NAVIGATING WITH

PATIENCE & PERSEVERANCE

61st ANNUAL REPORT 2008-09

THE GREAT EASTERN SHIPPING CO. LTD.

(SUBSIDIARIES' REPORTS)

THE GREAT EASTERN SHIPPING COMPANY LIMITED

Reports of Subsidiary Companies

Contents......

THE GREAT EASTERN SHIPPING CO. LONDON LTD.

A Subsidiary Company

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

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009

The directors present their report with the financial statements of the company for the year ended 31 March 2009.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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

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

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2009.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2008 to the date of this report.

B. K. Sheth

M. J. Brace

P. B Kerr-Dineen

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act, 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act, 1985) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

M. J. Brace - Secretary

Date: 27 April 2009

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

We have audited the financial statements of The Great Eastern Shipping Co. London Ltd. for the year ended 31 March 2009 on pages six to fourteen. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act, 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act, 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act, 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Davis Burton Sellek
Chartered Accountants

Registered Auditors
The Galleries
Charters Road
Sunningdale
Berkshire
SL5 9QJ

Date: 28 April 2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 US$	2009 INR	2008 US$	2008 INR
TURNOVER		**2,632,961**	**120,352,647**	–	–
Cost of Sales		**(2,592,644)**	**(118,509,757)**	(32,736)	(1,322,534)
GROSS PROFIT		**40,317**	**1,842,890**	32,736	1,322,534
Administrative expenses		**48,424**	**2,213,461**	55,748	2,252,219
OPERATING LOSS	3	**(8,107)**	**(370,571)**	(23,012)	(929,685)
Interest receivable and similar income		**125,667**	**5,744,239**	411,176	16,611,510
		117,560	**5,373,668**	388,164	15,681,825
Amounts written off investments	4	**(5,475,570)**	**(243,227,208)**	–	–
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFOR TAXATION		**(5,358,010)**	**(237,853,540)**	388,164	15,681,825
Tax on profit on ordinary activities	5	**(30,311)**	**(1,385,516)**	(116,450)	(4,704,580)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		**(5,388,321)**	**(239,239,056)**	271,714	10,977,245
Retained profit brought forward		**8,927,754**	**357,086,682**	8,656,040	375,566,577
		3,539,433	**117,847,626**	8,927,754	386,543,822
Movement on currency conversion (dollar to rupee)		**–**	**54,400,659**	–	(29,457,140)
RETAINED PROFIT CARRIED FORWARD		**$ 3,539,433**	**172,248,285**	$ 8,927,754	357,086,682

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the loss for the current year and the profit for the previous year.

The notes form part of these financial statements.

BALANCE SHEET
31 MARCH 2009

	Notes	**2009**	**2009**	2008	2008
		US$	**INR**	US$	INR
FIXED ASSETS:					
Investments	6	**1,488,025**	**66,098,720**	1,606,440	64,450,373
CURRENT ASSETS:					
Debtors	7	**445**	**22,570**	10,919	438,070
Cash at bank and in hand		**2,382,874**	**120,859,369**	7,764,011	311,492,121
		2,383,319	**120,881,939**	7,774,930	311,930,191
CREDITORS:					
Amounts falling due within one year	8	**30,311**	**1,537,374**	152,016	6,098,882
NET CURRENT ASSETS:		**2,353,008**	**119,344,565**	7,622,914	305,831,309
TOTAL ASSETS LESS CURRENT LIABILITIES		**$ 3,841,033**	**185,443,285**	$ 9,229,354	370,281,682
CAPITAL AND RESERVES:					
Called up share capital	9	**301,600**	**13,195,000**	301,600	13,195,000
Profit and Loss Account		**3,539,433**	**172,248,285**	8,927,754	357,086,682
SHAREHOLDERS FUNDS	14	**$ 3,841,033**	**185,443,285**	$ 9,229,354	370,281,682

On behalf of the board

B. K. Sheth

Director

Approved by the Board on 15 April 2009

The notes form part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 US$	2009 INR	2008 US$	2008 INR
Net cash outflow from operating activities	1	**(33,199)**	**(1,381,979)**	(69,107)	(3,011,049)
Returns on investments and servicing of finance	2	**125,667**	**60,947,712**	411,176	(12,898,312)
Taxation		**(116,450)**	**(5,322,930)**	(6,692)	(270,357)
Capital expenditure and financial investment	2	**(5,357,155)**	**(244,875,555)**	(1,606,440)	(64,450,373)
Decrease in cash in the period		**$ (5,381,137)**	**(190,632,752)**	$ (1,271,063)	(80,630,091)

	Notes	2009 US$	2009 INR	2008 US$	2008 INR
Reconciliation of net cash flow to movement in net funds	3				
Decrease in cash in the period		**(5,381,137)**	**(190,632,752)**	(1,271,063)	(80,630,091)
Change in net funds resulting from cash flows		**(5,381,137)**	**(190,632,752)**	(1,271,063)	(80,630,091)
Movement in net funds in the period		**(5,381,137)**	**(190,632,752)**	(1,271,063)	(80,630,091)
Net funds at 1 April		**7,764,011**	**311,492,121**	9,035,074	392,122,212
Net funds 31 March		**$ 2,382,874**	**120,859,369**	$ 7,764,011	311,492,121

The notes form part of these financial statements.

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

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

	2009	**2009**	2008	2008
	US$	**INR**	US$	INR
Operating loss	**(8,107)**	**(370,571)**	(23,012)	(929,685)
Decrease in debtors	**10,474**	**415,500**	6,190	304,461
Decrease in creditors	**(35,566)**	**(1,426,908)**	(52,285)	(2,385,825)
Net cash outflow from operating activities	**$ (33,199)**	**(1,381,979)**	$ (69,107)	(3,011,049)

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

	2009	**2009**	2008	2008
	US$	**INR**	US$	INR
Returns on investements and servicing of finance				
Interest received	**120,189**	**5,493,839**	410,000	16,564,000
Foreign exchange gains/(losses)	**5,478**	**55,453,873**	1,176	(29,462,312)
Net cash inflow/(outflow) for				
returns on investements and servicing of finance	**$ 125,667**	**60,947,712**	$ 411,176	(12,898,312)
Capital expenditure and financial investment				
Purchase of fixed asset investments	**(5,357,155)**	**(244,875,555)**	(1,606,440)	(64,450,373)
Net cash outflow for capital expenditure	**$ (5,357,155)**	**(244,875,555)**	$ (1,606,440)	(64,450,373)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.08	Cash Flow	At 31.3.09
	$	$	$
Net Cash:			
Cash at bank and in hand	7,764,011	(5,381,137)	2,382,874
	7,764,011	(5,381,137)	2,382,874
Total	$ 7,764,011	$ (5,381,137)	$ 2,382,874

	At 1.4.08	Cash Flow	At 31.3.09
	INR	INR	INR
Net Cash:			
Cash at bank and in hand	311,492,121	(190,632,752)	120,859,369
	311,492,121	(190,632,752)	120,859,369
Total	311,492,121	(190,632,752)	120,859,369

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2009

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents revenue receivable from ship operators under charters.

Deferred tax

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

Foreign currencies

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

Assets and liabilities denominated in other currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Income and expenditure transactions in other currencies are translated into US dollars at an average rate for the year. The Indian rupee equivalent figures are converted from US dollars at the year-end exchange rate for assets and liabilities, and at the average rate for the year for income and expenditure. Exchange differences are taken to the profit and loss account for the year.

Hire purchase and leasing commitments

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

2. STAFF COSTS

	2009	**2009**	2008	2008
	US$	**INR**	US$	INR
Social Security costs	**–**	**–**	1,085	43,834
	–	**–**	$ 1,085	43,834

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

	2,009	2,008
Directors	**3**	3

3. **OPERATING (LOSS) / PROFIT**

	2009 US$	**2009 INR**	2008 US$	2008 INR
The operating (loss)/ profit is stated after charging/ (crediting):				
Operating leases	**3,325**	**151,986**	3,250	131,300
Auditors' remuneration	**5,000**	**228,550**	5,000	202,000
Non-audit tax and consultancy fees	**13,598**	**621,565**	9,363	378,265
Directors' emoluments	**–**	**–**	–	–

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2009 US$	**2009 INR**	2008 US$	2008 INR
Container shipping investment	**5,475,570**	**243,227,208**	–	–

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2009 US$	**2009 INR**	2008 US$	2008 INR
Current Tax:				
UK corporation tax	**30,311**	**1,385,516**	116,450	4,704,580
Tax on profit on ordinary activities	**$ 30,311**	**1,385,516**	$ 116,450	4,704,580

UK corporation tax has been charged at 25.8% (2008- 30%)

6. FIXED ASSET INVESTMENTS

	2009 US$	**2009 INR**
Unlisted Investments		
COST		
At 1 April 2008	**1,606,440**	**64,450,373**
Additions	**5,357,155**	**244,875,555**
Impairments	**(5,475,570)**	**(243,227,208)**
At 31 March 2009	**$ 1,488,025**	**66,098,720**
NET BOOK VALUE		
At 31 March 2009	**$ 1,488,025**	**66,098,720**
At 31 March 2008	**$ 1,606,440**	**64,450,373**

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 US$	**2009 INR**	2008 US$	2008 INR
Prepayments and accrued income	**–**	**–**	10,906	437,549
V A T	**445**	**22,570**	13	521
	$ 445	**22,570**	$ 10,919	438,070

8. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 US$	2009 INR	2008 US$	2008 INR
Corporation tax	**30,311**	**1,537,374**	116,450	4,671,974
Accrued expenses	**–**	**–**	35,566	1,426,908
	$ 30,311	**1,537,374**	$ 152,016	6,098,882

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal Value:	2009 US$	2009 INR	2008 US$	2008 INR
16,000	Ordinary	£10	**301,600**	**13,195,000**	301,600	13,195,000

10. ULTIMATE PARENT COMPANY

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

11. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2009

12. CAPITAL COMMITMENTS

	2009 US$	2009 INR	2008 US$	2008 INR
Contracted but not provided for in the financial statements	**1,036,430**	**52,567,730**	6,393,585	256,470,510

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

13. RELATED PARTY DISCLOSURES

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

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 US$	2009 INR	2008 US$	2008 INR
Profit/(loss) for the financial year	**(5,388,321)**	**(184,838,397)**	271,714	(18,479,895)
Net (reduction in)/addition to shareholders' funds	**(5,388,321)**	**(184,838,397)**	271,714	(18,479,895)
Opening shareholders' funds	**9,229,354**	**370,281,682**	8,957,640	388,761,577
Closing shareholder's funds	**$ 3,841,033**	**185,443,285**	$ 9,229,354	370,281,682

THE GREATSHIP (SINGAPORE) PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Shivakumar Gomathinayagam (appointed on 22 April 2009)
COMPANY SECRETARY:	Cheng Lian Siang
REGISTERED OFFICE:	15 Hoe Chiang Road #06-03 Tower 15 Singapore 089 316
INDEPENDENT AUDITORS:	Shanker Iyer & Co.

DIRECTORS' REPORT

The Directors present their report to the member together with the audited financial statements of the Company for the financial year ended 31 March 2009.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

Shivakumar Gomathinayagam (appointed on 22 April 2009)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2008	As at 31.03.2009
The Great Eastern Shipping Company Limited (holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Jaya Prakash
Director

22 April 2009

STATEMENT BY DIRECTORS

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

(a) the accompanying balance sheet, income statement, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2009 and of its results, changes in equity and cash flows for the financial year ended on that date; and

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

The Board of Directors authorised these financial statements for issue on 22 April 2009.

On behalf of the Board

Naware Pradyumna Raghunath

Director

Jaya Prakash

Director

22 April 2009

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

(Incorporated in Singapore)

We have audited the accompanying financial statements of THE GREATSHIP (SINGAPORE) PTE. LTD. as set out on pages 7 to 27, which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion,

(a) the financial statements of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 March 2009 and its results, changes in equity and cash flows for the financial year ended on that date; and

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

Shanker Iyer & Co.
Public Accountants and
Certified Public Accountants

Singapore
22 April 2009

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 S$	2009 Rs.	2008 S$	2008 Rs.
NON-CURRENT ASSET					
Plant and equipment	4	**–**	**–**	62,424	1,815,919
CURRENT ASSETS					
Cash and cash equivalents	5	**1,379,966**	**45,952,867**	1,223,514	35,592,024
Trade receivables	6	**157,632**	**5,249,146**	302,037	8,786,266
Other receivables	7	**96,119**	**3,200,763**	98,590	2,867,986
		1,633,717	**54,402,776**	1,624,141	47,246,276
CURRENT LIABILITIES					
Trade payables	8	**50,822**	**1,692,372**	47,925	1,394,134
Accruals	9	**49,469**	**1,647,319**	81,267	2,364,063
Provision for taxation		**3,086**	**102,764**	14,961	435,206
		103,377	**3,442,455**	144,153	4,193,403
NET CURRENT ASSETS		**1,530,340**	**50,960,321**	1,479,988	43,052,873
NET ASSETS		**1,530,340**	**50,960,321**	1,542,412	44,868,792
SHAREHOLDER'S EQUITY					
Share capital	10	**500,000**	**13,075,000**	500,000	13,075,000
Retained profits		**1,030,340**	**37,885,321**	1,042,412	31,793,792
TOTAL EQUITY		**1,530,340**	**50,960,321**	1,542,412	44,868,792

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 S$	2009 Rs.	2008 S$	2008 Rs.
REVENUE					
Agency income		**208,603**	**6,946,480**	297,770	8,662,130
Disbursement income		**941,737**	**31,359,843**	1,196,955	34,819,437
Management fees		**150,000**	**4,995,000**	–	–
Other income	**11**	**26,197**	**872,361**	19,617	570,652
Total revenue		**1,326,537**	**44,173,684**	1,514,342	44,052,219
COSTS AND EXPENSES					
Disbursement expenses		**801,963**	**26,705,367**	962,564	28,000,972
Depreciation of plant and equipment	**4**	**33,835**	**1,126,740**	32,011	931,209
Loss on write off of plant and equipment		**29,888**	**995,237**	–	–
Staff and related costs		**246,890**	**8,221,438**	185,707	5,402,227
Operating expenses	**12**	**158,304**	**5,271,523**	169,930	4,943,260
Total costs and expenses		**1,270,880**	**42,320,305**	1,350,212	39,277,668
PROFIT BEFORE TAXATION	**13**	**55,657**	**1,853,379**	164,130	4,774,551
TAXATION	**14**	**(7,729)**	**(257,376)**	(8,331)	(242,349)
PROFIT FOR THE YEAR		**47,928**	**1,596,003**	155,799	4,532,202

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009

	Share capital S$	Share capital Rs.	Retained profits S$	Retained profits Rs.	Total S$	Total Rs.
2009						
Balance as at 1 April 2008	**500,000**	**13,075,000**	**1,042,412**	**31,793,792**	**1,542,412**	**44,868,792**
Foreign translation difference	**–**	**–**	**–**	**6,493,526**	**–**	**6,493,526**
Profit for the year	**–**	**–**	**47,928**	**1,596,003**	**47,928**	**1,596,003**
Dividend paid (Note 15)	**–**	**–**	**(60,000)**	**(1,998,000)**	**(60,000)**	**(1,998,000)**
Balance as at 31 March 2009	**500,000**	**13,075,000**	**1,030,340**	**37,885,321**	**1,530,340**	**50,960,321**
2008						
Balance as at 1 April 2007	500,000	13,075,000	946,613	28,355,996	1,446,613	41,430,996
Foreign translation difference	–	–	–	650,994	–	650,994
Profit for the year	–	–	155,799	4,532,202	155,799	4,532,202
Dividend paid (Note 15)	–	–	(60,000)	(1,745,400)	(60,000)	(1,745,400)
Balance as at 31 March 2008	500,000	13,075,000	1,042,412	31,793,792	1,542,412	44,868,792

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Cash Flows From Operating Activities					
Profit before taxation		**55,657**	**1,853,379**	164,130	4,774,551
Adjustments for:					
Depreciation of plant and equipment	4	**33,835**	**1,126,740**	32,011	931,209
Loss on write off of plant and equipment		**29,888**	**995,237**	–	–
Unrealised exchange (gain)/loss		**(15,489)**	**(515,784)**	16,545	481,294
Interest income	11	**(3,060)**	**(101,898)**	(14,430)	(419,765)
Cash flows before changes in working capital		**100,831**	**3,357,674**	198,256	5,767,289
Working capital changes, excluding changes relating to cash:					
Trade receivables		**142,617**	**3,537,120**	(100,877)	(2,934,483)
Other receivables		**2,471**	**(332,777)**	20,504	596,461
Trade payables		**2,897**	**298,238**	18,577	540,405
Accruals		**(31,798)**	**(716,744)**	19,833	576,942
Cash generated from operations		**217,018**	**6,143,511**	156,293	4,546,614
Income tax paid		**(19,604)**	**(652,813)**	(27,874)	(810,884)
Interest received		**3,060**	**101,898**	14,430	419,765
Net cash generated from operating activities		**200,474**	**5,592,596**	142,849	4,155,495
Cash Flows From Investing Activity					
Purchase of plant and equipment	4	**(1,299)**	**(43,257)**	(94,435)	(2,747,128)
Net cash absorbed by investing activity		**(1,299)**	**(43,257)**	(94,435)	(2,747,128)
Cash Flows From Financing Activity					
Dividend paid	15	**(60,000)**	**(1,998,000)**	(60,000)	(1,745,400)
Net cash absorbed by financing activity		**(60,000)**	**(1,998,000)**	(60,000)	(1,745,400)
Net increase/(decrease) in cash and cash equivalents		**139,175**	**3,551,339**	(11,586)	(337,033)
Unrealised exchange gain/(loss) on cash and cash equivalents		**17,277**	**575,290**	(16,545)	(481,294)
Translation exchange difference		**–**	**6,234,214**	–	563,238
Cash and cash equivalents at the beginning of the year		**1,223,514**	**35,592,024**	1,251,645	35,847,113
Cash and cash equivalents at the end of the year	5	**1,379,966**	**45,952,867**	1,223,514	35,592,024

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. CORPORATE INFORMATION

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

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

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

The financial statements of The Greatship (Singapore) Pte. Ltd. as at 31 March 2009 and for the year then ended were authorised and approved by the Board of Directors for issuance on 22 April 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to S$1= Rs.33.30 and rounded up to the nearest rupee (2008: S$1= Rs.29.09).

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date. The adoption of these new and revised FRSs and INT FRSs have no material effect on the financial statements.

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

(b) Foreign currency translation

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

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

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

(c) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement. When plant and equipment are sold or retired, their cost and accumulated depreciation and impairment (if any) are removed from the financial statements and any gain or loss resulting from their disposal is included in the income statement.

(d) Depreciation of plant and equipment

Depreciation is calculated to write off the cost of plant and equipment by the straight-line method over their estimated useful lives. The estimated useful lives are as follows:

Computers	2 years
Furniture and fittings	3 years
Renovation	3 years
Security system	3 years
Office equipment	5 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

(e) Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and fixed deposits.

(f) Effective interest rate method

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

(g) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and present value of estimated future cash flows, discounted at original effective interest rate. The amount of the allowance is recognised in the income statement.

(h) Trade and other payables

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

(i) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes. The following specific recognition criteria must also be met before revenue is recognised.

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

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

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

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

(j) Income tax

Income tax expense is calculated on the basis of tax effect accounting, using the liability method and is applied to all significant temporary differences.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credit and unused tax losses can be utilised.

At each balance sheet date, the company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

(k) Impairment of financial assets

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

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured.

(l) Provisions

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

(m) Employee benefits

Defined Counribution Plan

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as an expense in the income statement in the same period as the employment that gives rise to the contributions.

Employee leave entitlement

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

(n) Operating lease

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(o) Share capital

Ordinary shares issued by the company are classified as equity and recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Plant and equipment

Management determines the estimated useful lives and residual values for the company's plant and equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

(b) Income taxes

The company has exposure to income taxes in Singapore. Significant judgement is involved in determining the company's provision for income taxes. The company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provision in the financial year in which such determination is made. At 31 March 2009, the carrying amounts of the company's current income tax payable are disclosed in the balance sheet.

4. PLANT AND EQUIPMENT

	Computers	Furniture and fittings	Renovation	Security system	Office equipment	Total
	S$	S$	S$	S$	S$	S$
2009						
Cost						
At 1 April 2008	12,641	2,100	75,376	2,985	1,333	94,435
Additions	1,299	–	–	–	–	1,299
Write off	(13,940)	(2,100)	(75,376)	(2,985)	(1,333)	(95,734)
At 31 March 2009	–	–	–	–	–	–
Accumulated depreciation						
At 1 April 2008	5,935	642	24,285	912	237	32,011
Charge for the year	6,715	700	25,125	995	300	33,835
Write off	(12,650)	(1,342)	(49,410)	(1,907)	(537)	(65,846)
At 31 March 2009	–	–	–	–	–	–
Net book value						
At 31 March 2009	–	–	–	–	–	–

Note:
The management had decided to write off the plant and equipment as at 31 March 2009, as the company's principal place of business changed after the year end and hence none of the assets are considered to be in use as at balance sheet date.

	Computers	Furniture and fittings	Renovation	Security system	Office equipment	Total
2008						
Cost						
At 1 April 2007	–	–	–	–	–	–
Additions	12,641	2,100	75,376	2,985	1,333	94,435
At 31 March 2008	12,641	2,100	75,376	2,985	1,333	94,435
Accumulated depreciation						
At 1 April 2007	–	–	–	–	–	–
Charge for the year	5,935	642	24,285	912	237	32,011
At 31 March 2008	5,935	642	24,285	912	237	32,011
Net book value						
At 31 March 2008	6,706	1,458	51,091	2,073	1,096	62,424

4. PLANT AND EQUIPMENT (Cont'd.)

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

Note:

The management had decided to write off the plant and equipment as at 31 March 2009, as the company's principal place of business changed after the year end and hence none of the assets are considered to be in use as at balance sheet date.

	Computers	Furniture and fittings	Renovation	Security system	Office equipment	Total
2008						
Cost						
At 1 April 2007	–	–	–	–	–	–
Additions	367,730	61,089	2,192,688	86,844	38,777	2,747,128
At 31 March 2008	367,730	61,089	2,192,688	86,844	38,777	2,747,128
Accumulated depreciation						
At 1 April 2007	–	–	–	–	–	–
Charge for the year	172,659	18,666	706,449	26,535	6,900	931,209
At 31 March 2008	172,659	18,666	706,449	26,535	6,900	931,209
Net book value						
At 31 March 2008	195,071	42,423	1,486,239	60,309	31,877	1,815,919

5. CASH AND CASH EQUIVALENTS

	2009	**2009**	2008	2008
	S$	**Rs.**	S$	Rs.
Cash in hand	**701**	**23,343**	673	19,569
Cash at bank	**896,415**	**29,850,619**	742,867	21,610,022
Fixed deposits	**482,850**	**16,078,905**	479,974	13,962,433
	1,379,966	**45,952,867**	1,223,514	35,592,024

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

Short-term bank deposits at the balance sheet date have an average maturity of 3 months (2008: 3 months) from the end of the financial year with weighted average effective interest rate of 0.425% p.a. (2008: 1.2% p.a.).

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

	2009	**2009**	2008	2008
	S$	**Rs.**	S$	Rs.
Singapore dollars	**1,191,456**	**39,675,484**	1,052,436	30,615,365
United States dollars	**188,510**	**6,277,383**	171,078	4,976,659
	1,379,966	**45,952,867**	1,223,514	35,592,024

6. TRADE RECEIVABLES

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Third parties	**12,265**	**408,424**	16,792	488,479
Related company	**17,189**	**572,394**	3,284	95,546
Holding company	**124,922**	**4,159,903**	276,911	8,055,336
GST recoverable	**3,256**	**108,425**	5,050	146,905
	157,632	**5,249,146**	302,037	8,786,266

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

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

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

7. OTHER RECEIVABLES

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Deposits	**94,947**	**3,161,735**	95,390	2,774,894
Other debtors	**–**	**–**	1,306	37,986
Prepayments	**1,172**	**39,028**	1,894	55,106
	96,119	**3,200,763**	98,590	2,867,986

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

Deposits include S$ 55,000 placed as collateral security for crew system.

8. TRADE PAYABLES

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Third party	**44,641**	**1,486,545**	47,925	1,394,134
Related party	**6,181**	**205,827**	–	–
	50,822	**1,692,372**	47,925	1,394,134

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

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

9. ACCRUALS

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

10. SHARE CAPITAL

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Issued and fully paid				
500,000 ordinary shares	**500,000**	**13,075,000**	500,000	13,075,000

All ordinary shares are fully paid and have no par value.

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

11. OTHER INCOME

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Interest income	**3,060**	**101,898**	14,430	419,765
Discount received	**–**	**–**	987	28,697
Exchange gain	**22,422**	**746,653**	–	–
Miscellaneous	**715**	**23,810**	4,200	122,190
	26,197	**872,361**	19,617	570,652

12. OPERATING EXPENSES

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Accountancy fees				
- Current year	**8,350**	**278,055**	8,400	244,356
- Overprovision for prior year	**(500)**	**(16,650)**	–	–
Legal and professional fees	**10,986**	**365,834**	6,076	176,751
Office rental – operating lease	**91,748**	**3,055,208**	101,887	2,963,901
Printing and stationery (including operating lease)	**2,678**	**89,177**	2,740	79,715
Exchange loss	**–**	**–**	8,429	245,192
Upkeep of motor vehicle	**12,432**	**413,986**	14,734	428,601
Others	**32,610**	**1,085,913**	27,664	804,744
	158,304	**5,271,523**	169,930	4,943,260

13. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Director's fees	**3,500**	**116,550**	3,500	101,815
Staff CPF contribution	**11,557**	**384,848**	21,007	611,086

14. TAXATION

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Current year provision	**10,259**	**341,625**	14,961	435,216
Over provision in prior years	**(2,530)**	**(84,249)**	(6,630)	(192,867)
	7,729	**257,376**	8,331	242,349

The current year's income tax expense varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate of 17% (2008:18%) to the profit before income tax as a result of the following differences:

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Accounting profit	**55,657**	**1,853,379**	164,130	4,774,551
Income tax expense at applicable rate	**9,462**	**315,085**	29,543	859,419
Exempt income	**(3,936)**	**(131,068)**	(15,861)	(461,404)
Non-allowable items	**4,257**	**141,758**	2,877	83,690
Deferred tax asset/(liability) not recognised	**476**	**15,851**	(1,598)	(46,489)
Over provision in prior years	**(2,530)**	**(84,250)**	(6,630)	(192,867)
	7,729	**257,376**	8,331	242,349

15. DIVIDEND

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
One-tier tax exempt dividend of 12 cents per share (2008: 12 cents per share)	**60,000**	**1,998,000**	60,000	1,745,400

16. IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

17. RELATED PARTY TRANSACTIONS

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

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

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

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

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Holding Company				
Agency fees received/receivable	**182,500**	**6,077,250**	260,850	7,588,127
Disbursement income received/receivable	**857,544**	**28,556,215**	1,137,020	33,075,912
Related companies				
Agency fees received/receivable	**17,200**	**572,760**	27,050	786,885
Disbursement income received/receivable	**42,350**	**1,410,255**	25,380	738,304
Management fee earned received/receivable	**150,000**	**4,995,000**	–	–

18. OPERATING LEASE COMMITMENTS

At the balance sheet date, the commitments in respect of operating lease are as follows:

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Due within one year	**10,490**	**349,317**	100,537	2,924,621
Due within two to five year	**3,458**	**115,151**	15,079	438,648
	13,948	**464,468**	115,616	3,363,269

The company has operating lease agreements for office premises and rental of copier machine.

