	7127
	- 6.05 % redeemable on September 19, 2010.**		**8733**	8733
	(ii) Secured Redeemable Non-Convertible Debentures of Rs. 50,00,000 each -			
	- 10.25 % (series 7) redeemable in one annual instalment on May 25, 2008.		**1250**	2500
	* Secured by mortgage of specified immovable properties and ships.			
	** Liability for Debentures is net of amount recoverable from Great Offshore Limited in respect of amount transferred on de-merger.			
			248458	219789

Schedule "4" :
Fixed Assets :

RS. IN LAKHS

	Cost				Depreciation				Impairment		Net Block
Particulars	As At April 1, 2007	Additions For The Year	Deductions For The Year [Note 5 (b)]	As At March 31, 2008	Upto March 31, 2007	Adjustments In Respect of Assets Sold/ Discarded	For The Year	Upto March 31, 2008	As At April 1, 2007	Upto March 31, 2008	As At March 31, 2008
Fleet	**522062** *421324*	**135236** *122303*	**51087** *21565*	**606211** *522062*	**159562** *146111*	**33040** *12465*	**33399** *25916*	**159921** *159562*	**8755** *8755*	**8755** *8755*	**437535** *353745*
Plant & Machinery	**1299** *1227*	**205** *72*	**125** *-*	**1379** *1299*	**463** *347*	**125** *-*	**130** *116*	**468** *463*	**-** *-*	**-** *-*	**911** *836*
Land (Freehold & Perpetual Lease)	**4934** *4934*	**-** *-*	**-** *-*	**4934** *4934*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**4934** *4934*
Land (Leasehold)	**-** *5*	**-** *-*	**-** *5*	**-** *-*	**-** *1*	**-** *1*	**-** *-*	**-** *-*	**-** *-*	**-** *-*	**-** *-*
Ownership Flats and and Buildings *	**4311** *3698*	**406** *615*	**353** *2*	**4364** *4311*	**1035** *870*	**108** *-*	**165** *165*	**1092** *1035*	**135** *135*	**135** *135*	**3137** *3141*
Furniture, Fixtures and Office Equipment	**2677** *2507*	**261** *236*	**322** *66*	**2616** *2677*	**2298** *2148*	**322** *58*	**199** *208*	**2175** *2298*	**-** *-*	**-** *-*	**441** *379*
Vehicles	**655** *628*	**487** *133*	**220** *106*	**922** *655*	**449** *425*	**207** *97*	**202** *121*	**444** *449*	**-** *-*	**-** *-*	**478** *206*
SUB-TOTAL	**535938** *434323*	**136595** *123359*	**52107** *21744*	**620426** *535938*	**163807** *149902*	**33802** *12621*	**34095** *26526*	**164100** *163807*	**8890** *8890*	**8890** *8890*	**447436** *363241*
Ships under construction/Capital work-in-progress											**35823** *18000*
											483259 *381241*

Note

* The Ownership Flats & Buildings include Rs. 13,260 (Previous Year Rs. 14,260), 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 "5" :					
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**	**115**	5,00,000	115
The Great Eastern Chartering L.L.C. -FZC of AED 100 each		**1,500**	**19**	1,500	19
Greatship (India) Ltd.	10	**6,51,00,000**	**64200**	2,65,00,000	25600
Joint Venture :					
CGU Logistic Limited	10	**50,87,500**	**509**	50,87,500	509
Associates :					
Business Standard Ltd.	10	**1,67,85,787**	**2402**	1,67,85,787	2402
			67271		28671
Less : Provision for dimunition in value			**800**		800
			66471		27871
(b) **Current Investments :**					
(At lower of cost and fair value - fully paid)					
Equity Shares : Unquoted					
Associates :					
United Shippers Ltd	10	-	-	14,22,973	7027
Mutual Funds : Unquoted					
Redeemed during the year :					
Reliance Fixed Tenor Fund - Plan A - Growth Plan	10	-	-	2,99,92,990	2999
Templeton India TMA Super Institutional Plan	1000	-	-	45,074	451
ABN Amro FTP Series 2 Quarterly Plan E-Dividend	10	-	-	2,01,33,834	2013
Subscribed during the year :					
Birla Income Plus - Quarterly Dividend Reinvestment	10	**1,76,46,860**	**1867**	-	-
Templeton India Short Term Income Plan Institutional Weekly Dividend Reinvestment	1000	**1,49,488**	**1503**	-	-
JM Money Manager Fund Super Plus Plan Daily Dividend	10	**75,40,948**	**754**	-	-
JM - Interval Fund Quarterly Plan 6 Institutional Dividend Plan	10	**50,31,795**	**503**	-	-
HSBC Flexi Debt Fund Institutional Fortnightly Dividend	10	**4,82,26,338**	**4837**	-	-
ICICI Prudential Institutional Income Plus Plan	10	**3,50,97,042**	**3689**	-	-
Tata Fixed Income Portfolio Scheme C3 Institutional Fund - Dividend	10	**50,00,000**	**500**	-	-
Tata Fixed Income Portfolio Fund Scheme A2 Institutional - Dividend	10	**2,50,96,907**	**2512**	-	-
Tata Floating Rate Fund Long Term - Income	10	**2,45,25,195**	**2481**	-	-
Tata Dynamic Bond Fund Option A - Dividend	10	**1,91,13,969**	**2007**	-	-
SBI Debt Fund Series - 90 Days-20 (26-Feb-08) -Dividend	10	**2,00,53,066**	**2005**	-	-
SBI Debt Fund Series - 30 Days-1 (13-Mar-08) - Dividend	10	**3,00,60,243**	**3006**	-	-
			25664		12490
			92135		40361

		CURRENT YEAR	PREVIOUS YEAR
			RS. IN LAKHS
Schedule "6" :			
Inventories :			
- Fuel oils		**5215**	3515
		5215	3515
Schedule "7" :			
Sundry Debtors :			
(Unsecured)			
(a) Debts outstanding over six months :			
- Considered good	**633**		531
- Considered doubtful	**1978**		1108
		2611	1639
(b) Other Debts :			
- Considered good		**11721**	14763
		14332	16402
Less : Provision for doubtful debts		**1978**	1108
		12354	15294
Schedule "8" :			
Cash and Bank Balances :			
(a) Cash and cheques on hand		**3**	3
(b) Balances with scheduled banks			
- On current account	**1004**		945
- On deposit account	**101746**		93326
		102750	94271
(c) Balances with other banks			
- On call deposits with ABN AMRO Bank, London (Maximum Balance Rs.33923 lakhs, Previous Year Rs.25108 lakhs)	**4934**		10503
- On current account with ABN AMRO Bank, Dubai (Maximum Balance Rs.68 lakhs, Previous Year Rs."Nil")	**32**		-
- On call deposits with Citi Bank, London (Maximum Balance Rs.7 lakhs, Previous Year Rs.7 lakhs)	**7**		7
- On term deposits with Citi Bank, London (Maximum Balance Rs.1150 lakhs, Previous Year Rs.1150 lakhs)	**1109**		1150
- On current account with Royal Bank of Scotland, London (Maximum Balance Rs.555 lakhs, Previous Year Rs.24360 lakhs)	**21**		603
		6103	12263
		108856	106537
Schedule "9" :			
Other Current Assets :			
Interest accrued on deposits		**2445**	3203
		2445	3203

		CURRENT YEAR	PREVIOUS YEAR
			RS. IN LAKHS
Schedule "10" :			
Loans and Advances :			
(Unsecured - considered good, unless otherwise stated)			
(a) Advances recoverable in cash or in kind or for value to be received (Net of provision for doubtful advances Rs. 97 lakhs, Previous year Rs. 95 lakhs)		**4143**	5663
(b) Advance & loans to -			
- subsidiaries (refer note 6)	**-**		1736
- others	**161**		242
		161	1978
(c) Agents' current accounts		**2568**	2183
(d) Balances with Customs, Port Trust etc.		**7**	9
(e) Advance payment of Income-tax & tax deducted at source (Net of Provision for taxation)		**493**	270
		7372	10103
Schedule "11" :			
Current Liabilities :			
(a) Sundry Creditors			
- Outstanding dues to micro enterprises and small enterprises		**-**	-
- Dues to other creditors		**20326**	13158
(b) Due to a Subsidiary Company		**137**	55
(c) Advance Charter Hire		**3303**	4286
(d) Liabilities towards Investor Education and Protection Fund, not due			
- Unpaid dividend		**679**	588
- Unpaid matured fixed deposits		**-**	1
(e) Other Liabilities		**806**	1207
(f) Interest accrued but not due on loans		**3303**	2985
(g) Managerial Remuneration payable		**1561**	878
(h) Interim dividend payable		**11421**	-
		41536	23158
Schedule "12" :			
Provisions :			
(a) Proposed Dividend		**-**	6852
(b) Provision for tax on dividends		**1941**	1165
(c) Provision for Retirement benefits		**1457**	1486
		3398	9503

Schedules Annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2008.

		CURRENT YEAR	PREVIOUS YEAR
			RS. IN LAKHS
Schedule "13" :			
Income From Operations :			
Freight and Demurrage		**137696**	110039
Charter Hire		**120375**	88942
Profit on sale of Ships		**28942**	13631
Gain on foreign currency transactions (net)		**17876**	212
Miscellaneous Operating Income		**1386**	770
		306275	213594
Schedule "14" :			
Other Income :			
Dividend			
- from a subsidiary company	**16**		17
- from current investments	**2410**		1034
		2426	1051
Interest earned (Gross) :			
- on term deposits	**7307**		8652
- on call deposit	**875**		789
- others	**187**		17
(Income-tax deducted at source Rs. 1606 lakhs, Previous Year Rs.1695 lakhs)		**8369**	9458
Profit on sale of Investments :			
- long term investment	**-**		192
- current investments (net)	**397**		88
Dimunition in current investments	**(213)**		-
		184	280
Profit on sale of sundry assets (net)		**1588**	8
Miscellaneous Income		**1509**	719
		14076	11516
Schedule "15" :			
Operating Expenses :			
Fuel Oil and Water		**29082**	23721
Port, Light and Canal Dues		**9655**	9007
Stevedoring, Despatch & Cargo Expenses		**619**	354
Hire of chartered ships		**30986**	16087
Brokerage & Commission		**3342**	2701
Agency Fees		**816**	668
Wages, Bonus and Other Expenses - Floating Staff		**16880**	12718
Contribution to Provident & Other Funds - Floating Staff		**229**	208
Stores		**6435**	5212
Repairs & Maintenance - Fleet		**17652**	13359
Insurance & Protection Club Fees		**3183**	3160
Vessel Management Expenses		**565**	644
Sundry Operating Expenses		**903**	906
		120347	88745

			RS. IN LAKHS
		CURRENT YEAR	PREVIOUS YEAR
Schedule "16" :			
Administration & Other Expenses :			
Staff Expenses -			
- Salaries, Allowances & Bonus	**5653**		4327
- Staff Welfare Expenses	**142**		61
- Contribution to Provident & Other Funds	**308**		215
		6103	4603
Rent		**33**	15
Insurance		**68**	63
Repairs and Maintenance -			
- Buildings	**43**		102
- Others	**310**		229
		353	331
Property Taxes		**14**	14
Auditors' Remuneration		**61**	56
Miscellaneous Expenses		**2884**	2574
Bad debts and advances written off		**252**	51
Provision for doubtful debts & advances (Net)		**920**	425
		10688	8132
Schedule "17" :			
Interest & Finance Charges :			
Interest on Fixed Loans		**15081**	10498
Finance charges		**398**	457
		15479	10955
Less : Pre-delivery interest capitalised		**551**	237
		14928	10718
Schedule "18" :			
Prior Period Adjustments :			
Income/(Expenses) of prior years (net)		**(32)**	542
Excess provisions written back		**40**	-
		8	542

Schedule "19" :

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 financing costs on borrowings during construction period.

(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 cost 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 capitalized as a part of the respective asset, upto the date of acquisition/completion of construction.

(h) Revenue recognition :
Freight and demurrage earnings are recognised on completed voyage basis. Time Charter earnings are recognised on accrual 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 Contribution are considered as defined contribution plan and the contributions are charged to the Profit and Loss of the year when the contributions to the respective funds are due.
(ii) Defined Benefit Plan
Retirement benefits in the form of Gratuity and Pension plan for Whole-time Directors are considered as defined benefit obligations and are provided for on the basis of an 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, if any, are immediately recognized 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 on the following basis:

		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 Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognised in the year in which impairment takes place.

