THE GREAT EASTERN SHIPPING COMPANY LIMITED

63rd ANNUAL REPORT 2010-11

(SUBSIDIARIES' REPORTS)

Caring for the seas.
Caring for the seabed.

Dry Bulk Carrier : Jag Rahul

Crude Oil Carrier : Jag Leela

Jack Up Rig : Greatdrill Chetna

Multipurpose Platform Supply and Support Vessel :
Greatship Mamta

THE GREAT EASTERN SHIPPING COMPANY LIMITED

Reports of Subsidiary Companies

Contents.........

The Great Eastern Shipping Co. London Ltd. 02

The Greatship (Singapore) Pte. Ltd. 12

The Great Eastern Chartering LLC (FZC) 30

Greatship (India) Limited 46

Greatship Global Holdings Ltd 90

Greatship Global Offshore Services Pte. Ltd. 106

Greatship Global Energy Services Pte. Ltd. 132

Greatship DOF Subsea Projects Private Ltd. 156

Greatship Subsea Solutions Singapore Pte. Ltd. 162

Greatship Subsea Solutions Australia Pty. Ltd. 178

Greatship (UK) Ltd. 194

Greatship Global Offshore Management Services Pte. Ltd. 200

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 Statutory Auditors The Galleries Charters Road Sunningdale Berkshire SL5 9QJ
BANKERS:	Bank of Baroda 32 City Road London ECIY 2BD
BANKERS:	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 2011

The directors present their report with the financial statements of the company for the year ended 31 March 2011.

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 2011.

DIRECTORS

The directors shown below have held office during the whole of the period from I April 2010 to the date of this report.

B.K. Sheth

M.J. Brace

P.B. Kerr-Dineen

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

select suitable accounting policies and then apply them consistently;

make judgements and accounting estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act, 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

ON BEHALF OF THE BOARD:

M.J. Brace - Secretary

Date: 16 May 2011

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 3l March 2011 on pages five to thirteen. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Dawn O'Leary CA (Senior Statutory Auditor)

for and on behalf of Davis Burton Sellek
Chartered Accountants
Statutory Auditors
The Galleries
Charters Road
Sunningdale
Berkshire SL5 9QJ

Date: 17/05/11

The notes form part of these financial statements

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 US$	2011 INR	2010 US$	2010 INR
TURNOVER		-	-	-	-
Administrative expenses		**45,701**	**2,037,807**	46,163	2,200,590
OPERATING LOSS	3	**(45,701)**	**(2,037,807)**	(46,163)	(2,200,590)
Interest receivable and similar income		**20,254**	**903,126**	24,192	1,153,233
		(25,447)	**(1,134,681)**	(21,971)	(1,047,357)
Amounts written off investments	4	**(509,624)**	**(22,724,134)**	(2,014,856)	(91,212,754)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		**(535,071)**	**(23,858,815)**	(2,036,827)	(92,260,111)
Tax on loss on ordinary activities	5	-	-	6,537	311,619
		(535,071)	**(23,858,815)**	(2,030,290)	(91,948,492)
Movement on currency conversion (dollar to rupee)		**-**	**(543,223)**	-	(12,210,540)
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		**$(535,071)**	**(24,402,038)**	$(2,030,290)	(104,159,032)

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

BALANCE SHEET 31 MARCH 2011

	Notes	2011 US$	2011 INR	2010 US$	2010 INR
FIXED ASSETS:					
Investments	6	**-**	**-**	-	-
		-	**-**	-	-
CURRENT ASSETS:					
Debtors	7	**-**	**-**	6,537	293,446
Cash at bank and in hand		**1,282,176**	**57,172,228**	1,808,706	81,192,812
		1,282,176	**57,172,228**	1,815,243	81,486,258
CREDITORS :					
Amounts falling due within one year	8	**6,504**	**290,013**	4,500	202,005
NET CURRENT ASSETS:		**1,275,672**	**56,882,215**	1,810,743	81,284,253
TOTAL ASSETS LESS					
CURRENT LIABILITIES		**$1,275,672**	**56,882,215**	$1,810,743	81,284,253
CAPITAL AND RESERVES:					
Called up share capital	9	**301,600**	**13,195,000**	301,600	13,195,000
Profit and loss account	10	**974,072**	**43,687,215**	1,509,143	68,089,253
SHAREHOLDERS' FUNDS:	16	**$1,275,672**	**56,882,215**	$1,810,743	81,284,253

ON BEHALF OF THE BOARD:

B.K. Sheth

Director

Approved by the Board on 10 May 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

	Notes	2011 US$	2011 INR	2010 US$	2010 INR
Net cash outflow from operating activities	1	**(43,697)**	**(1,949,799)**	(41,218)	(1,976,015)
Returns on investments and servicing of finance	2	**20,254**	**359,903**	24,192	(11,039,134)
Taxation		**6,537**	**293,446**	(30,311)	(1,537,374)
Capital expenditure and financial investment	2	**(509,624)**	**(22,724,134)**	(526,831)	(25,114,034)
Decrease in cash in the period		**$(526,530)**	**(24,020,584)**	$(574,168)	(39,666,557)

	Notes	2011 US$	2011 INR	2010 US$	2010 INR
Reconciliation of net cashflow to movement in net funds	3				
Decrease in cash in the period		**(526,530)**	**(24,020,584)**	(574,168)	(39,666,557)
Change in net funds resulting from cash flows		**(526,530)**	**(24,020,584)**	(574,168)	(39,666,557)
Movement in net funds in the period		**(526,530)**	**(24,020,584)**	(574,168)	(39,666,557)
Net funds at 1 April		**1,808,706**	**81,192,812**	2,382,874	120,859,369
Net funds 31 March		**$1,282,176**	**57,172,228**	$1,808,706	81,192,812

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

1. RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011 US$	**2011 INR**	2010 US$	2010 INR
Operating Loss	**(45,701)**	**(2,037,807)**	(46,163)	(2,200,590)
Decrease in debtors	-	-	445	22,570
Increase in creditors	**2,004**	**88,008**	4,500	202,005
Net cash outflow from operating activities	**$(43,697)**	**(1,949,799)**	$(41,218)	(1,976,015)

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

	2011 US$	**2011 INR**	2010 US$	2010 INR
Returns on investments and servicing of finance				
Interest received	**18,066**	**805,563**	27,958	1,332,758
Foreign exchange gains/(losses)	**2,188**	**(445,660)**	(3,766)	(12,371,892)
Net cash inflow for returns on investments and servicing of finance	**$20,254**	**359,903**	$24,192	(11,039,134)
Capital expenditure and financial investment				
Purchase of fixed asset investments	**(509,624)**	**(22,724,134)**	(526,831)	(25,114,034)
Net cash outflow for capital expenditure	**$(509,624)**	**(22,724,134)**	$(526,831)	(25,114,034)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.10 $	Cash Flow $	At 31.3.11 $
Net Cash:			
Cash at bank	1,808,706	(526,530)	1,282,176
	1,808,706	(526,530)	1,282,176
Total	$1,808,706	$(526,530)	$1,282,176

	At 1.4.10 INR	Cash Flow INR	At 31.3.11 INR
Net Cash:			
Cash at bank	81,192,812	(24,020,584)	57,172,228
	81,192,812	(24,020,584)	57,172,228
Total	81,192,812	(24,020,584)	57,172,228

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents revenue receivable from ship operators under charters.