The company's lease for office space is under non-cancellable operating lease agreements and expires on 30 April 2009.

19. FINANCIAL AND CAPITAL RISK MANAGEMENT

a) Liquidity risk

The company has no significant liquidity risk.

b) Foreign currency risk

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

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

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
Financial assets				
Cash and cash equivalents	**188,510**	**6,277,383**	171,078	4,976,659
Currency exposure	**188,510**	**6,277,383**	171,078	4,976,659

At 31 March 2009, if the United States dollars had strengthened/weakened by 5% (2008: 5%) against the Singapore dollars with all other variables including tax rate being held constant, the company's profit for the financial year would have been higher/lower by approximately S$9,400 [Rs. 313,000] (2008: S$ 8,500 [Rs. 247,000]) as a result of currency translation gains/losses on the remaining United States dollars denominated financial assets and liabilities.

c) Interest rate risk

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

d) Credit risk

The carrying amount of trade and other receivables represents the company's maximum exposure to credit risk.

The credit risk for trade receivables is as follows:

	2009 S$	2009 Rs.	2008 S$	2008 Rs.
By geographical areas				
India	**154,376**	**5,140,721**	296,987	8,639,362
Singapore	**3,256**	**108,425**	5,050	146,904
	157,632	**5,249,146**	302,037	8,786,266

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

e) Fair values

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

f) Capital risk

The objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing services to commensurate with the level of risk. The management manages the capital structure and makes adjustments to it in the light of changes in economic condition and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The company is not subject to externally imposed capital requirements.

THE GREAT EASTERN CHARTERING LLC (FZC)

A Subsidiary Company

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

DIRECTORS' REPORT

The Directors are pleased to present their fourth report with the financial statements of the Company for the period from April 1, 2008 to March 31, 2009.

FINANCIAL HIGHLIGHTS

The results for the period for the financial year ended March 31, 2009 and the financial position of the Company are as shown in the annexed financial statements. The profit for the year ended March 31, 2009 was USD 317,653.

BUSINESS

It was a year of two halves and sharp contrasts. Dry bulk shipping rates reached their peak in mid-2008 before the frozen credit markets and a decelerating global economy adversely impacted global trade driving freight rates to below rock bottom levels. On the tanker side, the strong market in the first half of the year was mainly driven by robust oil production, limited fleet growth due to conversions/scrapping and storage of oil on tankers. However, recessionary conditions in the world economy have had a detrimental impact on global oil demand. The second half saw reduced oil demand, collapsing oil prices, OPEC cuts and credit crunch which impacted the tanker demand. Business activity during the period was focused on inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. Some of the ships were taken on period in the early part of the financial year. The company inchartered 2 double hull Suezmax tankers, 1 single hull Aframax tanker, 1 double hull product tanker, 1 Panamax bulk carrier, 3 modern Supramax bulk carriers and 12 spot charters to meet contractual commitments.

DIVIDEND

No dividend was recommended for the year ended March 31, 2009.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors hereby state that:

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

AUDITORS

Bhel, Lad & Al Sayegh, Chartered Accountants are proposed to be re-appointed as auditors of the Company for the year ended March 31, 2009. The shareholders will be required to elect auditors for the current year.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Director

Dated: April 22, 2009

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

We have examined the accompanying financial statements of THE GREAT EASTERN CHARTERING L.L.C. (FZC) (the Company) for the year ended March 31, 2009, and other reconciliations and information {all collectively referred to as the "Fit For Consolidation" (FFC) Accounts}. These FFC Accounts are the responsibility of the Company's management. Our responsibility is to express an opinion on these FFC Accounts based on our audit.

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

As requested by the directors of the Company and solely for the purpose of expressing an audit opinion on the consolidated financial statements of THE GREAT EASTERN SHIPPING CO. LTD., INDIA, we report that the attached FFC Accounts are properly derived, in accordance with the instructions referred to above, from the Statutory Accounts of THE GREAT EASTERN CHARTERING L.L.C. (FZC) audited by us for the year ended March 31, 2009.

BEHL, LAD & AL SAYEGH
Dubai, United Arab Emirates

Dated: April 22, 2009

Balance Sheet as at March 31, 2009

	Note	**March 31, 2009 USD**	**March 31, 2009 INR**	March 31, 2008 USD	March 31, 2008 INR
NON-CURRENT ASSETS					
Property and equipment	3	**19,567**	**992,438**	10,883	436,626
Investment	4	**–**	**–**	–	–
		19,567	**992,438**	10,883	436,626
CURRENT ASSETS					
Inventories	5	**1,450,526**	**73,570,679**	2,247,319	90,162,438
Receivables and prepayments	6	**5,513,156**	**279,627,273**	5,942,089	238,396,610
Cash and cash equivalents	7	**12,400,993**	**628,978,365**	15,384,083	617,209,410
Fixed deposits with the banks	8	**24,593,749**	**1,247,394,949**	–	–
Other current assets	9	**2,737,013**	**138,821,299**	4,440,307	178,145,117
		46,695,437	**2,368,392,565**	28,013,798	1,123,913,575
TOTAL ASSETS		**46,715,004**	**2,369,385,003**	28,024,681	1,124,350,201
CURRENT LIABILITIES					
Trade and other payables	10	**24,370,117**	**1,236,052,334**	5,997,447	240,617,573
SHAREHOLDERS' FUNDS					
Share capital	11	**40,869**	**2,072,876**	40,869	1,639,664
Statutory reserve		**20,435**	**1,036,463**	20,435	819,852
Foreign currency translation reserve		**–**	**1,648,850**	–	–
Retained earnings		**22,283,583**	**1,128,574,480**	21,965,930	881,273,112
		22,344,887	**1,133,332,669**	22,027,234	883,732,628
TOTAL EQUITY AND LIABILITIES		**46,715,004**	**2,369,385,003**	28,024,681	1,124,350,201

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

The Independent Auditors' report is set forth on page 1.

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

Approved by the Directors on April 22, 2009.

For THE GREAT EASTERN CHARTERING LLC (FZC)

Director

Income Statement year ended March 31, 2009

	Note	March 31, 2009 USD	March 31, 2009 INR	March 31, 2008 USD	March 31, 2008 INR
REVENUE	12	**144,894,108**	**6,623,109,676**	117,646,888	4,752,934,276
Direct expenses	13	**(120,527,194)**	**(5,509,298,037)**	(105,197,380)	(4,249,974,151)
GROSS PROFIT		**24,366,914**	**1,113,811,639**	12,449,508	502,960,125
Other operating income (net)	14	**99,933**	**4,567,937**	2,093,496	84,577,238
Depreciation	3	**(11,459)**	**(581,200)**	(5,452)	(218,734)
Other operating expenses	15	**(3,041,959)**	**(139,047,945)**	(941,483)	(41,816,844)
Provision for loss on onerous incharter hire contracts	10	**(19,674,823)**	**(899,336,159)**	–	–
PROFIT FROM OPERATING ACTIVITIES		**1,738,606**	**79,414,272**	13,596,069	545,501,785
Provision for diminution in value of investment	4	**(2,238,476)**	**(102,320,738)**	–	–
Interest income on bank deposits		**817,523**	**37,368,976**	92,352	3,731,021
Finance costs	16	**–**	**–**	(190,556)	(7,698,462)
PROFIT FOR THE YEAR		**317,653**	**14,462,510**	13,497,865	541,534,344

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

The Independent Auditors' report is set forth on page 1.

Statement of Changes in Equity year ended March 31, 2009

	Share capital		Statutory reserve		Foreign currency Translation Reserve		Retained earnings		Total	
	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR
As at March 31, 2007	40,869	2,072,876	–	–	–	–	8,488,500	430,536,720	8,529,369	432,609,596
Profit for the year	–	–	–	–	–	–	13,497,865	684,611,713	13,497,865	684,611,713
Transfer to reserve	–	–	20,435	1,036,463	–	–	(20,435)	(1,036,463)	–	–
As at March 31, 2008	40,869	2,072,876	20,435	1,036,463	-	-	21,965,930	1,114,111,970	22,027,234	1,117,221,309
Profit for the year	–	–	–	–	–	–	317,653	14,462,510	317,653	14,462,510
Transfer to reserve	–	–	–	–	–	1,648,850	–	–	–	1,648,850
As at March 31, 2009	**40,869**	**2,072,876**	**20,435**	**1,036,463**	**–**	**1,648,850**	**22,283,583**	**1,128,574,480**	**22,344,887**	**1,133,332,669**

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

The Independent Auditors' report is set forth on page 1.

Cash Flow Statement year ended March 31, 2009

	Note	March 31, 2009 USD	March 31, 2009 INR	March 31, 2008 USD	March 31, 2008 INR
Cash flows from operating activities					
Profit for the year		**317,653**	**14,462,510**	13,497,865	541,534,344
Adjustments for:					
Depreciation of property and equipment	3	**11,459**	**581,200**	5,452	218,734
Provision for diminution in value of investment		**2,238,476**	**102,320,738**	–	–
Provision for loss on onerous incharter hire contracts	10	**19,674,823**	**899,336,159**	–	–
Finance costs		**–**	**–**	190,556	7,698,462
Interest income		**(817,523)**	**(37,368,976)**	(92,352)	(3,731,021)
Foreign exchange		**–**	**175,934,895**	–	(23,189,529)
Operating profit before changes in operating assets and liabilities		**21,424,888**	**1,155,266,526**	13,601,521	522,530,990
Decrease/(increase) in inventories		**796,793**	**40,413,341**	(1,817,849)	(72,932,102)
Decrease/(increase) in receivables and prepayments		**428,933**	**21,755,482**	(1,591,186)	(63,838,382)
Decrease/(increase) in other current asset		**1,703,294**	**86,391,072**	(2,039,318)	(81,817,438)
(Decrease)/increase in trade and other payables		**(1,302,153)**	**32,525,663**	4,052,975	162,605,356
Cash generated from operations		**23,051,755**	**1,336,352,084**	12,206,143	466,548,424
Finance costs paid		**–**	**–**	(190,556)	(7,698,462)
Net cash from operating activites (A)		**23,051,755**	**1,336,352,084**	12,015,587	458,849,962
Cash flows from investing activities					
Purchase of property and equipment		**(20,143)**	**(1,021,653)**	(16,161)	(648,379)
Investment in Shares of Sea Change Maritime LLC		**(2,238,476)**	**(113,535,503)**	–	–
Fixed deposits with banks (net)		**(23,776,226)**	**(1,210,025,973)**	–	–
Interest received		**–**	**–**	92,352	3,731,021
Net cash (used in)/from investing activities (B)		**(26,034,845)**	**(1,324,583,129)**	76,191	3,082,642
Cash flows from financing activities					
Repayment of working capital loan taken from Parent company		**–**	**–**	(4,000,000)	(160,480,000)
Net cash used in financing activities (C)		**–**	**–**	(4,000,000)	(160,480,000)
Net increase in cash and cash equivalents (A+B+C)		**(2,983,090)**	**11,768,955**	8,091,778	301,452,604
Cash and cash equivalents at beginning of the year		**15,384,083**	**617,209,410**	7,292,305	315,756,806
Cash and cash equivalents at end of the year	7	**12,400,993**	**628,978,365**	15,384,083	617,209,410

The accompanying notes form an integral part of these financial statements.
The Independent Auditors' report is set forth on page 1.

Notes to the Financial Statements year ended March 31, 2009

1. **LEGAL STATUS AND BUSINESS ACTIVITY**

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

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

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

2. **SIGNIFICANT ACCOUNTING POLICIES**

   a) Basis of preparation

   These financial statements are prepared under the historical cost convention and in accordance with International Financial Reporting Standards issued or adopted by the International Accounting Standards Board (IASB) and the requirements of Sharjah Airport International Free Zone Authority.

   b) Presentation currency

   The functional currency of the Company is US Dollars (USD). Accordingly, these financial statements have been expressed in USD.

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

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

   i) Revenue

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

   ii) Leases

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

   iii) Foreign currency transactions

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

   Monetary assets and liabilities expressed in foreign currencies are translated into US Dollars at the rate of exchange ruling at the balance sheet date.

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

   iv) Property and equipment

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

   v) Inventories

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

   vi) Provisions and accruals

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

   vii) Cash and cash equivalents

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

   viii) Derivative financial instruments

   Future contracts under Forward Freight "SWAP" Agreements in which the Company actively trades are classified as 'held-for-trading'. Changes in fair values of open contracts with reference to quoted market price resulting into losses are recognised in the income statement.

   ix) Financial instruments

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

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

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

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

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

x) Significant judgements and key assumptions

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

Impairment

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

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

Carrying values of property and equipment

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

Doubtful debt provisions

Management regularly undertakes a review of the amounts of receivables owed to the Company either from third parties (refer Note 6) or from related parties (refer Note 17) and assesses the likelihood of non-recovery. Such assessment is based upon the age of the debts, historic recovery rates and assessed creditworthiness of the debtor. Based on the assessment assumptions are made as to the level of provisioning required.

Impairment

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

3. PROPERTY AND EQUIPMENT

	Furniture, fixtures and office equipment		**Computers**		**Total**	
	USD	INR	USD	INR	USD	INR
Net book values						
As at March 31, 2008						
Cost	750	30,090	15,738	631,409	16,488	661,499
Accumulated depreciation	(567)	(22,748)	(5,038)	(202,125)	(5,605)	(224,873)
Net book value	183	7,342	10,700	429,284	10,883	436,626
As at March 31, 2009						
Cost	750	38,040	35,881	1,819,884	36,631	1,857,924
Accumulated depreciation	(660)	(33,475)	(16,404)	(832,011)	(17,064)	(865,486)
Net book value	90	4,565	19,477	987,873	19,567	992,438
Reconciliation of net book values						
As at March 31, 2007	174	8,825	–	–	174	8,825
Additions during the year	423	21,455	15,738	798,231	16,161	819,686
Depreciation for the year	(414)	(20,998)	(5,038)	(255,527)	(5,452)	(276,525)
As at March 31, 2008	183	9,282	10,700	542,704	10,883	551,986
Additions during the year	–	–	20,143	1,021,653	20,143	1,021,653
Depreciation for the year	(93)	(4,717)	(11,366)	(576,484)	(11,459)	(581,201)
As at March 31, 2009	**90**	**4,565**	**19,477**	**987,873**	**19,567**	**992,438**

	March 31, 2009		March 31, 2008	
	USD	**INR**	USD	INR
4. INVESTMENT				
Investment in shares of SeaChange Maritime LLC, USA (368,000 units of US$ 10.8696 each of which US$ 6.0828 per unit is called up and paid up)	**2,238,476**	**113,535,503**	–	–
Less: Provision for diminution in value of investment	**(2,238,476)**	**(113,535,503)**	–	–
Net book value	**–**	**–**	–	–

A full provison has been made against the investment on the basis of the 'Net Asset Value' as at December 31, 2008 as assessed by the Board of Directors of the investee company.

The uncalled amount of Common Units held as at balance sheet date, amounted to USD 1,761,537 [INR 89,345,157].

	March 31, 2009		March 31, 2008	
5. INVENTORIES	**USD**	**INR**	USD	INR
Bunker inventories	**1,450,526**	**73,570,679**	**2,247,319**	**90,162,438**
6. RECEIVABLES AND PREPAYMENTS				
Trade receivables *	**3,492,923**	**177,161,055**	1,859,458	74,601,455
Voyages in progress	**–**	**–**	1,438,794	57,724,415
Advances **	**420,036**	**21,304,226**	574,210	23,037,305
Deposits	**954**	**48,387**	3,154	126,538
Prepaid charter hire	**1,599,243**	**81,113,605**	2,065,265	82,858,432
Other prepayments	**–**	**–**	1,208	48,465
	5,513,156	**279,627,273**	5,942,089	238,396,610

* These are net off provision for doubtful debts of USD 460,774 [INR 23,370,457] (previous year: USD 172,085 [INR 6,904,050]).

** These are net off provision for doubtful debts of USD 1,382,998 [INR 70,145,659] (previous year: USD 267,176 [INR 10,719,101]).

a) The age analysis of trade receivables as at March 31, 2009 was as follows:

	March 31, 2009	March 31, 2009
	USD	**INR**
Less than six months	**3,242,184**	**164,443,572**
Six months to one year	**250,739**	**12,717,482**
Total	**3,492,923**	**177,161,054**

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

	March 31, 2009	March 31, 2009	March 31, 2008	March 31, 2008
	USD	**INR**	USD	INR
Opening balance	**439,261**	**22,279,318**	–	–
Charge for the year (Note 15)	**1,504,444**	**76,305,400**	439,261	17,623,151
Reversal on debt realisation	**(99,933)**	**(5,068,602)**	–	–
Closing balance	**1,843,772**	**93,516,116**	439,261	17,623,151

	March 31, 2009 USD	March 31, 2009 INR	March 31, 2008 USD	March 31, 2008 INR
7. CASH AND CASH EQUIVALENTS				
Bank balances in:				
- Current accounts	**3,900,162**	**197,816,217**	13,383,250	536,935,990
- Term deposits	**8,500,831**	**431,162,148**	2,000,833	80,273,420
	12,400,993	**628,978,365**	15,384,083	617,209,410

8. FIXED DEPOSITS WITH THE BANKS

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

	March 31, 2009 USD	March 31, 2009 INR	March 31, 2008 USD	March 31, 2008 INR
9. OTHER CURRENT ASSETS				
Amounts receivable on 'held-for-trading' derivative financial instruments	**1,559,929**	**79,119,599**	3,652,063	146,520,768
Accrued demurrage income	**538,227**	**27,298,873**	758,311	30,423,437
Accrued freight income	**519,266**	**26,337,172**	–	–
Bunker consumption claim receivable	**117,124**	**5,940,529**	–	–
Off hire claims receivable	**2,467**	**125,126**	29,933	1,200,912
	2,737,013	**138,821,299**	4,440,307	178,145,117
10. TRADE AND OTHER PAYABLES				
Trade payables	**727,271**	**36,887,185**	1,669,862	66,994,863
Advances received from customers	**396,656**	**20,118,392**	1,945,208	78,041,745
Voyages in progress	**1,475,954**	**74,860,387**	–	–
Accrued expenses	**2,095,413**	**106,279,347**	2,382,377	95,580,965
Provision for loss on onerous incharter hire contracts *	**19,674,823**	**997,907,023**	–	–
	24,370,117	**1,236,052,334**	5,997,447	240,617,573

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

	March 31, 2009 USD	March 31, 2009 INR	March 31, 2008 USD	March 31, 2008 INR
11. SHARE CAPITAL				
Authorised, issued and paid up:				
1,500 shares of AED 100 each	**40,869**	**2,072,876**	40,869	1,639,664
(Translated into US Dollars at the fixed exchange rate of USD 1 = AED 3.6703).				
12. REVENUE				
Freight income	**86,076,540**	**3,934,558,643**	67,631,349	2,732,306,500
Charter hire income	**55,677,175**	**2,545,003,669**	46,273,925	1,869,466,570
Demurrage income	**3,140,393**	**143,547,364**	3,741,614	151,161,206
	144,894,108	**6,623,109,676**	117,646,888	4,752,934,276
13. DIRECT EXPENSES				
Charter hire expenses	**83,820,254**	**3,831,423,810**	71,286,138	2,879,959,975
Bunker consumed	**20,945,329**	**957,410,989**	19,465,220	786,394,888
Freight expenses	**6,621,840**	**302,684,306**	4,932,816	199,285,766
Demurrage expenses	**266,706**	**12,191,131**	520,213	21,016,605
Other direct expenses	**8,873,065**	**405,587,801**	8,992,993	363,316,917
	120,527,194	**5,509,298,037**	105,197,380	4,249,974,151
14. OTHER OPERATING INCOME (NET)				
Profit on trading of derivative financial instruments	**–**	**–**	2,995,876	121,033,390
Less: Changes in the fair value of 'held-for-trading' contracts	**–**	**–**	(1,213,000)	(49,005,200)
	–	**–**	1,782,876	72,028,190
Other income	**99,933**	**4,567,937**	310,620	12,549,048
	99,933	**4,567,937**	2,093,496	84,577,238
15. OTHER OPERATING EXPENSES				
Rent	**20,530**	**938,426**	15,972	645,269
Loss on trading of derivative financial instruments	**723,690**	**33,079,870**	–	–
Provision for doubtful debts {Note 6 (b)}	**1,504,444**	**68,768,135**	439,261	17,746,144
Other expenses	**793,295**	**36,261,514**	486,250	19,644,500
Foreign Currency Translation Loss	**–**	**–**	–	3,780,931
	3,041,959	**139,047,945**	941,483	41,816,844
16. FINANCE COSTS				
On loans from Parent company	**–**	**–**	190,556	7,698,462

17. RELATED PARTIES

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

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

	March 31, 2009	**March 31, 2009**	March 31, 2008	March 31, 2008
	USD	**INR**	USD	INR
At the balance sheet date, balances with related parties were as follows:				
Parent company				
Included in other current assets (Note 9)	**–**	**–**	220,084	8,829,770
Fellow subsidiaries				
Included in advances	**5,793**	**293,821**	–	–
Included in trade payables	**–**	**–**	2,351	94,322
All the balances are unsecured and are expected to be settled in cash.				
Significant transactions with related parties during the year are as follows:				
Repayment of working capital loan taken from Parent company	**–**	**–**	4,000,000	160,480,000
Freight and demurrage income (Note 12)	**2,725,478**	**124,581,599**	7,743,052	312,819,301
Finance cost (Note 16)	**–**	**–**	190,556	7,698,462
Reimbursement of expenses	**121,805**	**5,567,707**	29,662	1,198,345
Commercial management fees	**20,116**	**919,502**	7,000	282,800

The Company receives funds from the Parent company as working capital facilities at fixed commercial rates of interest.

18. FINANCIAL INSTRUMENTS

The management conducts and operates the business in a prudent manner, taking into account the significant risks to which the business is or could be exposed.

The primary risks to which the business is exposed comprise credit, currency, liquidity and interest rate risks.

Credit risk

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

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

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

At the balance sheet date, 76% of the trade receivables was due from three customers engaged in shipping activities out of which 60% was due from a customer in New Zealand, 10% was due from a customer in Bermuda and 6% was due from a customer in Gibraltar (previous year: 73% was due from four customers out of which 41% was due from two customers in India, 18% from a customer in United States of America and 14% from a customer in Canada).

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

Currency risk

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

At the balance sheet date, there are no significant exchange rate risks as substantially all financial assets and financial liabilities are denominated in US Dollars to which the Dirham is fixed.

Liquidity risk

Management continuously monitors its cash flows to determine its cash requirements and makes comparision with its funded and un-funded facilities with banks in order to manage exposure to liquidity risk.

Interest rate risks

Loan from Parent company was subject to a fixed interest rate of 5% per annum and was therefore exposed to cash flow interest rate risk.

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

Fair values

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

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

19. MANAGEMENT OF CAPITAL

The Company manages its capital with an objective to ensure that adequate funds are available to it on an on-going basis to continue the operations of the Company as a going concern.

20. COMPARATIVE FIGURES

The previous year's figure in respect of 'Due to a related party' of USD 2,351 (INR 94,322) has been reclassified under 'Trade payables' as it is considered that the revised grouping/classification, which have been adopted in the current accounting year, more fairly presents the state of affairs of the Company.

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

DIRECTOR

GREATSHIP (INDIA) LIMITED
A Subsidiary Company

DIRECTORS:	
Chairman	Bharat K. Sheth
Managing Director	Ravi K. Sheth
Executive Director	P.R. Naware
	Keki Mistry
	Berjis Desai
	K. J. Vesuna
	Tapas Icot
REGISTERED OFFICE:	Ocean House 134/A, Dr. Annie Besant Road Worli, Mumbai - 400 018
REGISTRATION NUMBER:	U 63090 MH 2002 PLC 136326
AUDITORS:	Kalyaniwalla & Mistry Chartered Accountants Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai - 400 023
ASST. COMPANY SECRETARY:	Amisha M. Ghia
WEBSITE:	www.greatshipglobal.com

DIRECTORS' REPORT

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Seventh Annual Report, for the year ended March 31, 2009.

FINANCIAL HIGHLIGHTS

Your Company has achieved a profit of Rs. 5063 lakhs on a stand-alone basis and Rs. 4472 lakhs on a consolidated basis for the year ended March 31, 2009. The Financial Highlights for the financial year ended March 31, 2009 on standalone basis, are as under:

Particulars	Year ended March 31, 2009 Rupees	Year ended March 31, 2008 Rupees
Total Income	**2,51,48,40,590**	1,06,40,40,690
Total Expenditure	**1,67,75,50,729**	47,71,52,900
Depreciation	**32,89,36,355**	14,01,28,699
Profit before tax	**50,83,53,506**	44,67,59,091
Less: Provision of tax		
- Current tax	**–**	55,00,000
- Fringe Benefit Tax	**21,00,000**	10,00,000
Profit for the year after tax	**50,62,53,506**	44,02,59,091
Less: Transfer to Tonnage Tax Reserve Account Under Section 115VT of the Income-tax Act, 1961	**16,00,00,000**	8,50,00,000
Add: Balance brought forward from previous year	**37,10,83,403**	1,58,24,312
Less: Exchange differences recognised in profit and loss account in the previous year, adjusted to cost of asset on exercise of option (net of depreciation)	**11,81,93,505**	–
Balance carried forward	**59,91,43,404**	37,10,83,403

DIVIDEND

Although the Company has made a profit during the financial year ended March 31, 2009, it is still in its growth phase, and has substantial requirement of funds. Therefore, the Board decided not to recommend any dividend for the year under review.

SHARE CAPITAL

During the year under review, the authorised share capital of the Company was increased from Rs. 950,000,000/-(Rupees Nine Hundred and Fifty Million) to Rs. 1,830,000,000 (Rupees One Thousand Eight Hundred and Thirty Million), in three tranches. The increase in the authorised share capital during the year was by creation of 88,000,000 preference shares of Rs. 10 each.