(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 monetary assets and liabilities and realised gains and losses on foreign currency transactions is 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. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

(iii) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.

(iv) Foreign currency derivative contracts, which form an integral part of the loans, are translated at closing rates and the resultant gains or losses are recognized in the Profit and Loss account along with the revaluation gains or losses of the hedged loans.

(v) Exchange differences in respect of other foreign currency derivative contracts, including currency interest swaps and options, which have been entered into to hedge foreign currency and interest rate risks are accounted for on settlement along with the cash flow from the hedged transactions/commitments.

(n) 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.

(o) 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 "20" :

Notes to Accounts :

1. Contingent Liabilities :

RS. IN LAKHS

SR. NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(a)	Guarantees given by banks counter guaranteed by the Company.	**43250**	104
(b)	Guarantees by bank given on behalf of a subsidiary company.	**775**	877
(c)	Guarantees given to banks/shipyard on behalf of subsidiaries.	**142446**	25519
(d)	Sales Tax demands under BST Act for the years 1995-96,1996-97, 1997-98, 1998-99 against which the Company has preferred appeals.	**646**	1303
(e)	Lease Tax liability in respect of a matter in which Deputy Commissioner Chennai has filed an appeal before the Sales Tax Appellate Tribunal against order passed in favour of the Company.	**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 2,91,682 [Previous Year 2,91,682] right 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. "Nil" (Previous Year "Nil") equity shares have been allotted out of the shares kept in abeyance, during the year.

3. Warrants against Share Capital :

In pursuance of a Resolution passed by the Shareholders in their meeting held on July 26, 2007, the Company has on a preferential basis allotted on August 09, 2007, 50,05,000 Warrants at Rs. 312.75 per Warrant convertible into equity shares in the ratio of 1:1 to the promoters and non-wholetime directors of the Company. The Company received an amount of Rs. 32/- per Warrant aggregating to Rs. 1602 lakhs alongwith the application for allotment of the Warrants. Balance amount of Rs. 280.75 per Warrant will be payable on exercise of the option by the Warrant holder at any time prior to the expiry of 18 months from the date of allotment of the Warrants.

If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the period of 18 months from the date of allotment of Warrants, the entitlement of the Warrant holders to apply for Equity Shares of the Company shall expire and the amount paid on such Warrants shall stand forfeited.

The Company has utilized the funds received on application of warrants for general corporate purposes as set out in the objects of the issue.

4. Secured Loans :

Term loans from banks includes a syndicated loan of USD 53 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.

5. Fixed Assets :

(a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. 211838 lakhs [Previous Year Rs.116448 lakhs].

(b) The amount of exchange gain on account of fluctuation of the rupee against foreign currencies, gain or loss on hedging contracts and cancellation of forward covers relating to loan liabilities deducted from the carrying amount of fixed assets during the year is Rs. "Nil" [Previous Year Rs. 4666 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.

6. **Current Assets, Loans and Advances :**

	CURRENT YEAR	PREVIOUS YEAR
	RS. IN LAKHS	
Loans and advances to subsidiary companies :		
The Greatship (Singapore) Pte Ltd. (maximum balance during the year Rs.350 lakhs, Previous Year Rs. 202 lakhs)	-	-
Greatship (India) Ltd. (maximum balance during the year Rs.10 lakhs, Previous Year Rs. 9868 lakhs)	-	-
The Great Eastern Chartering L.L.C. (FZC) (maximum balance during the year Rs.1736 lakhs, Previous Year Rs. 9663 lakhs)	-	1736
TOTAL	-	-

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

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", amount overdue as on March 31, 2008 to Micro, Medium and Small Enterprises on account of principal amount together with interest, aggregate to Rs. "Nil". (Previous Year – Rs. ''Nil").

9. **Deferred tax :**
Pursuant to the introduction of Sec 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 as 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, 2007	Additions during the year	Reversed/ Paid during the year	Balance as on March 31, 2008
Vessel Performance/Offhire Claims Provisions have been recognised for the estimated liability for under performance of certain vessels and offhire claims under dispute.	1263	714	352	1625

11. The Company has provided a performance guarantee in favour of a party which has awarded a contract to the Company's wholly owned 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 company does not expect any net liability or outflow of resources.

12. **Change in Accounting Policy :**
The Company has adopted Accounting Standard (AS) 11, (revised 2003) as issued by the Ministry of Corporate Affairs vide Notification dated December 7, 2006. Pursuant to this, the effects of changes in foreign exchange rates in respect of loan repayments and revaluation of outstanding foreign currency loans including currency swaps that form an integral part of the Company's loans, relating to ships acquired from a country outside India amounting to Rs. 14553 lakhs have been credited to the profit and loss account, as against the earlier practice of adjusting against the carrying cost of ships. Consequent to this, the profit for the year, net of depreciation impact thereof is higher by Rs 13259 lakhs.

13. Managerial Remuneration :

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

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
(a)	Salaries	**340**	255
(b)	Contribution to Provident fund and Superannuation fund	**92**	69
(c)	Perquisites	**9**	9
(d)	Commission to whole-time directors	**1494**	801
(e)	Commission to non-whole-time directors	**75**	77
(f)	Sitting fees	**4**	4
TOTAL		**2014**	1215

Note : 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.
- Reversal of provision for retirement pension benefits of Rs. 26 lakhs (Previous Year : provision of Rs. 241 lakhs) (on the basis of an actuarial valuation) to the whole-time directors as per the scheme approved by the Board of Directors during the previous year.

ii) The Board of Directors at their meeting held on May 02, 2008 approved an additional one time ex-gratia payment to the Excecutive Chairman, Deputy Chairman & Managing Director and Excecutive Director of Rs. 180 lakhs, Rs. 144 lakhs and Rs. 108 lakhs respectively in addition to the maximum amount approved by the shareholders. The said ex-gratia has been provided for in the accounts and is subject to the approval of the shareholders at the ensuing annual general meeting.

iii) 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		**140293**		90989
Add: Managerial Remuneration	**1988**		1456	
Provision for doubtful debts and advances (Net)	**920**		425	
Prior period adjustments	**8**		542	
Depreciation as per books	**34095**		26526	
		37011		28949
		177304		119938
Less: Profit on sale of investments	**184**		280	
Depreciation u/s 350 of the Companies Act, 1956	**34095**		26526	
Capital profit on sale of fixed assets	**5857**		6022	
		40136		32828
Net Profit for Section 198 of the Companies Act, 1956		**137168**		87110
11% of Net Profit as computed above		**15088**		9582
Total Managerial Remuneration (including commission and provision for retirement pension benefits)		**2010**		1452

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

A) Defined Contribution Plans :

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

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Contribution to Employees Provident Fund	**129**	114
Contribution to Employees Superannuation Fund	**93**	87
Contribution to Employees Pension Scheme 1995	**24**	8
Contribution to Seamen's Provident Fund	**59**	31
Contribution to Seamen's Annuity Fund	**76**	68
Contribution to Seamen's Rehabiliation Fund	**51**	46
Contribution to Seamen's Gratuity Fund	**19**	14

B) Defined Benefit Plans and Other Long Term Benefits :

Valuations in respect of Gratuity, Pension Plan for Whole-time Directors, 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.)	**7.50 %**	7.00%	**7.50 %**	7.00%	**7.50 %**	7.00%
(b) Rate of Return on Plan Assets	**7.50 %**	7.50 %	**-**	-	**-**	-
(c) Salary Escalation rate	**5.00%**	5.00%	**-**	-	**5.00%**	5.00%
(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	**17.05**	20.37	**-**	-	**16.82**	17.28

(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	**1025**	990	**1298**	1061	**188**	161
Interest Cost	**69**	57	**90**	73	**12**	9
Current Service Cost	**112**	113	**-**	-	**90**	68
Benefits Paid	**(86)**	(83)	**(20)**	(20)	**(35)**	(35)
Actuarial (gain)/loss on obligations	**(52)**	(52)	**(108)**	184	**(59)**	(15)
Liability at the end of the year	**1068**	1025	**1260**	1298	**196**	188

(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	**1016**	982	**-**	-	**-**	-
Expected Return on Plan Assets	**73**	71	**-**	-	**-**	-
Employer's Contribution	**-**	-	**20**	20	**35**	-
Benefits Paid	**(86)**	(83)	**(20)**	(20)	**(35)**	(35)
Actuarial gain/(loss) on Plan Assets	**(19)**	46	**-**	-	**-**	-
Fair Value of Plan Assets at the end of the year	**984**	1016	**-**	-	**-**	-

(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	**73**	71	**-**	-	**-**	-
Actual gain/(loss) on Plan Assets	**(19)**	46	**-**	-	**-**	-
Actual Return on Plan Assets	**54**	117	**-**	-	**-**	-

(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	**1068**	1025	**1260**	1298	**196**	188
Fair Value of Plan Assets at the end of the year	**984**	1016	**-**	-	**-**	-
Difference	**84**	9	**1260**	1298	**196**	188
Unrecognised past service cost	**-**	-	**-**	-	**-**	-
Amount recognized in the Balance Sheet	**84**	9	**1260**	1298	**196**	188

(v) Expenses recognized 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	**112**	113	**-**	-	**90**	68
Interest Cost	**69**	57	**90**	74	**12**	9
Actual Return on Plan Assets	**(73)**	(71)	**-**	-	**-**	-
Net Actuarial (Gain)/loss to be recognized	**(33)**	(59)	**(108)**	184	**(58)**	(51)
Expenses recognized in Profit and Loss Account	**75**	40	**(18)**	258	**44**	26

(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 base 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.50 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. The benefit also includes 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 Eancashment :

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 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	**19%**	19%
State Government securities	**13%**	16%
Bonds	**36%**	35%
Special Deposit Scheme, 1975	**32%**	30%
TOTAL	**100%**	100%

15. Auditors' Remuneration (including service tax) :

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Audit Fees	**25**	25
In other capacities		
- Tax Audit	**2**	2
- Taxation	**19**	10
- Certification & other services	**15**	19
TOTAL	**61**	56

16. Particulars of investments Purchased and Sold during the year :

RS. IN LAKHS

	FACE VALUE RS.	NO. OF UNITS	PURCHASE AMOUNT
Mutual Funds :			
ABN Amro Cash Fund IP Daily Dividend	10	10,69,59,417	10696
ABN Amro Flexible Short Term Plan Ser C Institutional Monthly Dividend	10	1,01,84,643	1018
ABN Amro Money Plus Institutional Plan Daily Dividend	10	7,65,17,320	7652
Birla Cash Plus- Institutional Premium Plan -Dividend Reinvestment	10	9,48,95,202	9508
Birla Sun Life Liquid Plus - Institutional Daily Dividend Reinvestment	10	6,85,26,516	6857
Deutsche Insta Cash Plus Fund - Institutional Daily Dividend Plan	10	8,01,21,067	8028
DSP Merrill Lynch Cash Plus LP - Daily Dividend Reinvestment	1000	20,50,037	20502
DSP Merrill Lynch Liquid Plus LP - Daily Dividend Reinvestment	1000	8,45,774	8459
DSP Merrill Lynch Liquidity Plus LP - Daily Dividend Reinvestment	1000	7,92,293	7925
DSP Merrill Lynch Strategic Bond Fund - Regular - Weekly Dividend Reinvestment	1000	1,00,152	1004
DWS Credit Opportunities Cash Fund - Weekly Dividend Plan	10	1,41,44,072	1421
DWS Money Plus Fund - Institutional Daily Plan	10	3,99,89,647	4002
HDFC Cash Management Savings Plan - Dividend	10	10,81,53,336	11504
HDFC Cash Management Savings Plus Plan - Dividend	10	4,30,07,422	4314
HDFC Cash Management Savings Plus Plan - Wholesale Daily Dividend	10	10,88,25,127	10917
HDFC Floating Rate Income Fund - Short Term Plan - Daily Dividend	10	4,90,47,917	4944
HDFC Floating Rate Income Fund - Short Term Plan - Wholesale Option - Daily Dividend	10	3,15,76,122	3183
HSBC Cash Fund - Institutional Daily Dividend	10	7,79,21,210	7796
HSBC Liquid Plus - Institutional Plus Daily Dividend	10	8,30,02,933	8311