Deferred tax

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

Foreign currencies

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

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

The Indian rupee equivalent figures are converted from U.S. dollars at the year-end exchange rate for assets and liabilities, and at the average rate for the year for income and expenditure. Exchange differences are taken to the profrt and loss account for the year.

Hire purchase and leasing commitments

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

2. STAFF COSTS

There were no staff costs for the years ended 31 March 2011 or 31 March 2010. The average monthly number of employees during the year was as follows:

	2011	2010
Directors	3	3

3. OPERATING LOSS

The operating loss is stated after charging:

	2011 US$	**2011 INR**	2010 US$	2010 INR
Operating leases	**2,513**	**112,055**	2,755	131,331
Auditors' remuneration	**4,500**	**200,655**	4,500	214,515
Non-audit tax and consultancy fees	**13,950**	**622,030**	14,014	668,047
Directors' remuneration	**-**	**-**	-	-

4. AMOUNTS WRITTEN OFF INVESTMENTS

	2011 US$	**2011 INR**	2010 US$	2010 INR
Container shipping investment	**$509,624**	**22,724,134**	$2,014,856	91,212,754

5. TAXATION

Analysis of the tax charge

The tax credit on the loss on ordinary activities for the year was as follows:

	2011 US$	2011 INR	2010 US$	2010 INR
Current Tax:				
UK corporation tax	-	-	(6,537)	(311,619)
Tax on loss on ordinary activities	-	-	(6,537)	(311,619)

Factors affecting the tax credit

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

	2011 US$	2011 INR	2010 US$	2010 INR
Loss on ordinary activities before tax	**(535,071)**	**(23,858,815)**	(2,036,827)	(92,260,111)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2010- 28%)	**(149,820)**	**(6,680,474)**	(570,312)	(25,832,831)
Effects of:				
Impairment charges not eligible for current tax relief	**142,694**	**6,362,725**	564,160	25,539,571
Small companies marginal rate relief	**-**	**-**	(385)	(18,359)
Losses carried forward	**7,126**	**317,749**	-	-
Current tax credit	**-**	**-**	(6,537)	(311,619)

6. FIXED ASSET INVESTMENTS

UNLISTED INVESTMENTS

	2011 US$	2011 INR
COST		
Additions	**509,624**	**22,724,134**
Impairments	**(509,624)**	**(22,724,134)**
At 31 March 2011	-	-
NET BOOK VALUE		
At 31 March 2011	-	-

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 US$	2011 INR	2010 US$	2010 INR
Corporation tax	-	-	$6,537	293,446

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 US$	2011 INR	2010 US$	2010 INR
Accrued expenses	**$6,504**	**290,013**	$4,500	202,005

9. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2011 US$	2011 INR	2010 US$	2010 INR
16,000	Ordinary	£10	**301,600**	**13,195,00**	301,600	13,195,000

10. RESERVES

	2011 US$	2011 INR
PROFIT AND LOSS ACCOUNT		
At 1 April 2010	1,509,143	68,089,253
Deficit for the year	(535,071)	(24,402,038)
At 31 March 2011	974,072	43,687,215

11. ULTIMATE PARENT COMPANY

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

12. CONTINGENT LIABILITES

There were no contingent liablities at 31 March 2011.

13. CAPITAL COMMITMENTS

	2011 US$	2011 INR	2010 US$	2010 INR
Contracted but not provided for in the financial statements	-	-	509,574	22,874,777

14. RELATED PARTY DISCLOSURES

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

15. ULTIMATE CONTROLLING PARTY

The ultimate confolling parry is The Great Eastern Shipping Company Ltd.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 US$	2011 INR	2010 US$	2010 INR
Loss for the financial year	**(535,071)**	**(24,402,038)**	(2,030,290)	(104,159,032)
Net reduction of Shareholders' funds	**(535,071)**	**(24,402,038)**	(2,030,290)	(104,159,032)
Opening shareholders' funds	**1,810,743**	**81,284,253**	3,841,033	185,443,285
Closing shareholders' funds	**$1,275,672**	**56,882,215**	**$1,810,743**	**81,284,253**

THE GREATSHIP (SINGAPORE) PTE. LTD.

A Subsidiary Company

DIRECTORS	Naware Pradyumna Raghunath Jaya Prakash Shivakumar Gomathinayagam
COMPANY SECRETARY	Cheng Lian Siang
REGISTERED OFFICE	15 Hoe Chiang Road #06-03 Tower 15 Singapore 089316
AUDITORS:	Shanker Iyer & Co. 3 Phillip Street #18-00 Commerce Point, Singapore 048693

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 2011.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

Shivakumar Gomathinayagam

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2010	As at 31.03.2011
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 AUDITOR

The independent auditor, 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

20 April 2011

STATEMENT BY DIRECTORS

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

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of company as at 31 March 2011 and of its results, changes in equity and cash flows for the financial year then ended; and

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

The board of directors authorised these financial statements for issue on 20 April 2011.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Jaya Prakash
Director

20 April 2011

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

(Incorporated in Singapore)

We have audited the accompanying financial statements of THE GREATSHIP (SINGAPORE) PTE. LTD. (the "company") as set out on pages 7 to 30, which comprise the statement of financial position as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 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, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
20 April 2011

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	2011 S$	2011 Rs.	2010 S$	2010 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**1,488,392**	**52,570,005**	1,499,259	48,066,268
Fixed deposits	5	**160,556**	**5,670,838**	175,712	5,633,316
Trade receivables	6	**61,402**	**2,168,719**	137,606	4,411,638
Other receivables	7	**69,061**	**2,439,235**	67,735	2,171,577
		1,779,411	**62,848,797**	1,880,312	60,282,799
Non-current asset					
Plant and equipment	8	**-**	**-**	1,204	38,622
		-	**-**	1,204	38,622
Total assets		**1,779,411**	**62,848,797**	1,881,516	60,321,421
LIABILITIES					
Current liabilities					
Trade payables	9	**15,557**	**549,473**	22,737	728,943
Other payables	10	**41,694**	**1,472,632**	92,811	2,975,500
Income tax liabilities		**-**	**-**	18,490	592,781
Total liabilities		**57,251**	**2,022,105**	134,038	4,297,224
NET ASSETS		**1,722,160**	**60,826,692**	1,747,478	56,024,197
SHAREHOLDER'S EQUITY					
Share capital	11	**500,000**	**13,075,000**	500,000	13,075,000
Retained profits		**1,222,160**	**47,751,692**	1,247,478	42,949,197
TOTAL EQUITY		**1,722,160**	**60,826,692**	1,747,478	56,024,197