During the year under review, the Company issued and allotted 88,000,000 7.5% Cumulative Convertible Redeemable Preference shares of the face value of Rs. 10/- each at a premium of Rs. 20/- each on preferential basis to the parent company 'The Great Eastern Shipping Co. Ltd.' The coupon of 7.50% on the face value of the preference shares would be paid at the time of redemption. The detailed terms and conditions of the issue of preference shares are more specifically mentioned in the Notes to Accounts, point no. 2.

The total paid up capital of the Company as on date is Rs. 1,741,000,000/- comprising of 86,100,000 equity shares of Rs. 10 each and 88,000,000 preference shares of Rs. 10 each.

A. MANAGEMENT DISCUSSION AND ANALYSIS

I. COMPANY PERFORMANCE

In Financial Year 09 (FY 09), the Company recorded a total income of Rs. 25148 lakhs (previous year Rs. 10640 lakhs) on a standalone basis and Rs. 31594 lakhs (previous year Rs. 8934 lakhs) on consolidated basis. The Company earned a PBIDT of Rs. 11162 lakhs (previous year Rs. 7104 lakhs) on a standalone basis and Rs. 10848 lakhs (previous year Rs. 6805 lakhs) on consolidated basis.

II. OFFSHORE LOGISTICS

Market Trend and Analysis

FY09 commenced with substantial increase in the E & P activities, riding on the unprecedented rise in oil prices. During July 08, oil prices recorded historic high of US$ 147.27, following which prices plummeted. On December 21, 2008, oil was trading at US$ 33.87 a barrel, less than one-fourth of the peak value reached five months earlier. Prices took an upward turn after January 09 and have been hovering around the US$ 50 mark, since then. The steep fall in the oil prices, accompanied with the financial crunch and the tight credit market faced by the companies across the world has put a temporary brake on the growth witnessed during the first half of the year, more so on the new constructions and sales & purchase activities rather than on the chartering of vessels. Though the market witnessed reduction in day rates and delays in the finalization of tenders, vessels continued to get fixed in all parts of the world.

With Indian state owned oil companies ONGC and GSPC maintaining the tempo of their activities, major Indian offshore logistics providers found reasonable business opportunities within India. Private companies like BG India and Transocean, which were not as active as their Public sector counterparts have started floating long-term tenders recently.

The North Sea market saw new highs until October after which the demand supply gap led to plummeting of the day rates in the region. Supply exceeded demand with more new-buildings joining the North Sea spot market and E & P activities falling during the winter and holiday season.

The blooming South East Asian market of the first half of the year witnessed falling prices during the second half of the year. The deals closed during the second half of the year by E & P majors like PTTEP, Murphy Oil, Pearl Energy and Talisman Energy involved winning bids of reasonably low day rates. The prevailing market sentiment is that state owned companies in the South East Asia region will continue investing in E & P activities. The Middle East market was similar to the South East market in terms of excess supply and day rates.

The Latin American market saw positive developments during the year with state owned companies like Petrobras and Pemex gearing up for positive capital expenditure plans. Both the companies maintained their impressive capex plans making Latin America one of the most lucrative regions for offshore E & P activities. Petrobras registered twelve major offshore discoveries during the year.

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

The number of new-buildings delivered during the year fell short of predictions with yards facing the brunt of the ongoing financial crisis.

Company Performance

During the year under review, the Company witnessed appreciable growth in terms of broadening of client base as well as entry into new geographies. The Company's operations expanded into Middle East, Gulf of Mexico and South Africa with new international end clients like Saudi Aramco, Pemex and PetroSA adding to the global image of the Company's clientele. At the same time, the Company has won long-term contracts with state owned Indian companies ONGC and GSPC. With operating experience of almost one year in the North Sea spot market during the year, the Company has developed strong credibility amongst oil companies and added clients like BP-UK, Maersk Oil, ADTI and MLS in North Sea.

As on March 2009, eight out of the Company's nine operating vessels (including one vessel of wholly owned subsidiary, Greatship Global Offshore Services Pte. Ltd.) are under term charter with respectable Clients, while one vessel is operating in the North Sea spot market.

Fleet Changes

The current operating fleet of the Company (including subsidiaries) stands at ten vessels with an average age of 3 years. During the year under review, your Company took delivery of the following vessels:

1. Anchor Handling Tug cum Supply Vessel 'Greatship Amrita' on April 8, 2008.
2. Platform Supply Vessel 'Greatship Dhriti' on September 3, 2008.
3. Platform Supply Vessel 'Greatship Dhwani' on November 21, 2008.
4. Anchor Handling Tug cum Supply Vessel 'Greatship Akhila' on February 25 , 2009.

The Company also took delivery of one Anchor Handling Tug cum Supply Vessel 'Greatship Asmi' on April 30, 2009.

The Company's wholly owned subsidiary, Greatship Global Offshore Services Pte. Ltd., took delivery of its first vessel, Anchor Handling Tug cum Supply Vessel 'Greatship Abha' on February 18, 2009. This vessel is DP2 and FiFi1 full service vessel.

The total new buildings orders for the Company (including subsidiaries) are for 15 vessels and one jack up drilling unit involving a total outlay of about US$ 716 million. The asset profile and fleet order book are enclosed as Annexure 2 to this report.

Outlook for Offshore Logistics Market

Though crude oil price has moved upwards into the vicinity of US$ 50 per barrel, market sentiments are yet to reach the earlier levels in the backdrop of constrained cash flow and the tight credit market. However, the silver lining is that state owned companies will maintain positive capex growth. Major discoveries by ONGC and GSPC in the KG basin have strengthened the trust in the Indian market. As for the first quarter of the year, requirements for 4 AHTSVs, 4 PSVs are already floated in the Indian market. We are optimistic about needs evolving as the year progresses.

In the North Sea market, early indications for the month of April have been positive with steady rise in day rates. Historically, we have seen the North Sea market bouncing back from April once the pipe laying and construction season commences. While investment levels of the state owned E & P companies in the South East Asia and the Middle East markets are likely to remain intact, however the prices in these regions might take some time to reach the levels of first half of FY09.

In the Latin American market, Petrobras, which operates 23% of global deepwater production, reiterated its commitment towards continued investments.

From the supply perspective, the market has started stabilizing with lot of new building orders getting cancelled globally, with yards affected by the severe financial storm and the tight credit market. These cancellations have in turn resulted in reducing the supply demand gap.

III. DRILLING BUSINESS

Market Trend and Analysis

The decline in oil prices and the global economic crisis are having a negative effect on exploration and production (E & P) activities worldwide, a trend that is likely to continue for some time. Jackup markets in particular show signs of softening due to rising supply and declining demand as operators scale back operations to ride out the current financial mess. According to data compiled by ODS-Petrodata, the worldwide offshore rig fleet now numbers 710 units, of which 624 are under contract.

While the tightness of the deepwater rig market means that semis and drillships coming from shipyards typically already have contracts, an oversupply of jackups is anticipated, with a fair number having been built on a speculative basis that will not have contracts in place before construction is complete. Orders on shipyard for new construction of either deepwater or jackup have reduced and the rigs being constructed on speculation are facing credit crunch.

Company Performance

The Company took delivery of a new built 350' Jack up rig, inchartered from its wholly owned subsidiary, Greatship Global Energy Services Pte. Ltd., Singapore (GGES), on March 11, 2009. The rig was chartered to ONGC under a contract for a period of 3 years w.e.f. March 27, 2009 and is now operating in the West coast of India.

Regarding the Auditor's comment on the inventory on board the rig, as the rig along with its inventories, arrived in India in the last week of the financial year; the Company has subsequently taken steps to improve the maintenance of inventory records and shall conduct physical verification at regular intervals.

The Company has been awarded a contract by ONGC for charter hire of a new built 350' Jack up rig for a period of five years. Greatdrill Chitra, the rig under construction would be delivered by GGES to the Company under bareboat arrangements in the third quarter of FY10, for further charter to ONGC under the said contract.

Outlook for Drilling Market

World oil consumption is projected to fall by 1.35 million b/d in 2009, according to the Energy Information Administration's latest Short-Term Energy Outlook. However, it is to be noted that the projected drop in the World oil consumption has been increasing in the last few months as per the earlier reports of EIA and considering the current market situation, this could well fall further. Total World oil consumption is expected to record a modest rebound in 2010, on the assumption of the beginning of economic recovery, according to EIA's short-term report.

EIA projects the average price of West Texas Intermediate crude oil to reduce to $53/barrel in 2009 and assuming an economic recovery in 2010, to average to $63/barrel in 2010. The outlook for exploration and production activities is not entirely gloomy. Overall, the long-term outlook for deepwater rigs is brighter as energy demand and the significant amount of oil and gas reserves existing in the world's deepwater regions mean demand for deepwater-capable rigs will remain strong. However, the current financial crisis also is impacting deepwater activity in some regions as operators cut back or delay deepwater programs in light of changing economics.

IV. FOREIGN EXCHANGE AND INTEREST RATE RISK MANAGEMENT

Revenues of the Company are in foreign currency (predominantly US Dollars), and since the accounts of the Company are in Indian Rupees, the Profit and Loss account is exposed to the impact of Rupee-Dollar fluctuations. However, the debt of the Company is also denominated in US Dollars, and so there is an element of a natural hedge built into the Company's revenue model. The Company is still in its growth phase with substantial foreign currency outflows towards capital expenditure over next 2 financial years and majority of the future capital expenditure will be funded by USD denominated debt. Overall, the cash flows of the Company will be exposed to some extent due to Rupee-Dollar fluctuations.

The Company and its subsidiaries have exposures to currencies other than the US Dollar, like Singapore Dollar, Euro and Norwegian Kroner. As part of the hedging policy, we hedge a part of the exposures through various structures like forwards and options.

The Company traditionally borrows USD denominated debt which is largely on LIBOR linked floating rate basis. The Company has a system for taking suitable hedges to swap into fixed interest rates in order to minimize its effective borrowing costs. As of March 31, 2009, the Company had a fixed rate loan book of 75% and 25% on floating rate basis.

The Company wishes to state that it does not enter into derivative transactions for any purpose other than for hedging of risks.

V. QUALITY, SAFETY, HEALTH AND ENVIRONMENT

During the year under review, the Company completed its second Annual Audit for verification towards ISO 9001:2000.

The Company got certified for ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) by Det Norske Veritas (DNV).

All fleet assets are in full compliance of the International Safety Management (ISM) Code and the International Ships and Port Facility Security (ISPS) Code.

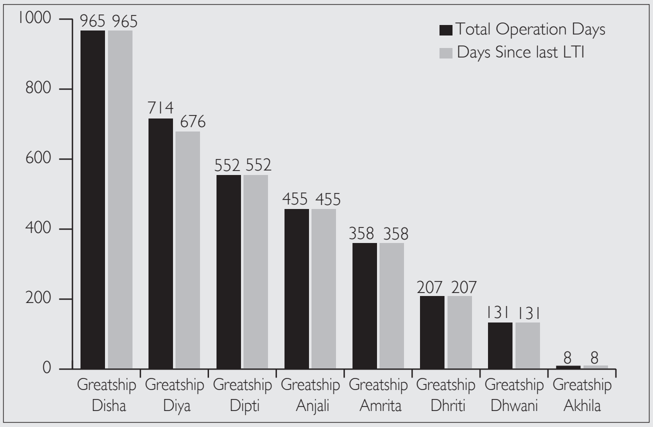
A detailed analysis was carried out of the reports received from the assets which can confirm that the QHSE records of the Company are on par with the best in the industry.

During the year under review, the Company recorded:

- NIL LTI (Loss Time Injury)
- NIL PSC/FSI (Port State/Flag State) DETENTIONS
- NIL POLLUTION INCIDENT
- NIL SECURITY RELATED INCIDENTS

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

Fleet Vessel Wise:



The bar graph above depicts the total operation days and days since last loss time injury of our operating vessels, up to March 31, 2009.

In line with our commitment towards training, Computer Based Training modules have been placed onboard all fleet vessels for enchancing the onboard Safety training of our fleet staff.

VI. CONSOLIDATED FINANCIAL STATEMENT

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

The Company and its subsidiaries recorded a consolidated net profit of Rs. 4472 lakhs for the year under review compared to Rs. 5063 lakhs for the Company. The consolidated net worth of the Company for FY 09 was Rs. 128376 lakhs as compared to Rs. 115148 lakhs for the Company.

VII. DEBT FUND RAISING

The Company is in the process of raising debt for its large expansion programme. During the year, the amount of debt went up from Rs. 25009 lakhs for the FY08 to Rs. 59745 lakhs for the FY 09. The gross debt:equity ratio as on March 31, 2009 was 0.52:1.

VIII. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has in place adequate control systems commensurate with the nature of its business and the size of its operations. In the beginning of the year, the internal control procedures are tailored to match the organisation's pace of growth and increasing complexity of operations. The internal audit covering the key business processes of the Company was carried out by a firm of external Chartered Accountants. All audit reports with significant observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee met 4 times during the year under review.

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

EMPLOYEE STOCK OPTIONS

The shareholders have till date approved five Employee Stock Options Schemes for the grant of stock options to the employees (including parent company and subsidiaries). The Stock options granted to employees are currently operated under four schemes and during the year under review, 311,900 stock options were granted to the employees of the Company and its subsidiaries making the total options granted till March 31, 2009 to 998,900/- (net of options cancelled/forfeited).

SUBSIDIARIES

The Company has the following wholly owned subsidiaries:

Greatship Global Holdings Ltd., Mauritius, which in turn has following wholly owned subsidiaries,

i. Greatship Global Energy Services Pte. Ltd., Singapore (GGES)

ii. Greatship Global Offshore Services Pte. Ltd., Singapore (GGOS)

The liquidation of Greatship Holdings BV, Netherlands, erstwhile subsidiary of the Company was completed on June 29, 2008 and registered with the Chamber of Commerce of Netherlands on July 17, 2008.

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

JOINT VENTURE

During the year under review, the Company entered into Joint Venture with DOF Subsea Pte. Ltd., Singapore (part of DOF Subsea ASA). DOF Subsea ASA is a world-wide supplier of subsea services with a presence in all the major offshore hubs in the world. Pursuant to the Joint Venture, Greatship DOF Subsea Projects Private Limited (GDSP) was incorporated on November 10, 2008, as the wholly owned subsidiary of the Company, to focus on the subsea projects opportunities.

As there were no operations in this company during this year, the Company would be closing the first financial year in March, 2010. Therefore, the financials of GDSP have not been included in the consolidated financials of the Company.

IX. DIRECTORS

The approval of the Central Government has been received for amendment/insertion of Article 136(d) of the Articles of Association of the Company for appointment of Mr. Bharat K. Sheth and Mr. Ravi K. Sheth as the non retiring directors, so long as they continue to be directors of the Company.

Mr. Balan Wasudeo resigned from the Board of Directors effective October 1, 2008. The Directors place on record their appreciation for his contribution as a member of the Board.

Mr. K. J. Vesuna and Mr. Tapas Icot retire by rotation and being eligible offer themselves for re-appointment.

The various details about the Board of directors and its Committees are given in Annexure 1 of this report.

X. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;

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

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

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

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

As per the Notification No. GSR 1029 dated 31.12.1988, the Company is not required to furnish information in relation to conservation of energy under Clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956. The Company, has no particulars to furnish in Form B as regards technology absorption.

The details of Foreign Exchange Earnings and Outgo are:

a) Foreign Exchange earned and saved (on account of charter hire earnings)	Rs. 24052 lakhs
b) Foreign Exchange used (including operating expenses, capital repayment, down payment for acquisition of assets, interest payment)	Rs. 59829 lakhs

XII. 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.

XIII. AUDITORS

Messrs Kalyaniwalla & Mistry, Chartered Accountants, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

XIV. APPRECIATION

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

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

For and on behalf of the Board of Directors

Bharat K. Sheth
Chairman

Mumbai, May 5, 2009

ANNEXURE 1
BOARD OF DIRECTORS

Composition of the Board

As on March 31, 2009, the Board of Directors comprised of 7 members, of whom five are non-executive directors. As the Company is not listed, the composition of Board of Directors is not governed by the Clause 49 of the Listing Agreement.

Meetings of the Board

Dates for Board Meetings in the ensuing year are decided in advance by the Board. The Meetings of the Board are generally held at the Registered Office of the Company at Ocean House, 134/A, Dr. A. B. Road, Worli, Mumbai – 400 018. Five Board Meetings were held during the year and the gap between two meetings did not exceed four months. The Board Meetings were held on May 1, 2008, July 17, 2008, October 23, 2008, January 29, 2009 and March 19, 2009.

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

The Composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting and also number of other Directorships & Memberships of Committees as on March 31, 2009 are as follows:

Name of Director	Nature of Directorship	Attendance		As on March 31, 2009		
		Board Meetings	Last AGM	No. of other Directorships *	Committee Memberships**	Committee Chairmanships**
Mr. Bharat K. Sheth	Non-Executive Chairman	5	Yes	1	NIL	NIL
Mr. Ravi K. Sheth	Managing Director	5	Yes	2	NIL	NIL
Mr. P. R. Naware	Executive Director	5	Yes	NIL	NIL	NIL
Mr. Keki Misty	Non-Executive Director	5	No	12	6	3
Mr. Berjis Desai	Non-Executive Director	4	No	7	5	2
Mr. Balan Wasudeo @	Non-Executive Director	2	Yes	–	–	–
Mr. K. J. Vesuna	Non-Executive Director	2	Yes	1	NIL	NIL
Mr. Tapas Icot	Non-Executive Director	5	Yes	NIL	NIL	NIL

*The Directorships held by Directors as mentioned above, do not include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

** Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees of all Public Limited Companies have been considered.

@ Mr. Balan Wasudeo resigned as Director of the Company w.e.f. October 1, 2008.

COMMITEES OF THE BOARD OF DIRECTORS

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

AUDIT COMMITTEE

i. The Audit Committee comprises of three members with any two forming the quorum. The composition of the Audit Committee meets the requirements of Section 292A of the Companies Act, 1956.

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

iii. During the year, four meetings of the Audit Committee were held on May 1, 2008, July 17, 2008, October 23, 2008 and January 29, 2009.

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

Name of the Member	No. of meetings attended during the F.Y. 2008-2009
Mr. Keki Mistry (Chairman)*	2
Mr. Ravi K. Sheth	4
Mr. K. J. Vesuna	2
Mr. Balan Wasudeo**	2

*Mr. Keki Mistry was appointed as the member and Chairman of the Audit Committee on October 23, 2008.

** Mr. Balan Wasudeo resigned as Director of the Company w.e.f. October 1, 2008.

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

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

a) Oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.

c) 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 judgement by management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Any related party transactions i.e. transactions of the Company or material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

d) Reviewing with the management, external and internal auditors, the adequacy of internal control systems.

e) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

f) Discussion with internal auditors on any significant findings and follow up there on.

g) Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

h) Reviewing the Company's financial and risk management policies.

i) Authority to investigate into any matter in relation to any item specified in Section 292A of the Companies Act, 1956 or referred to it by the Board.

OTHER COMMITTEES:

Borrowing Committee

The Committee has been constituted to consider and approve the borrowings of the Company, to decide the Lenders, terms and conditions for availing of such loans and credit facilities and other incidental matters provided that the total amount outstanding to not exceed Rupees One Thousand Crores. During the year under review, three meetings of the Borrowing Committee were held on June 6, 2008, October 2, 2008 and November 26, 2008.

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

Name of the Member	No. of meetings attended during the F.Y. 2008-2009
Mr. Bharat K. Sheth (Chairman)	3
Mr. Ravi K. Sheth	3
Mr. P. R. Naware	3
Mr. Balan Wasudeo**	0

** Mr. Balan Wasudeo resigned as Director of the Company w.e.f. October 1, 2008.

Vessel Acquisition/Sale Committee

The Committee has been constituted to decide the various matters in relation to Acquisition and Sale of the Vessel(s) (new building and second hand). The Committee comprises of Mr. Bharat K. Sheth (Chairman), Mr. Ravi K. Sheth, Mr. P. R. Naware and Mr. Tapas Icot. No meetings of the Committee were held during the year under review.

Committee of Directors

The Committee was constituted on July 17, 2008, comprising of three members, namely, Mr. Bharat K. Sheth (Chairman), Mr. Ravi K. Sheth and Mr. P. R. Naware. The Committee has been constituted to consider and decide the issue of different types of Securities, namely equity, preference shares, or any combination thereof or any convertible instrument convertible into equity or preference shares and decide the terms and conditions, redemption and/or conversion terms and such other matters in relation to the issue, offer and allotment of such Securities.

During the year under review, five meetings of the Committee were held on September 5, 2008, November 26, 2008, January 9, 2009, March 19, 2009 and March 31, 2009. All members attended all the meetings of the Committee.

ANNEXURE 2
Fleet as on March 31, 2009

Greatship (India) Limited

Category		Type	Vessel Name	DWT(MT)	Year Built	Av. Age (yrs)
OFFSHORE SUPPORT VESSEL						
Number	8					
Average Age (yrs)	3.00					
		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	
		4.	m.v. Greatship Dhriti	3,318	2008	
		5.	m.v. Greatship Dhwarni	3,303	2008	
		5		**16,386**		**4.4**
		Anchor Handling Tug cum Supply Vessel				
		1.	m.v. Greatship Anjali	2,209	2008	
		2.	m.v. Greatship Amrita	1,997	2008	
		3.	m.v. Greatship Akhila	1,639	2009	
		3		**5845**		**0.7**
FLEET TOTAL						
Number	8					
Total Tonnage (dwt)	22,231					
Average Age (years)	3.00					

Greatship Global Offshore Services Pte. Ltd., Singapore

Category		Type	Vessel Name	DWT (MT)	Year Built	Av. Age (yrs)
OFFSHORE SUPPORT VESSEL		**Anchor Handling Tug cum Supply Vessel**				
		1.	*m.v. Greatship Abha	2,200	2009	0
FLEET TOTAL						
Number	1					
Total Tonnage (dwt)	2,200					
Average Age (years)	0					

*acquired on a sale and leaseback basis

Acquisitions in Subsidiaries during FY 2008-09

Greatship (India) Limited

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries					
Offshore Support Vessels					
	Anchor Handling Tug cum Supply Vessel	Greatship Amrita	1,997	2008	Apr-08
	Platform Supply Vessel	Greatship Dhriti	3,318	2008	Sep-08
	Platform Supply Vessel	Greatship Dhwani	3,303	2008	Nov-08
	Anchor Handling Tug cum Supply Vessel	Greatship Akhila	1,639	2009	Feb-09

Greatship Global Offshore Services Pte. Ltd., Singapore

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries					
Offshore Support Vessels					
	Anchor Handling Tug cum Supply Vessel	*Greatship Abha	2,200	2009	Feb-09

*acquired on a sale and leaseback basis.

Acquisitions between April 01, 2009 and May 5, 2009

Greatship (India) Limited

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YEAR BUILT	MONTH OF ADDITION
New Built Deliveries					
Offshore Support Vessels					
	Anchor Handling Tug cum Supply Vessel	Greatship Asmi	1,634	2009	Apr-09

Order Book as on May 5, 2009

Category	Type	Shipyard	Month of Contracting	Expected Delivery
New Building Order Book Position				
Offshore Support Vessels in Greatship (India) Limited				
	1. Anchor Handling Tug cum Supply Vessel	Labroy Shipbuilding & Engineering Pte. Ltd., Singapore	Sep-06	Q1 FY10
	2. Anchor Handling Tug cum Supply Vessel	Labroy Shipbuilding & Engineering Pte. Ltd., Singapore	Sep-06	Q2 FY10
	3. Platform/ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Apr-08	Q2 FY11
	4. Platform/ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Apr-08	Q4 FY11
	5. Anchor Handling Tug cum Supply Vessel	Drydocks World Singapore Pte. Ltd., Singapore	Jul-08	Q4 FY11
	6. Anchor Handling Tug cum Supply Vessel	Drydocks World Singapore Pte. Ltd., Singapore	Jul-08	Q1 FY12
Offshore Support Vessels in Greatship Global Offshore Services Pte. Ltd., Singapore				
	1. Anchor Handling Tug cum Supply Vessel	Colombo Dockyard Plc, Srilanka	Jun-07	Q1 FY10
	2. Multipurpose Platform Supply and Support Vessel	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q2 FY10
	3. Multipurpose Platform Supply and Support Vessel	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q3 FY10
	4. Multipurpose Platform Supply and Support Vessel	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q3 FY10
	5. Multipurpose Platform Supply and Support Vessel	Keppel Singmarine Pte. Ltd., Singapore	Jul-07	Q4 FY10
	6. Platform/ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Dec-07	Q4 FY10
	7. Platform/ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Dec-07	Q1 FY11
	8. Multipurpose Support Vessel	Mazagon Dock Limited, Mumbai	Sep-07	Q1 FY11
	9. Multipurpose Support Vessel	Mazagon Dock Limited, Mumbai	Sep-07	Q1 FY11
Drilling Unit in Greatship Global Energy Services Pte. Ltd., Singapore				
	Jack Up Rig	Keppel Fels Ltd., Singapore	Jun-06	Q3 FY10

Auditors' Report

TO THE MEMBERS OF GREATSHIP (INDIA) LIMITED

1. We have audited the attached Balance Sheet of Greatship (India) Limited as at March 31, 2009 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

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

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

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

      i) Note 12 of Schedule 19, Notes to Accounts regarding change in accounting policy, pursuant to the notification issued by the Ministry of Corporate Affairs inserting paragraph 46 in Accounting Standard (AS) 11 'The Effects of Changes in Foreign Exchange Rates'. Consequent thereto, the Company has opted for accounting the exchange loss of Rs. 92,43,92,681 arising on long-term foreign currency monetary items relating to acquisition of depreciable capital assets in the cost of such asset and the gain of Rs. 62,86,444 on other long-term monetary assets and liabilities in the Foreign Currency Monetary Item Translation Difference Account. The corresponding foreign exchange gains of Rs. 11,81,93,505 (net of depreciation of Rs. 56,70,213) for the year ended March 31, 2009 has been reversed from Profit and Loss Account and deducted from the cost of such assets.

      ii) The Company has with effect from April 1, 2008 adopted the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – 'Financial Instruments Recognition and Measurement', in respect of derivative transactions entered into to hedge currency and interest rate risk. Accordingly, the unrealized gains or losses amounting to Rs. 57,70,31,174 on such derivative transactions which have been designated as part of a hedging relationship and which qualify as effective hedges have been recorded in the Hedging Reserve account. Further, in accordance with the principles of hedge accounting, foreign exchange gains of Rs. 9,76,47,689 have been transferred from the Hedging Reserve account to the cost of the hedged assets.

      iii) Consequent to the changes in the aforesaid accounting policies, the fixed assets as at March 31, 2009 are higher by Rs. 75,46,79,163, investments are lower by Rs. 8,25,45,249, current liabilities are higher by Rs. 57,70,31,174, depreciation for the year is higher by Rs. 3,64,17,574, profit for the year is higher by Rs. 79,03,27,417 and the Reserves as at March 31, 2009 are higher by Rs.9,51,02,738.