			RS. IN LAKHS
	FACE VALUE RS.	NO. OF UNITS	PURCHASE AMOUNT
ICICI Prudential -Flexible Income Plan - Dividend Daily Option	10	11,31,79,566	11967
ING Vysya Liquid Fund Institutional - Daily Dividend Option	10	4,09,61,233	4101
ING Vysya Liquid Plus Fund Institutional - Daily Dividend Option	10	4,15,68,731	4158
JM High Liquid Plus Fund - Premium Plan- Dividend	10	4,62,61,727	4626
JM High Liquidity Fund - Super Institutional Plan- Daily Dividend	10	14,93,11,327	14956
JM Money Manager Fund Super Plus Plan- Daily Dividend	10	11,72,57,693	11730
Kotak Flexi Debt Scheme - Daily Dividend.	10	2,39,69,008	2404
Kotak Liquid Institutional Premium Plan - Daily Dividend.	10	4,86,66,002	5951
Lotus India Liquid Plus LP - Daily Dividend	10	70,78,624	709
Principal Cash Management Fund - Liquid Opt - Instit Premium Plan Daily Dividend	10	8,59,22,811	8593
Principal Floating Rate Fund FMP Insti.Option - Dividend Reinvest Daily	10	5,58,52,921	5592
Pru ICICI Liquid Institutional Super Instl. Fund - Daily Dividend Option	10	19,85,38,684	19854
Reliance Liquid Plus Fund - Daily Dividend Plan	1000	8,91,884	8929
Reliance Liquidity Fund - Daily Dividend Plan	10	4,75,04,393	4752
Tata Floater Fund - Daily Dividend	10	3,96,75,104	3982
Tata Liquid Super High Investment Fund - Daily Dividend	1000	9,45,318	10536
Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Dividend Reinvestment	10	77,69,409	803
Templeton Floating Rate Income Fund Long Term Plan Super Institutional Option - Dividend Reinvestment	10	5,38,64,118	5394
Templeton India Treasury Management Super Instit Plan (Daily Dividend Plan)	1000	26,98,671	26993
UTI Liquid Cash Plan Institutional - Daily Income Option	1000	5,06,861	5167
UTI Liquid Plus Fund Institutional Plan - Daily Income Option	1000	4,67,490	4675
DWS Short Maturity Fund - Weekly Dividend Plan	10	3,46,65,753	3555
HDFC High Interest Fund Short Term Plan - Dividend	10	2,08,41,835	2210
HDFC Short Term Plan - Dividend	10	2,98,99,346	3090
ING Income Fund- Short Term Plan- Dividend Option	10	1,78,87,248	2049
Kotak Bond Short Term - Monthly Dividend.	10	5,15,65,049	5176
Lotus India Short Term Plan Institutional - Daily Dividend	10	4,81,50,866	4858
Templeton India Short Term Income Plan Institutional Option - Weekly Dividend Reinvestment	1000	4,47,750	4520
Templeton India Ultra Short Bond Super Institutional Plan - Daily Dividend Reinvestment	10	4,81,73,240	4826
ABN Amro Interval Fund Monthly Plan A Institutional Dividend	10	1,68,531	17
ABN Amro Interval Fund Monthly Plan A Institutional Dividend	10	60,77,992	608
ABN Amro Interval Fund Monthly Plan A Institutional Dividend	10	60,01,358	600
Birla Sun Life Interval Income Monthly Plan Series II - Institutional Dividend Reinvestment	10	1,86,01,527	1860
Birla Sun Life Interval Income Quarterly Plan Series II - Institutional Dividend Reinvestment	10	3,00,00,000	3000
DSP Merrill Lynch FMP 3M Series I - Dividend Reinvestment	10	2,03,57,814	2036
Kotak FMP 3M Series 25 - Dividend.	10	2,03,56,517	2036
Lotus India FMP -1 Month - Series III Dividend	10	2,40,51,381	2405
Lotus India FMP -1 Month - Series VI Dividend	10	2,01,23,734	2012
Lotus India Liquid LP - Daily Dividend Option	10	2,85,01,615	2850
Reliance Monthly Interval Fund Series I - Dividend Plan	10	50,26,509	503
SBI MF SDFS 90 Days Fund - Dividend	10	4,27,24,878	4272
UTI Fixed Income Interval Monthly Series II - Dividend Option	10	80,48,981	805
UTI Fixed Income Interval Monthly Series II - Dividend Option	10	2,01,78,925	2018
UTI Fixed Income Interval Quarterly Series III - Dividend Option	10	3,05,48,531	3055
JM - Arbitrage Advantage Fund - Dividend Plan	10	4,85,40,451	4958

17. Hedging Contracts :

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

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

i) Derivative instruments outstanding :

(a) Commodity futures contracts for import of Bunker

	CURRENT YEAR		PREVIOUS YEAR	
DETAILS	PURCHASE	SALE	PURCHASE	SALE
Total No.of contracts outstanding	**5**	**-**	3	-
No. of units in MT under above contracts	**13500**	**-**	12000	-

(b) Forward exchange contracts :

	CURRENT YEAR		PREVIOUS YEAR	
DETAILS	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts	**1**	**45**	3	40
Foreign Currency Value (USD in million)	**3.000**	**82.000**	3.000	72.000

(c) Forward Exchange Option contracts :

	CURRENT YEAR		PREVIOUS YEAR	
DETAILS	PURCHASE	SALE	PURCHASE	SALE
Total No. of contracts	**-**	**6**	-	3
Foreign Currency Value (USD in million)	**-**	**278.000**	-	14.000

(d) Interest rate swap contracts :

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts	25	25
Principal Notional Amount (USD in million)	230.486	160.609

(e) Currency Swap Contract :

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts		**12**	12
Principal Notional Amount (USD million)	USD/INR	**41.49**	-
Principal Notional Amount (Rs. crores)	INR/USD	**12.50**	150.05
Principal Notional Amount (JPY million)	JPY/USD	**25039.65**	13883.906

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

	CURRENCY	CURRENT YEAR IN MILLIONS	PREVIOUS YEAR IN MILLIONS
Loan liabilities and payables	AED	**1.211**	1.264
	AUD	**0.084**	-
	CAD	**0.089**	-
	CHF	**-**	0.002
	DKK	**0.817**	0.914
	EUR	**1.519**	0.384
	GBP	**0.027**	0.015
	JPY	**45.507**	25.469
	KRW	**-**	5.000
	NOK	**0.189**	0.821
	NZD	**0.019**	-
	SEK	**-**	0.027
	SGD	**1.001**	0.645
	USD	**575.525**	502.981
	ZAR	**0.796**	0.402
Receivables	AED	**0.303**	0.046
	AUD	**0.086**	-
	CAD	**0.073**	0.002
	DKK	**0.051**	0.021
	EUR	**1.614**	0.312
	GBP	**0.111**	1.401
	JPY	**-**	0.115
	NOK	**0.040**	0.402
	SEK	**0.004**	-
	SGD	**0.053**	0.033
	USD	**16.070**	14.319
	ZAR	**0.542**	0.263

iii) The above mentioned derivative contracts having been entered into, to hedge foreign currency risk and the exposure to bunker price risk, are being accounted for on settlement as per the accounting policy consistently being followed by the Company for the past several years. The mark-to-market (loss) on the foreign exchange derivative contracts and the mark-to market gain on the commodity futures outstanding as on March 31, 2008 amounted to Rs. (5520) lakhs and Rs. 17 lakhs respectively. The said losses and gains have not been provided for in the accounts for the year ended March 31, 2008.

18. 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'.

19. 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.

Greatship (India) Ltd.

Great Eastern Chartering LLC – FZC

Greatship Holding B.V., Netherland. (in liquidation)

Greatship Global Energy Services Pte Ltd., Singapore.

Greatship Holdings Ltd., Mauritius.

Greatship Global Offshore Services Pte Ltd., Singapore.

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

(i) Joint Venture

CGU Logistic Ltd.

(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

(iii) Enterprises over which Key Management Personnel Exercise Significant Influence:

- Great Offshore Ltd. (Up to September 18, 2007)
- Jyoti Bharat Sheth Family Trust

(II) Transactions with related parties :

RS. IN LAKHS

NATURE OF TRANSACTION	SUBSIDIARY COMPANIES		JOINT VENTURE		ASSOCIATE COMPANIES		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL EXERCISE SIGNIFICANT INFLUENCE		KEY MANAGEMENT PERSONNEL		TOTAL	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
Finance received- Warrants application Money - Shri K.M.Sheth	**-**	-	**-**	-	**-**	-	**-**	-	**1440**	-	**1440**	-
Sale of assets - Jyoti Bharat Sheth Family Trust a) Sale consideration for flat 18-B Manek Rs. 1054 lakhs b) Payment relating to transfer of lessors right from the date of sale in the above flat leased to Pioneer Holding Pvt. Ltd. - Transfer of deposit received from lessee Rs.400 lakhs - Transfer of Lease rent received in advance & recovery of society outgoings paid Rs. 2 lakhs	**-**	-	**-**	-	**-**	-	**1456**	-	**-**	-	**1456**	-
Finance received (including loans, and repayment of loans) - The Great Eastern Chartering LLC Rs. 1581 lakhs - Greatship India Ltd. Rs. 3 lakhs - Great Offshore Ltd. Rs. 1914 lakhs	**1584**	17474	**-**	-	**-**	-	**1914**	-	**-**	-	**3498**	17474
Finance provided (including loans and equity contributions) - Greatship (India) Ltd. Rs. 38600 lakhs - CGU Logistics Ltd. Rs. 110 lakhs - Great Offshore Ltd. Rs. 1873 lakhs	**38600**	43336	**110**	509	**-**	2160	**1873**	242	**-**	-	**40583**	46247
Remuneration - Shri K.M.Sheth Rs. 703 lakhs - Shri B.K.Sheth Rs. 720 lakhs - Shri R.K.Sheth Rs. 486 lakhs	**-**	-	**-**	-	**-**	-	**-**	-	**1909**	1375	**1909**	1375
Guarantees given - Greatship (India) Ltd. Rs. 32167 lakhs - Greatship Global Energy Services Pte.Ltd. Rs. 64157 lakhs - Greatship Global Offshore Services Pte Ltd. Rs. 46897 lakhs	**143221**	26396	**-**	-	**-**	-	**-**	-	**-**	-	**143221**	26396
Outstanding balance as on March 31 :												
Receivables	**-**	1736	**-**	-	**-**	81	**-**	243	**-**	-	**-**	2060
Payables - The Greatship (Singapore Pte. Ltd. Rs. 49 lakhs - The Great Eastern Chartering LLC Rs. 88 lakhs	**137**	61	**-**	-	**-**	-	**-**	-	**-**	-	**137**	61

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

20. Interest in Joint Venture :

The Company's interest as a venturer in jointly controlled entities as on March 31, 2008 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	**22.56%**	22.56%

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Assets		
Fixed Assets	**1804**	403
Cash and Bank Balances	**1157**	79
Loans and Advances	**6**	-
Profit and Loss account	**28**	28
TOTAL	**2995**	510
Liabilities		
Equity Share Capital (Paid up)	**509**	509
Share Application Money	**110**	-
Secured Loans	**1226**	-
Current Liabilities	**1150**	1
TOTAL	**2995**	510
Income		
Income from Operations	**2**	-
Other Income	**1**	-
TOTAL	**3**	-
Expenditure		
Operating Expenses	**13**	-
Administration and other expenses	**13**	28
TOTAL	**26**	28

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.

21. Basic and diluted earnings per share :

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
(a)	Profit for the year after tax	**135673**	87789
	Add : Prior period adjustments	**8**	542
	Net Profit after tax for Equity Shareholders	**135681**	88331
(b)	Number of Equity shares		
	(i) Basic Earning per Share :		
	Number of Equity shares as on April 1, 2007	**15,22,73,924**	15,22,73,924
	Add : Shares issued during the year	-	-
	Number of Equity shares as on March 31, 2008	**15,22,73,924**	15,22,73,924
	Weighted average number of Equity shares	**15,22,73,924**	15,22,73,924
	(ii) Diluted Earning per Share :		
	Weighted number of Equity shares	**15,22,73,924**	15,22,73,924
	Add : Potential Equity Shares on exercise option and rights kept in abeyance	**12,61,369**	-
	Weighted average number of Equity shares	**15,35,35,293**	15,22,73,924
(c)	Face value of Equity Share	**Rs. 10**	Rs. 10
(d)	Earnings per share		
	- Basic	**Rs. 89.11**	Rs. 58.01
	- Diluted	**Rs. 88.37**	Rs. 58.01

22. Information pursuant to para 4D of Part II of Schedule VI to the Companies Act, 1956 has not been given in view of exemption granted by the Department of Company Affairs, vide order no. 46/194/2007-CL-III dated January 11, 2008.