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Revenue					
Agency income		**148,200**	**5,234,424**	238,680	7,652,081
Disbursement income		**875,852**	**30,935,093**	1,158,437	37,139,490
Management fees		**153,180**	**5,410,318**	310,933	9,968,512
Other income	12	**10,070**	**355,672**	23,177	743,054
Total revenue		**1,187,302**	**41,935,507**	1,731,227	55,503,137
Expenses					
Disbursement expenses		**793,723**	**28,034,296**	912,234	29,246,222
Depreciation of plant and equipment	8	**1,204**	**42,525**	1,205	38,632
Employee benefit expenses		**290,166**	**10,248,663**	426,748	13,681,541
Other operating expenses	13	**127,527**	**4,504,254**	148,247	4,752,765
Total expenses		**1,212,620**	**42,829,738**	1,488,434	47,719,160
(Loss) / profit before income tax	14	**(25,318)**	**(894,231)**	242,793	7,783,977
Income tax expense	15	**-**	**-**	(25,655)	(822,500)
Total comprehensive (loss) / income for the year		**(25,318)**	**(894,231)**	217,138	6,961,477

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 2011

	Share capital		Retained profits		Total	
	S$	Rs.	S$	Rs.	S$	Rs.
2011						
Balance as at 1 April 2010	500,000	13,075,000	1,247,478	42,949,197	1,747,478	56,024,197
Foreign translation difference	-	-	-	5,696,726	-	5,696,726
Total comprehensive loss for the year	-	-	(25,318)	(894,231)	(25,318)	(894,231)
Balance as at 31 March 2011	500,000	13,075,000	1,222,160	47,751,692	1,722,160	60,826,692
2010						
Balance as at 1 April 2009	500,000	13,075,000	1,030,340	37,885,321	1,530,340	50,960,321
Foreign translation difference	-	-	-	(1,897,601)	-	(1,897,601)
Total comprehensive income for the year	-	-	217,138	6,961,477	217,138	6,961,477
Balance as at 31 March 2010	500,000	13,075,000	1,247,478	42,949,197	1,747,478	56,024,197

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Cash Flows From Operating Activities					
(Loss) / profit before income tax		**(25,318)**	**(894,231)**	242,793	7,783,977
Adjustments for:					
Depreciation of plant and equipment	8	**1,204**	**42,525**	1,205	38,622
Interest income	12	**(6,542)**	**(231,063)**	(1,003)	(32,156)
Cash flows before changes in working capital		**(30,656)**	**(1,082,769)**	242,995	7,790,443
Working capital changes, excluding changes relating to cash:					
Trade receivables		**76,204**	**2,242,919**	20,026	837,508
Other receivables		**(74)**	**(266,406)**	28,384	1,029,186
Trade payables		**(7,180)**	**(179,470)**	(28,085)	(963,429)
Other payables		**(51,117)**	**(1,502,868)**	43,342	1,328,181
Cash generated from operations		**(12,823)**	**(788,594)**	306,662	10,021,889
Income tax paid		**(19,742)**	**(594,033)**	(10,251)	32,156
Interest received		**6,542**	**231,063**	1,003	(328,647)
Net cash (used in) / generated from operating activities		**(26,023)**	**(1,151,564)**	297,414	9,725,398
Cash Flows From Investing Activity					
Purchase of plant and equipment	8	-	-	(2,409)	(77,244)
Net cash used in investing activity		-	-	(2,409)	(77,244)
Cash Flows From Financing Activity					
Repayment / (placement) of fixed deposits		**15,156**	**(37,522)**	(175,712)	(5,633,316)
Net cash generated from / (used in) financing activity		**15,156**	**(37,522)**	(175,712)	(5,633,316)
Net (decrease) / increase in cash and cash equivalents		**(10,867)**	**(1,189,086)**	119,293	4,014,838
Translation exchange difference		-	**5,692,823**	-	(1,901,437)
Cash and cash equivalents at the beginning of the year		**1,499,259**	**48,066,268**	1,379,966	45,952,867
Cash and cash equivalents at the end of the year	4	**1,488,392**	**52,570,005**	1,499,259	48,066,268

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

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

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

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

The financial statements of The Greatship (Singapore) Pte. Ltd. as at 31 March 2011 and for the financial year then ended were authorised and approved by the board of directors for issuance on 20 April 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. The financial statements, which are expressed in 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. 35.32 (2010: S$1= Rs. 32.06) and rounded up to the nearest rupee.

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 FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) Currency translation

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

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

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

c) Plant and equipment

(i) Measurement

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

Components of costs

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

(ii) *Depreciation*

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

	Useful lives
Computers	2 years

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

(iii) *Subsequent expenditure*

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

(iv) *Disposal*

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

d) Financial assets

(i) *Classification*

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

Loans and receivables

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

(ii) *Effective inerest method*

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

(iii) *Recognition and derecognition*

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

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

(iv) *Initial measurement*

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

(v) *Subsequent measurement*

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

(vi) *Impairment*

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

Loans and receivables

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

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

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

e) Impairment of non-financial assets

Plant and equipment

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

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

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

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

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

f) Cash and cash equivalents

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

g) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost, using the effective interest method, as defined above. The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

h) Provisions

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

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

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

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

i) Revenue recognition

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

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

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

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

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

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

j) Income taxes

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

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

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

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

Deferred income tax is measured:

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

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

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

k) Employee benefits

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

Defined contribution plans

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

Employee leave entitlement

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

l) Operating lease

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

m) Share capital

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

n) Government grants

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income when there is reasonable assurance that the grant will be received.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Income tax

Significant judgement is involved in determining the company's provision for income tax. The company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial year in which such determination is made. At 31 March 2011, the carrying amounts of the company's current income tax payable are disclosed in the statement of financial position.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each of the reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

4. CASH AND CASH EQUIVALENTS

	2011 S$	**2011 Rs.**	2010 S$	2010 Rs.
Cash in hand	**220**	**7,770**	222	7,128
Cash at bank	**1,003,593**	**35,446,905**	1,015,184	32,546,802
Fixed deposits	**484,579**	**17,115,330**	483,853	15,512,338
	1,488,392	**52,570,005**	1,499,259	48,066,268

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

Short-term fixed deposits at the end of the reporting period have an average maturity of 3 months (2010: 3 months) from the value date with weighted average effective interest rate of 0.15% (2010: 0.15%) per annum.

The company's cash and cash equivalents are denominated in Singapore dollars.

5. FIXED DEPOSITS

Fixed deposits at the end of the reporting period have an average maturity of 1 year (2010: 5 months) from the value date. The fixed deposits earn a weighted average effective interest rate of 2.01 % (2010: 2.64%) per annum.