   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, 2009; and

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

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

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

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No. 32083
Place: Mumbai
Date: May 5, 2009

Annexure to the Auditor's Report

Referred to in Paragraph 3 of our report of even date on the accounts of Greatship (India) Limited for the year ended March 31, 2009:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) The fixed assets are physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge no material discrepancies were reported on such verification.
   (c) In our opinion, there was no substantial disposal of fixed assets during the year.
2. (a) The management has conducted physical verification of inventory at reasonable intervals except for inventories on board the Rig, which was received in last month of the financial year.
   (b) In our opinion, the procedures followed by the management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and nature of its business.
   (c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the accounts. The Company's Rig and the inventories on board were received in the last month of the financial year, in view of which the records of inventory on board the Rig need improvement.
3. (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (b), (c), (d) and (e) of sub-para (iii) of para 4 of the Order are not applicable.
   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of sub-clause (f) and (g) of sub-para (iii) of para 4 of the Order are not applicable.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets, and for the sale of goods and services. Further, on the basis of our examinations of the books and records and the information and explanation given to us, we have not come across any continuing failure to correct any major weaknesses in the internal control system.
5. (a) In our opinion and according to the information and explanations provided by the management, the transactions that need to be entered in the register maintained under Section 301 of the Act have been so entered.
   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
9. (a) According to the information and explanations given to us and the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities, where applicable.
   (b) According to the books of account and records as produced and examined by us, there are no dues of Sales tax, Income tax, Customs duty, Wealth tax, Excise duty or Cess which have not been deposited on account of any dispute.
10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the Company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of the activities of the Company does not attract any special statute applicable to chit fund and nidhi/ mutual benefit fund/ societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts of investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under Section 49 of the Act.
15. According to the information and explanations given to us and the records examined by us, the Company has given guarantees for loans taken by its subsidiaries from banks or financial institutions, however, in our opinion, the terms and conditions thereof are not prima facie prejudicial to the interest of the Company.
16. As informed to us, the term loans were applied by the Company for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the company has not utilised any funds raised on short-term basis for long term investments.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money through public issues.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No. 32083
Place: Mumbai
Date: May 5, 2009

Balance Sheet as at March 31, 2009

		Current Year		Previous Year
SOURCES OF FUNDS:	**Schedule**	**Rs.**	**Rs.**	Rs.
Shareholders' Funds :				
Share Capital	1		**1,741,000,000**	651,000,000
Application Money - Warrants (Note 3)			**59,066,280**	59,066,280
Employee Stock Options Outstanding (Note 4)			**18,879,656**	7,439,486
Reserves & Surplus	2		**9,695,898,674**	6,228,583,403
			11,514,844,610	6,946,089,169
Loan Funds :				
Secured Loans	3		**5,974,454,129**	2,500,912,526
			17,489,298,739	9,447,001,695
APPLICATION OF FUNDS :				
Fixed Assets :	4			
Gross Block		**8,609,301,487**		3,850,852,143
Less : Depreciation		**492,766,955**		170,131,137
Net Block		**8,116,534,532**		3,680,721,006
Ships Under Construction		**886,284,420**		960,852,835
			9,002,818,952	4,641,573,841
Investments:	5		**8,383,332,082**	3,631,222,044
Current Assets, Loans and Advances :				
Inventories	6	**198,695,925**		–
Sundry Debtors	7	**632,503,196**		194,225,593
Cash and bank balances	8	**681,254,499**		213,542,441
Other current assets	9	**6,738,037**		2,417,459
Loans and advances	10	**90,195,151**		871,613,004
		1,609,386,808		1,281,798,497
Less :				
Current Liabilities and Provisions :				
Current Liabilities	11	**1,503,237,386**		104,444,416
Provisions	12	**3,001,717**		3,148,271
		1,506,239,103		107,592,687
Net Current Assets			**103,147,705**	1,174,205,810
			17,489,298,739	9,447,001,695
Significant Accounting Policies	18			
Notes on Accounts	19			

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

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

For and on behalf of the Board

Ravi K. Sheth Managing Director

Viraf R. Mehta
Partner

Amisha M. Ghia
Asst. Company Secretary

P.R. Naware Executive Director

Mumbai, May 5, 2009

Profit and Loss Account for the year ended March 31, 2009

Particulars	Schedule	Current Year Rs.	Current Year Rs.	Previous Year Rs.
INCOME:				
Income from Operations	13		**2,413,090,366**	1,007,374,580
Other Income	14		**101,750,224**	56,666,110
			2,514,840,590	1,064,040,690
EXPENDITURE :				
Operating Expenses	15	**1,141,907,422**		192,288,048
Administration & Other Expenses	16	**256,759,615**		161,338,373
Interest & Finance Charges	17	**278,883,692**		123,526,479
Depreciation		**328,936,355**		140,128,699
			2,006,487,084	617,281,599
Profit before tax			**508,353,506**	446,759,091
Less : Provision for tax				
- Current tax		**–**		5,500,000
- Fringe Benefit tax		**2,100,000**		1,000,000
			2,100,000	6,500,000
Profit for the year after tax			**506,253,506**	440,259,091
Less : Transfer to Tonnage Tax Reserve Account under Section 115VT of the Income-tax Act, 1961.			**160,000,000**	85,000,000
			346,253,506	355,259,091
Balance brought forward from previous year		**371,083,403**		15,824,312
Less : Exchange differences recognised in Profit and Loss Account in the previous year, adjusted to cost of asset on excercise of option (net of depreciation)		**(118,193,505)**		–
			252,889,898	15,824,312
Balance Carried Forward			**599,143,404**	371,083,403
Basic earnings per share (in Rs.)			**6.41**	10.32
Diluted earnings per share (in Rs.)			**5.72**	10.06
Significant Accounting Policies	18			
Notes on Accounts	19			

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

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, May 5, 2009

Amisha M. Ghia
Asst. Company Secretary

For and on behalf of the Board

Ravi K. Sheth Managing Director

P.R. Naware Executive Director

Cash Flow Statement for the year ended on March 31, 2009

		Current Year Rs.	Current Year Rs.	Previous Year Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**			
	PROFIT BEFORE TAX :		**508,353,505**	446,759,091
	Adjustment for :			
	Depreciation	**328,936,355**		140,128,699
	Interest income	**(9,351,754)**		(24,942,045)
	Interest paid	**278,883,692**		123,526,479
	Dividend income	**(47,362,871)**		(30,724,065)
	Loss on sale of current Investment	-		31,575
	Diminution in value of current investments	-		216,258
	Diminution in value of long-term investment	-		26,716,530
	Diminution in value of investment written back	**(26,932,788)**		-
	Loss on liquidation of subsidiary	**26,870,616**		-
	Foreign exchange	**38,725,884**		(20,336,927)
			589,769,134	214,616,504
			1,098,122,639	661,375,595
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :			
	Adjustment for :			
	Trade & Other Receivables	**100,546,643**		(757,729,268)
	Trade payables	**765,306,511**		93,279,841
			865,853,154	(664,449,427)
	CASH GENERATED FROM OPERATIONS		**1,963,975,793**	(3,073,832)
	Taxes paid		**(6,393,279)**	(10,263,501)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES :		**1,957,582,514**	(13,337,333)
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**			
	Purchase of Fixed Assets		**(4,802,814,434)**	(3,291,170,874)
	Sale proceeds of Fixed Assets		**740,000**	-
	Purchase of Investments		**(10,330,706,362)**	(7,622,697,351)
	Sale proceeds of Investments		**5,605,622,859**	5,120,520,259
	Interest income		**5,031,176**	24,942,045
	Dividend income		**47,362,871**	30,724,065
	NET CASH USED IN INVESTING ACTIVITIES :		**(9,474,763,890)**	5,737,681,856)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**			
	Proceeds from issue of Share Capital		**4,740,000,000**	3,919,066,280
	Proceeds from Long-Term Borrowings		**3,473,541,603**	1,860,118,237
	Interest paid		**(239,703,567)**	(123,526,479)
	NET CASH FROM FINANCING ACTIVITIES :		**7,973,838,036**	5,655,658,038
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :		**456,656,660**	(95,361,151)
	CASH AND CASH EQUIVALENTS AS AT April 1, 2008		**210,635,675**	305,996,826
	CASH AND CASH EQUIVALENTS AS AT March 31, 2009 (See note below)		**667,292,335**	210,635,675
	Note:			
			March 31, 2009	March 31, 2008
	Cash & Cash equivalent as on March 31, 2009		**681,254,499**	213,542,441
	Effect of exchange rate changes (Loss/(gain))		**(13,962,164)**	(2,906,766)
			667,292,335	210,635,675

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

For and on behalf of the Board

Ravi K. Sheth Managing Director

Viraf R. Mehta
Partner
Mumbai, May 5, 2009

Amisha M. Ghia
Asst. Company Secretary

P. R. Naware Executive Director

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2009

SCHEDULE "1"

	Current Year Rs.	Previous Year Rs.
SHARE CAPITAL :		
AUTHORISED		
95,000,000 (Previous year 95,000,000) Equity Shares of Rs. 10 each	**950,000,000**	950,000,000
88,000,000 (Previous year NIL) Preference Shares of Rs. 10 each	**880,000,000**	–
	1,830,000,000	950,000,000
ISSUED, SUBSCRIBED & PAID UP		
86,100,000 (Previous year 65,100,000) Equity Shares of Rs. 10 each fully paid up	**861,000,000**	651,000,000
88,000,000 (Previous year NIL) 7.5% Cumulative Convertible Redeemable Preference Shares of Rs. 10 each fully paid up	**880,000,000**	–
	1,741,000,000	651,000,000

Note:

The entire share capital is held by The Great Eastern Shipping Company Limited, the holding company.

SCHEDULE "2"

	Current Year Rs.	Previous Year Rs.
RESERVES AND SURPLUS :		
Securities Premium Account		
Balance as per last Balance Sheet	**5,769,000,000**	2,295,000,000
Premium on shares issued during the year	**3,650,000,000**	3,474,000,000
	9,419,000,000	5,769,000,000
Tonnage Tax Reserve Account under Section 115VT of the Income Tax Act 1961 :		
Balance as per last Balance Sheet	**88,500,000**	3,500,000
Transfer from Profit & Loss Account	**160,000,000**	85,000,000
	248,500,000	88,500,000
Hedging Reserve Account		
Gain/(Loss) on derivative contracts designated as cash flow hedges	**(577,031,174)**	–
Foreign Currency Monetary Item Translation Difference Account		
Gain on long-term foreign currency monetary items	**6,286,444**	–
Profit and Loss Account	**599,143,404**	371,083,403
	9,695,898,674	6,228,583,403

SCHEDULE "3"

	Current Year Rs.	Previous Year Rs.
SECURED LOANS :		
Term Loans from Banks	**5,974,454,129**	2,500,912,526
(Secured by mortgage of vessels and corporate guarantee of The Great Eastern Shipping Company Limited, the holding company)		
	5,974,454,129	2,500,912,526

SCHEDULE "4"

FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2008 Rs.	Additions for the year Rs.	Deductions for the year Rs.	As at March 31, 2009 Rs.	Upto April 1, 2008 Rs.	Adjustments /Deduction for Assets Sold Rs.	For the the year Rs.	Upto March 31, 2009 Rs.	As at March 31, 2009 Rs.	As at March 31, 2008 Rs.
Tangible Assets										
Fleet	3,807,816,732	4,871,703,648	123,863,717	8,555,656,663	163,309,737	*(5,670,213)	317,738,561	475,378,085	8,080,278,578	3,644,506,995
Leasehold Improvements	3,347,381	–	–	3,347,381	390,528	–	669,475	1,060,003	2,287,378	2,956,853
Furniture & Fixtures	10,154,810	1,221,900	–	11,376,710	1,181,029	–	2,219,468	3,400,497	7,976,213	8,973,781
Computers	4,914,869	1,749,243	–	6,664,112	1,378,064	–	1,907,941	3,286,005	3,378,107	3,536,805
Office Equipments	11,040,888	353,047	–	11,393,935	1,378,869	–	2,248,877	3,627,746	7,766,189	9,662,019
Vehicles	9,617,726	3,304,352	1,579,411	11,342,667	2,268,500	(630,324)	2,767,966	4,406,142	6,936,525	7,349,226
Intangible Assets										
Software	3,959,737	5,560,282	–	9,520,019	224,410	–	1,384,067	1,608,477	7,911,542	3,735,327
Total	3,850,852,143	4,883,892,472	125,443,128	8,609,301,487	170,131,137	(6,300,537)	328,936,355	492,766,955	8,116,534,532	3,680,721,006
Previous Year - Total	911,911,486	2,938,940,657	-	3,850,852,143	30,002,438	–	140,128,699	170,131,137	–	–
Ships under construction									886,284,420	960,852,835
								Total	**9,002,818,952**	**4,641,573,841**

Note :

* Adjustment for Depreciation on Fleet represents the depreciation component of the foreign exchange gain for the previous year deducted from the carrying amount of fixed assets pursuant to the option excercised by the Company under paragraph 46 in Accounting Standard (AS) 11 introduced vide The Ministry of Corporate Affairs notification dated March 31, 2009.

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2009

SCHEDULE "5"

	Face Value Rs.	Current Year No. of Units	Current Year Rs.	Previous Year No. of Units	Previous Year Rs.
INVESTMENTS :					
Long-Term Investments (At cost - fully paid)					
Equity shares : Unquoted					
Subsidiaries					
Greatship Holdings B.V. (liquidated)	EUR 100	–	–	147,582	816,651,029
Less : Advance liquidation proceeds received			–		788,622,164
(Voluntary liquidation completed during the year)					
			–		28,028,865
Greatship Global Energy Services Pte. Ltd, Singapore	USD 64	282,252	809,284,267	282,252	809,284,267
	USD 1	1	44	1	44
Greatship Global Holdings Ltd., Mauritius (85,521,224 share aquired during the year)	USD 1	143,101,774	5,934,423,866	57,580,550	2,276,948,252
Greatship DOF Subsea Private Limited (aquired during the year)	100	1,000	100,000	–	–
			6,743,808,177		3,114,261,428
Less : Provision for diminution			-		26,716,530
			6,743,808,177		3,087,544,898
Current Investments					
(At lower of cost and fair value - fully paid)					
Mutual Funds : Unquoted					
Redeemed during the year					
Birla Sun Life Liquid Plus - Institutional - Dividend	10	–	–	16,073,334	160,842,637
Birla Cash Plus - Institutional Premium - Dividend	10	–	–	1,027,033	10,290,359
JM Money Manager Fund Super Plus Plan - Dividend	10	–	–	5,025,218	50,272,782
ING Liquid Plus Fund - Institutional Dividend	10	–	–	15,092,425	150,974,051
Principal Floating Rate Fund FMP - Institutional Dividend	10	–	–	1,514,049	15,141,546
DWS Credit Opportunities Cash Fund Dividend	10	–	–	15,551,978	156,155,771
Subscribed during the year					
SBI SHF Ultra Short-Term Fund IP DDR	10	40,505,973	405,262,263	–	–
Reliance Money Manager Fund Institution Option DDR	1000	410,978	411,444,757	–	–
HSBC Ultra Short-Term Bond Fund - IP DDR	10	41,233,741	414,359,004	–	–
HDFC Cash Management Fund - Treasury Adv. Plan DDR	10	40,717,528	408,457,881	–	–
			1,639,523,905		543,677,146
			8,383,332,082		3,631,222,044

SCHEDULE "6"

	Current Year Rs.	Previous Year Rs.
INVENTORIES :		
(At Lower of cost and net realisable value)		
- Stores & Spares on board Rig	174,736,729	–
- Fuel Oils	23,959,196	–
	198,695,925	–

SCHEDULE "7"

	Current Year Rs.	Previous Year Rs.
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding over six months		
- Considered good	23,705,306	–
- Considered doubtful	998,019	–
	24,703,325	–
Other Debts		
- Considered good	608,797,890	194,225,593
- Considered doubtful	2,995,599	–
	611,793,489	194,225,593
Less : Provision for doubtful debts	(3,993,618)	–
	632,503,196	194,225,593

Schedules annexed to and forming part of the Balance Sheet as at March 31, 2009

SCHEDULE "8"

	Current Year Rs.	Previous Year Rs.
CASH AND BANK BALANCES :		
Cash on hand	**61,660**	12,214
Balances with scheduled banks		
- on current account	**9,075,940**	16,661,254
- on deposit account	**353,600,000**	115,100,000
	362,675,940	131,761,254
Balances with other banks on current account with ABN Amro Bank, London (Maximum Balance - Rs. 640,529,419/-, Previous Year Rs.1,454,812,594/-)	**318,516,899**	81,768,973
	681,254,499	213,542,441

SCHEDULE "9"

	Current Year Rs.	Previous Year Rs.
OTHER CURRENT ASSETS :		
Interest accrued on deposits	**6,738,037**	2,417,459
	6,738,037	2,417,459

SCHEDULE "10"

	Current Year Rs.	Previous Year Rs.
LOANS AND ADVANCES :		
(Unsecured - considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	**46,419,663**	34,376,869
Advance to Subsidiaries	**–**	804,347,986
Agents current accounts	**8,322,021**	1,945,417
Advance payment of Income-tax & tax deducted at source (Net of Provision for taxation Rs. 12,634,567/-, Previous year Rs. 10,480,000/-)	**8,204,666**	3,965,955
Deposits	**27,248,801**	26,976,777
	90,195,151	871,613,004

SCHEDULE "11"

	Current Year Rs.	Previous Year Rs.
CURRENT LIABILITIES :		
Sundry Creditors		
- Outstanding dues of Micro Enterprises and Small Enterprises	**–**	–
- Dues of other creditors	**313,188,128**	78,354,581
Other Liabilities	**187,396,534**	10,282,351
Derivative contracts payables (net)	**577,031,174**	–
Due to Subsidiary companies	**333,331,581**	–
Advance Charter Hire	**42,604,800**	5,302,440
Interest accrued but not due on loans	**49,685,169**	10,505,044
	1,503,237,386	104,444,416

SCHEDULE "12"

	Current Year Rs.	Previous Year Rs.
PROVISIONS :		
Provision for Compensated Absences	**1,544,965**	980,357
Provision for Gratuity	**1,456,752**	2,167,914
	3,001,717	3,148,271

Schedules annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2009

SCHEDULE "13"

	Current Year Rs.	Previous Year Rs.
INCOME FROM OPERATIONS :		
Charter Hire	**2,395,890,412**	836,564,287
Liquidated damage fees for late delivery of vessels	**16,662,000**	–
Gain on foreign currency transactions (net)	**–**	170,810,293
Insurance claim received	**537,954**	-
	2,413,090,366	1,007,374,580

SCHEDULE "14"

	Current Year Rs.	Previous Year Rs.
OTHER INCOME :		
Agency Income	**18,102,810**	–
Dividend		
- on current investments	**47,362,871**	30,724,065
Interest earned (Gross)		
- on term deposits	**6,553,569**	19,658,262
- on call deposits	**2,798,185**	5,283,783
(Income-tax deducted at source Rs. 386,048/- Previous year Rs. 3,154,816/-)		
Provision for diminution in value of investment written back	**26,932,788**	–
Miscellaneous Income	**–**	1,000,000
	101,750,224	56,666,110

SCHEDULE "15"

	Current Year Rs.	Previous Year Rs.
OPERATING EXPENSES :		
Fuel	**8,708,869**	8,895,091
Port Dues	**6,552,548**	6,257,799
Hire of Chartered Rig and other Vessels	**421,436,012**	37,222,497
Rig mobilisation expenses	**147,466,632**	–
Brokerage & Commission	**21,755,545**	5,865,272
Agency fees	**4,814,389**	1,746,210
Wages, Bonus and Other expenses - Floating Staff	**245,512,036**	80,166,261
Contribution to Provident & Other Funds - Floating Staff	**3,992,243**	610,120
Stores	**37,137,470**	18,795,691
Repairs & Maintenance - Fleet	**74,410,926**	18,498,061
Insurance & Protection Club Fees	**27,888,578**	5,027,900
Loss on foreign currency transactions (net)	**79,270,525**	–
Sundry Operating Expenses	**62,961,649**	9,203,145
	1,141,907,422	192,288,048

Schedules annexed to and forming part of the Profit and Loss Account for the year ended March 31, 2009

SCHEDULE "16"

	Current Year Rs.	Previous Year Rs.
ADMINISTRATION & OTHER EXPENSES :		
Staff Expenses :		
- Salaries, Allowances & Bonus	**112,920,606**	53,336,861
- Contribution to Provident & Other Funds	**1,934,947**	2,905,954
- Staff Welfare Expenses	**627,080**	507,315
Rent	**28,172,300**	18,964,754
Insurance	**2,518,387**	872,179
Repairs and Maintenance - Others	**2,184,192**	438,969
Auditors' Remuneration	**2,205,789**	903,039
Travelling Expenses	**22,610,235**	16,073,462
Legal & Professional Expenses	**12,674,985**	18,099,848
Filing & Application Fees	**13,088,610**	10,361,987
Miscellaneous Expenses	**26,958,250**	11,909,642
Loss on sale of current Investments	**–**	31,575
Loss on liquidation of Subsidiary	**26,870,616**	–
Diminution in value of current Investments	**–**	216,258
Diminution in value of long-term Investments	**–**	26,716,530
Provision for Doubtful Debts	**3,993,618**	–
	256,759,615	161,338,373

SCHEDULE "17"

	Current Year Rs.	Previous Year Rs.
INTEREST & FINANCE CHARGES :		
Interest on Fixed Loans	**246,814,637**	120,195,375
Finance charges	**36,296,011**	8,649,116
	283,110,648	128,844,491
Less: Pre-delivery interest & finance charges capitalised	**(4,226,956)**	(5,318,012)
	278,883,692	123,526,479

SCHEDULE "18"

SIGNIFICANT ACCOUNTING POLICIES :

(a) Accounting Convention :

The financial statements are prepared under the historical cost convention, in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

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

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and borrowing costs during construction period. Exchange difference on repayment and year end translation of foreign currency liabilities relating to acquisition of assets are adjusted to the carrying cost of the assets.

(d) Investments :

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

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

(e) Inventories :

Inventories of fuel oil and spares on board Rigs are carried at lower of cost and net realizable value. Cost is ascertained on first-in-first-out basis.

(f) Borrowing Costs :

Borrowing costs that are directly attributable to the acquisition/construction of the qualifying asset are capitalized as a part of the respective asset, upto the date of acquisition/completion of construction.

(g) Revenue Recognition :

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

(h) Operating Expenses :

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

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

(i) Employee Benefits :

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Other Long-Term Benefits

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

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

(j) Depreciation :

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

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

(k) Asset Impairment :

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

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

(l) Foreign Exchange Transactions :

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

(ii) Forward exchange contracts other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions are translated at period end exchange rates and the resultant gains and losses as well as the gains and losses on cancellation of such contracts are recognised in the Profit and Loss Account, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added to or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.

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

(m) Derivative Financial Instruments and Hedging:

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

Cash Flow Hedge

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

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

(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 "19"

NOTES TO ACCOUNTS :

1. Contingent Liabilities :

a) Guarantees given by banks Rs. 620,879,761/- (Previous year - Rs. 977,620,150/-).

b) Corporate guarantees given on behalf of subsidiary companies Rs. 11,003,690,000/- (Previous year - Rs. 10,044,074,096/-).

2. Share Capital:

During the year, the Company issued 88,000,000 7.5% Cumulative Convertible Redeemable Preference Shares of the face value of Rs. 10/- each at a premium of Rs. 20/- each on preferential basis under Section 81 (1A) of the Companies Act, 1956 to the Holding Company, "The Great Eastern Shipping Company Limited". The said shares are convertible into equity shares at the option of the holder within 30 days of receiving notice from the Company of intention to file a Draft Red Herring Prospectus with SEBI for IPO or equity investment to be made by an outside equity investor in the Company. The conversion shall be at a discount of 10% to the IPO/investor price. Alternatively, the shares are convertible by the Holding Company at a discount of 20% to Net Asset Value ascertained by an average of values given by two independent valuers at the time of conversion, if the shares are converted without any other investor coming into the Company.

The said preference shares would be compulsorily redeemed, in three tranches as under :

a) 29,300,000 preference shares on 31st December, 2011.

b) 29,300,000 preference shares on 31st December, 2012.

c) 29,400,000 preference shares on 31st December, 2013.

at a premium of Rs. 26/- per share payable on redemption, if no conversion option has been exercised on the said shares. The premium payable on redemption, if any, will be adjusted from the Securities Premium Account.

3. Warrants against Share Capital:

In terms of approval of the shareholders of the Company and as per the applicable statutory provisions, the Company, on February 20, 2008, had issued and allotted 4,207,000 Warrants out of total 6,027,000 Warrants approved by the shareholders, on preferential basis to the promoter directors of the holding company 'The Great Eastern Shipping Co. Ltd.' The Warrant holders have the option to convert these Warrants into equal numbers of equity shares of Rs. 10/- each of the Company, at a price of Rs. 140.40/- per equity share. The Company has received an advance of 10% amounting to Rs. 59,066,280/- from the Warrant holders, the balance amount being payable at the time of applying for conversion of Warrants into equity shares. The said warrants shall become exercisable not earlier than three months prior from the date on which the Company proposes to file a Draft Red Herring

Prospectus (DRHP) with SEBI for IPO ("Date") but not later than 30 days from the Date. In the event, the Company fails to file a DRHP by December 31, 2010, the Warrant holders will be entitled to exercise their Warrants into shares on any day after that date but not later than March 31, 2011. If the entitlement against the Warrants to apply for the Equity Shares is not exercised within 30 days from the Date or by March 31, 2011, as the case may be, the Warrants shall expire and any amount paid on such Warrants shall stand forfeited. The funds raised by issue of said equity warrants would be utilised for additional working capital requirements and general corporate purposes.

4. **Employee Stock Option Schemes :**

All the ESOPs are in respect of Company's shares where each stock option is equivalent to one equity share. The employee stock options of the Company are presently operated under five different Employee Stock Options Schemes for the employees of the Company (including employees of parent company and subsidiaries). The fifth scheme, ESOP 2008 – III was instituted pursuant to the approval of the shareholders at their extraordinary meeting held on January 31, 2008. No grants, till date, have been made under this Scheme. During the year under review, the Company has granted 311,900 options.