23. Previous Year's figures have been regrouped wherever necessary to conform to current years 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	31-03-2008
II.	**Capital Raised during the year :**	
	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	711636
	Total Assets	711636
	Sources of Funds :	
	Paid-up Capital	15227
	Application Money - Equity Warrants	1602
	Reserves & Surplus	400510
	Secured Loans	248458
	Unsecured Loans	NIL
	Application of Funds :	
	Net Fixed Assets	483259
	Investments	92135
	Net Current Assets	90403
	Misc. Expenditure	NIL
	Accumulated Losses	NIL
IV.	**Performance of Company :**	**RS. IN LAKHS**
	Turnover	320351
	Total Expenditure	180058
	Profit Before Tax	140293
	Net Profit	135681
	Earning Per Share (In Rs.) :	
	- Basic	89.11
	- Diluted	88.37
	Dividend Rate (%)	150
V.	**Generic Names of Three Principal Products/ Services of Company (as per monetary terms) :**	
	Description	**ITEM CODE NO.**
	I) Shipping	N.A.

Report of the Auditors to the Board of Directors of the Great Eastern Shipping Company Limited on Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of The Great Eastern Shipping Company Limited and its subsidiaries as at March 31, 2008, and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year then ended, both annexed thereto. These consolidated financial statements are the responsibility of The Great Eastern Shipping Company Limited'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 the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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. (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 53810 lakhs as at March 31, 2008, total revenues of Rs. 49076 lakhs and net cash inflows amounting to Rs. 3769 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to amounts included in respect of the subsidiaries is based solely on the report of the other auditors.

   (b) As stated in Notes 2 and 5 of Schedule 20, the financial statements of the Company's Joint Venture, whose financial statement reflect the Group's share of total assets of Rs. 2966 lakhs as at March 31, 2008, and Group's share of revenues of Rs. 3 lakhs and net cash inflows amounting to Rs. 1078 lakhs for the year ended on that date are not audited as of the date of this report and have been included in the consolidated financial statements on the basis of unaudited management accounts.

   (c) As stated in Note 7 of Schedule 20, financial statements of the Company's Associate whose financial statements reflect the Group's share associciate's loss upto March 31, 2008 of Rs. 2402 lakhs and share of loss for the year of Rs."Nil" has been included in the consolidated financial statements on the basis of unaudited management accounts.
4. We report that the consolidated financial statements have been prepared by the management of The Great Eastern Shipping Company Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures issued by the Institute of Chartered Accountants of India.
5. Without qualifying our opinion, we draw attention to :

   i) Note 13 of Schedule 20: Notes to Accounts regarding the change in accounting policy, pursuant to the notification of AS 11 (Revised 2003) by the Ministry of Corporate Affairs, in respect of foreign exchange fluctuations on repayment and year end translation of foreign currency liabilities relating to ships acquired from a country outside India being credited to Profit & Loss Account as against the earlier practice of adjusting against the carrying cost of the ships. The profit for the year and corresponding reserves are higher by Rs. 15238 lakhs consequent to the change.

   ii) Note 14 (iii) of Schedule 20, Notes on consolidated Accounts regarding derivative contracts entered into by the Company to hedge foreign currency risks and bunker price risk. As per the policy consistently followed by the Company in the past, such derivative contracts are accounted only on settlement and the mark-to-market (loss) / gain thereon amounting to Rs. (6142) lakhs and Rs. 17 lakhs respectively has not been provided for in the accounts for the year ended March 31, 2008.
6. Subject to the matters referred to in paragraph 3 above, and based on our audit and on consideration of the reports of other auditors on separate financial statements and other financial information of the components, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) In case of the Consolidated Balance Sheet, of the consolidated state of affairs of The Great Eastern Shipping Company Limited Group as March 31, 2008;

   ii) In case of the Consolidated Profit and Loss Account, of the consolidated results of operations for the year ended on that date; and

   iii) In 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

Viraf R. Mehta
Partner

Membership No: 32083
Mumbai, May 02, 2008

Consolidated Balance Sheet as at March 31, 2008.

	SCHEDULE		CURRENT YEAR	PREVIOUS YEAR
				RS. IN LAKHS
Sources of Funds :				
Shareholders' Funds :				
Capital	1	15227		15227
Application Money - Equity Warrants		2193		-
Employee stock options outstanding		74		-
Reserves and Surplus	2	415671		297372
			433165	312599
Loan Funds :				
Secured Loans	3		274693	226197
TOTAL			707858	538796
Application of Funds :				
Fixed Assets :	4			
Gross Block		658968		545054
Less : Depreciation (including impairment)		174700		172994
Net Block		484268		372060
Ships under Construction/Capital work-in-progress		83783		31810
			568051	403870
Investments	5		31745	15947
Current Assets, Loans and Advances :				
Inventories	6	6117		3701
Sundry Debtors	7	14973		17473
Cash and Bank balances	8	123624		117362
Other Current assets	9	2470		3266
Loans and Advances	10	10758		11982
		157942		153784
Less: Current Liabilities and Provisions :				
Current Liabilities	11	46123		24288
Provisions	12	3429		9505
Incomplete Voyages (net)		328		1012
		49880		34805
Net Current Assets			108062	118979
TOTAL			707858	538796
Significant Accounting Policies	19			
Notes to Accounts	20			

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
Viraf R. Mehta
Partner
Mumbai, May 02, 2008

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

Mumbai, May 02, 2008

Consolidated Profit and Loss Account for the Year Ended March 31, 2008.

	Schedule		Current Year	Previous Year
				RS. IN LAKHS
Income :				
Income from Operations	13		361540	230363
Other Income	14		14742	11410
			376282	241773
Expenditure :				
Operating Expenses	15	161660		100336
Administration & Other Expenses	16	12864		9511
Interest & Finance charges	17	16163		11100
Depreciation		35508		26836
			226195	147783
Profit before tax			150087	93990
Less : Provision for taxation				
- Current tax		4606		3144
- Fringe Benefit tax		130		110
			4736	3254
Profit for the year after tax			145351	90736
(Less)/Add : Prior period adjustments	18		(16)	542
			145335	91278
Less : Share in loss of Associates			-	25
Less : Minority Interest			-	10
			145335	91243
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act,1961			23350	15035
			121985	76208
Add : Transfer from Reserve Under Section 33AC of the Income Tax Act, 1961.		24000		-
Add : Transfer from Exchange Fluctuation Reserve		2500		-
Less : Transfer to Debenture Redemption Reserve		-		1500
			26500	1500
			148485	74708
Add : Surplus brought forward from previous year			98500	63963
Amount available for appropriation			246985	138671
Appropriations :				
- Transfer to General Reserve		20000		20000
- Transfer to Statutory Reserve		8		-
- Interim Dividend on Equity Shares		22841		10659
- Proposed Dividend on Equity Shares		-		6852
- Tax on Dividends		3882		2660
			46731	40171
Balance Carried Forward			200254	98500
Basic earnings per share (in Rs.)			95.45	59.92
Diluted earnings per share (in Rs.)			94.66	59.92
Significant Accounting Policies	19			
Notes to Accounts	20			

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
Viraf R. Mehta
Partner
Mumbai, May 02, 2008

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

Mumbai, May 02, 2008

Consolidated Cash Flow Statement for the Year Ended March 31, 2008.

	Current Year	Previous Year
		RS. IN LAKHS
A. Cash Flow From Operating Activities :		
Net Profit/(Loss) Before Tax :	**150087**	93990
Adjustments For :		
Prior year adjustments	**(16)**	542
Depreciation	**35508**	26836
Interest earned	**(8752)**	(9352)
Interest paid	**16162**	11100
Dividend received	**(2716)**	(1188)
Provision for loss on subsidiary	**267**	-
Profit on investments (Net)	**(184)**	(140)
Profit on sale of sundry assets	**(1588)**	(2)
Bad debts/advances w/off	**252**	50
Provision for doubtful debts	**1097**	426
Foreign exchange	**(15296)**	(1158)
Operating Profit Before Working Capital Changes :	**174821**	121104
Adjustments For :		
Trade & Other Receivables	**2573**	(15055)
Inventories	**(2429)**	(32)
Incomplete Voyages (Net)	**(120)**	544
Trade Payables	**9948**	(753)
Cash Generated From Operations :	**184793**	105808
Tax Paid	**(4957)**	(3757)
Net Cash Flow From Operating Activities :	**179836**	102051
B. Cash Flow From Investing Activities :		
Purchase of fixed assets	**(217118)**	(157847)
Sale proceeds of fixed assets (refer note 1)	**19893**	16363
Purchase of Investments	**(396010)**	(227773)
Sale proceeds of Investments	**373104**	220383
Disposal of investment in associates	**7020**	-
Disposal of subsidiary	**-**	334
Interest received	**9510**	7666
Dividend received	**2716**	1188
Net Cash From/(Used In) Investing Activities :	**(200885)**	(139686)
C. Cash Flow From Financing Activities :		
Application money towards Equity Warrants	**2193**	-
Proceeds from long term borrowings	**97946**	91768
Repayments of long term borrowings	**(34367)**	(47500)
Dividend paid	**(18180)**	(17284)
Tax on Dividend paid	**(3106)**	(2429)
Interest paid	**(16252)**	(11438)
Net Cash From/(Used in) in Financing Activities :	**28234**	13117
Net increase/(decrease) in cash and cash equivalents	**7185**	(24518)
Cash and cash equivalents as at April 1, 2007 (refer note 2)	**118849**	143380
Cash and cash equivalents as at March 31, 2008 (refer note 2)	**126034**	118862

Note

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 as on

	March 31, 2008	March 31, 2007
Cash and Bank Balances	**123624**	117362
Effect of exchange rate changes [Loss/(gain)]	**2410**	1500
Cash and cash equivalents as restated	**126034**	118862

As per our Report attached hereto
For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants
Viraf R. Mehta
Partner
Mumbai, May 02, 2008

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
Mumbai, May 02, 2008

Schedules Annexed to and forming part of the Consolidated Balance Sheet as at March 31, 2008.

		CURRENT YEAR	PREVIOUS YEAR
			RS. IN LAKHS
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 :			
15,26,98,445	(Previous Year 15,26,98,445) Equity Shares of Rs.10 each	**15270**	15270
		15270	15270
Subscribed :			
15,22,76,442	(Previous Year 15,22,76,442) Equity Shares of Rs.10 each	**15227**	15227
		15227	15227
Paid-Up :			
15,22,73,924	(Previous Year 15,22,73,924) Equity Shares of Rs.10 each fully paid up	**15227**	15227
		15227	15227

Notes :

1. Out of above, 74,39,858 (Previous Year 74,39,858) shares are allotted as fully paid up persuant 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).