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

6. TRADE RECEIVABLES

	2011 S$	**2011 Rs.**	2010 S$	2010 Rs.
Third parties	**-**	**-**	14,655	469,835
Related company	**9,348**	**330,171**	19,670	630,619
Holding company	**50,457**	**1,782,141**	100,955	3,236,618
GST recoverable	**1,597**	**56,407**	2,326	74,566
	61,402	**2,168,719**	137,606	4,411,638

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

	2011 S$	**2011 Rs.**	2010 S$	2010 Rs.
Deposits	**66,476**	**2,347,932**	66,726	2,139,228
Prepayments	**1,333**	**47,082**	1,009	32,349
Other debtor	**1,252**	**44,221**	-	-
	69,061	**2,439,235**	67,735	2,171,577

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

Deposits include S$54,000 (equivalent to Rs. 1,907,280) (2010: S$54,000 equivalent to Rs. 1,731,240) placed as collateral for crew system.

8. PLANT AND EQUIPMENT

	Computers	
	S$	Rs.
2011		
Cost		
At 1 April 2010	2,409	77,244
Foreign translation difference	-	7,842
At 31 March 2011	2,409	85,086
Accumulated depreciation		
At 1 April 2010	1,205	38,622
Charge for the year	1,204	42,525
Foreign translation difference	-	3,939
At 31 March 2011	2,409	85,086
Net book value		
At 31 March 2011	-	-
2010		
Cost		
At 1 April 2009	**-**	**-**
Additions	2,409	77,244
At 31 March 2010	2,409	77,244
Accumulated depreciation		
At 1 April 2009	-	-
Charge for the year	1,205	38,622
At 31 March 2010	1,205	38,622
Net book value		
At 31 March 2010	1,204	38,622

9. TRADE PAYABLES

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Third party	**15,557**	**549,473**	22,737	728,943

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

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

10. OTHER PAYABLES

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Accruals for operating expenses	**40,321**	**1,424,138**	55,704	1,785,858
Holding company	**1,373**	**48,494**	37,107	1,189,642
	41,694	**1,472,632**	92,811	2,975,500

The amount due to related company is unsecured, interest free and is repayable within the next twelve months.

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

11. SHARE CAPITAL

	2011	2010	2011	2011	2010	2010
	Number of ordinary shares		S$	Rs.	S$	Rs.
Issued						
At beginning and end of the year	**500,000**	500,000	**500,000**	**13,075,000**	500,000	13,075,000

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

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

12. OTHER INCOME

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Interest income	**6,542**	**231,063**	1,003	32,156
Government grant	**1,350**	**47,682**	7,200	230,832
Exchange gain	**-**	**-**	183	5,867
Miscellaneous	**2,178**	**76,927**	14,791	474,199
	10,070	**355,672**	23,177	743,054

Government grants represent financial assistance received by the company from the Singapore Economic Development Board under the Innovation Development Scheme and Job Credit Scheme.

13. OTHER OPERATING EXPENSES

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Legal and professional fees	**15,695**	**554,347**	25,671	822,980
Office rental – operating lease	**25,424**	**897,976**	47,320	1,517,079
Printing and stationery (including operating lease)	**2,656**	**93,810**	3,856	123,623
Upkeep of motor vehicle	**13,170**	**465,164**	14,075	451,244
Others	**70,582**	**2,492,957**	57,325	1,837,839
	127,527	**4,504,254**	148,247	4,752,765

14. (LOSS) / PROFIT BEFORE INCOME TAX

(Loss) / profit before income tax is arrived at after charging:

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Director's fees	**3,500**	**123,620**	3,500	112,210
Staff CPF contribution	**16,250**	**573,950**	15,582	499,559

15. INCOME TAX EXPENSE

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Current year expense	**-**	**-**	18,490	592,790
Under provision in prior years	**-**	**-**	7,165	229,710
	-	**-**	25,655	822,500

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% (2010:17%) to the profit before income tax as a result of the following differences:

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Accounting profit	**(25,318)**	**(894,231)**	242,793	7,783,977
Income tax expense at applicable rate	**(4,304)**	**(152,019)**	41,275	1,323,277
Exempt income	**(676)**	**(23,876)**	(25,925)	(831,156)
Non-allowable items	**5,021**	**177,343**	3,344	107,209
Utilisation of deferred capital allowance	**(41)**	**(1,448)**	-	-
Deferred tax asset/(liability) not recognised	**-**	**-**	(204)	(6,540)
Under provision in prior years	**-**	**-**	7,165	229,710
	-	**-**	25,655	822,500

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

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

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

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

	2011 S$	2011 Rs.	2010 S$	2010 Rs.
Holding Company				
Agency fees received/receivable	**143,200**	**5,057,824**	218,500	7,005,110
Disbursement income received/receivable	**803,909**	**28,394,066**	1,067,352	34,155,264
Related companies				
Agency fees received/receivable	**5,000**	**176,600**	4,750	152,285
Disbursement income received/receivable	**71,943**	**2,541,027**	31,847	1,021,015
Management fee earned received/receivable	**153,180**	**5,410,318**	310,933	9,968,512

18. OPERATING LEASE COMMITMENTS

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

	2011 S$	**2011 Rs.**	2010 S$	2010 Rs.
Due within one year	**2,496**	**88,159**	1,596	51,072
Due within two to five years	**8,528**	**301,209**	-	-
	11,024	**389,368**	1,596	51,072

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

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risk

i) Foreign currency risk

The company is exposed to a certain degree of foreign exchange risk arising from its 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 current exposure on United States dollars based on the information provided to key management is as follows:

	2011 S$	**2011 Rs.**	2010 S$	2010 Rs.
Financial assets				
Fixed deposits	**160,556**	**5,670,838**	175,712	5,633,316
Currency exposure	**160,556**	**5,670,838**	175,712	5,633,316

At 31 March 2011, if the United States dollars had strengthened/weakened by 9% (2010: 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$15,000 (equivalent to Rs.529,800) (2010: S$8,700) (equivalent to Rs.278,922) as a result of currency translation gains/losses on the remaining United States dollars denominated financial assets and liabilities.

ii) Interest rate risk

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

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial assets of the company are trade receivables, cash and cash equivalents and fixed deposits. The trade receivable balance as at 31 March 2011 is outstanding from related holding company (2010: related company) and there is no significant risk.

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

	2011	**2011**	2010	2010
	S$	**Rs.**	S$	Rs.
By geographical areas				
India	**59,805**	**2,112,313**	135,280	4,337,066
Singapore	**1,597**	**56,406**	2,326	74,572
	61,402	**2,168,719**	137,606	4,411,648

As per the ageing analysis on the trade receivables of the company as at year end, the above balances are due within 30 days (2010: 30 days).

(c) Liquidity risk

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

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

(d) Fair value measurement

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

20. CAPITAL MANAGEMENT

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

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

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

The company is not subject to externally imposed capital requirements.

THE GREAT EASTERN CHARTERING LLC (FZC)

A Subsidiary Company

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

REPORT OF THE DIRECTORS' FOR THE YEAR ENDED MARCH 31, 2011

The Directors are pleased to present their fifth report with the financial statements of the Company for the period from April 1, 2010 to March 31, 2011.