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

Sr. No.	PARTICULARS	ESOP 2007	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II
1.	Date of Grant	10/08/07 28/01/08	28/01/08	12/02/08	23/10/08 19/03/09
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08
4.	Options outstanding at the beginning of the year	609,600	99,700	85,000	–
5.	Options granted during the year	–	–	–	23/10/08 - 64,700 19/03/09 – 247,200
6.	Options cancelled/forfeited during the year	71,700	10,600	25,000	–
7.	Options Exercised during the year	–	–	–	–
8.	Options outstanding at the end of the year	537,900	89,100	60,000	311,900
9.	Exercise Price/Weighted Average Exercise Price	100	100	100	135
10.	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
11.	Exercisable at end of the year	–	–	–	–
12.	Method of Settlement	Equity/Cash	Equity	Equity	Equity/Cash
13.	Vesting period from the date of grant	20% equally over a period of five years	One year	One year	20% equally over a period of five years
14.	Vesting conditions	Continued employment with the Company (includes transfer within group companies) and achievement of 80% of the budgeted profits for a year	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the Company (includes transfer within group companies) and achievement of 80% of the budgeted profits for a year

a) Modification of ESOP Schemes :

i) The provisions of ESOP 2007 relating to the exercise of the vested options by settlement in cash prior to listing of the shares of the Company was modified to be settled at a value to be determined at 5 times the EPS as per the latest audited consolidated financial statements of the Company instead of determining the value as per the latest audited financial statements of the Company.

ii) Under ESOP 2007 and ESOP 2007 – II, vesting conditions relating to continued employment with the Company have been modified to provide for transfer of employment within the group companies.

b) Fringe Benefit Tax :

Fringe Benefit Tax (FBT) on employee stock options is based on the intrinsic value of the stock options on the vesting date. However, the FBT liability is triggered only if the options are exercised. During the year under review as no options have been exercised there is no FBT liability. The ESOP Schemes also provide for recovery of FBT from the employees.

The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense amount which is the difference between exercise price of the option and the intrinsic value of shares is NIL in case of options granted during the year under review. In case of options granted during the earlier financial year, the compensation expense amortised in year under review is Rs. 1,14,40,170/-.

Had the compensation cost for the stock options granted during this year under ESOP 2008 – II been recognised, basis fair value method, the compensation expense to be amortised would be Rs. 7,44,000/-. The impact on EPS (basic) and EPS (diluted), had the fair value method been used, would be 0.009 and 0.008, respectively.

5. Fixed Assets :

a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for Rs. 7,071,101,389/- (Previous year Rs. 4,446,117,790/-)

b) The amount of exchange loss on account of fluctuation of the rupee against foreign currencies and gains/(losses) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets and gains/(losses) on forward contracts for hedging capital commitments for acquisition of depreciable assets, added to the carrying amount of fixed assets during the year is Rs. 909,290,241/-. Corresponding gain relating to the previous year deducted from the carrying amount of fixed assets during the year pursuant to the option exercised by the Company vide Ministry of Corporate Affairs notification dated March 31, 2009 is Rs. 123,863,717/-

6. Cash and Bank Balances :

Balance with scheduled bank on deposit account Rs. NIL (Previous year Rs. 115,100,000/-) represents the margin deposit placed with the bank, under a lien against the guarantees issued by the said bank.

7. Investments

a) During the year under review, the Company subscribed to the Memorandum of Association of Greatship DOF Subsea Projects Private Limited (GDSP) and agreed to subscribe to 1,000 shares in the Capital of GDSP amounting to Rs. 1,00,000/- (Rupees One Lakh). GDSP was incorporated on November 10, 2008 to focus on the subsea projects opportunities in joint venture with DOF Subsea Pte. Ltd., Singapore.

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

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

9. Current Liabilities :

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under ‘The Micro, Small and Medium Enterprises Development Act, 2006’. Amount overdue on account of principal amount and interest thereon as on March 31, 2009 is Rs. NIL (Previous year Rs. NIL)

10. Deferred Tax :

Pursuant to the introduction of Section 115 VA under the Income Tax Act, 1961, the Company has opted for computation of it’s income from shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships is assessed on the basis of 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.

11. Auditors’ Remuneration (Previous year including service tax) :

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fees	**850,000**	561,800
In Other Capacity		
- Tax Audit	**200,000**	168,540
- Taxation	**392,416**	84,228
- Certification & other services	**763,373**	88,471
	2,205,789	903,039

12. Change in accounting policy:

The Ministry of Corporate Affairs vide notification dated March 31, 2009 issued the Companies (Accounting Standards) Amendment Rules, 2009, inserting paragraph 46 in Accounting Standard (AS) 11 “The Effect of Changes in Foreign Exchange Rates”. Pursuant thereto, the Company has exercised the option available under the said paragraph 46 retrospectively with effect from April 1, 2007 in respect of all long term foreign currency monetary items covered under the notification. Accordingly, losses arising from the effect of changes in the foreign exchange rates on repayment of loans and revaluation of the outstanding foreign currency loans including currency swaps relating to acquisition of depreciable capital assets amounting to Rs. 924,392,681/- for the year ended March 31, 2009 are added to the cost of such assets and in case of other long-term monetary assets and liabilities, gains of Rs. 6,286,444/- have been accumulated in the "Foreign Currency Monetary Item Translation Difference Account". The corresponding foreign exchange gains of Rs. 118,193,505/- (net of depreciation of Rs. 5,670,213/-) for the year ended March 31, 2008 on monetary items relating to acquisition of depreciable capital assets have been reversed from the Profit and Loss Account balance of the previous year and deducted from the cost of such assets.

In the previous year, the effects of changes in foreign exchange rates on repayment of loans and revaluation of the outstanding foreign currency loans including currency swaps relating to acquisition of depreciable capital assets were accounted in the Profit and Loss Account.

During the year, the Company has with effect from April 1, 2008 adopted the principles enunciated in Accounting Standard (AS) 30, "Financial Instruments: Recognition and Measurement" in respect of hedge accounting and recognition and measurement of derivatives, in accordance with the recommendation of the Institute of Chartered Accountants of India. Accordingly, forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps, which have been designated as part of the hedging relationship and which qualify as effective hedges have been accounted in accordance with the principles of hedge accounting and the unrealised gains or losses on such designated hedging instruments amounting to Rs. 577,031,174/- is recorded in the Hedging Reserve Account. In the previous year, exchange differences in respect of foreign currency derivative contracts including forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps were accounted for on settlement alongwith the cash flow from the hedged transaction / commitment. There is no impact on the Profit and Loss Account for the year consequent to the change.

Further, in accordance with the principles of hedge accounting, gains amounting to Rs. 97,647,689/- have been transferred during the year from the Hedging Reserve Account to the cost of the hedged assets upon acquisition. In the previous year the corresponding gains/losses were recorded in the Profit and Loss Account. The profits for the year are lower to that extent.

The Hedging Reserve account as at March 31, 2009 has a net debit balance of Rs. 577,031,174/- and the current liabilities are higher to that extent.

Consequent to the change in the aforesaid accounting policies, fixed assets as at March 31, 2009 are higher by Rs. 754,679,163/-, investments are lower by Rs. 82,545,249/-, current liabilities are higher by Rs. 577,031,174/-, depreciation for the year is higher by Rs. 36,417,574/-, the profit for the year is higher by Rs. 790,327,417/- and the Reserves as at March 31, 2009 are higher by Rs. 95,102,738/-.

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

Particulars	Face value (Rs.)	Number of Units	Purchase Amount (Rs.)
Birla Cash Plus - Institutional Premium - Daily Dividend Reinvestment Option	10	20,470,578	205,104,952
Birla Sun Life Liquid Plus - Institutional - Daily Dividend Reinvestment Option	10	18,538,939	185,515,453
Birla Sun Life Short Term Fund - Institutional - Daily Dividend Reinvestment Option	10	2,520,412	25,217,982
DWS Credit Opportunities Cash Fund - Regular Plan Weekly Dividend Reinvestment Option	10	569,855	6,806,937
HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Daily Dividend Reinvestment Option	10	70,583,339	708,056,762
HDFC Liquid Fund Premium Plan - Daily Dividend Reinvestment Option	10	90,555,941	1,110,197,719
HSBC Cash Fund - Institutional Plus - Daily Dividend Reinvestment Option	10	50,977,078	510,056,254
HSBC Floating Rate - LT- Institutional Daily Dividend Reinvestment Option	10	36,086,721	361,469,278
HSBC Ultra Short Term Bond Fund - Institutional Plus - Daily Dividend Reinvestment Option	10	9,952,824	100,000,000
ICICI Prudential Institutional Liquid Plan - Super Institutional Daily Dividend Reinvest Option	10	4,000,559	40,007,590
ICICI Prudential - Flexible Income Plan - Daily Dividend Reinvestment Option	10	3,815,765	40,345,994
ING Liquid Fund Institutional Daily Dividend Reinvestment Option	10	24,974,536	250,047,554
ING Liquid Plus Fund - Institutional Daily Dividend Reinvestment Option	10	25,626,803	256,352,598
JM Money Manager Fund Super Plus Plan - Daily Dividend Reinvestment Option	10	227,384	2,274,775
Principal Floating Rate Fund FMP Institutional Option - Dividend Reinvestment Option	10	5,010,714	50,168,772
Principal Floating Rate Fund SMP - Instiitutional Option - Daily Dividend Reinvestment Option	10	12,209	122,099

Particulars	Face value (Rs.)	Number of Units	Purchase Amount (Rs.)
Principal Cash Management Fund Liquid Option - Institutional Premium Plan - Daily Dividend Reinvestment Option	10	5,000,564	50,009,136
Reliance Liquid Fund - Treasury Plan - Institutional Option - Daily Dividend Reinvestment Option	1,000	40,825,414	624,106,272
Reliance Money Manager Fund - Institutional Option - Daily Dividend Reinvestment Option	1,000	119,705	119,840,901
Reliance Medium Term Fund - Daily Dividend Reinvestment Option	1,000	24,111,207	412,193,133
Reliance Liquid Fund - Cash Plan - Daily Dividend Reinvestment Option	1,000	21,545,304	240,047,002
Reliance Liquidity Fund - Daily Dividend Reinvestment Option	1,000	6,999,194	70,013,633
SBI Magnum Insta Cash Fund - Daily Dividend Reinvestment Option	10	41,200,593	690,122,290
SBI - SHF - Ultra Short Term Fund - Institutional Plan - Daily Dividend Reinvestment Option	10	28,985,507	290,000,000

14. Related Party Disclosures :

a) List of Related Parties

i) Holding Company :

The Great Eastern Shipping Co. Ltd.

ii) Subsidiary Companies :

Greatship Holdings B.V., Netherlands (Liquidated on July 17, 2008)

Greatship Global Holdings Ltd., Mauritius

Greatship Global Energy Services Pte Ltd., Singapore

Greatship Global Offshore Services Pte Ltd., Singapore

Greatship DOF Subsea Projects Private Limited, Mumbai

iii) Fellow - Subsidiary Companies :

The Great Eastern Chartering LLC (FZC), Sharjah

The Great Eastern Shipping Co. London Ltd., UK

The Greatship (Singapore) Pte. Ltd., Singapore

iv) Key Management Personnel :

Mr. Bharat K. Sheth - Chairman

Mr. Ravi K. Sheth - Managing Director

Mr. P. R. Naware - Executive Director

b) Transactions with related parties

Nature of transaction	Holding Company		Subsidiary Companies		Fellow-Subsidiary Companies		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of Assets	903,970	222,110	–	–	–	–	–	–
Deposit given	–	300,000	–	–	–	–	–	–
Purchase of Inventories :								
Greatship Global Energy Services Pte Ltd.	–	–	183,862,254	–	–	–	–	–
Agency Income :								
Greatship Global Offshore Services Pte Ltd.	–	–	18,102,810	–	–	–	–	–
Inchartering Expenses :								
Greatship Global Energy Services Pte Ltd.	–	–	106,778,759	–	–	–	–	–
Greatship Global Offshore Services Pte Ltd.	–	–	32,830,542	–	–	–	–	–
Agency Fees:								
The Greatship (Singapore) Pte Ltd.	–	–	–	–	25,865	–	–	–

Nature of transaction	Holding Company		Subsidiary Companies		Fellow-Subsidiary Companies		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Finance received :								
Share Capital	4,740,000,000	3,860,000,000	–	–	–	–	–	–
Share warrants issued:								
Bharat K. Sheth	–	–	–	–	–	–	–	29,533,140
Ravi K. Sheth	–	–	–	–	–	–	–	29,533,140
Finance provided :								
Equity contribution to :								
Greatship Global Energy Services Pte Ltd.	–	–	–	–	–	–	–	–
Greatship Holdings B.V.	–	–	–	282,195	–	–	–	–
Greatship Global Holdings Ltd.	–	–	3,740,020,863	2,276,948,252	–	–	–	–
Greatship DOF Subsea Projects Private Limited	–	–	100,000	–	–	–	–	–
Re-imbursement of Expenses:								
The Great Eastern Shipping Company Ltd.	3,485,220	3,813,005	–	–	–	–	–	–
Greatship Global Energy Services Pte Ltd.	–	–	5,612,034	14,856,576	–	–	–	–
Greatship Global Offshore Services Pte Ltd.	–	–	1,834,383	–	–	–	–	–
Greatship Global Holdings Ltd.	–	–	–	294,080	–	–	–	–
The Greatship (Singapore) Pte Ltd.	–	–	–	–	2,134,811	–	–	–
Outstanding balance as on 31.03.2009 :								
Receivables :								
The Great Eastern Shipping Company Ltd.	9,059,050	–	–	–	–	–	–	–
Payables :								
Greatship Global Energy Services Pte Ltd.	–	–	296,253,047	–	–	–	–	–
Greatship Global Offshore Services Pte Ltd.	–	–	36,978,534	–	–	–	–	–
Greatship Global Holdings Ltd.	–	–	–	804,347,987	–	–	–	–
Greatship (Singapore) Pte Ltd.	–	–	–	–	572,372	–	–	–
Greatship DOF Subsea Projects Private Limited	–	–	100,000	–	–	–	–	–

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

15. Hedging Contracts :

a) 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.

i) Derivative instruments outstanding :

(a) Forward exchange contracts :

Details	**Current Year**		Previous Year	
	Purchase	**Sale**	Purchase	Sale
Total No. of contracts	**9**	**11**	2	18
Foreign Currency Value (USD million)	**64.13**	**13**	15.00	31.39
Amount recognised in Hedging Reserve (loss)/gain (Rs.)	**(417,061,960)**	**(68,838,901)**	–	–
Maturity Period	**Upto 16 months**	**Upto 11 Months**	**Upto 8 Months**	**Upto 12 Months**

(b) Forward exchange option contracts:

Details	**Current Year**		Previous Year	
	Purchase	**Sale**	Purchase	Sale
Total No. of contracts	**–**	**–**	–	8
Foreign Currency Value (USD million)	**–**	**–**	–	16.10

(c) Interest rate swap contracts :

	Current Year	Previous Year
Total No. of contracts	**2**	2
Principal Notional Amount (USD million)	**27.18**	30.42
Amount recognised in Hedging Reserve (loss)/gain (Rs.)	**(89,638,710)**	–
Maturity Period	**Upto 37 Months**	**Upto 49 Months**

(d) Interest portion of Currency Swap Contract :

	Currency	**Current Year**	Previous Year
Total No. of contracts		**5**	2
Principal Notional Amount (USD million)	USD/INR	**78.54**	32.80
Principal Notional Amount (JPY million)	JPY/USD	**8449.32**	3759.14
Amount recognised in Hedging Reserve (loss)/gain (Rs.)		**(1,491,603)**	–
Maturity Period		**Upto 116 Months**	**Upto 93 Months**

(e) Currency swap contract :

	Currency	**Current Year**	Previous Year
Total No. of contracts		**5**	2
Principal Notional Amount (USD million)	USD/INR	**78.54**	32.80
Principal Notional Amount (JPY million)	JPY/USD	**8449.32**	3759.14

ii) Un-hedged foreign currency exposures as on March 31, 2009 :

	Current Year	Previous Year
Loan liabilities and Payables		
(USD in millions)	**6.20**	62.33
(AED in millions)	**0.02**	–
(Euro in millions)	**0.01**	–
(GBP in millions)	**0.74**	–
(JPY in millions)	**64.96**	–
(NOK in millions)	**0.09**	–
(SAR in millions)	**0.18**	–
(SGD in millions)	**0.44**	–
(ZAR in millions)	**0.21**	–
Receivables		
(GBP in millions)	**0.38**	–
Bank Balances		
(USD in millions)	**9.12**	–
(GBP in millions)	**1.51**	–

iii) The above mentioned derivative contracts having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and the interest rate risk, have been designated as hedge instruments that qualify as effective cash flow hedges. The mark-to-market loss/(gain) on the foreign exchange derivative contracts outstanding as on March 31, 2009 amounting to Loss of Rs. 577,031,174/- has been recorded in the Hedging Reserve Account as on March 31, 2009. The corresponding mark-to-market gain of Rs. 33,079,000/- as on March 31, 2008 was not recognised.

16. Disclosure pursuant to Accounting Standard - 15 (Revised) 'Employee Benefits':

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

a) Defined Contribution Plans :

The Company has recognised the following amount in Profit and Loss Account for the year ended March 31, 2009 :

i)	Contribution to Employees' Provident Fund	1,745,240/-
ii)	Contribution to Employees' Superannuation Fund	900,868/-

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

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

Actuarial Assumption for the year	**Gratuity**		**Leave Wages**	
	Current Year	**Previous Year**	**Current Year**	**Previous Year**
a) Discount Rate (per annum)	6.0%	7.0%	6.0%	7.0%
b) Rate of Return on Plan Assets	NA	NA	NA	NA
c) Salary Escalation Rate	4.0%	10.0%	4.0%	10.0%
d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96
e) Withdrawal rate	3.0%	3.0%	3.0%	3.0%
f) Expected average remaining service	20.93	22.59	14.45	22.59
i) Change in Benefit Obligation :				
Liability at the beginning of the year	2,167,914	326,161	599,466	188,262
Interest Cost	151,754	24,462	38,509	14,120
Current Service Cost	954,771	1,497,801	968,547	1,585,075
Benefits Paid	–	–	(98,675)	–
Actuarial (Gain)/loss on Obligation	(1,817,687)	319,490	(892,581)	(1,187,991)
Liability at the end of the year	1,456,752	2,167,914	615,266	599,466
ii) Fair Value of Plan Assets :				
Fair Value of Plan Assets at the beginning of the year	–	–	–	–
Expected Return on Plan Assets	–	–	–	–
Employer's Contribution	–	–	98,675	–
Benefits Paid	–	–	(98,675)	–
Actuarial Gain/(loss) on Plan Assets	–	–	–	–
Fair Value of Plan Assets at the end of the year	–	–	–	–
iii) Actual Return on Plan Assets :				
Expected Return on Plan Assets	–	–	–	–
Actuarial Gain/(loss) on Plan Assets	–	–	–	–
Actuarial Return on Plan Assets	–	–	–	–
iv) Amount Recognised in the Balance Sheet :				
Liability at the end of the Year	1,456,752	2,167,914	615,266	599,466
Fair Value of Plan Assets at the end of the year	–	–	–	–
Difference	1 ,456,752	2,167,914	6 15,266	5 99,466
Unrecognised past Service Cost	–	–	–	–
Amount Recognised in Balance Sheet	1 ,456,752	2,167,914	6 15,266	5 99,466
v) Expenses Recognised in the Profit & Loss A/c :				
Current Service Cost	954,771	1,497,801	9 68,547	1 ,585,075
Interest Cost	151,754	24,462	38,509	14,120
Acturial return on Plan Assets	–	–	–	–
Net Acturial (Gain)/Loss to be recognised	(1,817,687)	319,490	(892,581)	(1,187,991)
Expenses recognised in the P & L A/c	(711,162)	1,841,753	1 14,475	4 11,204

c) **General Description :**

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.

d) **Leave Encashment :**

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

17. Earnings Per Share :

	Basic earnings per share		**Current Year**	Previous Year
(a)	Profit for the year after tax		506,253,505	440,259,091
	Less : Dividend on Cumulative Preference Shares		11,013,699	–
	Less : Dividend Distribution Tax		1,871,227	–
	Profit attributable to Equity Share Holders		493,368,579	440,259,091
(b)	Number of Equity Shares as on April 1, 2008		65,100,000	26,500,000
	Number of Equity Shares as on March 31, 2009		86,100,000	65,100,000
	Weighted average number of Equity Shares outstanding during the year		76,990,411	42,654,098
(c)	Face value of Equity Share	Rs.	10.00	10.00
(d)	Basic earnings per shares	Rs.	6.41	10.32

	Diluted earnings per share		**Current Year**	Previous Year
(a)	Profit attributable to Equity Shareholders		493,368,579	440,259,091
	Add : Dividend on Cumulative Preference Shares		11,013,699	–
	Add : Dividend Distribution Tax		1,871,227	–
	Profit attributable to Equity Shareholders		506,253,505	440,259,091
(b)	Weighted average number of Equity Shares outstanding during the year		76,990,411	42,654,098
	Add : Potential Equity Shares on Exercise of options		196,286	107,329
	Add : Potential Equity Shares to be subscribed by the Holding Company		–	1,000,000
	Add : Potential Equity shares of Conversion of Preference Shares		11,340,117	–
	Weighted average number of Equity Shares in computing diluted earnings per share		88,526,814	43,761,427
(c)	Face value of Equity Share	Rs.	10.00	10.00
(d)	Diluted earnings per shares	Rs.	5.72	10.06

18. Operating Lease :

The Company has taken a Rig on operating lease for 3 years and premises on leave & license basis which is similar in substance to an operating lease. The particulars of the leasing arrangements are as under:

a) Total Future Minimum Lease payments

– Not later than 1 year		
Premises	Rs.	31,595,628/-
Rig	Rs.	1,882,751,760/-
– Later than 1 year and not later than 5 years		
Premises	Rs.	76,130,773/-
Rig	Rs.	3,657,180,816/-
– Later than 5 years	Rs.	NIL

b) Lease payments recognized in the statement of Profit and Loss Account for the year is Rs. 134,973,675/- (Previous year Rs. 18,964,754/-).

19. Segment Reporting :

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

20. Information pursuant to para 4D of part II of Schedule VI of the Companies Act, 1956 has not been given in view of the exemption granted by the Department of Company Affairs, vide order no. 46/40/2009-CL-III dated March 30, 2009.

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

Statement Pursuant to Section 212 of the Companies Act, 1956

1.	**Name of subsidiary**	**Greatship Holdings B.V. ***		**Greatship Global Energy Services Pte Ltd. ****		**Greatship Global Offshore Services Pte Ltd. *****		**Greatship Global Holdings Ltd.**		**Greatship DOF Subsea Projects Private Limited*******	
2.	Financial year ended	June 29, 2008		March 31, 2009		March 31, 2009		March 31, 2009		March 31, 2009	
3.	Date from which it became a Subsidiary	November 22, 2006		October 23, 2006		May 08, 2007		May 30, 2007		November 10, 2008	
4.	Extent of interest of the Holding Company in the capital of the Subsidiary	100%		100%		100%		100%		100%	
5.	Net aggregate amount of the Subsidiary's profit less losses not dealt with in the Holding Company's Accounts:										
	(i) Current Year	Eur (6,207)	(INR 47,81,417)	(USD 130,148)	(INR 5,949,150)	(USD 37,464)	(INR 1,712,497)	(USD 36,431)	(INR 1,665,268)	–	–
	(ii) Previous year since it became Subsidiary	(EUR 1,068,459)	(INR 67,718,805)	(USD 375,312)	(INR 15,162,614)	(USD 76,290)	(INR 3,082,109)	(USD 62,655)	(INR 2,531,302)	–	–
6.	Net aggregate amount of the Subsidiary's profit less losses dealt with in the Holding Company's Accounts:										
	(i) Current Year	–	–	–	–	–	–	–	–	–	–
	(ii) Previous year since it became Subsidiary	–	–	–	–	–	–	–	–	–	–

* Greatship Holdings B.V., a wholly owned subsidiary of the Company has been voluntarily liquidated on June 29, 2008.

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

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

**** First financial year will close on March 31, 2010

For and on behalf of the Board

Ravi K. Sheth
Managing Director

Amisha M. Ghia
Asst. Company Secretary

P. R. Naware
Executive Director

Mumbai, May 5, 2009

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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :

Registration No.	136326
State Code	11
Balance Sheet Date	31-03-2009

II. Capital Raised during the year :

Public Issue	NIL
Rights Issue	NIL
Bonus Issue	NIL
Private Placement	1090000000

III. Position of Mobilisation and Deployment of Funds:

Amount Rs.

Total Liabilities	18995537842
Total Assets	18995537842
Sources of Funds :	
Paid-up Capital	1741000000
Reserves & Surplus	9695898674
Secured Loans	5974454129
Unsecured Loans	NIL
Application of Funds :	
Net Fixed Assets	9002818952
Investments	8383332082
Net Current Assets	103147705
Misc. Expenditure	NIL
Accumulated Losses	NIL

IV. Performance of Company:

Amount Rs.

Turnover	2514840590
Total Expenditure	2006487084
Profit / (Loss) Before Tax	508353506
Profit / (Loss) After Tax	506253506
Earning Per Share (in Rs.)	6.41
Dividend Rate (%)	NIL

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

Description	Item Code No.
Offshore	N.A.

GREATSHIP GLOBAL HOLDINGS LTD.

A Subsidiary Company

DIRECTORS:	Marie Cindhia Véronique Magny-Antoine Marie-Claude Priscille Koenig Pradyumna Raghunath Naware Ravi Kanaiyalal Sheth Mohammad Rezah Cotobally (Alternate to Marie-Claude Priscille Koenig)
REGISTERED OFFICE:	c/o Abax Corporate Services Ltd (previously Abacus Management Solutions Ltd) Level 6, One Cathedral square Jules Koenig Street Port Louis Mauritius
REGISTRATION NUMBER:	071503 C1/GBL
AUDITORS:	UHY Heeralall 4th Floor, TN Tower 13, St. Georges Street Port-Louis Mauritius
SECRETARY:	Abax Corporate Services Ltd (previously Abacus Management Solutions Ltd) Level 6, One Cathedral square Jules Koenig Street Port Louis Mauritius

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2009

The directors are pleased to present their report and the audited financial statements of the Company for the year ended 31 March 2009.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDENDS

The Company's loss for the year ended 31 March 2009 is USD 36,431 (Rs. 1,665,261) (Period from date of incorporation (30 May 2007) to 31 March 2008 – USD 21,502 (Rs. 868,681)).