			CURRENT YEAR	PREVIOUS YEAR
				RS. IN LAKHS
Schedule "2" :				
Reserves and Surplus :				
(a)	Capital Reserve on Consolidation :			
	As per last Balance Sheet	-		96
	Less : Adjusted on sale of subsidiary	-		96
			-	-
(b)	Capital Redemption Reserve :			
	As per last Balance Sheet		**23854**	23854
(c)	Reserve Under Section 33AC of The Income-Tax Act, 1961 :			
	As per last Balance Sheet	**24000**		24000
	Less : Transfer to Profit & Loss Account	**24000**		-
			-	24000
(d)	Tonnage Tax Reserve Account Under Section 115vt Of The Income-Tax Act, 1961 :			
	As per last Balance Sheet	**44535**		29500
	Add : Transfer from Profit and Loss Account	**23350**		15035
			67885	44535
(e)	Statutory Reserves :			
	Transfer from Profit and Loss Account		**8**	-
(f)	Debenture Redemption Reserve :			
	As per last Balance Sheet	**5750**		4250
	Add : Transfer from Profit and Loss Account	-		1500
			5750	5750
(g)	Exchange Fluctuation Reserve :			
	As per last Balance Sheet	**2500**		2500
	Less : Transfer to Profit and Loss Account	**2500**		-
			-	2500
(h)	Share Premium Account :			
	As per last Balance Sheet		**12601**	12601
(i)	Foreign Currency Translation Reserve :			
	As per last Balance Sheet	**(313)**		102
	Add : Loss on foreign currency translation	**(313)**		(415)
			(626)	(313)
(j)	General Reserve :			
	As per last Balance Sheet	**85945**		65945
	Add : Transfer from Profit and Loss Account	**20000**		20000
			105945	85945
(k)	Profit And Loss Account :		**200254**	98500
			415671	297372

		CURRENT YEAR	PREVIOUS YEAR
Schedule "3" :			
Secured Loans :			
(a)	Term Loans -		
	- From Banks	**264710**	207837
	Secured by mortgage of specific ships, assignment of bank deposit and a financial covenant to maintain unencumbered assets .		
(b)	Non Convertible Debentures* -		
	(i) Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each -		
	- 8.95 % redeemed on July 07, 2007.**	-	7127
	- 6.05 % redeemable on September 19, 2010.**	**8733**	8733
	(ii) Secured Redeemable Non-Convertible Debentures of Rs. 50,00,000 each		
	- 10.25 % (series 7) redeemable in one annual instalment on May 25, 2008.	**1250**	2500
*	Secured by mortgage of specified immovable properties and ships		
**	Liability for Debentures is net of amount recoverable from Great Offshore Limited in respect of amount transferred on de-merger.		
		274693	226197

Schedule "4" :

Fixed Assets :

RS. IN LAKHS

	Cost				Depreciation				Impairment		Net Block
Particulars	As At April 1 2007	Additions For The Year	Deductions For The Year [Note 9 (b)]	As At March 31 2008	Upto March 31 2007	Adjustments In Respect Of Assets Sold/ Discarded	For The Year	Upto March 31 2008	As At April 1 2007	Upto March 31 2008	As On March 31 2008
Fleet	**531110** *421324*	**164266** *131351*	**51087** *21565*	**644289** *531110*	**159853** *146111*	**33040** *12465*	**34741** *26207*	**161554** *159853*	**8755** *8755*	**8755** *8755*	**473980** *362502*
Plant & Machinery	**1296** *1224*	**205** *72*	**125** -	**1376** *1296*	**463** *347*	**125** -	**130** *116*	**468** *463*	- -	- -	**908** *833*
Land (Freehold & Perpetual Lease)	**4934** *4934*	- -	- -	**4934** *4934*	- -	- -	- -	- -	- -	- -	**4934** *4934*
Land (Leasehold)	- *5*	**33** -	- *5*	**33** -	- *1*	- *1*	**3** -	**3** -	- -	- -	**30** -
Ownership Flats and Office Premises *	**4311** *3698*	**406** *615*	**353** *2*	**4364** *4311*	**1035** *870*	**108** -	**165** *165*	**1092** *1035*	**135** *135*	**135** *135*	**3137** *3141*
Furniture, Fixtures and Office Equipment	**2697** *2678*	**579** *256*	**322** *237*	**2954** *2697*	**2299** *2285*	**322** *205*	**249** *219*	**2226** *2299*	- -	- -	**728** *398*
Vehicles	**706** *672*	**532** *184*	**220** *150*	**1018** *706*	**454** *443*	**207** *118*	**220** *129*	**467** *454*	- -	- -	**551** *252*
SUB-TOTAL	**545054** *434535*	**166021** *132478*	**52107** *21959*	**658968** *545054*	**164104** *150057*	**33802** *12789*	**35508** *26836*	**165810** *164104*	**8890** *8890*	**8890** *8890*	**484268** *372060*
Ships under construction/Capital work-in-progress											**83783** 31810
											568051 403870

* The Ownership Flats & Office Premises include Rs. 13,260, (Previous Year Rs. 14,260), being value of shares held in various co-operative societies.
(Previous year figures are in italics)

	CURRENT YEAR			PREVIOUS YEAR	
	FACE VALUE	NO. OF UNITS	RS. IN LAKHS	NO. OF UNITS	RS. IN LAKHS
Schedule "5" :					
Investments :					
(a) Long Term Investments :					
(At cost - fully paid unless stated otherwise)					
Equity Shares : Unquoted					
Associates :					
Business Standard Ltd.	10	1,67,85,787	**-**	1,67,85,787	-
Sea Change Maritime L.L.C. - Preferred Units (refer note below)		7,36,000	**645**	-	-
			645		-
(b) Current Investments :					
(At lower of cost and fair value - fully paid)					
Equity Shares : Unquoted					
United Shippers Ltd	10	-	**-**	14,22,973	7027
Mutual Funds - Unquoted					
Redeemed during the year :					
Reliance Fixed Tenor Fund - Plan A - Growth Plan	10	-	**-**	29,99,29,889	2999
Templeton India TMA Super Institutional Plan	1000	-	**-**	4,50,85,186	451
ABN Amro FTP Series 2 Quarterly Plan E-Dividend	10	-	**-**	20,13,48,589	2013
ICICI Prudential Institutional Liquid Plan	10	-	**-**	89,57,161	896
HDFC Cash Management Fund - Savings Plan	10	-	**-**	2,55,56,707	2561
Subscribed during the year :					
Birla Income Plus - Quarterly Dividend Reinvestment	10	1,76,46,860	**1867**	-	-
Templeton India Short Term Income Plan Institutional Weekly Dividend Reinvestment	1000	1,49,488	**1503**	-	-
JM Money Manager Fund Super Plus Plan- Daily Dividend	10	75,40,948	**754**	-	-
JM - Interval Fund Quarterly Plan 6 - Institutional Dividend Plan	10	50,31,795	**503**	-	-
HSBC Flexi Debt Fund - Institutional Fortnightly Dividend	10	4,82,26,338	**4837**	-	-
ICICI Prudential Institutional Income Plus Plan - Dividend	10	3,50,97,042	**3689**	-	-
Tata Fixed Income Portfolio Scheme C3 Institutional Fund - Dividend	10	50,00,000	**500**	-	-
Tata Fixed Income Portfolio Fund Scheme A2 Institutional - Dividend	10	2,50,96,907	**2512**	-	-
Tata Floating Rate Fund Long Term - Income	10	2,45,25,195	**2481**	-	-
Tata Dynamic Bond Fund Option A - Dividend	10	1,91,13,969	**2007**	-	-
SBI Debt Fund Series - 90 Days-20 (26-Feb-08) - Dividend	10	2,00,53,066	**2005**	-	-
SBI Debt Fund Series - 30 Days-1 (13-Mar-08) - Dividend	10	3,00,60,243	**3006**	-	-
Birla Cash Plus Institutional Premium - Daily Dividend Reinvestment	10	1,60,73,334	**1608**	-	-
Birla Sun Life Liquid Plus - Institutional - Daily Dividend Reinvestment	10	10,27,033	**103**	-	-
JM Money Manager Fund Super Plus Plan- Daily Dividend	10	50,25,218	**503**	-	-
ING Liquid Plus Fund - Institutional Daily Dividend	10	1,50,92,425	**1510**	-	-
Principal Floating Rate Fund FMP - Institutional Dividend Reinvestment	10	15,14,049	**151**	-	-
DWS Credit Opportunities Cash Fund - Weekly Dividend Reinvestment	10	1,55,51,978	**1561**	-	-
			31100		15947
			31745		15947

Note : Additional commitment on Preferred Units - Rs. 2565 lakhs.

		RS. IN LAKHS	
		CURRENT YEAR	PREVIOUS YEAR
Schedule "6" :			
Inventories :			
- Fuel oils		**6117**	3701
		6117	3701
Schedule "7" :			
Sundry Debtors :			
(Unsecured)			
(a) Debts outstanding over six months :			
- Considered good	**633**		531
- Considered doubtful	**1978**		1108
		2611	1639
(b) Other Debts :			
- Considered good		**14340**	16942
		16951	18581
Less : Provision for doubtful debts		**1978**	1108
		14973	17473
Schedule "8" :			
Cash and Bank Balances :			
(a) Cash and cheques on hand		**3**	3
(b) Balances with scheduled banks			
- On current account		**1516**	975
- On deposit account		**104502**	95226
		106018	96201
(c) Balances with other banks on call/deposit accounts		**17603**	21158
		123624	117362
Schedule "9" :			
Other Current Assets :			
Interest accrued on deposits		**2470**	3266
		2470	3266
Schedule "10" :			
Loans And Advances :			
(Unsecured - considered good ,unless otherwise stated)			
(a) Advances recoverable in cash or in kind or for value to be received. (Net of provision for doubtful advances Rs.97 lakhs, Previous year Rs. 95 lakhs)		**7682**	9530
(b) Agents' current accounts		**2587**	2183
(c) Balances with Customs, Port Trust etc.		**7**	9
(d) Advance payment of Income-tax & tax deducted at source (Net of Provision for taxation)		**482**	260
		10758	11982
Schedule "11" :			
Current Liabilities :			
(a) Sundry Creditors		**24986**	14342
(b) Advance Charter Hire		**3356**	4286
(c) Liabilities towards Investor Education and Protection Fund, not due			
- Unpaid dividend		**679**	588
- Unpaid matured fixed deposits		**-**	1
(d) Other Liabilities		**817**	1208
(e) Interest accrued but not due on loans		**3303**	2985
(f) Managerial Remuneration payable		**1561**	878
(g) Interim dividend payable		**11421**	-
		46123	24288
Schedule "12" :			
Provisions :			
(a) Proposed Dividend		**-**	6852
(b) Provision for tax on dividends		**1941**	1165
(c) Provision for Retirement benefits		**1488**	1488
		3429	9505

Schedules Annexed to and forming part of the Consolidated Profit & Loss Account for the year ended March 31, 2008.

RS. IN LAKHS

		CURRENT YEAR	PREVIOUS YEAR
Schedule "13" :			
Income From Operations :			
Freight and Demurrage		163404	120506
Charter Hire		147435	93712
Profit on sale of Ships		28942	13631
Gain on foreign currency transactions (net)		19515	137
Miscellaneous Operating Income		2244	2377
		361540	230363
Schedule "14" :			
Other Income :			
Dividend on current investment		2716	1188
Interest earned (Gross) :			
- on term deposits	7461		8522
- on call deposit	1098		796
- others	193		32
(Income-tax deducted at source Rs.1705 lakhs, Previous Year Rs.1155 lakhs)		8752	9350
Profit on sale of Investments			
- long term investment	-		52
- current investments (net)	397		88
- dimunition in current investments	(213)		-
		184	140
Profit on sale of sundry assets (net)		1588	1
Miscellaneous Income		1502	731
		14742	11410
Schedule "15" :			
Operating Expenses :			
Fuel Oil and Water		37035	26222
Port, Light and Canal Dues		12306	10190
Stevedoring, Despatch & Cargo Expenses		686	334
Hire of chartered ships		59233	23809
Brokerage & Commission		4133	2731
Agency Fees		882	603
Wages, Bonus and Other Expenses - Floating Staff		17682	12830
Contribution to Provident & Other Funds - Floating Staff		235	208
Stores		6623	5265
Repairs & Maintenance - Fleet		17837	13385
Insurance & Protection Club Fees		3384	3166
Vessel Management Expenses		565	644
Sundry Operating Expenses		1059	949
		161660	100336
Schedule "16" :			
Administration & Other Expenses :			
Staff Expenses -			
- Salaries Allowances & Bonus	6248		5078
- Staff Welfare Expenses	147		78
- Contribution to Provident & Other Funds	337		232
		6732	5388
Rent		252	51
Insurance		78	73
Repairs and Maintenance -			
- Buildings	43		102
- Others	315		239
		358	341
Property Taxes		14	14
Miscellaneous Expenses		3814	3166
Provision for loss on subsidary		267	-
Bad debts and advances written off		252	51
Provision for doubtful debts & advances (Net)		1097	427
		12864	9511

DIAMOND JUBILEE 1948-2008

	Rs. in Lakhs	
	Current Year	Previous Year
Schedule "17" :		
Interest & Finance Charges :		
Interest on Fixed Loans	**16283**	10914
Other Interest	**9**	6
Finance charges	**484**	644
	16776	11564
Less : Pre-delivery interest capitalised	**613**	464
	16163	11100
Schedule "18" :		
Prior Period Adjustments :		
Income/(Expenses) of prior years (net)	**(42)**	542
Excess provisions written back	**26**	-
	(16)	542

Schedule “19” :

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 financing costs on borrowings during construction period.

(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 cost 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 capitalized as a part of the respective asset, upto the date of acquisition/completion of construction.

(h) Revenue recognition :

Freight and demurrage earnings are recognised on completed voyage basis. Time Charter earnings are recognised on accrual 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 Contribution are considered as defined contribution plans and the contributions are charged to the Profit and Loss of the year when the contributions to the respective funds are due.