FINANCIAL HIGHLIGHTS

The results for the period for the financial year ended March 31, 2011 and the financial position of the Company are as shown in the annexed financial statements. The Company recorded profit of USD 33,864 for the year ended March 31, 2011.

BUSINESS

During the year, tanker earnings remained weak due to increasing fuel cost and disruption in crude oil supply. Even the growth of 2.5%+ in oil demand in 2010 did not translate into improved freight rates for tankers. Rising inventories, falling US imports, increased fleet supply due to steady new building deliveries and release of storage vessels on weak contango contributed to the depressed state of tanker market through the year. However, phasing out of single hull tankers, civil unrest in Egypt & Libya, increase in scrapping and higher oil demand from non-OECD countries especially China provided some respite to tanker owners. On the dry bulk side, the year started with rising commodity markets. However, soaring commodity prices and softening steel prices eroded steel mills' margins, thus curbing output. Floods in Australia, heavy rains in Brazil and earthquake and tsunami in Japan resulted in lower cargo movement reflecting lower fleet utilization. On the supply side, record fleet growth in dry bulk (over 16% during 2010) exerted heavy pressure on freight rates across all the segments.

Business activity during the period was focused on inchartering tankers as well as dry bulk vessels and the commercial operation of such inchartered tonnage. The inchartered tonnage included a double hull Suezmax tanker and one modern Supramax for the entire year. Additionally, during the financial year the subsidiary also inchartered and operated some tankers and dry bulk carriers for varying periods of time.

DIVIDEND

No dividend was recommended for the year ended March 31, 2011.

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 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, 2012. The shareholders approval will be required for the proposed re-appointment.

For and on behalf of the Board of Directors

DIRECTOR

DATED: 30 April, 2011

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF THE GREAT EASTERN CHARTERING LLC (FZC)

We have examined the accompanying financial statements of The Great Eastern Chartering LLC (FZC) (the Company) for the year ended 31 March 2011, 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 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 LLC (FZC) audited by us for the year ended 31 March 2011.

BEHL, LAD & AL SAYEGH

Dubai, United Arab Emirates

30 April 2011

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2011

	Note	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Revenue	6	**40,738,159**	**1,816,514,510**	49,019,406	2,336,755,084
Direct expenses	7	**(40,634,866)**	**(1,811,908,675)**	(62,187,685)	(2,964,486,944)
Gross profit/(loss)		**103,293**	**4,605,835**	(13,168,279)	(627,731,860)
Other operating income	8	**318,763**	**14,213,642**	793,041	37,804,265
Depreciation	10	**(7,141)**	**(318,417)**	(11,395)	(543,200)
Other operating expenses	9	**(1,294,724)**	**(57,731,745)**	(720,756)	(34,358,439)
Reversal on prior years' provision for loss on onerous incharter hire contracts	19 (b)	**1,100,479**	**49,070,359**	17,217,615	820,763,707
Profit from operating activities		**220,670**	**9,839,674**	4,110,226	195,934,473
Impairment loss on investment	11 (a)	**(866,146)**	**(38,621,450)**	(895,391)	(42,683,289)
Interest income on bank deposits		**679,340**	**30,291,771**	842,928	40,182,378
Profit for the year		**33,864**	**1,509,995**	4,057,763	193,433,562
Other comprehensive income					
Foreign currency translation adjustment		**-**	**(7,902,405)**	-	(141,193,869)
Total comprehensive income for the year		**33,864**	**(6,392,410)**	4,057,763	52,239,693

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

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Non-current assets					
Property and equipment	10	**1,031**	**45,973**	8,172	366,842
Current assets					
Inventories	12	**688,912**	**30,718,586**	1,174,595	52,727,569
Trade and other receivables	13	**6,894,263**	**307,415,188**	3,093,459	138,865,375
Prepayments	14	**263,299**	**11,740,502**	1,281,279	57,516,614
Cash and cash equivalents	15	**13,660,677**	**609,129,587**	12,196,642	547,507,260
Fixed deposits with banks	16	**10,324,088**	**460,351,084**	12,680,544	569,229,620
Other current assets	17	**1,221,900**	**54,484,521**	995,755	44,699,442
		33,053,139	**1,473,839,468**	31,422,274	1,410,545,880
Total assets		**33,054,170**	**1,473,885,441**	31,430,446	1,410,912,722
Shareholders' equity					
Share capital	18	**40,869**	**1,822,349**	40,869	1,834,609
Statutory reserve		**20,435**	**911,197**	20,435	917,327
Foreign currency translation reserve		**-**	**85,334,025**	-	93,236,430
Retained earnings		**26,375,210**	**1,090,736,589**	26,341,346	1,089,226,593
		26,436,514	**1,178,804,160**	26,402,650	1,185,214,959
Current liabilities					
Trade and other payables	19	**6,617,656**	**295,081,281**	5,027,796	225,697,763
Total Shareholders' equity and liabilities		**33,054,170**	**1,473,885,441**	31,430,446	1,410,912,722

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 Director on 30 April 2011.

For The Great Eastern Chartering LLC (FZC)

Director

STATEMENT OF CHANGES IN EQUITY YEAR ENDED 31 MARCH 2011

	Share capital		Statutory reserve		Foreign currency translation reserve {refer Note 2 (d)}		Retained earnings		Total	
	USD	INR	USD	INR	USD	INR	USD	INR	USD	INR
As at 31 March 2009	40,869	2,072,876	20,435	1,036,463	-	234,430,299	22,283,583	895,793,031	22,344,887	1,133,332,669
Total comprehensive income for the year	-	-	-	-	-	-	4,057,763	193,433,562	4,057,763	193,433,562
Foreign currency translation adjustment	-	(238,267)	-	(119,136)	-	(141,193,869)	-	-	-	(141,551,272)
As at 31 March 2010	40,869	1,834,609	20,435	917,327	-	93,236,430	26,341,346	1,089,226,593	26,402,650	1,185,214,959
Total comprehensive income for the year	-	-	-	-	-	-	33,864	1,509,995	33,864	1,509,995
Foreign currency translation adjustment	-	(12,260)	-	(6,130)	-	(7,902,405)	-	-	-	(7,920,795)
As at 31 March 2011	**40,869**	**1,822,349**	**20,435**	**911,197**	**-**	**85,334,025**	**26,375,210**	**1,090,736,589**	**26,436,514**	**1,178,804,160**