The directors do not recommend the payment of a dividend.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the Company. In preparing those financial statements, the directors have:

- selected suitable accounting policies and then apply them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepared the financial statements on the going concern basis.

The directors' responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the Company's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

AUDITORS

The auditors, UHY Heeralall, have indicated their willingness to continue in office and will be automatically re-appointed at the Annual Meeting.

By Order of the Board

SECRETARY

24 April 2009

SECRETARY'S REPORT

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

We confirm that, based on records and information made available to us by the directors and shareholders of the Company, we have filed with the Registrar of Companies, for the year 31 March 2009, all such returns as are required of the Company under the Mauritian Companies Act, 2001.

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ABAX CORPORATE SERVICES LTD.

CORPORATE SECRETARY

24 April 2009

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

Report on the Financial Statements

1. We have audited the financial statements of Greatship Global Holdings Ltd. which comprise the balance sheet at 31 March 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

6. In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2009 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritian Companies Act, 2001 for companies holding a Category 1 Global Business Licence and comply with the Mauritian Companies Act, 2001.

Report on Other Legal and Regulatory Requirements

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

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

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

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

Other matters

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

UHY Heeralall

Shareef Ramjan
Signing partner

24 April 2009

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31 March 2009		Period from 30 May 2007 to 31 March 2008	
	USD	Rs.	USD	Rs.
Income				
Interest	**163**	**7,432**	1,743	70,417
Expenses				
Accountancy fees	**5,200**	**237,692**	4,500	181,800
Secretarial fees	**14,200**	**649,082**	5,000	202,000
Incorporation fees	-	-	1,625	65,650
Bank charges	**1,461**	**66,782**	1,005	40,602
Annual licence fees	**1,415**	**64,680**	2,000	80,800
Directors' fees	**1,283**	**58,634**	1,600	64,640
Domiciliation fees	**1,008**	**46,076**	1,200	48,480
Annual registration fees	-	-	450	18,180
Tax residence certificate	-	-	500	20,200
Audit fees	**8,800**	**402,248**	5,000	202,000
Taxation fees	**2,000**	**91,420**	-	-
Disbursement	**550**	**25,141**	365	14,746
Exchange differences	**677**	**30,946**	-	-
	36,594	**1,672,700**	23,245	939,098
Loss for the Year/Period	**(36,431)**	**(1,665,268)**	(21,502)	(868,681)

The notes form an integral part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2009

	2009		2008	
	USD	Rs.	USD	Rs.
ASSETS				
Non current-assets				
Investment in subsidiaries (Note 5)	**143,001,410**	**7,253,031,515**	77,621,378	3,114,169,685
Current Assets				
Prepayments	**794**	**40,272**	-	-
Cash at bank	**62,037**	**3,146,517**	36,878	1,479,545
	62,831	**3,186,789**	36,878	1,479,545
Total assets	**143,064,241**	**7,256,218,304**	77,658,256	3,115,649,231
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 6)	**143,101,774**	**7,258,121,977**	57,580,550	2,310,131,666
Accumulated losses	**(57,933)**	**(2,938,361)**	(21,502)	(862,660)
	143,043,841	**7,255,183,616**	57,559,048	2,309,269,006
Current Liabilities				
Payables (Note 7)	**20,400**	**1,034,688**	50,654	2,032,238
Amount due to holding company (Note 9)	-	-	20,048,554	804,347,986
	20,400	**1,034,688**	20,099,208	806,380,225
Total Equity and Liabilities	**143,064,241**	**7,256,218,304**	77,658,256	3,115,649,231

Approved by the Board of Directors and authorised for issue on 24 April 2009 and signed on its behalf by:

Veronique Magny-Antoine
Director

Priscille Koenig
Director

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009

	Stated Capital		Accumulated Losses		Total	
	USD	Rs.	**USD**	Rs.	**USD**	Rs.
Issued during the period	**57,580,550**	2,920,485,496	**–**	–	**57,580,550**	2,920,485,496
Loss for the period	**–**	–	**(21,502)**	(868,681)	**(21,502)**	(868,681)
Foreign Currency Translation Reserve	**–**	–	**–**	6,021	**–**	6,021
At 31 March 2008	**57,580,550**	2,920,485,496	**(21,502)**	(862,660)	**57,559,048**	2,919,622,836
Issued during the year	**85,521,224**	4,337,636,481	**–**	–	**85,521,224**	4,337,636,481
Loss for the year	**–**	–	**(36,431)**	(1,665,268)	**(36,431)**	(1,665,268)
Foreign Currency Translation Reserve	**–**	–	**–**	(410,433)	**–**	(410,433)
At 31 March 2009	**143,101,774**	7,258,121,977	**(57,933)**	(2,938,361)	**143,043,841**	7,255,183,616

The notes form an integral part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Year ended 31 March 2009		Period from 30 May 2007 to 31 March 2008	
	USD	**Rs.**	USD	Rs.
Cash flow from operating activities				
Loss for the year/period	**(36,431)**	**(1,665,268)**	(21,502)	(868,681)
Increase in prepayments	**(794)**	**(40,272)**	–	–
(Decrease)/increase in accounts payable	**(30,254)**	**(1,534,483)**	9,500	381,140
(Decrease)/increase in amount owed to holding company	**(7,330)**	**(371,778)**	7,330	294,080
Foreign translation difference	**–**	**208,396**	–	6,021
Net cash absorbed by operating activities	**(74,809)**	**(3,403,405)**	(4,672)	(187,441)
Net cash used in investing activities				
Purchase of investments in subsidiaries	**(65,380,032)**	**(3,316,075,223)**	(57,539,000)	(2,308,464,680)
Net cash generated from financing activities				
Proceeds from the issue of ordinary shares	**65,480,000**	**3,321,145,600**	57,580,550	2,310,131,666
Net increase in cash and cash equivalents	**25,159**	**1,666,972**	36,878	1,479,545
Cash and cash equivalents at start of year/period	**36,878**	**1,479,545**	–	–
Cash and cash equivalents at end of year/period (Note 12)	**62,037**	**3,146,517**	36,878	1,479,545

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2009

1. GENERAL INFORMATION

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

(b) The principal activity of the Company is to invest in companies which own and operate offshore vessels and drilling units. Its registered office is at Abax Corporate Services Ltd, Level 6, One Cathedral Square, Jules Koenig Street, Port Louis, Mauritius.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

The Company has taken advantage of the exemption provided by the Mauritian Companies Act, 2001 allowing a wholly owned or virtually wholly owned parent company holding a Category 1 Global Business Licence not to present consolidated financial statements.

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

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

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

IAS 1 (Revised), "Presentation of Financial Statements" (effective from 1 January 2009)

IAS 16 (Amendment), "Property, Plant and Equipment" (effective from 1 January 2009)

IAS 19 (Amendment), "Employee Benefits" (effective from 1 January 2009)

IAS 20 (Amendment), "Government Grants and Disclosure of Government Assistance" (effective from 1 January 2009)

IAS 23 (Amendment), "Borrowing Costs" (effective from 1 January 2009)

IAS 27 (Revised), "Consolidated and Separate Financial Statements" (effective from 1 January 2009)

IAS 27 (Amendment), ''Consolidated and Separate Financial Statements'' (effective from 1 January 2009)

IAS 28 (Amendment), "Investments in Associates" (effective from 1 January 2009)

IAS 29 (Amendment), "Financial Reporting in Hyperinflationary Economies" (effective from 1 January 2009)

IAS 31 (Amendment), "Interest in Joint Ventures" (effective from 1 January 2009)

IAS 32 (Amendment), "Financial Instruments : Presentation", and IAS 1 (Amendment), "Presentation of Financial Statements" – "Puttable instruments and obligations arising on liquidation" (effective from 1 January 2009)

IAS 36 (Amendment), "Impairment of Assets" (effective from 1 January 2009)

IAS 38 (Amendment), "Intangible Assets" (effective from 1 July 2009)

IAS 39 (Amendment), "Financial Instrument: Recognition and Measurement" (effective from 1 January 2009)

IAS 40 (Amendment), "Investment Property" (effective from 1 January 2009)

IAS 41 (Amendment), "Agriculture" (effective from 1 January 2009)

IFRS 1 and IAS 27 (Amendment), "Cost of an investment on first-time adoption" (effective from 1 January 2009)

IFRS 2 (Amendment), "Share-based Payment" (effective from 1 January 2009)

IFRS 3 (Revised), "Business Combinations" (effective from 1 July 2009)

IFRS 5 (Amendment), "Non-current Assets Held for Sale and Discontinued Operations" (effective from 1 July 2009)

IFRS 8, "Operating Segment" (effective from 1 January 2009)

IFRIC 13, ''Customer Loyalty Programmes" (effective from 1 July 2008)

IFRIC 15, ''Agreements for the Construction of Real Estate'' (effective from 1 January 2009)

IFRIC 16," Hedges of a Net Investment in a Foreign Operation" (effective from 1 October 2008)

IFRIC 17, "Distributions of Non-cash Assets to Owners" (effective from 1 July 2009)

The directors are of the view that the above standards and Interpretations are either not relevant to the Company's operations or will have no material impact on the financial statements of the Company in future periods.

Foreign currency translation

- Functional and presentation currency

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

- Transactions and balances

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

Deferred taxation

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Cash and cash equivalents

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

Revenue recognition

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

Bank interest income is recognised on an accrual basis.

Expense recognition

Expenses are accounted for in the income statement on an accrual basis.

Related parties

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

Investment in subsidiary companies

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

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

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

Details of the Company's subsidiaries are shown in note 5.

Financial instruments

Financial instruments carried on the balance sheet include investment in subsidiaries, cash at bank, amount due to holding company and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with the items.

Disclosures about financial instruments to which the company is a party are provided in note 3.

Impairment

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

Provisions

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

3. FINANCIAL RISK MANAGEMENT

The Company's activities are exposed to a variety of financial risk:

- Credit risk
- Market risk
- Liquidity risk
- Interest rate risk
- Currency risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Credit risk

Credit risk represents the potential loss that the Company would incur if counter parties fail to perform pursuant to the terms of their obligations to the Company. The Company limits its credit risk by carrying out transactions through companies within the group. At the balance sheet date, there was no significant concentration of credit risk.

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(iii) Liquidity risk

Liquidity is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company manages liquidity risk by maintaining cash reserves, through funding from its holding company.

	2009		2008	
	USD	**Rs.**	USD	Rs.
Within 1 year				
Accounts payable	**20,400**	**1,034,688**	50,654	2,032,238
Amount due to holding company	-	-	20,048,554	804,347,986
	20,400	**1,034,688**	20,099,208	806,380,225

(iv) Interest rate risk

The Company has no significant exposure to interest rate risk.

(v) Foreign exchange risk

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

Currency profile

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

	Financial Assets 2009		Financial Assets 2008	
	USD	**Rs.**	USD	Rs.
Singapore Dollar	**–**	**–**	–	–
United States Dollar	**62,037**	**3,146,517**	36,878	1,479,545
	62,037	**3,146,517**	36,878	1,479,545

	Financial Liabilities 2009		Financial Liabilities 2008	
	USD	**Rs.**	USD	Rs.
Singapore Dollar	**–**	**–**	41,154	1,651,098
United States Dollar	**20,400**	**1,034,688**	20,058,054	804,729,126
	20,400	**1,034,688**	20,099,208	806,380,225

Prepayments amounting to USD 794 (Rs. 40,272) (2008 - Nil) have been excluded from financial assets.

Fair values

The carrying amount of cash and cash equivalents, accounts payable and amount due to holding Company approximate their fair values.

Investment in subsidiaries which is accounted at historical cost less impairment is carried at a value which may differ materially from its fair value.

4. ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates. It also requires the directors to exercise their judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There were no key assumptions concerning the future or key sources of uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, that have a significant effect on the amounts recognised in the financial statements.

5. INVESTMENT IN SUBSIDIARIES

	2009		2008	
	USD	**Rs.**	USD	Rs.
Unquoted at cost:				
At 1 April 2008	**77,621,378**	**3,936,956,292**	–	–
Additions during the year/period				
Greatship Global Offshore Services Pte. Ltd. (GGOS)	**43,780,000**	**2,220,521,600**	50,321,378	2,552,300,292
Greatship Global Energy Services Pte. Ltd. (GGES)	**21,600,032**	**1,095,553,623**	27,300,000	1,384,656,000
At 31 March 2009	**143,001,410**	**7,253,031,515**	77,621,378	3,936,956,292

Name	Business activity	Country of incorporation	Effective % holding	Nominal value of shares USD
GGOS	Operate offshore supply vessels	Singapore	100.00%	94,101,378
GGES	Drilling	Singapore	73.00%	48,900,032

6. STATED CAPITAL

	2009	2008	**2009**		**2008**	
	Number	Number	**USD**	Rs.	**USD**	Rs.
Ordinary shares of no par value						
Issued and fully paid up						
At 1 April 2008	**57,580,550**	–	**57,580,550**	2,920,485,496	**–**	–
Issued during the year/period	**85,521,224**	57,580,550	**85,521,224**	4,337,636,481	**57,580,550**	2,920,485,496
At 31 March 2009	**143,101,774**	57,580,550	**143,101,774**	7,258,121,977	**57,580,550**	2,920,485,496

7. PAYABLES

	2009		2008	
	USD	**Rs.**	USD	Rs.
Accruals	**20,400**	**1,034,688**	9,500	381,140
Registration charges	**–**	**–**	41,154	1,651,098
	20,400	**1,034,688**	50,654	2,032,238

8. TAXATION

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

At 31 March 2009, the Company had accumulated tax losses of USD 58,214 (Rs. 2,660,962) (period from 30 May 2007 to 31 March 2008 - USD 23,245 (Rs. 939,098)) and is therefore not liable to income tax. The Company is subject to income tax in Mauritius at the rate of 15%. However, it is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax payable on its foreign source income.

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

A reconciliation of the actual tax rate of 0.00% and the applicable income tax rate of (15.00%) is as follows:

	2009	2008
	%	%
Applicable income tax at applicable rate	**(15.00)**	(15.00)
Impact of:		
Exempt income	**(0.07)**	(1.22)
Disallowed items	**–**	1.13
Deferred tax asset not provided	**15.07**	15.09
Actual income tax rate	**–**	–

Deferred taxation

The directors have, in accordance with the Company's accounting policy, not recognised a deferred tax asset amounting to USD 1,746 (Rs. 88,557) at 31 March 2009 which arises from accumulated tax losses.

9. RELATED PARTY TRANSACTIONS

Transactions and balances involving the Company and related parties were as follows:	**2009**		2008	
	USD	Rs.	**USD**	Rs.
Amount due to holding company:				
Greatship (India) Limited (GIL):				
At 01 April 2008	**20,048,554**	1,016,862,659	**–**	–
Expenses paid during the year/period	**–**	–	**7,330**	371,778
Expenses refunded during the year/period	**(6,298)**	(319,435)	**–**	–
Exchange gain on payment of expenses	**(1,032)**	(52,343)	**–**	–
Amount assigned on purchase of shares	**–**	–	**20,041,224**	1,016,490,881
Issue of shares for non-cash consideration (note 9(ii))	**(20,041,224)**	(1,016,490,881)	**–**	–
At 31 March 2009	**–**	–	**20,048,554**	1,016,862,659

10. HOLDING COMPANY AND ULTIMATE HOLDING COMPANY

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

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	2009		2008	
	USD	**Rs.**	USD	Rs.
Cash at bank	**62,037**	**3,146,517**	36,878	1,479,545

GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:

Naware Pradyumna Raghunath

Jaya Prakash

Venkatraman Sheshashayee

Arangannal s/o Kathamuthu

REGISTERED OFFICE:

15 Hoe Chiang Road
#06-03
Singapore 089316

REGISTRATION NUMBER:

200708009M

AUDITORS:

Shanker Iyer & Co.

COMPANY SECRETARIES:

Cheng Lian Siang
Pathima Muneera Azmi

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the company for the financial year ended 31 March 2009.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

Venkatraman Sheshashayee (Executive Director)

Arangannal s/o Kathamuthu

REVIEW OF BUSINESS

During the year under review, the company has taken delivery of its first vessel, 80 tons Anchor Handling Tug cum Supply Vessel, Greatship Abha, on 18 February 2009, which has been financed under Sale and Lease Back arrangements. This vessel is DP 2 and FiFi 1 full service vessel built by Colombo Dockyard Plc, Srilanka.

The order book of the company as on date consists of following new building vessels:

1. one 80 tons Anchor Handling Tug cum Supply Vessel.
2. four 4600 dwt Multipurpose Platform Supply and Support Vessels.
3. two Platform/ROV Support Vessels.
4. two Multipurpose Support Vessels.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2008	As at 31.03.2009
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Executive Director

22 April 2009

STATEMENT BY DIRECTORS

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

(a) the accompanying balance sheet, income statement, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2009 and of its results, changes in equity and cash flows for the financial year ended; and

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

The board of directors authorised these financial statements for issue on 22 April 2009.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Executive Director

22 April 2009.

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

We have audited the accompanying financial statements of GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD. which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion,

(a) the financial statements of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2009 and its results, changes in equity and cash flows for the financial year then ended; and

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

SHANKER IYER & CO.
Public Accountants &
Certified Public Accountants

Singapore

22 April 2009.

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009 US$	2009 Rs.	2008 US$	2008 Rs.
NON-CURRENT ASSETS					
Plant and equipment	4	**18,595,307**	**943,153,971**	2,384	95,646
Capital project in progress	5	**105,553,744**	**5,353,685,896**	45,923,322	1,842,443,679
		124,149,051	**6,296,839,867**	45,925,706	1,842,539,325
CURRENT ASSETS					
Cash and cash equivalents	6	**14,561,272**	**738,547,716**	4,297,978	172,434,877
Trade receivables	7	**4,068,412**	**206,349,857**	–	–
Other receivables	8	**458,582**	**23,259,279**	1,415	56,770
Forward currency contracts receivable	9	**14,108,544**	**715,585,352**	22,850,939	916,779,673
		33,196,810	**1,683,742,203**	27,150,332	1,089,271,320
CURRENT LIABILITIES					
Trade payables	10	**2,970,000**	**150,638,400**	–	–
Other payables	11	**929,238**	**47,130,951**	21,165	849,140
Forward currency contracts payable	9	**15,000,000**	**760,800,000**	21,732,250	871,897,870
Finance leases	12	**984,184**	**49,917,812**	–	–
Deferred gain	13	**60,830**	**3,085,298**	–	–
		19,944,252	**1,011,572,461**	21,753,415	872,747,010
NET CURRENT ASSETS		**13,252,558**	**672,169,742**	5,396,917	216,524,310
NON CURRENT LIABILITIES					
Finance leases	12	**(17,452,483)**	**(885,189,938)**	–	–
Deferred gain	13	**(425,812)**	**(21,597,185)**	–	–
Bank loan	14	**(26,468,300)**	**(1,342,472,176)**	–	–
		(44,346,595)	**(2,249,259,298)**	–	–
NET ASSETS		**93,055,014**	**4,719,750,310**	51,322,623	2,059,063,635
SHAREHOLDERS' EQUITY					
Share capital	15	**94,060,224**	**4,770,734,561**	50,280,224	2,017,242,587
Reserves	16	**(1,005,210)**	**(50,984,251)**	1,042,399	41,821,048
TOTAL EQUITY		**93,055,014**	**4,719,750,310**	51,322,623	2,059,063,635

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

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
REVENUE					
Charter hire income		**14,793,914**	**676,229,809**	–	–
Other revenue	17	**23,212**	**1,061,021**	1,415	57,166
Total revenue		**14,817,126**	**677,290,829**	1,415	57,166
EXPENSES					
Charter hire expenses	18	**12,530,776**	**572,781,771**	–	–
Staff and related costs		**726,041**	**33,187,334**	–	–
Depreciation of plant and equipment	4	**126,033**	**5,760,968**	465	18,786
Operating expenses	19	**993,877**	**45,430,118**	77,240	3,120,496
Finance cost		**477,863**	**21,843,118**	–	–
Total expenses		**14,854,590**	**679,003,309**	77,705	3,139,282
LOSS BEFORE TAXATION	20	**(37,464)**	**(1,712,479)**	(76,290)	(3,082,116)
TAXATION	21	**–**	**–**	–	–
LOSS FOR THE YEAR/PERIOD		**(37,464)**	**(1,712,479)**	(76,290)	(3,082,116)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009

	Share Capital US$	Share Capital Rs.	Accumulated Loss US$	Accumulated Loss Rs.	Fair value Reserve US$	Fair value Reserve Rs.	Total US$	Total Rs.
2009								
Balance as at 1 April 2008	**50,280,224**	2,550,212,961	**(76,290)**	(3,869,429)	**1,118,689**	56,739,906	**51,322,623**	2,603,083,439
Issuance of ordinary shares	**43,780,000**	2,220,521,600	**–**	–	**–**	–	**43,780,000**	2,220,521,600
De-recognition of fair value gain arising from forward currency contacts	**–**	–	**–**	–	**(1,118,689)**	(56,739,906)	**(1,118,689)**	(56,739,906)
Fair value loss arising from forward currency contracts (Note 9)	**–**	–	**–**	–	**(891,456)**	(45,214,648)	**(891,456)**	(45,214,648)
Loss for the year	**–**	–	**(37,464)**	(1,712,479)	**–**	–	**(37,464)**	(1,712,479)
Foreign translation difference	**–**	–	**–**	(187,695)	**–**	–	**–**	(187,695)
Balance as at 31 March 2009	**94,060,224**	**4,770,734,561**	**(113,754)**	**(5,769,603)**	**(891,456)**	**(45,214,648)**	**93,055,014**	**4,719,750,310**
2008								
Issuance of subscriber's share	**1**	40	**–**	–	**–**	–	**1**	40
Issuance of ordinary shares	**50,280,223**	2,017,242,547	**–**	–	**–**	–	**50,280,223**	2,017,242,547
Fair value gain arising from forward currency contracts (Note 9)	**–**	–	**–**	–	**1,118,689**	44,881,803	**1,118,689**	44,881,803
Loss for the period	**–**	–	**(76,290)**	(3,082,116)	**–**	–	**(76,290)**	(3,082,116)
Foreign translation difference	**–**	–	**–**	21,361	**–**	–	**–**	21,361
Balance as at 31 March 2008	**50,280,224**	2,017,242,587	**(76,290)**	(3,060,755)	**1,118,689**	44,881,803	**51,322,623**	2,059,063,635

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
Cash Flows From Operating Activities					
Loss before taxation		**(37,464)**	**(1,712,479)**	(76,290)	(3,082,116)
Adjustments for:					
Depreciation of plant and equipment	4	**126,033**	**6,392,394**	465	18,656
Interest income		**(16,110)**	**(817,099)**	(1,415)	(56,770)
Finance cost		**204,909**	**10,392,984**	–	–
Realised deferred gain		**(7,102)**	**(360,213)**	–	–
Foreign translation difference		**–**	**45,370,872**	–	21,361
Cash flows generate from/(absorbed by) operations before changes in working capital		**270,266**	**59,266,459**	(77,240)	(3,098,869)
Working capital changes, excluding changes relating to cash:					
Trade receivables		**(4,068,412)**	**(206,349,857)**	–	–
Trade payables		**2,970,000**	**150,638,400**	–	–
Other receivables		**(457,167)**	**(23,187,510)**	(1,415)	(56,770)
Other payables		**908,073**	**46,057,463**	21,165	849,140
Cash absorbed by operations		**(377,240)**	**26,424,954**	(57,490)	(2,306,499)
Interest received		**16,110**	**817,099**	1,415	56,770
Interest paid		**(204,909)**	**(10,392,984)**	–	–
Net cash absorbed by operating activities		**(566,039)**	**16,849,069**	(56,075)	(2,249,729)
Cash Flows From Investing Activities					
Purchase of plant and equipment*		**(173,039)**	**(8,776,538)**	(2,849)	(114,302)
Proceeds from sale of plant and equipment		**18,500,000**	**938,320,000**	–	–
Capital project in progress	5	**(77,636,677)**	**(3,937,732,257)**	(45,923,322)	(1,842,443,679)
Net cash absorbed by investing activities		**(59,309,716)**	**(3,008,188,796)**	(45,926,171)	(1,842,557,981)
Cash Flows From Financing Activities					
Proceeds from issuance of subscriber's share		**–**	**–**	1	40
Proceeds from issuance of ordinary shares		**43,780,000**	**2,220,521,600**	50,280,223	2,017,242,547
Proceeds from bank loan	14	**26,468,300**	**1,342,472,176**	–	–
Repayment of finance lease		**(109,251)**	**(5,541,211)**	–	–
Placement of cash at bank		**(5,518,339)**	**(279,890,154)**	–	–
Net cash generated from financing activities		**64,620,710**	**3,277,562,411**	50,280,224	2,017,242,587
Net increase in cash and cash equivalents		**4,744,955**	**286,222,685**	4,297,978	172,434,877
Cash and cash equivalents at the beginning of the year/period		**4,297,978**	**172,434,877**	–	–
Cash and cash equivalents at the end of the year/period	6	**9,042,933**	**458,657,562**	4,297,978	172,434,877

* Motor vessel of US$18,545,918 (Rs. 940,648,961/-) was acquired under finance lease.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. CORPORATE INFORMATION

Greatship Global Offshore Services Pte. Ltd. (Company Registration No. 200708009M) is domiciled in Singapore. The company's registered office is at 15 Hoe Chiang Road, #06-03, Singapore 308900.

The Company is providing offshore oilfield services with the principal activity of owning and operating offshore supply of vessels. There have been no significant changes in the nature of these activities during the financial year. The company is currently involved in the activities relating to the construction of the vessels.

The financial statements of GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD. as at 31 March 2009 were authorised and approved by the Board of Directors for issuance on 22 April 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

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

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date.

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

b) Foreign currency translation

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

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

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

c) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement. When plant and equipment are sold or retired, their cost and accumulated depreciation and accumulated impairment losses (if any) are removed from the financial statements and any gain or loss resulting from their disposal is included in the income statement.

d) Depreciation of plant and equipment

Depreciation is calculated to write off the cost of plant and equipment by the straight-line method over their estimated useful lives. The estimated useful lives used are as follows:

Computers	3 - 5 years
Office equipment	1 - 3 years
Furniture, fixture & renovation	5 years
Motor vessel	20 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

e) Capital project in progress

Capital project in progress is stated at cost. Expenditure relating to the construction of a vessel is capitalised when incurred up to the completion of construction. No depreciation is provided on capital project in progress.

f) Cash and cash equivalents

Cash and cash equivalents include cash at bank, cash on hand, and fixed deposits.

g) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter year. Income is recognised on an effective interest rate basis for debt instruments.

h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and present value of estimated future cash flows, discounted at original effective interest rate. The amount of the allowance is recognised in the income statement.

i) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge – currency forwards

The company has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or the income statement when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion are recognised immediately in the income statement. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the income statement immediately.

j) Trade and other payables

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

k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

The following specific recognition criteria must also be met before revenue is recognised:

(i) Ship chartering income is recognised on accrual basis.