(ii) Defined Benefit Plan

Retirement benefits in the form of Gratuity and 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, if any, are immediately recognized 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 on the following basis:

		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 year
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
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.

(iv) The depreciation policy of the subsidiary companies are not in uniformity with the depreciation policy of the holding company, however the amount of depreciation in the financial statement of the subsidiaries not being material, no adjustment have been carried out in the consolidated financial statement.

(l) Asset Impairment :

The Company reviews the carrying values of tangible and intangible assets for any possible impairment at each balance sheet date. Impairment loss, if any, is recognised in the year in which impairment takes place.

(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 monetary assets and liabilities and realised gains and losses on foreign currency transactions is 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. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

(iii) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.

(iv) Foreign currency derivative contracts, which form an integral part of the loans, are translated at closing rates and the resultant gains or losses are recognized in the Profit and Loss account along with the revaluation gains or losses of the hedged loans.

(v) Exchange differences in respect of other foreign currency derivative contracts, including currency & interest swaps and options, which have been entered into to hedge foreign currency and interest rate risks are accounted for on settlement along with the cash flow from the hedged transactions/commitments.

(n) 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.

(o) 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 "20" :

Notes on Consolidated Accounts :

1. Basis of Consolidation

The consolidated financial statements relate to The Great Eastern Shipping Company Ltd., the holding Company and its majority owned subsidiaries (collectively referred to as 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.

Investment in Associates are dealt with in accordance with Accounting Standard (AS) 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Effect has been given to the carrying amount of investments in Associates using the "Equity method". The Company's share of the post acquisition profits or losses is included in the carrying cost of Investments.

Investment in Joint Venture is dealt with in accordance with Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures". The Group's interest in the Joint Venture is accounted for using the proportionate consolidation method.

2. The financial statements of the subsidiaries and joint venture used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended March 31, 2008. The financial statement of Greatship Global Holdings Ltd. and Greatship Global Offshore Services Pte. Ltd., both incorporated during the year, are for the period from the respective dates of incorporation upto March 31, 2008. The audited financial statement of the Associate and Joint Venture are not available as of the reporting date and have thus been consolidated on the basis of unaudited accounts drawn upto March 31, 2008 received from them.

3. The subsidiary companies considered in the 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.	Routes Travel India Ltd	India	**-**	63.64%
6.	Greatship Holdings B.V. (in liquidation) (wholly owned subsidiary of Greatship (India) Ltd.)	Netherland	**100%**	100%
7.	Greatship Global Energy Services Pte Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Singapore	**100%**	100%
8.	Greatship Global Holdings Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Mauritius	**100%**	-
9.	Greatship Global Offshore Services Pte Ltd. (wholly owned subsidiary of Greatship Holdings B.V. Netherland)	Singapore	**100%**	-

Greatship Global Holdings Ltd. was incorporated as a wholly owned subsidiary of Greatship (India) Ltd. on May 30, 2007 and Greatship Global Offshore Services Pte Ltd. was incorporated as a wholly owned subsidiary of Greatship Holding B.V. on May 8, 2007. The first financial period of these Companies are from the date of incorporation upto March 31, 2008.

Subsidiary in Liquidation :

The Company's subsidiary, Greatship Holdings B.V., Netherland has initiated voluntary liquidation proceedings under the Dutch Civil Code and has repaid a portion of the paid up capital as 'advance liquidation proceeds' during the year, by way of assignment of certain receivables. The expected shortfall in repayment of capital has been provided for during the year. A liquidator has been appointed and the Company is in the process of obtaining the necessary regulatory approvals to complete the liquidation.

4. The associates considered in the financial statements are:

SR. NO.	NAME OF THE COMPANY	COUNTRY OF INCORPORATION	% OF HOLDING	
			CURRENT YEAR	PREVIOUS YEAR
1.	Business Standard Ltd.	India	**27.76%**	27.76%

5. Interest in Joint Venture :

The Group's interest as a venturer in jointly controlled entities as on March 31, 2008 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	**22.56%**	22.56%

		RS. IN LAKHS
	CURRENT YEAR	PREVIOUS YEAR
Assets		
Fixed Assets	**1804**	403
Cash and Bank Balances	**1157**	79
Loans and Advances	**6**	-
Profit and Loss account	**28**	28
TOTAL	**2995**	510
Liabilities		
Equity Share Capital (Paid up)	**509**	509
Share Application Money	**110**	-
Secured Loans	**1226**	-
Current Liabilities	**1150**	1
TOTAL	**2995**	510
Income		
Income from Operations	**2**	-
Other Income	**1**	-
TOTAL	**3**	-
Expenditure		
Operating Expenses	**13**	-
Administration and other expenses	**13**	28
TOTAL	**26**	28

6. Warrants against Share Capital :

Holding Company :

In pursuance of a Resolution passed by the Shareholders in their meeting held on July 26, 2007, the Company has on a preferential basis allotted on August 09, 2007, 50,05,000 Warrants at Rs. 312.75 per Warrant convertible into equity shares in the ratio of 1:1 to the promoters and non-wholetime directors of the Company. The Company received an amount of Rs. 32/- per Warrant aggregating to Rs. 1602 lakhs alongwith the application for allotment of the Warrants. Balance amount of Rs. 280.75 per Warrant will be payable on exercise of the option by the Warrant holder at any time prior to the expiry of 18 months from the date of allotment of the Warrants.

If the entitlement against the Warrants to apply for the Equity Shares is not exercised within the period of 18 months from the date of allotment of Warrants, the entitlement of the warrant holders to apply for the Equity Shares of the Company shall expire and the amount paid on such Warrants shall stand forfeited.

The Company has utilized the funds received on application of warrants for general corporate purposes as set out in the objects of the issue.

Subsidiary Company :

In terms of approval of the shareholders of the Company and as per the applicable statutory provisions, the Company, on February 20, 2008, has issued and allotted 42,07,000 Warrants out of total 60,27,000 Warrants approved by the shareholders, on preferential basis to promoter directors of the parent 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 Company has received an advance of 10% amounting to Rs. 591 lakhs from the Warrant holders, balance to be payable at the time of applying for conversion of Warrants into equity shares.

7. Investments :

Investments in Associates has been accounted for in the consolidated financial statements, under the equity method. The particulars of investments in associates are as under :

RS. IN LAKHS

	CURRENT YEAR	PREVIOUS YEAR
Business Standard		
Book Value of Investments on Acquisition	**218**	218
Goodwill	**2184**	2184
Cost of Investment	**2402**	2402
Share of Profit/(Loss) in Associates post acquisition	**(2402)**	(2377)
Share of Profit/(Loss) in Associates for the year	**-**	(25)
Carrying Cost	**-**	-

The audited financial statement of Business Standard Ltd. are not available as on the date of the consolidated financial statements, and the group share of loss, for the year ended March 31, 2008 has been accounted on the basis of unaudited management account. The Associate has reported a loss for the year. Since the Carrying Cost of the investment is nil, the Company has not recognized further share of losses.

8. Contingent Liabilities :

RS. IN LAKHS

SR. NO.	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
(i)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Group.	**52251**	15760
(ii)	Guarantees given to bank/shipyard	**242887**	25519
(iii)	Sales Tax demands under BST Act for the years 1995-96, 1996-97,1997-98, 1998-99 against which the Group has preferred appeals.	**646**	1303
(iv)	Lease Tax liability in respect of a matter in which Deputy Commissioner Chennai has filed an appeal before the Sales Tax Appellate Tribunal against order passed in favour of Group.	**1740**	1740
(v)	Possible obligation in respect of matters under arbitration/appeal.	**59**	59
(vi)	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 Group.	**434**	434
(vii)	Uncalled amount on investment in Preferred Units	**2565**	-

9. Fixed Assets :

(a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for - Rs. 442857 lakhs [Previous Year Rs. 259249 lakhs].

(b) The deed of assignment in respect of a Leasehold property at Worli is yet to be transferred in the name of the Company.

10. Employee Stock Options Plans :

During the year, the one of the Group Company has instituted various Employee Stock Options Schemes for its employees and directors which are approved by the Board of Directors and the shareholders. The grant of options under the various Schemes is on basis of continued employment and other eligibility criteria. A total of 7,94,300 options have been granted till date under the above Schemes. The options granted would vest in a graded manner, to be exercised over a specified period. The options granted would be vested over a maximum period of six years and are exercisable within one year of vesting or listing whichever is later. The details of the grant under the various schemes are summarized below :

SR. NO.	PARTICULARS	ESOP 2007 -I	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II	ESOP 2008-III
1.	Date of Grant	10/08/07, 28/01/08	28/01/08	12/02/08	-	-
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08	28/01/08
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08	31/01/08
4.	No. of total options granted	6,09,600	99,700	85,000	-	-
5.	Method of Settlement	Equity/ Cash	Equity	Equity	Equity/Cash	Equity/Cash
6.	Vesting period from the date of grant	Upto five years	One year	One year	Upto six years	Upto six years
7.	Exercise period from the date of vesting	One year from the date of vesting / listing whichever is later	One year from the date of vesting / listing whichever is later	One year from the date of vesting / listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting /listing whichever is later
8.	Options outstanding at the beginning of the year	-	-	-	-	-
9.	Options granted during the year	10/08/07 - 5,14,200 28/01/08 - 95,400	99,700	85,000	-	-
10.	Options forfeited/ expired during the year	-	-	-	-	-
11.	Options Exercised during the year	-	-	-	-	-
12.	Options outstanding at the end of the year	6,09,600	99,700	85,000	-	-
13.	Exercise Price	100	100	100	135	135
14.	Exercisable at end of the year	-	-	-	-	-
15.	Vesting conditions	Continuous employment with the Company and achievement of 80% of the budgeted profits for a year	Continuous employment with the holding company 'The Great Eastern Shipping Co. Ltd.'	Continuous employment with the holding company 'The Great Eastern Shipping Co. Ltd.'	Continuous employment with the Company and achievement of 80% of the budgeted profits for a year	Continuous employment with the Company and achievement of 80% of the budgeted profits for a year

The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense amounts to Rs. 317.72 lakhs which is the difference between exercise price of the option and the intrinsic value of shares, amortised on a straight-line basis over the vesting period, and the expense amortised in year ended March 31, 2008 is Rs. 74.39 lakhs.

11. Deferred tax :
Pursuant to the introduction of Sec 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 the Group 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 Group are not material, in view of which provision for deferred taxation is not considered as necessary.

12. 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.

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Description	Balance as on April 1, 2007	Additions during the year	Reversed/ Paid during the year	Balance as on March 31, 2008
Vessel Performance/Offhire Claims Provisions have been recognised for the estimated liability for under performance of certain vessels and offhire claims under dispute.	1263	714	352	1625

13. Change in Accounting Policy :
The Company has adopted Accounting Standard (AS) 11, (revised 2003) as issued by the Ministry of Corporate Affairs vide Notification dated December 7, 2006. Pursuant to this, the effects of changes in foreign exchange rates in respect of loan repayments and revaluation of outstanding foreign currency loans including currency swaps that form an integral part of the Company's loans, relating to ships acquired from a country outside India amounting to Rs. 16582 lakhs have been credited to the profit and loss account, as against the earlier practice of adjusting against the carrying cost of ships. Consequent to this, the profit for the year, net of depreciation impact thereof is higher by Rs 15238 lakhs.