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

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

STATEMENT OF CASH FLOWS YEAR ENDED 31 MARCH 2011

	Note	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Cash flows from operating activities					
Profit for the year		**33,864**	**1,509,995**	4,057,763	193,433,562
Adjustments for:					
Depreciation of property and equipment	10	**7,141**	**318,417**	11,395	543,200
Impairment loss on investment	11 (a)	**866,146**	**38,621,450**	895,391	42,683,289
Reversal on prior years' provision for loss on onerous in-charter hire contracts	19 (b)	**(1,100,479)**	**(49,070,359)**	(17,217,615)	(820,763,707)
Interest income		**(679,340)**	**(30,291,771)**	(842,928)	(40,182,378)
Operating loss before changes in operating assets and liabilities		**(872,668)**	**(38,912,268)**	(13,095,994)	(624,286,034)
Decrease in inventories		**485,683**	**22,008,983**	275,931	20,843,110
(Increase)/decrease in trade and other receivables		**(3,800,804)**	**(168,549,813)**	820,454	59,994,595
Decrease in prepayments		**1,017,980**	**45,776,112**	317,964	23,250,689
(Increase)/decrease in other current assets		**(226,145)**	**(9,785,079)**	1,741,258	94,121,857
Increase/(decrease) in trade and other payables		**2,690,339**	**118,453,877**	(2,124,706)	(122,751,615)
Net cash used in operating activities (A)		**(705,615)**	**(31,008,188)**	(12,065,093)	(548,827,398)
Cash flows from investing activities					
Investment in shares of SeaChange Maritime LLC		**(866,146)**	**(38,621,450)**	(895,391)	(42,683,289)
Proceeds from fixed deposits with banks (net)		**3,035,796**	**139,170,307**	12,756,133	718,347,707
Net cash from investing activities (B)		**2,169,650**	**100,548,857**	11,860,742	675,664,418
Net effect of foreign exchange translation (C)		**-**	**(7,918,342)**	-	(208,308,125)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		**1,464,035**	**61,622,327**	(204,351)	(81,471,105)
Cash and cash equivalents at beginning of the year		**12,196,642**	**547,507,260**	12,400,993	628,978,365
Cash and cash equivalents at end of the year	15	**13,660,677**	**609,129,587**	12,196,642	547,507,260

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 31 MARCH 2011

1 **Legal status and business activities**

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

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

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

2 **Significant accounting policies**

a) **Basis of preparation**

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

b) **Use of significant estimates, assumptions and judgements**

The process of applying the Company's accounting policies for the preparation of financial statements in conformity with the International Financial Reporting Standards also requires the management to make certain assumptions for critical accounting estimates and exercise judgement that affect the reported amounts of assets and liabilities, income and expenses and disclosure of contingencies and commitments as at the date of the reporting period.

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving high degree of judgement of complexity or areas where assumptions and estimates are significant in applying accounting policies that have a bearing on the amounts recognized in the financial statements are lives of items of property and equipment, their residual values, write-down of the value of inventories, provision for doubtful trade receivables and advances, provision for contingencies or certain uncertainties.

At the end of each reporting period, management conducts an assessment of each of the assets referred-to above 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 it carrying amount, a provision is made and changes are reflected in the financial statements of the period of change and, if material their effects are disclosed in the financial statements. These are explained in the notes on the respective items of assets in the accounting policies.

c) **Adoption of new and revised International Financial Reporting Standards**

i) New and amended standards applicable from the current year but not currently relevant to the Company although they may affect the accounting for future transactions and events or and adopted by the Company or not applicable to the Company are as follows:

- IFRS 3 (revised) - 'Business Combinations' and consequent amendments to IAS 27 - 'Consolidated and Separate Financial Statements', IAS 28 - Investments in Associates' and IAS 31 - 'Interests in Joint Ventures' - Not applicable to the Company.
- IFRS 5 - 'Non-current Assets held for Sale and Discontinued Operations' (Effective date: 1 July 2010) - Not applicable to the Company.
- IFRS 8 - 'Operating Segments' (Effective date: 1 January 2010) - Not applicable to the Company.
- IAS 1 - 'Presentation of Financial Statements' (Effective date: 1 January 2010).
- Amendments to IAS 32 - 'Financial Instruments: Presentation - Classification of Rights Issues' (Effective date: 1 February 2010) - Not applicable to the Company.
- IFRIC 19 - 'Extinguishing Financial Liabilities with Equity Instruments' (Effective date: 1 July 2010) - Not applicable to the Company.
- Amendment to IFRS 1 - 'First-time Adoption of International Financial Reporting Standards - Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters' (Effective date: 1 July 2010) - Not applicable to the Company.

- IAS 24 - 'Related Party Transactions' (revised 2009) - (Effective date: 1 February 2010).
- IAS 39 - 'Financial Instruments: Recognition & Measurement' (Effective date: 1 January 2010) - Not applicable to the Company.
- Amendment to IFRIC 14, IAS 19 - 'The Limit on a Defined Benefit Assets, Minimum Funding Requirements and Their Interaction' - (Effective date: 1 January 2011) - Not applicable to the Company.
- IFRS 9 - 'Financial Instruments' - (Effective date: 1 January 2013).

ii) The Company has not early adopted any new standards, amendments and interpretations issued but not yet effective for the current year.

d) **Presentation currency**

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

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

The figures in USD have been converted into INR at the year-end rate of 1 USD = 44.59 INR for profit and loss items and for the balances in the 'Statement of financial position' (previous year: 1 USD = 47.67 INR for profit and loss items and the year-end rate of 1 USD = 44.89 INR for the balances in the 'Statement of financial position'). The differences arising are accounted through the 'Other comprehensive income' in the 'Foreign currency translation reserve' in the 'Statement of changes in equity'.

3 **Summary of significant accounting policies**

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

a) **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.

b) **Leases**

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

c) **Foreign currency transactions**

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

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

Gains or losses resulting from settlement of foreign currency transactions are taken to the 'statement of comprehensive income' on net basis as either 'Foreign exchange gains' or 'Foreign exchange losses' and included in 'Finance income' or 'Finance costs' respectively.

d) **Property and equipment**

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

An assessment of residual values is undertaken at each end of the reporting period and, where material, if there is a change in estimate, an appropriate adjustment is made to the depreciation charge.

Gains/losses on disposal are determined by reference to their carrying amount and are included in operating profit.

e) **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.

f) **Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less they are classified as current assets otherwise as non-current assets. Trade receivables are carried at the invoice amounts less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year-end. Bad debts are written off when identified.

g) **Cash and cash equivalents**

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

h) **Statement of cash flows**

Cash flows are reported using the indirect method, whereby profit/(loss) is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future of cash receipts and payments and for items of income and expenses which are reflected in investing or financial activities. The cash flows from operating, investing and financing activities are segregated based on the nature of items.

i) **Trade payables, provisions and accruals**

Liabilities are recognized for amounts to be paid in future for goods and services rendered, whether or not billed to the Company.

Provisions are recognized 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.

j) **Derivative financial instruments**

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

k) **Financial instruments**

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

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

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

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

Critical assumptions in respect of doubtful debts

Management regularly undertakes a review of the amounts of receivables owed to the Company from third parties (refer Note 13) or from related parties (refer Note 20) 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.

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

4 **Risk management**

The Company's management focuses on the unpredictability of financial markets and continually seeks to identify its risks and minimize their impact by conducting and operating the business in a prudent manner. The Company's activities expose to a variety of financial risks such as credit, currency, interest rates and liquidity risks. The monitoring of the credit and currency risk, where relevant are explained in the notes on the related account balances, namely trade and other receivables {refer Note 13 (e) & (f)} and cash and bank (refer Notes 15 & 16). The management of interest rate risk and the liquidity risk are explained below.