(ii) Interest income is recognised on a time proportionate basis.

l) Income tax

Income tax expense is calculated on the basis of tax effect accounting, using the liability method and is applied to all significant temporary differences.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax credit and unused tax losses can be utilised.

At each balance sheet date, the company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

m) Impairment of assets

i. Non-financial assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ii. Financial assets

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

The allowance for impairment loss account is reduced through the income statement in a subsequent year when the amount of impairment loss decreases and the related decrease can be objectively measured.

n) Provisions

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

o) Employee benefits

Defined Contribution Plan

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as an expense in the income statement in the same year as the employment that gives rise to the contributions.

p) Leases

Finance lease

Lease of assets where the company assumes substantially the risks and rewards of ownerships are classified as finance leases.

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

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

Operating lease

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

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

q) Share capital

Ordinary shares issued by the company are classified as equity and recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Plant and equipment

Management determines the estimated useful lives and residual values for the company's plant and equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

4. PLANT AND EQUIPMENT

	Computers		Office Equipments		Furniture, fixture & renovation		Motor vessel		Total	
	US$	Rs.	**US$**	Rs.	**US$**	Rs.	**US$**	Rs.	**US$**	Rs.
Cost										
At 1 April 2008	**2,635**	133,647	**214**	10,854	**–**	–	**–**	–	**2,849**	144,501
Additions	**30,559**	1,549,952	**18,807**	953,891	**123,672**	6,272,644	**36,551,871**	1,853,910,897	**36,724,909**	1,862,687,384
Disposal	**–**	–	**(214)**	(10,854)	**–**	–	**(18,005,953)**	(913,261,936)	**(18,006,167)**	(913,272,790)
At 31 March 2009	**33,194**	1,683,600	**18,807**	953,891	**123,672**	6,272,644	**18,545,918**	940,648,961	**18,721,591**	949,559,096
Accumulated depreciation										
At 1 April 2008	**251**	12,731	**214**	10,854	**–**	–	**–**	–	**465**	23,585
Charge for the year	**3,438**	174,375	**2,098**	106,411	**13,794**	699,632	**106,703**	5,411,976	**126,033**	6,392,394
Disposal	**–**	–	**(214)**	(10,854)	**–**	–	**–**	–	**(214)**	(10,854)
At 31 March 2009	**3,689**	187,106	**2,098**	106,411	**13,794**	699,632	**106,703**	5,411,976	**126,284**	6,405,124
Net Book Value										
At 31 March 2009	**29,505**	1,496,494	**16,709**	847,480	**109,878**	5,573,012	**18,439,215**	935,236,985	**18,595,307**	943,153,971

	Computers		Office Equipments		Total	
	US$	Rs.	**US$**	Rs.	**US$**	Rs.
Cost						
Additions	**2,635**	133,647	**214**	10,854	**2,849**	144,501
At 31 March 2008	**2,635**	133,647	**214**	10,854	**2,849**	144,501
Accumulated depreciation						
Charge for the period	**251**	12,731	**214**	10,854	**465**	23,585
At 31 March 2008	**251**	12,731	**214**	10,854	**465**	23,585
Net Book Value						
At 31 March 2008	**2,384**	120,916	**–**	–	**2,384**	120,916

Plant and equipment as at 31 March 2009 includes motor vessel acquired under hire purchase with net book value of US$ 18,439,215 (Rs. 935,034,105) (note 12).

5. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of vessels. The management expects the construction to be completed in the fourth quarter of year 2009. The total expected costs of the project are estimated to be approximately US$ 300 million (Rs. 15,216,000,000/-).

Capital project in progress as at 31 March 2009 includes hulls under construction amounting to US$ 59,290,827 (Rs. 3,007,230,745) which are mortgaged towards the banking facility (note 14).

6. CASH AND CASH EQUIVALENTS

	2009		2008	
	US$	**Rs.**	US$	Rs.
Cash at bank	**14,559,795**	**738,472,802**	297,978	11,954,877
Cash on hand	**1,477**	**74,913**	–	–
Fixed deposits	**–**	**–**	4,000,000	160,480,000
	14,561,272	**738,547,716**	4,297,978	172,434,877

The carrying amount of cash at bank includes cash collateralised towards letter of credit facilities amounting to US$ 5,518,339 (Rs. 279,890,154/-)(note 25).

The fixed deposits had an average maturity of 1 week from the end of the financial period with an average effective interest rate of 2.08% per annum.

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Singapore dollars	**1,428,428**	**72,449,868**	–	–
United States dollars	**13,132,844**	**666,097,848**	4,297,978	172,434,877
	14,561,272	**738,547,716**	4,297,978	172,434,877

For the purpose of the cash flow statement, the year end cash and cash equivalents comprise the following:

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Cash at bank	**14,559,795**	**738,472,802**	297,978	11,954,877
Cash on hand	**1,477**	**74,913**	-	-
Fixed deposits	**-**	**-**	4,000,000	160,480,000
	14,561,272	**738,547,716**	4,297,978	172,434,877
Less : cash at bank collateralised for letter of credit	**(5,518,339)**	**(279,890,154)**	-	-
Cash and cash equivalents per cash flow statement	**9,042,933**	**458,657,562**	4,297,978	172,434,877

7. TRADE RECEIVABLES

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Third parties	**3,339,340**	**169,371,325**	–	–
Related company	**729,072**	**36,978,532**	–	–
	4,068,412	**206,349,857**	–	–

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

Trade receivables are recognised at their original invoiced amounts which represent their fair values on initial recognition.

The amounts owing by related company are unsecured, interest-free and are repayable within the next twelve months.

The carrying amounts of trade receivables approximate their fair values and are denominated in the United States dollars.

8. OTHER RECEIVABLES

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Third parties:				
Deposits	**70,240**	**3,562,573**	–	–
Prepayments	**29,386**	**1,490,458**	–	–
Other debtors	**227,399**	**11,533,677**	1,415	56,770
	327,025	**16,586,708**	1,415	56,770
Related company	**131,557**	**6,672,571**	–	–
	458,582	**23,259,279**	1,415	56,770

The carrying amounts of other debtors represent advance payment to vendor and agents.

The carrying amounts of amounts owing by related company represent payment on behalf to related company.

The amounts owing by related company are unsecured, interest-free and are repayable within the next twelve months.

The carrying amounts of other receivables approximate their fair values and are denominated in the following currencies:

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Singapore dollars	**199,697**	**10,128,632**	–	–
United States dollars	**258,885**	**13,130,647**	1,415	56,770
	458,582	**23,259,279**	1,415	56,770

9. FORWARD CURRENCY CONTRACTS RECEIVABLE/(PAYABLE)

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Forward currency contracts receivable	**14,108,544**	**715,585,352**	22,850,939	916,779,673
Forward currency contracts payable	**(15,000,000)**	**(760,800,000)**	(21,732,250)	(871,897,870)
Fair value reserve (Note 16)	**(891,456)**	**(45,214,648)**	1,118,689	44,881,803

10. TRADE PAYABLES

The carrying amounts of trade payables approximate their fair values and are denominated in the United States dollars.

11. OTHER PAYABLES

	2009		2008	
	US$	**Rs.**	US$	Rs.
Accruals	**269,233**	**13,655,498**	16,797	673,896
Other creditors	**660,005**	**33,475,454**	4,368	175,244
	929,238	**47,130,951**	21,165	849,140

The carrying amounts of other payables approximate their fair values and are denominated in the following currencies:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Singapore dollars	**300,600**	**15,246,432**	16,797	673,896
United States dollars	**628,638**	**31,884,519**	4,368	175,244
	929,238	**47,130,951**	21,165	849,140

12. FINANCE LEASES

	2009		2008	
	US$	**Rs.**	US$	Rs.
Due within one year	**4,476,220**	**227,033,878**	–	–
Due within two to five years	**15,806,020**	**801,681,334**	–	–
Due over five years	**9,570,757**	**485,428,795**	–	–
	29,852,997	**1,514,144,008**	–	1,543,997,005
Finance charge allocated to future periods	**(11,416,330)**	**(579,036,258)**	–	–
	18,436,667	**935,107,750**	–	1,543,997,005
Representing finance lease liabilities:				
Current	**984,184**	**49,917,812**	–	–
Non-current	**17,452,483**	**885,189,938**	–	–
	18,436,667	**935,107,750**	–	–

The finance leases bear interest at flat rate of 9.47% per annum (2008: Nil). The company's obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the Bareboat Charter Guarantor.

The finance leases are denominated in United States dollars.

13. DEFERRED GAIN

	2009		2008	
	US$	**Rs.**	US$	Rs.
Deferred gain	**493,714**	**25,041,174**	–	–
Transfer to income statement (Note 17)	**(7,102)**	**(360,213)**	–	–
	486,642	**24,680,961**	–	–
Less: current portion	**(60,830)**	**(3,085,298)**	–	–
Non-current portion	**425,812**	**21,595,663**	–	–

During the year, company entered into a lease agreement whereby the company sold and leased back a motor vessel with net book value of US$ 18,545,918 (Rs. 940,648,961/-). The gain arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from 18 February 2009. The holding company has guaranteed the repayment of these future lease obligations, and accordingly has become the primary obligor under the lease agreement.

14. BANK LOAN

During the financial year, the company obtained a loan with credit facility for US$ 136 million (Rs. 6,898 million) from a financial institution. The loan was subject to interest ranging from 2.40% to 4.78% per annum and is repayable within ten years of the final delivery date of the vessels. The subject loan is secured by:-

1) A first assignment of the shipbuilding and engine contracts between the company and Keppel Singmarine Pte Ltd.

2) Letter of undertaking from its ultimate holding company.

3) First assignment of mortgage over the hulls (note 5).
4) Assignment of insurances and requisition compensation
5) Assignment of earnings on default

The carrying amount of bank loan approximates its fair value and is denominated in United States dollars.

15. SHARE CAPITAL

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Issued and fully paid				
94,060,224 ordinary shares	**94,060,224**	**4,770,734,561**	50,280,224	2,017,242,587

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

During the financial year, the company increased its paid up share capital from US$ 50,280,224 to US$ 94,060,224 by way of further allotment of 43,780,000 ordinary shares for cash consideration to provide funds for the construction of the vessels.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meeting of the company. All shares rank equally with regards to the company's residual assets.

16. RESERVES

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Fair value reserve				
Balance at the beginning of the year/period	**1,118,689**	**56,739,906**	–	–
De-recognition of fair value gain arising from forward currency contacts	**(1,118,689)**	**(56,739,906)**	–	–
Fair value (loss)/gain arising from forward currency contracts (Note 9)	**(891,456)**	**(45,214,648)**	1,118,689	56,739,906
Balance at the end of the year/period	**(891,456)**	**(45,214,648)**	1,118,689	56,739,906
Accumulated loss				
Balance at the beginning of the year/period	**(76,290)**	**(3,869,429)**	–	–
Loss for the period	**(37,464)**	**(1,900,174)**	(76,290)	(3,869,429)
Balance at the end of the year/period	**(113,754)**	**(5,769,603)**	(76,290)	(3,869,429)
Total reserves	**(1,005,210)**	**(50,984,251)**	1,042,399	52,870,477

17. OTHER INCOME

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Interest on cash collateralised for letter of credit	**7,397**	**338,117**	–	–
Interest on fixed deposit	**8,713**	**398,271**	1,415	57,166
Deferred gain	**7,102**	**324,632**	–	–
	23,212	**1,061,021**	1,415	57,166

18. CHARTER HIRE EXPENSES

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Charter hire	**11,836,060**	**541,026,303**	–	–
Fuel and fresh water	**124,088**	**5,672,062**	–	–
Repairs and maintenance	**249,268**	**11,394,040**	–	–
Others	**321,360**	**14,689,366**	–	–
	12,530,776	**572,781,771**	–	–

19. OPERATING EXPENSES

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Bank charges	**72,838**	**3,329,425**	41,414	1,673,126
Professional fees	**95,473**	**4,364,071**	28,470	1,150,188
Office rental	**152,034**	**6,949,474**	–	–
Withholding tax expenses	**476,162**	**21,765,365**	–	–
Telephone expenses	**23,248**	**1,062,666**	–	–
Travelling expenses	**132,818**	**6,071,111**	1,202	48,561
Others	**41,304**	**1,888,006**	6,154	248,622
	993,877	**45,430,118**	77,240	3,120,496

20. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
CPF contributions	**13,171**	**602,046**	–	–
Directors' remuneration	**131,557**	**6,013,470**	–	–

21. TAXATION

	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
Current year tax provision	–	–	–	–
	–	–	–	–

In view of the loss for the financial year, no provision for taxation has been made for the company.

The current year income tax benefit varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2008:18%) to loss before income tax as a result of the following differences:

	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
Accounting loss	**(37,464)**	**(1,712,479)**	(76,290)	(3,082,116)
Income tax benefit at statutory rate	**(6,369)**	**(291,127)**	(24,563)	(992,345)
Non-deductible items	**1,792**	**81,912**	24,563	992,345
Exempt Income	**4,577**	**209,215**	–	–
	–	–	–	–

Future tax benefits arising from excess of tax written down value over net book value of plant and equipment have not been recognised since there is no reasonable certainty of their recovery in the future years.

The Company has been awarded the Approved International Shipping Enterprise (AIS) Incentive by the Ministry of Transport with effect from 30 June 2008. Accordingly, the Company qualifies for tax exemption under Section 13F of the Singapore Income Tax Act.

22. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Greatship Global Holdings Ltd., a company incorporated in the Republic of Mauritius which is the wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India and the intermediate holding company.

The ultimate holding company is The Great Eastern Shipping Co. Ltd. which is the parent company of Greatship (India) Limited.

23. SIGNIFICANT RELATED PARTIES TRANSACTIONS

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

	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
Charter hire income from related company	**729,072**	**33,325,881**	–	–

24. BANKING FACILITIES

During the financial year, a payment guarantee of US$ 19,482,000 (Rs. 988,127,040) (2008: US$ 19,482,000 (Rs. 781,617,840/-)) from a financial institution has been provided to a shipyard against a corporate guarantee provided by the bank.

25. CAPITAL AND OPERATING LEASE COMMITMENT

(i) Operating lease commitments - where a company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2009 US$	2009 Rs.	08.05.07 to 31.03.2008 US$	08.05.07 to 31.03.2008 Rs.
Due within one year				
Office lease	**241,615**	**12,254,713**	–	–
Charter hire	**12,045,000**	**610,922,400**	–	–
	12,286,615	**623,177,113**	–	–
Due in 2 to 5 years				
Office lease	**342,288**	**17,360,847**	–	–
Charter hire	**4,290,000**	**217,588,800**	–	–
	4,632,288	**234,949,647**	–	–
Operating lease commitments	**16,918,903**	**858,126,760**	–	–

Operating lease payments represent rentals payable by the company for office premises and charter hire. The leases have varying terms and renewal rights.

(ii) Operating lease commitments - where a company is a lessor

At the balance sheet date, the future minimum lease receipts of the company under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	2009		08.05.07 to 31.03.2008	
	US$	**Rs.**	US$	Rs.
Due within one year	**13,505,000**	**684,973,600**	–	–
Due within two to five years	**4,810,000**	**243,963,200**	–	–
	18,315,000	**928,936,800**	–	–

(iii) At the balance sheet date, the Company has commitments in respect of operating leases as follows:

As at the date of this report, the Company has the letters of credit amounting to US$ 5,061,302 (Rs. 256,709,237) (2008: Nil) and are denominated in the United States dollars (note 6).

The company has capital expenditure contracted for at the balance sheet date but not recognised in the financial statements in respect to the completion of the construction of vessels amounting to approximately US$ 179 million (Rs. 9,079 million) (2008: US$ 330 million (Rs. 13,240 million))

26. FINANCIAL AND CAPITAL RISK MANAGEMENT

a) Liquidity risk

The company manages its liquidity risk through funds generated from its day to day operations. Further the directors have also reviewed the projected cash flows and business outlook of the company. They believe that the company will have sufficient liquidity from its operations and funding from related companies to meet its financial obligations when they fall due. The holding company also provides financial support to finance the company's operations as required.

b) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency. The company do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions, except for transaction in Euro which are being used for payment of capital project in progress.

The company's currency exposure to Singapore dollars is as follows:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Financial assets				
Cash and cash equivalents	**1,428,428**	**72,449,868**	–	–
Other receivables	**199,697**	**10,128,632**	–	–
	1,628,125	**82,578,500**	–	–
Financial liabilities				
Other payables	**(300,600)**	**(15,246,432)**	(16,797)	(673,896)
	(300,600)	**(15,246,432)**	(16,797)	(673,896)
Currency exposure	**1,327,525**	**67,332,068**	(16,797)	(673,896)

At 31 March 2009, an estimated 10% (2008: 12%) currency fluctuation in Singapore dollars against the United States dollars, with all other variables including tax rate being held constant, the company's loss after tax for the financial year would have been lower/higher by approximately US$ 132,753 (Rs. 6,733, 232/-) (2008: US$ 2,016 (Rs. 80,882/-)) as result of currency translation.

c) Credit risk

The carrying amount of trade and other receivables represents the company's maximum exposure to credit risk. The company have no significant concentrations of credit risk with any single customer.

The credit risk for trade receivables is as follows:

	2009		2008	
	US$	**Rs.**	US$	Rs.
By geographical area				
India	**4,060,782**	**205,962,863**	–	–

The ageing analysis for the trade receivables of the company as at year end is as follows:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Due less than 30 days	**1,876,672**	**95,184,804**	–	–
Due from 30 to 90 days	**2,184,110**	**110,778,059**	–	–
	4,060,782	**205,962,863**	–	–

d) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates except for the loan as disclosed in Note 12 and 14 of the financial statements.

e) Capital risk

The objectives when managing capital are: to safeguard the group and the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The management sets the amount of capital in proportion to risk. The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Board of Directors' monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables, finance lease and loan less cash and bank balances. Total capital is calculated as equity plus net debt.

	2009		2008	
	US$	**Rs.**	US$	Rs.
Net debt	**34,242,933**	**1,736,801,562**	(4,276,813)	(171,585,738)
Total equity	**93,055,014**	**4,719,750,310**	51,322,623	2,059,063,635
Total capital	**127,297,947**	**6,456,551,872**	47,045,810	1,887,477,897

The company is not subject to externally imposed capital requirements.

f) Fair values

The carrying amounts of cash and cash equivalents, trade and other receivables, forward currency contracts receivable, trade and other payables, forward currency contract payable, finance lease and deferred gain approximate their fair values due to their short-term nature.

27. COMPARATIVE FIGURES

The financial statements for 31 March 2009 cover period for 12 months from 1 April 2008 to 31 March 2009 while the previous financial statements cover the financial period from 8 May 2007 to 31 March 2008, hence the income statement, changes in equity, cash flows and related notes are not comparable.

GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Venkatraman Sheshashayee Arangannal s/o Kathamuthu
REGISTERED OFFICE:	15 Hoe Chiang Road #06-03 Singapore 089 316
REGISTRATION NUMBER:	200615858G
AUDITORS:	Shanker Iyer & Co.
COMPANY SECRETARIES:	Cheng Lian Siang Pathima Muneera Azmi

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the company for the financial year ended 31 March 2009.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

Venkatraman Sheshashayee (Executive Director)

Arangannal s/o Kathamuthu

REVIEW OF BUSINESS

During the year under review, the company had entered into Bareboat Charter agreement with Mercator Offshore Ltd., Singapore for incharter of a 350' jack up rig, which was delivered to the company on March 11, 2009. This rig has been sub chartered to Greatship (India) Limited (Intermediate Holding company) and is now operating in the West coast of India under a contract with ONGC for a period of three years. The construction of the owned rig of the company at Keppel Fels Ltd., Singapore is progressing well and would be delivered to the company in the 3rd quarter of the F.Y. 2010. The rig would then be delivered to Greatship (India) Limited under bareboat arrangement for their further charter to ONGC for a contract of 5 years.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2008	As at 31.03.2009
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITORS

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Executive Director

22 April 2009

STATEMENT BY DIRECTORS

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

(a) the accompanying balance sheet, income statement, statement of changes in equity and cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2009 and of its results, changes in equity and cash flows for the financial year ended on that date; and

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

The board of directors authorised these financial statements for issue on 22 April 2009.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Executive Director
22 April 2009

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

We have audited the accompanying financial statements of GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD. which comprise the balance sheet as at 31 March 2009, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

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

(b) selecting and applying appropriate accounting policies; and

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

Auditors' Responsibility

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

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

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

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

Without qualifying our opinion, we draw attention to Note 4 to the financial statements which indicate that the company incurred a net loss of US$ 130,148 (Rs 5,949,065) 2008: US$ 375,312 (Rs. 15,162,605) and as of that date, the company's current liabilities exceeded its current assets by US$64,083,004 (Rs. 3,250,289,963). The financial statements have been prepared on a going concern basis as the holding company has undertaken to provide continuing financial support until such time as the company is able to operate on its own financial resources.

Opinion

In our opinion,

(a) the financial statements of the company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2009 and its results, changes in equity and cash flows for the financial year ended on that date; and

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

SHANKER IYER & CO.
Public Accountants and
Certified Public Accountants

Singapore
22 April 2009

BALANCE SHEET AS AT 31 MARCH 2009

	Note	2009		2008	
		US$	**Rs.**	US$	Rs.
NON-CURRENT ASSETS					
Plant and equipment	5	**16,975**	**860,972**	4,097	164,372
Capital project in progress	6	**129,840,121**	**6,585,490,937**	44,963,305	1,803,927,797
CURRENT ASSETS					
Cash and cash equivalents	7	**6,976,208**	**353,833,270**	183,234	7,351,348
Forward currency contracts receivable	8	**9,315,391**	**472,476,632**	19,800,961	794,414,555
Trade receivables	9	**2,106,435**	**106,838,383**	–	–
Other receivables	10	**4,659,450**	**236,327,304**	–	–
		23,057,484	**1,169,475,588**	19,984,195	801,765,903
CURRENT LIABILITIES					
Trade payables	11	**1,919,533**	**97,358,714**	–	–
Other payables	12	**4,748,525**	**240,845,188**	161,851	6,493,462
Forward currency contracts payable	8	**10,000,000**	**507,200,000**	19,283,611	773,658,473
Loan	13	**70,472,430**	**3,574,361,650**	–	–
		87,140,488	**4,419,765,551**	19,445,462	780,151,935
NET CURRENT (LIABILITIES)/ASSETS		**(64,083,004)**	**(3,250,289,963)**	538,733	21,613,968
NET ASSETS		**65,774,092**	**3,336,061,946**	45,506,135	1,825,706,136
SHAREHOLDERS' EQUITY					
Share capital	14	**66,964,161**	**3,396,422,246**	45,364,097	1,820,007,572
Reserves	15	**(1,190,069)**	**(60,360,300)**	142,038	5,698,565
TOTAL EQUITY		**65,774,092**	**3,336,061,946**	45,506,135	1,825,706,136

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

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	01.04.08 to 31.03.09 US$	01.04.08 to 31.03.09 Rs.	23.10.06 to 31.03.08 US$	23.10.06 to 31.03.08 Rs.
REVENUE					
Charter hire income		**2,105,260**	**96,231,435**	–	–
Foreign exchange gain		**–**	**–**	2,836	114,574
Total revenue		**2,105,260**	**96,231,435**	2,836	114,574
EXPENSES					
Charter hire expenses		**1,919,533**	**87,741,853**	–	–
Staff and related costs		**200,917**	**9,183,916**	–	–
Depreciation of plant and equipment	5	**2,665**	**121,817**	373	15,069
Operating expenses	16	**112,293**	**5,132,913**	377,775	15,262,110
Total expenses		**2,235,408**	**102,180,500**	378,148	15,277,179
LOSS BEFORE TAXATION		**(130,148)**	**(5,949,065)**	(375,312)	(15,162,605)
TAXATION	17	**–**	**–**	–	–
LOSS FOR THE YEAR/PERIOD		**(130,148)**	**(5,949,065)**	(375,312)	(15,162,605)

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2009

	Share Capital US$	Share Capital Rs.	Fair value Reserve US$	Fair value Reserve Rs.	Accumulated Losses US$	Accumulated Losses Rs.	Total US$	Total Rs.
2009								
Balance as at 1 April 2008	**45,364,097**	2,300,867,000	**517,350**	26,239,992	**(375,312)**	(19,035,825)	**45,506,135**	2,308,071,167
Issuance of ordinary shares	**21,600,064**	1,095,555,246	**–**	–	**–**	–	**21,600,064**	1,095,555,246
Fair value loss arising from forward currency contracts (Note 8)	**–**	–	**(684,609)**	(34,723,368)	**–**	–	**(684,609)**	(34,723,368)
De-recognition of fair value gain arising from forward currency contacts	**–**	–	**(517,350)**	(26,239,992)	**–**	–	**(517,350)**	(26,239,992)
Loss for the year	**–**	–	**–**	–	**(130,148)**	(5,949,065)	**(130,148)**	(5,949,065)
Foreign Translation difference	**–**	–	**–**	–	**–**	(652,041)	**–**	(652,041)
Balance as at 31 March 2009	**66,964,161**	3,396,422,246	**(684,609)**	(34,723,368)	**(505,460)**	(25,636,931)	**65,774,092**	3,336,061,946
2008								
Issuance of subscribers shares	**1**	40	**–**	–	**–**	–	**1**	40
Issuance of ordinary shares	**45,364,096**	1,820,007,532	**–**	–	**–**	–	**45,364,096**	1,820,007,532
Fair value loss arising from forward currency contracts (Note 8)	**–**	–	**517,350**	20,756,082	**–**	–	**517,350**	20,756,082
Loss for the year	**–**	–	**–**	–	**(375,312)**	(15,162,605)	**(375,312)**	(15,162,605)
Foreign Translation difference	**–**	–	**–**	–	**–**	105,088	**–**	105,088
Balance as at 31 March 2008	**45,364,097**	1,820,007,572	**517,350**	20,756,082	**(375,312)**	(15,057,517)	**45,506,135**	1,825,706,137

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

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	Note	2009 US$	2009 Rs.	23.10.06 to 31.03.08 US$	23.10.06 to 31.03.08 Rs.
Cash Flows From Operating Activities					
Loss before taxation		**(130,148)**	**(5,949,065)**	(375,312)	(15,162,605)
Adjustments for:					
Depreciation of plant and equipment	**5**	**2,665**	**135,169**	373	14,965
Foreign Translation difference		**–**	**1,290,238**	–	105,088
Cash flows absorbed by operations before changes in working capital		**(127,483)**	**(4,523,658)**	(374,939)	(15,042,552)
Working capital changes, excluding changes relating to cash					
Trade receivables		**(2,106,435)**	**(106,838,383)**	–	–
Other receivables		**(4,659,450)**	**(236,327,304)**	–	–
Trade payables		**1,919,533**	**97,358,714**	–	–
Other payables		**4,586,674**	**232,636,105**	161,851	6,493,462
Net cash absorbed by operating activities		**(387,161)**	**(17,694,526)**	(213,088)	(8,549,090)
Cash Flows From Investing Activity					
Purchase of plant and equipment	**5**	**(15,543)**	**(788,341)**	(4,470)	(179,336)
Capital project in progress	**6**	**(84,876,816)**	**(4,304,952,108)**	(44,963,305)	(1,803,927,797)
Net cash absorbed by investing activity		**(84,892,359)**	**(4,305,740,448)**	(44,967,775)	(1,804,107,133)
Cash Flows From Financing Activities					
Proceeds from issuance of subscriber's shares	**14**	**–**	**–**	1	40
Proceeds from issuance of ordinary shares	**14**	**21,600,064**	**1,095,555,246**	45,364,096	1,820,007,532
Draw–down of loan	**13**	**70,472,430**	**3,574,361,650**	–	–
Net cash generated from financing activities		**92,072,494**	**4,669,916,896**	45,364,097	1,820,007,572
Net increase in cash and cash equivalents		**6,792,974**	**346,481,921**	183,234	7,351,349
Cash and cash equivalents at the beginning of the year/period		**183,234**	**7,351,349**	–	–
Cash and cash equivalents at the end of the year/period	**7**	**6,976,208**	**353,833,270**	183,234	7,351,349

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009

1. CORPORATE INFORMATION

Greatship Global Energy Services Pte. Ltd. (Company Registration No. 200615858G) is domiciled in Singapore with its registered office at 15 Hoe Chiang Road, #06-03, Singapore 089316.