14. Hedging Contracts :
The Group uses foreign exchange forward contracts, currency & interest swaps and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts, currency & interest swaps and options reduces the risk or cost to the Group and the Group does not use the foreign exchange forward contracts, currency & interest swaps and options for trading or speculation purposes.
The Group also uses commodity futures contracts for hedging the exposure to bunker price risk.

i) Derivative instruments outstanding :

(a) Commodity futures contracts for import of Bunker :

	CURRENT YEAR		PREVIOUS YEAR	
DETAILS	**PURCHASE**	**SALE**	PURCHASE	SALE
Total No.of contracts outstanding	**5**	**-**	3	-
No. of units in MT under above contracts	**13500**	**-**	12000	-

(b) Forward exchange contracts :

	CURRENT YEAR		PREVIOUS YEAR	
DETAILS	**PURCHASE**	**SALE**	PURCHASE	SALE
Total No. of contracts	**8**	**63**	16	40
Foreign Currency Value (USD in million)	**58.018**	**113.39**	46.895	72.000

(c) Forward Exchange Option contracts :

	CURRENT YEAR		PREVIOUS YEAR	
DETAILS	**PURCHASE**	**SALE**	PURCHASE	SALE
Total No. of contracts	**1**	**14**	-	3
Foreign Currency Value (USD in million)	**0.995**	**294.100**	-	14

(d) Interest rate swap contracts :

	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts	**27**	25
Principal Notional Amount (USD in million)	**260.905**	160.609

(e) Currency Swap Contracts :

	CURRENCY	CURRENT YEAR	PREVIOUS YEAR
Total No. of contracts		**14**	12
Principal Notional Amount (USD in million)	USD/INR	**41.49**	-
Principal Notional Amount (Rs. crores)	INR/USD	**12.50**	150.05
Principal Notional Amount (JPY in million)	JPY/USD	**25071.43**	13883.906

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

	CURRENCY	CURRENT YEAR IN MILLIONS	PREVIOUS YEAR IN MILLIONS
Loan liabilities and payables	AED	**1.211**	1.264
	AUD	**0.084**	-
	CAD	**0.089**	-
	CHF	**-**	0.002
	DKK	**0.817**	0.914
	EUR	**1.519**	0.384
	GBP	**0.027**	0.015
	JPY	**45.507**	25.469
	KRW	**-**	5.000
	NOK	**0.189**	0.821
	NZD	**0.019**	-
	SEK	**-**	0.027
	SGD	**1.001**	0.645
	USD	**637.860**	517.802
	ZAR	**0.796**	0.402
Receivables	AED	**0.303**	0.046
	AUD	**0.086**	-
	CAD	**0.073**	0.002
	DKK	**0.051**	0.021
	EUR	**1.614**	0.312
	GBP	**0.111**	1.401
	JPY	**-**	0.115
	NOK	**0.040**	0.402
	SEK	**0.004**	-
	SGD	**0.053**	0.033
	USD	**16.070**	18.070
	ZAR	**0.542**	0.263

iii) The above mentioned derivative contracts having been entered into, to hedge foreign currency risk and the exposure to bunker price risk, are being accounted for on settlement as per the accounting policy consistently being followed by the Group for the past several years. The mark-to-market (loss) on the foreign exchange derivative contracts and the mark-to-market gain on the commodity futures outstanding as on March 31, 2008 amounted to Rs. (6142) lakhs and Rs. 17 lakhs respectively. The said losses and gains have not been provided for in the accounts for the year ended March 31, 2008.

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

A) Defined Contribution Plans :

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

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	CURRENT YEAR	PREVIOUS YEAR
Contribution to Employees Provident Fund	**135**	114
Contribution to Employees Superannuation Fund	**100**	87
Contribution to Employees Pension Scheme 1995	**24**	8
Contribution to Seamen's Provident Fund	**59**	31
Contribution to Seamen's Annuity Fund	**76**	68
Contribution to Seamen's Rehabiliation Fund	**51**	46
Contribution to Seamen's Gratuity Fund	**19**	14

B) Defined Benefit Plans and Other Long Term Benefits :

Valuations in respect of Gratuity, Pension Plan for Whole-time Directors, 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.)	**7.50 %**	7.00%	**7.50 %**	7.00%	**7.50 %**	7.00%
(b) Rate of Return on Plan Assets	**7.50 %**	7.50 %	**-**	-	**-**	-
(c) Salary Escalation rate	**5.00%**	5.00%	**-**	-	**5.00%**	5.00%
(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	**17.05**	20.37	**-**	-	**16.82**	17.28

(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	**1028**	990	**1298**	1061	**190**	161
Interest Cost	**69**	57	**90**	73	**12**	9
Current Service Cost	**127**	113	**-**	-	**111**	68
Benefits Paid	**(86)**	(83)	**(20)**	(20)	**(34)**	(35)
Actuarial (gain)/loss on obligations	**(49)**	(49)	**(108)**	184	**(71)**	(13)
Liability at the end of the year	**1086**	1028	**1260**	1298	**206**	190

(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	**1016**	982	**-**	-	**-**	-
Expected Return on Plan Assets	**73**	71	**-**	-	**-**	-
Employer's Contribution	**-**	-	**20**	20	**35**	-
Benefits Paid	**(86)**	(83)	**(20)**	(20)	**(35)**	(35)
Actuarial gain/(loss) on Plan Assets	**(19)**	46	**-**	-	**-**	-
Fair Value of Plan Assets at the end of the year	**984**	1016	**-**	-	**-**	-

(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	**73**	71	**-**	-	**-**	-
Actual gain/(loss) on Plan Assets	**(19)**	46	**-**	-	**-**	-
Actual Return on Plan Assets	**54**	117	**-**	-	**-**	-

(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	**1086**	1028	**1260**	1298	**206**	190
Fair Value of Plan Assets at the end of the year	**984**	1016	**-**	-	**-**	-
Difference	**102**	12	**1260**	1298	**206**	190
Unrecognised past service cost	**-**	-	**-**	-	**-**	-
Amount recognized in the Balance Sheet	**102**	12	**1260**	1298	**206**	190

(v) Expenses recognized 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	**127**	113	**-**	-	**106**	68
Interest Cost	**69**	57	**90**	74	**12**	9
Actual Return on Plan Assets	**(73)**	(71)	**-**	-	**-**	-
Net Actuarial (Gain)/loss to be recognized	**(30)**	(59)	**(108)**	184	**(70)**	(51)
Expenses recognized in Profit and Loss Account	**93**	40	**(18)**	258	**48**	26

(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 base 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.50 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. The benefit also includes 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 Eancashment :

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 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	**19%**	19%
State Government securities	**13%**	16%
Bonds	**36%**	35%
Special Deposit Scheme, 1975	**32%**	30%
TOTAL	**100%**	100%

16. Segment Reporting :

a) Primary segment reporting by business segment :

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	SHIPPING		**OFFSHORE**		**OTHERS**		**TOTAL**	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
Revenue :								
Total Revenue	**365723**	239929	**10573**	2121	**3**	329	**376299**	242379
Less: Inter Segment Revenue	**17**	592	**-**	-	**-**	14	**17**	606
Net Revenue							**376282**	241773
Results :								
Profit/(Loss) before tax and interest	**160843**	104266	**5430**	771	**(23)**	53	**166250**	105090
Less: Interest							**16163**	11100
Total Profit before tax							**150087**	93990
Provision for taxation :								
- Current tax							**4606**	3144
- Fringe Benefit tax							**130**	110
Profit for the year after tax :							**145351**	90736
(Less)/ Add : Prior period adjustments							**(16)**	542
Share in profit/(loss) of Associates							**-**	(25)
Minority Interest							**-**	(10)
Net Profit							**145335**	91243
Other Information :								
Assets	**659761**	541132	**95011**	31846	**2966**	623	**757738**	573601
Liabilities	**296017**	254310	**26181**	6692	**2375**	-	**324573**	261002
Capital Expenditure	**154452**	130385	**62141**	22526	**1401**	403	**217994**	153314
Depreciation	**34106**	26526	**1402**	300	**-**	10	**35508**	26836

b) Secondary segment reporting by geographical segment :

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

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	CURRENT YEAR	PREVIOUS YEAR
Revenue from customers outside India	**218943**	143891
Revenue from customers within India	**157339**	97882
TOTAL	**376282**	241773

(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.

17. 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 - Dy. Chairman and Managing Director

Mr. Ravi K. Sheth - Executive Director

(b) Enterprises over which Key Management Personnel exercise significant influence :

Great Offshore Ltd. (up to September 18, 2007)

Jyoti Bharat Sheth Family Trust

(ii) Transactions with related parties :

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NATURE OF TRANSACTION	ASSOCIATE COMPANIES		ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL EXERCISE SIGNIFICANT INFLUENCE		KEY MANAGEMENT PERSONNEL		TOTAL	
	CURRENT YEAR	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR	**CURRENT YEAR**	PREVIOUS YEAR
Services rendered	**-**	1275	**-**	-	**-**	-	**-**	1275
Reimbursement of expenses Great Offshore Ltd. Rs. 31 lakhs	**-**	-	**31**	-	**-**	-	**31**	-
Dividend income	**-**	18	**-**	-	**-**	-	**-**	18
Interest income Great Offshore Ltd. Rs. 7 lakhs	**-**	-	**7**	3	**-**	-	**7**	3
Sale of assets - Jyoti Bharat Sheth Family Trust a) Sale consideration for flat 18-B Manek Rs. 1054 lakhs b) Payment relating to transfer of lessors right from the date of sale in the above flat leased to Pioneer Holding Pvt. Ltd. - Transfer of deposit received from lessee Rs. 400 lakhs - Transfer of Lease rent received in advance & recovery of society outgoings paid Rs. 2 lakhs	**-**	-	**1456**	-	**-**	-	**1456**	-
Finance received (including loans, repayment of loans and applications against share warrants) - Shri K. M. Sheth Rs. 1440 lakhs - Shri B. K. Sheth Rs. 296 lakhs - Shri R. K. Sheth Rs. 295 lakhs - Great Offshore Ltd. Rs. 1914 lakhs	**-**	-	**1914**	-	**2031**	-	**3945**	-
Finance provided (including loans and equity contributions) - Great Offshore Ltd. Rs. 1873 lakhs	**-**	2160	**1873**	242	**-**	-	**1873**	2402
Remuneration - Shri K. M. Sheth Rs. 703 lakhs - Shri B. K. Sheth Rs. 720 lakhs - Shri R. K. Sheth Rs. 486 lakhs	**-**	-	**-**	-	**1909**	1375	**1909**	1375
Outstanding balance as on March 31 :								
Receivables	**-**	81	**-**	243	**-**	-	**-**	324

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

18. Basic and diluted earnings per share :

		Current Year	Previous Year
		Rs. in Lakhs	
(a)	Profit for the year after tax :	**145351**	90736
	Add/(Less) : Prior period adjustments	**(16)**	542
	Share in profit/(loss) of associates	**-**	(25)
	Minority Interest	**-**	(10)
	Net Profit after tax for Equity Shareholders	**145335**	91243
(b)	Number of Equity shares :		
	(i) Basic Earning per Share		
	Number of Equity shares as on April 1, 2007	**15,22,73,924**	15,22,73,924
	Add: Shares issued during the year	**-**	-
	Number of Equity shares as on March 31, 2008	**15,22,73,924**	15,22,73,924
	Weighted average number of Equity shares	**15,22,73,924**	15,22,73,924
	(ii) Diluted Earning per Share :		
	Weighted number of Equity shares	**15,22,73,924**	15,22,73,924
	Add: Potential Equity Shares on exercise option and rights kept in abeyance	**12,61,369**	-
	Weighted average number of Equity shares	**15,35,35,293**	15,22,73,924
(c)	Face value of Equity Share	Rs. 10	Rs. 10
(d)	Earnings per share :		
	- Basic	Rs. 95.45	Rs. 59.92
	- Diluted	Rs. 94.66	Rs. 59.92

19. Previous Year's figures have been regrouped wherever necessary to conform to current years classification.

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	Greatship (India) Ltd.	Greatship Holdings B.V.@	Greatship Global Holdings Ltd.*	Greatship Global Offshore Services Pte. Ltd.$	Greatship Global Energy Services Pte. Ltd.**
Financial Year ended	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008	March 31, 2008
Date from which it became a Subsidiary	July 3, 1985	March 28, 1994	November 1, 2004	June 26, 2002	November 22, 2006	May 30, 2007	May 8, 2007	October 23, 2006
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	Rs.1,09,77,245	Rs.45,32,202	Rs.54,15,34,344	Rs.44,02,59,091	Rs.(6,71,37,868)	Rs.(8,68,681)	Rs.(30,82,116)	Rs.(1,51,62,605)
(ii) Previous Year since it became Subsidiary	Rs.37,55,66,577	Rs.2,83,55,996	Rs.36,77,88,425	Rs.1,58,24,312	Rs. (5,80,937)	—	—	—
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) Ltd., 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.

@Greatship Holdings B.V., which was a wholly owned subsidiary of Greatship (India) Ltd., has been put into voluntary dissolution on March 28, 2008.