Interest rate risks

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

Liquidity risk

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

5 Capital management

Capital consists of share capital, statutory reserve and retained earnings which amounted to USD 26,436,514 or INR 1,178,804,160 as at the end of reporting period. The Company manages its capital with an objective to ensure that healthy capital ratios are maintained and adequate funds are available to it on an on-going basis to operate as a going concern and provide the Shareholder with reasonable rate of return under the prevailing economic conditions and the risks encountered. No changes were made in the objectives, policies or processes from the previous year.

		31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
6	**Revenue**				
	Freight income	**30,209,406**	**1,347,037,414**	27,889,048	1,329,470,918
	Charter hire income	**8,816,727**	**393,137,857**	17,920,404	854,265,659
	Demurrage income	**1,712,026**	**76,339,239**	3,209,954	153,018,507
		40,738,159	**1,816,514,510**	49,019,406	2,336,755,084
7	**Direct expenses**				
	Charter hire expenses	**21,193,181**	**945,003,941**	48,089,792	2,292,440,385
	Bunker consumed	**8,881,707**	**396,035,315**	8,940,009	426,170,229
	Freight expenses	**6,563,149**	**292,650,814**	1,851,825	88,276,498
	Demurrage expenses	**122,417**	**5,458,574**	-	-
	Other direct expenses	**3,874,412**	**172,760,031**	3,306,059	157,599,832
		40,634,866	**1,811,908,675**	62,187,685	2,964,486,944
8	**Other operating income**				
	Profit on trading of derivative financial instruments	**-**	**-**	529,335	25,233,400
	Excess provision of demurrage expenses written back	**-**	**-**	230,377	10,982,072
	Excess provision of doubtful debts written back {Note 13 (d)}	**318,763**	**14,213,642**	33,329	1,588,793
		318,763	**14,213,642**	793,041	37,804,265
9	**Other operating expenses**				
	Rent	**38,867**	**1,733,080**	30,204	1,439,825
	Loss on trading of derivative financial instruments	**114,032**	**5,084,687**	-	-
	Provision for doubtful debts {Note 13 (d)}	**313,546**	**13,981,016**	54,779	2,611,315
	Bad debts written off	**-**	**-**	29,415	1,402,213
	Other expenses	**828,279**	**36,932,962**	606,358	28,905,086
		1,294,724	**57,731,745**	720,756	34,358,439

10 Property and equipment

	Furniture, fixtures and office equipment		Computers		Total	
	USD	INR	USD	INR	USD	INR
Net book values						
As at 31 March 2011						
Cost	750	33,443	35,881	1,599,934	36,631	1,633,377
Accumulated depreciation	(718)	(32,016)	(34,882)	(1,555,388)	(35,600)	(1,587,404)
Net book value	**32**	**1,427**	**999**	**44,546**	**1,031**	**45,973**
As at 31 March 2010						
Cost	750	33,668	35,881	1,610,698	36,631	1,644,366
Accumulated depreciation	(689)	(30,929)	(27,770)	(1,246,595)	(28,459)	(1,277,524)
Net book value	61	2,739	8,111	364,103	8,172	366,842
Reconciliation of net book values						
As at 31 March 2009	90	4,565	19,477	987,873	19,567	992,438
Depreciation for the year	(29)	(1,383)	(11,366)	(541,817)	(11,395)	(543,200)
Foreign currency translation adjustment	-	(443)	-	(81,953)	-	(82,396)
As at 31 March 2010	61	2,739	8,111	364,103	8,172	366,842
Depreciation for the year	(29)	(1,293)	(7,112)	(317,124)	(7,141)	(318,417)
Foreign currency translation adjustment	-	(20)	-	(2,434)	-	(2,454)
As at 31 March 2011	**32**	**1,426**	**999**	**44,545**	**1,031**	**45,971**

	31 March 2011 USD	**31 March 2011 INR**	31 March 2010 USD	31 March 2010 INR
11 **Investment**				
Investment in shares of SeaChange Maritime LLC, USA	**4,000,013**	**178,360,580**	3,133,867	140,679,290
368,000 units of USD 10.8696 each fully called-up and paid up (previous year: USD 8.5159 per unit is called-up and paid-up)				
Less: Impairment loss on investment	**(4,000,013)**	**(178,360,580)**	(3,133,867)	(140,679,290)
Net book value	**-**	**-**	-	-
a) The movements in impairment loss provision during the year were as follows:				
Opening balance	**(3,133,867)**	**(167,823,077)**	(2,238,476)	(140,679,290)
Charge for the year (Page 2)	**(866,146)**	**(38,621,450)**	(895,391)	(42,683,289)
Foreign currency translation adjustment	**-**	**28,083,947**	-	15,539,502
Closing balance	**(4,000,013)**	**(178,360,580)**	(3,133,867)	(167,823,077)

b) A full provision has been made against the investment on the basis of the 'Net Asset Value' as at 31 December 2010 as assessed by the Board of Directors of the investee company.

c) The Common Units are fully called up as at the end of the reporting period. In the previous year, the uncalled amount was USD 866,146 or INR 38,881,294.

		31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
12	**Inventories**				
	Bunker inventories	**688,912**	**30,718,586**	1,174,595	52,727,569
13	**Receivables and prepayments**				
	Trade receivables {(a) & (d)}	**4,313,703**	**192,348,017**	897,568	40,291,828
	Voyages in-progress	**-**	**-**	227,366	10,206,460
	Advances to suppliers {(b) & (e) (iii)}	**2,579,606**	**115,024,632**	1,967,571	88,324,262
	Deposits	**954**	**42,539**	954	42,825
		6,894,263	**307,415,188**	3,093,459	138,865,375

a) Trade receivables are net off provision for doubtful debts of USD 524,202 or INR 23,374,167 (previous year: USD 482,224 or INR 21,647,035).

b) Advances are net off provision for doubtful debts of USD 1,335,803 or INR 59,563,456 (previous year: USD 1,382,998 or INR 61,993,000).