The company is providing offshore oilfield services with the principal activity of owning and operating mobile offshore drilling units and chartered income. There have been no significant changes in the nature of these activities during the financial year. The company is currently involved in the activities relating to the construction of Jack up Drilling rig.

The financial statements of GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD. as at 31 March 2009 and for the year then ended were authorised and approved by the Board of Directors for issuance on 22 April 2009.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

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

In the current financial year, the company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are mandatory for application from that date.

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

b) Foreign currency translation

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

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

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

c) Plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the income statement. When plant and equipment are sold or retired, their cost and accumulated depreciation and accumulated impairment losses (if any) are removed from the financial statements and any gain or loss resulting from their disposal is included in the income statement.

d) Depreciation of plant and equipment

Depreciation is calculated to write off the cost of plant and equipment by the straight-line method over their estimated useful lives. The estimated useful lives used are as follows:

Computers	3 - 5 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

e) Capital project in progress

Capital project in progress is stated at cost. Expenditure relating to the construction of a vessel is capitalised when incurred up to the completion of construction. No depreciation is provided on capital project in progress.

f) Cash and cash equivalents

Cash and cash equivalents include cash in hand and bank balances.

g) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The carrying amount of a derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, and as a current asset or liability if the remaining expected life of the hedged item is less than 12 months. The fair value of a trading derivative is presented as a current asset or liability.

Cash flow hedge – currency forwards

The company has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or the income statement when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion are recognised immediately in the income statement. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the income statement immediately.

h) Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter year. Income is recognised on an effective interest rate basis for debt instruments.

i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method less allowance for impairment. An allowance for impairment of receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and present value of estimated future cash flows, discounted at original effective interest rate. The amount of the allowance is recognised in the income statement.

j) Other payables

Other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest rate method.

k) Impairment of assets

i. Non-financial assets

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of the impairment loss (if any). An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss is charged to the income statement unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

ii. Financial assets

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

The allowance for impairment loss account is reduced through the income statement in a subsequent year when the amount of impairment loss decreases and the related decrease can be objectively measured.

l) Income tax

Income tax expense is calculated on the basis of tax effect accounting, using the liability method and is applied to all significant temporary differences.

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unabsorbed capital allowances and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax credit and unused tax losses can be utilised.

At each balance sheet date, the company re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The company recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The company conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

m) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Rig chartering income is recognised on accrual basis

n) Employee benefits

Defined Contribution Plan

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as an expense in the income statement in the same year as the employment that gives rise to the contributions.

o) Provisions

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

p) Share capital

Ordinary shares issued by the company are classified as equity and recorded at the proceeds received, net of direct issue costs.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Plant and equipment

Management determines the estimated useful lives and residual values for the company's plant and equipment. Management will revise the depreciation charge where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

4. GOING CONCERN

The company incurred a net loss of US$130,148 (Rs. 5,949,065) (2008: US$ 375,312 (Rs. 3,250,289,963)) and as of that date, the company's current liabilities exceeded its current assets by US$ 64,083,004 (Rs. 3,250,289,963). The directors have reviewed the projected cash flows and business outlook of the company and are of the opinion that the basis upon which the financial statements are prepared is appropriate in the circumstances. They expect that the rig under construction will be delivered in October 2009. The company has entered into bareboat charter agreement to lease the rig for five years to its related company. The rig has useful life of 30 years. The company will be operating the rig with contracts for the remaining life of the rig. It has also chartered in and chartered out one rig to a related company in March 2009.

5. PLANT AND EQUIPMENT

	Computers US$	Computers Rs.
2009		
Cost		
At 1 April 2008	**4,470**	226,718
Additions	**15,543**	788,341
At 31 March 2009	**20,013**	1,015,059
Accumulated depreciation		
At 1 April 2008	**373**	18,919
Charge for the year	**2,665**	135,169
At 31 March 2009	**3,038**	154,087
Net Book Value		
At 31 March 2009	**16,975**	860,972

6. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of a Jack up Drilling rig. The management expects the construction to be completed in the fourth quarter of year 2009. The total expected costs of the project are estimated to be approximately US$ 205 million (Rs. 10,397.6 million).

7. CASH AND CASH EQUIVALENTS

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Cash on hand	**2,686**	**136,234**	751	30,130
Cash at bank	**6,973,522**	**353,697,036**	182,483	7,321,218
	6,976,208	**353,833,270**	183,234	7,351,348

The carrying amounts of cash and cash equivalents approximate their fair values and are denominated in the following currencies:

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Singapore dollars	**432,234**	**21,922,908**	11,156	447,579
United States dollars	**6,543,974**	**331,910,361**	172,078	6,903,769
	6,976,208	**353,833,270**	183,234	7,351,348

8. FORWARD CURRENCY CONTRACTS RECEIVABLE/(PAYABLE)

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Forward currency contracts receivable	**9,315,391**	**472,476,632**	19,800,961	794,414,555
Forward currency contracts payable	**(10,000,000)**	**(507,200,000)**	(19,283,611)	(773,658,473)
Fair value reserve (Note 15)	**(684,609)**	**(34,723,368)**	517,350	20,756,082

9. TRADE RECEIVABLES

	2009 US$	2009 Rs.	2008 US$	2008 Rs.
Third parties	**1,175**	**59,596**	–	–
Related company	**2,105,260**	**106,778,787**	–	–
	2,106,435	**106,838,383**	–	–

The amounts due from related company are unsecured, interest free, and repayable within next twelve months.

The carrying amounts of trade receivables approximate their fair values and are denominated in the following currencies:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Singapore dollars	**1,175**	**59,596**	–	–
United States dollars	**2,105,260**	**106,778,787**	–	–
	2,106,435	**106,838,383**	–	–

10. OTHER RECEIVABLES

	2009		2008	
	US$	**Rs.**	US$	Rs.
Advance to creditors	**854,901**	**43,360,579**	–	–
Deposits and prepayment	**68,858**	**3,492,478**	–	–
Related company	**3,735,691**	**189,474,248**	–	–
	4,659,450	**236,327,304**	–	–

The amounts due from related company are unsecured, interest free, and repayable within next twelve months.

The carrying amounts of other receivables approximate their fair values and are denominated in the following currencies:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Singapore dollars	**9,258**	**469,566**	–	–
United States dollars	**4,650,192**	**235,857,738**	–	–
	4,659,450	**236,327,304**	–	–

11. TRADE PAYABLES

The carrying amounts of trade payables approximate their fair values and are denominated in the United States dollars.

12. OTHER PAYABLES

	2009		2008	
	US$	**Rs.**	US$	Rs.
Third Parties: Accruals	**1,028,535**	**52,167,295**	20,345	816,241
Share application money	**–**	**–**	32	1,284
Other creditors	**3,588,433**	**182,005,322**	141,474	5,675,937
	4,616,968	**234,172,617**	161,851	6,493,462
Related company	**131,557**	**6,672,571**	–	–
	4,748,525	**240,845,188**	161,851	6,493,462

Other creditors represent payables incurred on account of third parties in relation with the charter hire.

The amounts owing to related company are unsecured, interest free, and repayable within next twelve months. The carrying amounts of other payables approximate their fair values and are denominated in the following currencies:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Singapore dollars	**164,472**	**8,342,020**	20,345	816,241
United States dollars	**4,584,053**	**232,503,168**	141,506	5,677,221
	4,748,525	**240,845,188**	161,851	6,493,462

13. LOAN

During the financial year, the company obtained a loan with credit facility for US$ 90 million (Rs. 4,564.8 million) from a financial institution. The loan was subject to interest ranging from 2.7475% to 4.075% per annum. The subject loan is secured by:-

1) A first assignment of the rig building contract between the company and Keppel Fels Limited.

2) Letter of undertaking from its ultimate holding company.

As at 31 March 2009, the company also has outstanding Letter of Credit facility provided to the yard, secured by a corporate guarantee provided by the ultimate holding company.

14. SHARE CAPITAL

	2009		2008	
	US$	**Rs.**	US$	Rs.
Issued and fully paid				
1,046,316 (2008: 708,815) ordinary shares	**66,964,161**	**3,396,422,246**	45,364,097	1,820,007,572

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

During the financial year, the company increased its paid up share capital from US$45,364,097 (Rs. 1,820,007,572) to US$ 66,964,161 (Rs. 3,396,422,246) by way of further allotment of 337,501 ordinary shares for cash consideration to provide funds for the construction of a Jack up Drilling rig.

The holder of ordinary shares is entitled to receive dividends as declared from time to time and is entitled to one vote per share at meeting of the company.

The company is not subject to externally imposed capital requirements.

15. RESERVES

	2009		2008	
	US$	**Rs.**	US$	Rs.
Fair value reserve				
Balance at the beginning of the year/period	**517,350**	**26,239,992**	–	–
De-recognition of fair value gain arising from forward currency contacts	**(517,350)**	**(26,239,992)**	–	–
Fair value (loss)/gain arising from forward currency contracts (Note 8)	**(684,609)**	**(34,723,368)**	517,350	26,239,992
Balance at the end of the year/period	**(684,609)**	**(34,723,368)**	517,350	26,239,992
Accumulated losses				
Balance at the beginning of the year/period	**(375,312)**	**(19,035,825)**	–	–
Loss for the year/period	**(130,148)**	**(6,601,107)**	(375,312)	(19,035,825)
Balance at the end of the year/period	**(505,460)**	**(25,636,931)**	(375,312)	(19,035,825)
Total reserves	**(1,190,069)**	**(60,360,300)**	142,038	7,204,167

16. OPERATING EXPENSES

	2009		23.10.06 to 31.03.08	
	US$	**Rs.**	US$	Rs.
Bank charges	**14,745**	**673,994**	8,272	334,189
Directors' fees	**9,651**	**441,147**	7,240	292,496
General expenses	**9,132**	**417,424**	–	–
Professional fees	**13,660**	**624,399**	350,828	14,173,451
Quality control fees	**40,984**	**1,873,379**	–	–
Others	**24,121**	**1,102,571**	11,435	461,974
	112,293	**5,132,913**	377,775	15,262,110

17. TAXATION

The current year/period income tax benefit varied from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2008: 18%) to loss before income tax as a result of the following differences:

	2009		**23.10.06 To 31.03.08**	
	US$	**Rs.**	US$	Rs.
Accounting loss	**(130,148)**	**(5,949,065)**	(375,312)	(15,162,605)
Income tax benefit at statutory rate	**(22,125)**	**(1,011,334)**	(67,556)	(2,729,262)
Non-deductible items	**901**	**41,185**	67,556	2,729,262
Deferred tax assets not recognised	**21,224**	**970,149**	–	–
	–	**–**	–	–

18. CAPITAL COMMITMENT

The company has capital expenditure contracted for at the balance sheet date but not recognised in the financial statements in respect to the completion of the construction of a Jack up Drilling rig amounting to approximately US$ 75 million (Rs. 3,804 million).

19. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Greatship Global Holdings Ltd., a company incorporated in the Republic of Mauritius which is the wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India and the intermediate holding company.

The ultimate holding company is The Great Eastern Shipping Co. Ltd. which is the parent company of Greatship (India) Limited.

20. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2009		23.10.06 To 31.03.08	
	US$	**Rs.**	US$	Rs.
Charter hire income from related company	**2,105,260**	**96,231,435**	–	–
Expenses paid for related company	**3,735,691**	**170,758,436**	–	–

21. OPERATING LEASE COMMITMENTS

(i) Operating lease commitments - where a company is a lessee

The future aggregate minimum lease payments under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2009		23.10.06 To 31.03.08	
	US$	**Rs.**	US$	Rs.
Due within one year	**33,856,879**	**1,717,220,903**	–	–
Due within two to five years	**65,724,300**	**3,333,536,496**	–	–
	99,581,179	**5,050,757,399**	–	–

Operating lease payments represent rentals payable by the company for rig and staff accommodation. The leases have varying terms and renewal rights.

(ii) Operating lease commitments - where a company is a lessor

At the balance sheet date, the future minimum lease receipts of the company under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	2009		23.10.06 To 31.03.08	
	US$	**Rs.**	US$	Rs.
Due within one year	**37,120,500**	**1,882,751,760**	–	–
Due within two to five years	**72,105,300**	**3,657,180,816**	–	–
	109,225,800	**5,539,932,576**	–	–

22. FINANCIAL AND CAPITAL RISK MANAGEMENT

a) Liquidity risk

The company has certain liquidity risk in view of the current liabilities exceeding the current assets. However, the directors have reviewed the projected cash flows and business outlook of the company. They believe that the company will have sufficient liquidity from its operations and funding from shareholders to meet its financial obligations when they fall due.

b) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency. The company do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions.

The company's currency exposure mainly to Singapore dollars is as follows:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Financial assets				
Cash and cash equivalents	**432,234**	**21,922,908**	11,156	447,579
Trade receivables	**1,175**	**59,596**	–	–
Other receivables	**9,258**	**469,566**	–	–
	442,667	**22,452,070**	11,156	447,579
Financial liabilities				
Other payables	**(164,472)**	**(8,342,020)**	(20,345)	(816,241)
	(164,472)	**(8,342,020)**	(20,345)	(816,241)
Currency exposure	**278,195**	**14,110,050**	(9,189)	(368,663)

At 31 March 2009, an estimated 10% (2008: 10%) currency fluctuation in Singapore dollars against United States dollars, with all other variables including tax rate being held constant, the company's loss after tax for the financial year would have been lower/higher by approximately US$ 27,820 (Rs. 1,271,652) (2008 US$ 900 (Rs. 36,360)) as result of currency translation.

c) Credit risk

The carrying amount of trade and other receivables represents the company's maximum exposure to credit risk. The company have significant concentrations of credit risk with single customer.

The credit risk for trade receivables is as follows:

	2009		2008	
	US$	**Rs.**	US$	Rs.
By geographical area				
India	**2,105,260**	**106,778,787**	–	–

The ageing analysis for the trade receivables of the company as at year end is as follows:

	2009		2008	
	US$	**Rs.**	US$	Rs.
Due less than 30 days	**2,105,260**	**106,778,787**	–	–

d) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates except for the loan as disclosed in Note 11 of the financial statements.

e) Capital risk

The objectives when managing capital are: to safeguard the company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk. The management sets the amount of capital in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of directors monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables and loan less cash and bank balances. Total capital is calculated as equity plus net debt.

	2009		2008	
	US$	**Rs.**	US$	Rs.
Net debt	**70,164,280**	**3,558,732,282**	(21,383)	(857,886)
Total equity	**65,774,092**	**3,336,061,946**	45,506,135	1,825,706,136
Total capital	**135,938,372**	**6,894,794,228**	45,484,752	1,824,848,250

The company is not subject to externally imposed capital requirements.

f) Fair values

The carrying amounts of cash and cash equivalents, trade and other receivables, other payables and loan balances approximate their fair values due to their short-term nature.

23. COMPARATIVE FIGURES

The financial statements for 31 March 2009 cover period for 12 months from 1 April 2008 to 31 March 2009 while the previous financial statements cover the financial period from 23 October 2006 to 31 March 2008, hence the income statement, changes in equity, cash flows and related notes are not comparable.

GREATSHIP HOLDINGS B.V. (in liquidation)

A Subsidiary Company

LIQUIDATOR:	P. R. Naware
AUDITORS:	Kalyaniwalla & Mistry Chartered Accountants Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai - 400 023

Liquidator's Report

The Liquidator herewith submits the financial statements of the Company for the period from April 1, 2008 up to the final distribution i.e. August 26, 2008.

The Company was voluntarily dissolved by the shareholders on March 28, 2008. On June 29, 2008 the voluntary liquidation of the Company was completed and the same was registered with the Chamber of Commerce of Netherlands on July 17, 2008. Thereafter, the creditors had been paid off and the final proceeds had been distributed to the shareholders.

During the period under review the Company, recorded a net loss of Euro (6,207), which along with the accumulated losses was adjusted against the share capital before distribution of final liquidation proceeds to the shareholders.

P. R. Naware

Liquidator

August 26, 2008

Auditors Report

TO THE MEMBERS OF
GREATSHIP HOLDINGS B.V. (In Liquidation)

1. We have audited the attached Balance Sheet of Greatship Holdings B. V. (in liquidation) as at August 26, 2008 and 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 appointed Liquidator. 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. The Company has voluntarily dissolved by the shareholders on March 28, 2008 and for that purpose appointed a liquidator to voluntarily liquidate the Company in accordance with the applicable Dutch law. The voluntary liquidation of the Company was completed on June 29, 2008 and registered with the Chamber of Commerce of Netherlands on July 17, 2008. The liquidator has thereafter paid off the creditors and distributed the final proceeds to the shareholders. The accompanying financial statements are thus prepared for the period up to the final distribution by the liquidator.

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

   c) 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 Schedule 6 to the accounts.

   d) 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 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 August 26, 2008;

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

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

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Viraf R. Mehta

Partner

Membership No. 32083

Place: Mumbai

Date: August 26, 2008

BALANCE SHEET as at August 26, 2008

		Current Year		Previous Year	
SOURCES OF FUNDS :	**Schedule**	**Euro**	**Rs.**	Euro	Rs.
Shareholders' Funds :					
Share Capital	1	-	-	1,092,176	69,280,656
		-	-	1,092,176	69,280,656
APPLICATION OF FUNDS :					
Current Assets, Loans and Advances :					
Cash and Bank balances	2	-	-	32,972	2,091,533
		-	-	32,972	2,091,533
Less :					
Current Liabilities and Provisions :					
Current Liabilities	3	-	-	9,255	587,078
		-	-	9,255	587,078
Net Current Assets		-	-	23,717	1,504,455
Profit & Loss Account	4	-	-	1,068,459	67,776,201
		-	-	1,092,176	69,280,656
Notes to the Financial Statements	6				

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
August 26, 2008

P. R. Naware
Liquidator

Profit and Loss Account for the period April 1, 2008 to August 26, 2008

		Current Year		Previous Year	
Particulars	**Schedule**	**Euro**	**Rs.**	Euro	Rs.
INCOME :					
Interest Income		**1,100**	**74,180**	-	-
		1,100	**74,180**	-	-
EXPENDITURE :					
Loss on sale of investments		**-**	**-**	1,016,763	64,496,937
Administration Expenses	5	**7,307**	**492,952**	41,633	2,640,931
Loss for the year		**(6,207)**	**(418,772)**	(1,058,396)	(67,137,868)
Balance brought forward from previous year		**(1,068,459)**	**(72,081,450)**	(10,063)	(580,937)
Balance adjusted against Share Capital		**(1,074,666)**	**(72,500,222)**	(1,068,459)	(67,718,805)
Notes to the Financial Statements	6				

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

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
August 26, 2008

P. R. Naware
Liquidator

Cash Flow Statement for the Period April 1, 2008 to August 26, 2008

	Current Year		Previous Year	
	Euro	**Rs.**	Euro	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
LOSS BEFORE TAX:	**(6,207)**	**(418,772)**	(1,058,396)	(67,137,868)
Adjustment for:				
Depreciation	-	-	-	-
Loss on sale of investment	-	-	1,016,763	64,496,937
Foreign Exchange	-	**(315,240)**	-	(57,395)
OPERATING LOSS BEFORE WORKING CAPITAL CHANGES:	**(6,207)**	**(734,012)**	(41,633)	(2,698,326)
Adjustment for:				
Trade & Other Receivables	-	-	2,588	149,405
Trade payables	**(9,255)**	**(469,414)**	(3,585)	(153,985)
CASH USED IN OPERATIONS	**(15,462)**	**(1,203,426)**	(42,630)	(2,702,906)
Tax paid	-	-	-	-
NET CASH USED IN OPERATING ACTIVITIES	**(15,462)**	**(1,203,426)**	(42,630)	(2,702,906)
B. CASH FLOW FROM INVESTING ACTIVITIES	-	-	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Share capital	**(17,510)**	**(888,107)**	57,413	3,744,388
NET CASH USED IN FINANCING ACTIVITIES	**(17,510)**	**(888,107)**	57,413	3,744,388
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(32,972)**	**(2,091,533)**	14,783	1,041,482
CASH AND CASH EQUIVALENTS AS AT April 1, 2008	**32,972**	**2,091,533**	18,189	1,050,051
CASH AND CASH EQUIVALENTS AS AT August 26, 2008	-	-	32,972	2,091,533
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(32,972)**	**(2,091,533)**	14,783	1,041,482

	Current Year		Previous Year	
Note:	**Euro**	**Rs.**	Euro	Rs.
Cash & Cash equivalent as on August 26, 2008	-	-	32,972	2,091,533
	-	-	32,972	2,091,533

As per our Report attached hereto
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, August 26, 2008.

P.R. Naware
Liquidator

Schedules annexed to and forming part of the financial statements for the period from April 1, 2008 to August 26, 2008

	Current Year		Previous Year	
	Euro	**Rs.**	Euro	Rs.
SCHEDULE "1"				
SHARE CAPITAL :				
AUTHORISED :				
150,000 (Previous year 150,000) Equity shares of Euro 100 each	**15,000,000**	**1,011,945,000**	15,000,000	951,504,000
ISSUED, SUBSCRIBED & PAID UP				
147,582 (Previous year 147,582) Equity shares of Euro 100 each	**14,758,200**	**995,632,447**	14,758,200	936,165,756
Less : Advance liquidation proceeds paid	**(13,666,024)**	**(921,950,986)**	(13,666,024)	(866,885,100)
Less: Balance in Profit & Loss A/c adjusted on liquidation	**(1,074,666)**	**(72,500,222)**	-	-
Less: Final liquidation proceeds distributed to shareholders	**(17,509)**	**(1,181,239)**	-	-
	-	**-**	1,092,176	69,280,656

Note:

The entire share capital is held by Greatship (India) Limited the holding company

	Current Year		Previous Year	
	Euro	**Rs.**	Euro	Rs.
SCHEDULE "2"				
CASH AND BANK BALANCES :				
on current account with ABN Amro Bank - Netherland				
(Maximum Balance during the year is	**-**	**-**	32,972	2,091,533
Euro 5,199,937.- (Previous year Euro 18,444.-))				
	-	**-**	32,972	2,091,533
SCHEDULE "3"				
CURRENT LIABILITIES :				
Sundry Creditors	**-**	**-**	9,255	587,078
	-	**-**	9,255	587,078
SCHEDULE "4"				
Profit & Loss Account	**-**	**-**	(1,068,459)	(67,718,805)
Foreign Currency Transalation Reserve	**-**	**-**	-	(57,396)
	-	**-**	(1,068,459)	(67,776,201)
SCHEDULE "5"				
ADMINISTRATION EXPENSES :				
Legal & Professional expenses	**6,598**	**445,121**	39,659	2,515,713
Miscellaneous Expenses	**709**	**47,831**	1,974	125,218
	7,307	**492,952**	41,633	2,640,931

Schedules annexed to and forming part of the Profit and Loss account for the period April 1, 2008 to August 26, 2008

SCHEDULE "6"

NOTES TO THE FINANCIAL STATEMENTS

1. Background

The Company, a corporation with limited liability, having its statutory seat in Amsterdam, the Netherlands, was incorporated on November 22, 2006 as a wholly owned subsidiary company of Greatship (India) Limited. The Company has been voluntarily dissolved by the Shareholders on March 28, 2008. Pursuant thereto, all the directors of the company resigned and a liquidator was appointed. The Voluntary liquidation was completed on June 29, 2008 and registered with the Chamber of Commerce of Netherlands on July 17, 2008. The liquidator has thereafter distributed the final proceeds to the Shareholders on August 1, 2008.

2. Basis of presentation

The accompanying financial statements expressed in Euro have been prepared on historical cost convention on accrual basis and in accordance with generally accepted accounting principles in India and the accounting standards issued by the Institute of Chartered Accountants of India. In view of the shareholder's resolution for voluntary liquidation of the Company, the accompanying financial statements have not been prepared under the going concern assumption and the assets and liabilities have been stated at their estimated realisable values.

3. Significant accounting policies

a. Investments

Long Term Investments are stated at historical acquisition cost, less provisions where necessary for any permanent diminution in value.

b. Foreign currencies

Assets and liabilities, other than investments and equity, denominated in foreign currencies are translated into Euro at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into Euro at the rates of exchange in effect on the date of the transaction. Resulting exchange differences are accounted for in the profit and loss account.

c. Other assets and liabilities

All other assets and liabilities, unless otherwise disclosed, are shown at the value at which they were incurred.

4. Taxation

The Company does not anticipate any liability for taxation.

5. Employees

During the year no persons were employed within the Company.

6. The audited financial statements of Greatship Holdings B.V. are expressed in Euro, the currency in which the books of account are maintained. The Indian Rupee equivalent figures have been arrived at by applying the period end exchange rate of Euro 1 = INRs. 67.4630.

7. Previous year figures have been regrouped wherever to conform to current years classification.