For and on behalf of the Board

K. M. Sheth Executive Chairman
Bharat K. Sheth Deputy Chairman & Managing Director
R. N. Sethna Director
Mumbai, May 02, 2008

Jayesh M. Trivedi
Company Secretary

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) Ltd.	Greatship Holdings B.V.	Greatship Global Holdings Ltd.	Greatship Global Offshore Services Pte. Ltd.	Greatship Global Energy Services Pte. Ltd.
Capital	132	131	16	6510	693	23101	20172	18200
Reserves	3571	318	8821	62286	(678)	(9)	418	57
Total Assets	3764	491	11244	95546	699	31156	29318	26059
Total Liabilities	3764	491	11244	95546	699	31156	29318	26059
Current Investments	—	—	—	5437	—	—	—	—
Turnover	166	441	48412	10640	—	1	1	1
Profit before taxation	157	48	5415	4468	(671)	(9)	(31)	(152)
Provision for taxation	47	3	—	65	—	—	—	—
Profit after taxation	110	45	5415	4403	(671)	(9)	(31)	(152)
Proposed dividend	—	17	—	—	—	—	—	—

NOTES

Our Corporate Office today–Ocean House, 134-A Dr. Annie Besant Road, Worli, Mumbai.

2008 | And so the story of Great Eastern carries on...

The Great Eastern Shipping Company Limited

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

Notice

NOTICE is hereby given that the Sixtieth 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 Friday, July 18, 2008 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, 2008 and the Profit and Loss Account for the year ended on that date together with the Auditors' and Directors' Report thereon.

2. To appoint a Director in place of Ms. Asha V. Sheth, who retires by rotation and being eligible, offers herself for re-appointment.

3. To appoint a Director in place of Mr. Keki Mistry, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint Auditors and fix their remuneration.

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

   "RESOLVED THAT in partial modification of the resolution passed by the members at the Annual General Meeting held on December 18, 2006 approving the appointment and terms of remuneration of Mr. K. M. Sheth, Executive Chairman and in accordance with the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the variation in the terms of remuneration of Mr. K. M. Sheth, Executive Chairman for the remaining period of his tenure of office, with effect from April 01, 2008, as set out in the Explanatory Statement annexed to the Notice convening this 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 terms of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

   "RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. K. M. Sheth, Executive Chairman as approved earlier by the members, shall remain unchanged."

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

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

   "RESOLVED THAT in partial modification of the resolution passed by the members at the Annual General Meeting held on December 18, 2006, approving the appointment and terms of remuneration of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director and in accordance with the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the variation in the terms of remuneration of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director for the remaining period of his tenure of office, with effect from April 01, 2008, as set out in the Explanatory Statement annexed to the Notice convening this 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 terms of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

   "RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Bharat K. Sheth, Deputy Chairman & Managing Director as approved earlier by the members, shall remain unchanged."

   "RESOLVED FURTHER THAT the Board be and is hereby authorised 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 an Ordinary Resolution:

   "RESOLVED THAT in partial modification of the resolution passed by the members at the Annual General Meeting held on December 18, 2006, approving the appointment and terms of remuneration of Mr. Ravi K. Sheth, Executive Director and in accordance with the provisions of Sections 198, 269, 309, 311 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the variation in the terms of remuneration of Mr. Ravi K. Sheth, Executive Director for the remaining period of his tenure of office, with effect from April 01, 2008, as set out in the Explanatory Statement annexed to the Notice convening this 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 terms of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof."

"RESOLVED FURTHER THAT all other terms and conditions of appointment of Mr. Ravi K. Sheth, Executive Director as approved earlier by the members, shall remain unchanged."

"RESOLVED FURTHER THAT the Board be and is hereby authorised 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, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded to the payment of one time additional commission of Rs.180 lakhs, Rs. 144 lakhs and Rs. 108 lakhs to Mr. K. M. Sheth, Executive Chairman, Mr. Bharat K. Sheth, Deputy Chairman & Managing Director and Mr. Ravi K. Sheth, Executive Director respectively for the financial year 2007-08."

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

By Order of the Board

Jayesh M. Trivedi
Company Secretary

Mumbai, May 02, 2008

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 11, 2008 to July 18, 2008 (both days inclusive).
4. 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.
5. 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 1999-2000 (46th interim dividend) to the Investor Education and Protection Fund. All unclaimed dividend for the year 2000-2001 (47th final dividend) will be transferred to the Investor Education and Protection Fund on or before August 25, 2008. 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 10, 2008.
6. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 in respect of the special business as per Item Nos.5 to 8 hereinabove, is annexed hereto.

Annexure to Notice

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

Item No. 5 (Special Resolution), Item Nos. 6 and 7 (Ordinary Resolutions), Item No. 8 (Special Resolution):

The Members had, at the Annual General Meeting of the Company held on December 18, 2006, approved the appointment of Mr. K. M. Sheth as Executive Chairman and Mr. Bharat K. Sheth as Deputy Chairman & Managing Director of the Company for a period of 5 years commencing from October 1, 2006 and Mr. Ravi K. Sheth as Executive Director of the Company for a period of 5 years commencing from January 30, 2006 (Mr. K. M. Sheth, Mr. Bharat K. Sheth and Mr. Ravi K. Sheth are hereinafter collectively referred to as the 'Wholetime Directors'). The Members had also approved the terms of remuneration payable to the Wholetime Directors, which, inter-alia, included Consolidated Salary of Rs. 180 lakhs p.a., Rs. 144 lakhs p.a. and Rs. 108 lakhs p.a. to Mr. K. M. Sheth, Mr. Bharat K. Sheth and Mr. Ravi K. Sheth respectively and Commission upto twice the annual Consolidated Salary to Mr. K. M. Sheth and thrice the annual Consolidated Salary to Mr. Bharat K. Sheth and Mr. Ravi K. Sheth respectively.

Mr. K. M. Sheth has been guiding the Company in its strategic and decision making policies. Mr. Bharat K. Sheth, who has been spearheading the shipping division of the Company, has immensely contributed to the progress, development 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 wholly owned subsidiary of the Company, which is in the business of owning and operating assets relating to the offshore oil and gas business.

The Remuneration Committee reviewed the remuneration packages of the Wholetime Directors with a view to align such packages with the best corporate practices prevailing in the industry and particularly in the shipping industry globally. After considering various factors, the Remuneration Committee recommended an increase in the remuneration payable to the Wholetime Directors with effect from April 01, 2008.

The Board of Directors, at their meeting held on May 02, 2008, accepted the recommendations of the Remuneration Committee and revised the remuneration of the Wholetime Directors with effect from April 01, 2008, broad particulars of which are as under:

(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. 200 lakhs p.a. to Rs. 225 lakhs p.a.
Mr. Bharat K. Sheth, Deputy Chairman & Managing Director	In the scale of Rs. 190 lakhs p.a. to Rs. 220 lakhs p.a.
Mr. Ravi K. Sheth, Executive Director	In the scale of Rs. 130 lakhs p.a. to Rs. 150 lakhs p.a.

(b) **Commission:** Payment of Commission, calculated with reference to the net profit of the Company for each financial year and subject to the ceiling laid down in Section 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.

(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) In the event of absence or inadequacy of profit in any financial year, each Wholetime Director shall be paid as minimum remuneration, such amount as the Board may decide, subject to the upper limit, if any, prescribed under the Companies Act, 1956 from time to time.

(e) 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 in the event of his retirement as working director, subject to the limits prescribed, if any, under the Companies Act, 1956 from time to time.

(f) 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.

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

The resolutions passed by the Members at the Annual General Meeting held on December 18, 2006 shall stand partially modified as aforesaid in respect of and to the extent of the revised remuneration payable to the Wholetime Directors with effect from April 01, 2008.

The Company, during the year 2007-08 has achieved significant increase in profitability. The Net Profit after prior period adjustments was recorded at Rs. 135681 lakhs as against Rs. 88331 lakhs in the previous year, an increase of about 54%. The Company has for the 8th year in succession achieved record profits. The Board considers that the continuous increase in profitability is not only attributable to the increase in freight rates all over the world but also to the intense efforts by the Wholetime Directors as also the mature guidance and advice of the Executive Chairman.

In view of the above, the Remuneration Committee also recommended to the Board of Directors that the Wholetime Directors be paid one time additional commission for financial year 2007-08 calculated at the rate of one time their annual Consolidated Salary for the financial year 2007-08, i.e. Rs.180 lakhs, Rs. 144 lakhs and Rs. 108 lakhs to Mr. K. M. Sheth, Mr. Bharat K. Sheth and Mr. Ravi K. Sheth respectively.

The Board of Directors, at their meeting held on May 02, 2008, accepted the recommendations of the Remuneration Committee and also proposed to pay the one time additional commission to the Wholetime Directors for the financial year 2007-08 as set out in Item No. 8 of the accompanying Notice. The one time additional commission will be in addition to the remuneration payable to the Wholetime Directors for the financial year 2007-08 in terms of the resolutions passed at the Annual General Meeting held on December 18, 2006.

Mr. K. M. Sheth, Executive Chairman, has crossed the age of 70 years and accordingly revision in terms of his remuneration and payment of one time additional commission are required to be approved by way of special resolutions.

Your Directors commend the resolutions at item nos. 5, 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 the revision in their own remuneration and also in the one time additional commission payable to them. They, being relatives of each other, may also be deemed to be interested in the revision of remuneration of each other and in the one time additional commission payable to each other although they derive no pecuniary interest in it. No other Director has any interest in the above resolutions.

By Order of the Board

Jayesh M. Trivedi
Company Secretary

Mumbai, May 02, 2008

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) Ms. Asha V. Sheth

Ms. Asha V. Sheth is a B.A. from Isabella Thoburn College, U.P. She was invited to be a Director on the Board of the Company in the year 1992-93. She is the wife of Late Mr. Vasant J. Sheth who was the Founder Director and later on Chairman of the Company who subsequently steered the growth of the Company till 1992 when he expired. The Company decided to have a Foundation namely Vasant J. Sheth Memorial Foundation (VJSM) in his memory and Ms. Asha V. Sheth was invited to be the Chairperson of the Foundation. Significant activities of the Foundation are in the area of Shipping and Maritime affairs.

As on date Ms. Asha V. Sheth holds 21,44,081 Equity Shares of the Company. She is a member of the Shareholders / Investors' Grievance Committee of the Company.

(B) Mr. Keki Mistry

Mr. Keki Mistry is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India.

Mr. Keki Mistry is the Vice Chairman and Managing Director of Housing Development Finance Corporation Limited (HDFC). HDFC is India's premier and largest well managed, world class housing financial institution and has turned the concept of housing finance for the middle class into a profitable, well managed and world class enterprise. Mr. Keki Mistry joined HDFC in October 1981. Prior to HDFC, Mr. Keki Mistry worked in the Indian Hotels Co. Ltd.

Besides his responsibilities within HDFC, Mr. Keki Mistry has been deputed on consultancy assignments to the Commonwealth Development Corporation (CDC) in Thailand, Mauritius, Caribbean Islands and Jamaica to review and evaluate the operations of mortgage financial institutions in these countries. He has also worked as a Consultant for the Mauritius Housing Company in Mauritius and for the Asian Development Bank on the feasibility of establishing a secondary mortgage market in India.

Mr. Keki Mistry has attended overseas training programmes and conferences on housing related subjects.

As on date Mr. Keki Mistry holds 640 Equity Shares and 20,000 Warrants convertible into Equity Shares of the Company.

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

1. Housing Development Finance Corpn. Ltd.
2. HDFC Developers Ltd.
3. HDFC Bank Ltd.
4. HDFC Asset Management Co Ltd.
5. HDFC Standard Life Insurance Co. Ltd.
6. HDFC ERGO General Insurance Co. Ltd.
7. Gruh Finance Ltd.
8. Infrastructure Leasing & Financial Services Ltd.
9. Sun Pharmaceutical Industries Ltd.
10. Greatship (India) Ltd.
11. Next Gen Publishing Ltd.

Apart from being a Chairman of the Audit Committee of the Company, Mr. Keki Mistry is also a member of the following committees:

NAME OF THE COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Housing Development Finance Corpn. Ltd.	Investors Grievance	Member
HDFC Bank Ltd.	Credit Customer Services Fraud Monitoring	Member Member Member
HDFC Standard Life Insurance Co. Ltd.	Audit	Member
HDFC ERGO General Insurance Co. Ltd.	Audit	Chairman
HDFC Asset Management Co Ltd.	Audit	Member
Gruh Finance Ltd.	Audit Remuneration Investment	Member Member Member
Infrastructure Leasing & Financial Services Ltd.	Audit Share Transfer	Member Member
Sun Pharmaceutical Industries Ltd.	Audit	Chairman

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 60th Annual General Meeting of the Company held on Friday, July 18, 2008 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.

------------------------------------ Tear Here ------------------------------------

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 60th Annual General Meeting to be held on Friday, July 18, 2008 at 3.00 p.m. or at any adjournments thereof.

Signed this_________________________day of_______________2008

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.