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

	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Less than six months	**3,843,752**	**171,392,901**	496,196	22,274,239
Six months to one year	**111,728**	**4,981,952**	401,372	18,017,589
More than one year	**358,223**	**15,973,164**	-	-
Total	**4,313,703**	**192,348,017**	897,568	40,291,828

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

	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Opening balance	**1,865,222**	**83,729,815**	1,843,772	93,516,116
Charge for the year (Note 9)	**313,546**	**13,981,016**	54,779	2,611,315
Reversal on debt realisation/debts written off (Note 8)	**(318,763)**	**(14,213,642)**	(33,329)	(1,588,793)
Foreign currency translation adjustment	**-**	**(559,566)**	-	(10,808,822)
Closing balance	**1,860,005**	**82,937,623**	1,865,222	83,729,815
The closing balance comprises as follows:				
Provision against trade receivables	**524,202**	**23,531,428**	482,224	22,987,618
Provision against advance to suppliers	**1,335,803**	**59,964,197**	1,382,998	65,927,515
Foreign currency translation adjustment	**-**	**(558,001)**	-	(5,185,318)
	1,860,005	**82,937,623**	1,865,222	83,729,815

e) **Credit risk**

i) As per the credit policy of the Company, customers are extended credit period of up to 60 days on the basis of assessment of their creditworthiness judged by their conduct in the past, management's trade experience, their reputation of financial standing, market information and the market in which they operate. The management regularly monitors the outstanding amounts and follows up for recovery with periodic calls and visits to the customers.

ii) At the end of the reporting period, the concentration of credit risk with respect to trade receivables was as follows:

Country	No. of customers 31 March 2011	No. of customers 31 March 2010	31 March 2011 %	31 March 2010 %
Singapore	-	1	-	25
China	1	1	7	24
Gibraltar	-	1	-	19
India	5	1	85	12
UK	-	1	-	10
	6	5	92	90

iii) Advances have been paid to various suppliers of services and includes approximately 57% (previous year: 57% due from a supplier situated in the UK).

f) **Currency risk**

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

At the end of the reporting period, there are no significant exchange rate risks as substantially all the receivables are denominated in US Dollars or in UAE Dirham which has a fixed parity with the US Dollar.

		31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
14	**Prepayments**				
	Prepaid charter hire	263,299	11,740,502	1,276,490	57,301,636
	Other prepayments	-	-	4,789	214,978
		263,299	11,740,502	1,281,279	57,516,614
15	**Cash and cash equivalents**				
	Bank balances in:				
	- Current accounts	2,116,275	94,364,702	1,585,194	71,159,359
	- Term deposits	11,544,402	514,764,885	10,611,448	476,347,901
		13,660,677	609,129,587	12,196,642	547,507,260

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

16 **Fixed deposits with banks**

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

		31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
17	**Other current assets**				
	Amounts receivable on 'held-for-trading' derivative financial instruments	1,219,433	54,374,517	993,288	44,588,698
	Off-hire claims receivable	2,467	110,004	2,467	110,744
		1,221,900	54,484,521	995,755	44,699,442
18	**Share capital**				
	Authorised, issued and paid up:				
	1,500 shares of AED 100 each	40,869	1,834,609	40,869	1,834,609

	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
19 Trade and other payables				
Trade payables	**1,642,228**	**73,226,947**	547,485	24,576,602
Advances received from customers	**134,839**	**6,012,471**	614,726	27,595,050
Voyages in-progress	**827,592**	**36,902,327**	-	-
Accrued expenses	**2,656,268**	**118,442,990**	1,408,377	63,222,044
Provision for loss on onerous in-charter hire contracts {(a) & (b)}	**1,356,729**	**60,496,546**	2,457,208	110,304,067
	6,617,656	**295,081,281**	5,027,796	225,697,763

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

b) The movements in provision for loss on onerous incharter hire contracts during the year were as follows:

	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Opening balance	**2,457,208**	**124,629,590**	19,674,823	997,907,023
Reversal on previous year's provision (Page 2)	**(1,100,479)**	**(49,070,359)**	(17,217,615)	(820,763,707)
Foreign currency translation adjustment	**-**	**(15,062,685)**	-	(66,839,249)
Closing balance	**1,356,729**	**60,496,546**	2,457,208	124,629,590

20 Related parties

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

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

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

	31 March 2011 USD	31 March 2011 INR	31 March 2010 USD	31 March 2010 INR
Parent company				
Included in trade receivables (Note 13)	**-**	**-**	22,390	1,005,087
Fellow subsidiaries				
Included in trade payables (Note 19)	**7,355**	**327,959**	13,574	609,337
All the balances are unsecured and are expected to be settled in cash.				
Significant transactions with related parties during the year are as follows:				
Freight and demurrage income (Note 6)	**-**	**-**	1,152,059	54,918,653
Reimbursement of expenses	**139,899**	**6,238,096**	209,890	10,005,456
Agency fees	**3,725**	**166,098**	3,298	157,216
Commercial management fees	**31,521**	**1,405,521**	42,087	2,006,287

21 **Fair values of financial instruments**

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

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

22 **Approval of financial statements**

These financial statements were approved by the Director and authorized for issue on 30 April 2011.

For The Great Eastern Chartering LLC (FZC)

Director

GREATSHIP (INDIA) LIMITED

A Subsidiary Company

Directors	
Chairman	Mr. Bharat K. Sheth
Managing Director	Mr. Ravi K. Sheth
Executive Director	Mr. P. R. Naware
	Mr. Keki Mistry
	Mr. Berjis Desai
	Mr. Vineet Nayyar
	Mr. Rajiv Lall
	Mr. Shashank Singh
	Mr. Venkatraman Sheshashayee (w.e.f April 1, 2011)
Registered Office	Ocean House 134/A, Dr. Annie Besant Road Worli, Mumbai – 400 018
Corporate Office	101, Marathon Innova B2 Off Ganpatrao Kadam Marg Lower Parel (West) Mumbai 400 013
	C-25, Laxmi Towers, G Block Bandra-Kurla Complex Bandra (East) Mumbai 400 051
Corporate Identity Number	U 63090 MH 2002 PLC 136326
Auditors	Kalyaniwalla & Mistry Chartered Accountants Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai - 400 023
Company Secretary	Ms. Amisha Ghia
Web Site	www.greatshipglobal.com

DIRECTOR'S REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Ninth Annual Report for the year ended March 31, 2011.

FINANCIAL HIGHLIGHTS

Your Company has achieved a profit after tax of Rs. 11838 lakhs on a stand-alone basis and Rs. 21571 lakhs on a consolidated basis for the year ended March 31, 2011. The Financial Highlights for the financial year ended March 31, 2011 on a standalone basis, are as under:

PARTICULARS	YEAR ENDED MARCH 31, 2011 (Rupees in lakhs)	YEAR ENDED MARCH 31, 2010 (Rupees in lakhs)
Total Income	76829	67169
Total Expenditure	57103	53099
Depreciation	5196	5270
Profit before tax	**14530**	**8800**
Less: Provision of tax		
- Current tax	2710	650
- Deferred Tax	(18)	(70)
- Tax adjustment of prior years	—	(22)
Profit for the year after tax	**11838**	**8242**
Less: Prior period adjustments	—	24
Net Profits	**11838**	**8218**
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961	2000	1200
Add: Balance brought forward from previous year	12113	5991
Amount available for appropriation	**21951**	**13009**
Transfer to General Reserve	1200	—
Proposed Dividend on Preference Shares	—	768
Interim Dividend on Preference Shares	660	—
Proposed Dividend on Equity Shares	2118	—
Tax on Dividends	453	128
Balance carried forward	**17520**	**12113**

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

DIVIDEND

Your directors recommend a dividend of Rs. 2 per share on equity shares. The dividend will be paid after your approval at the ensuing Annual General Meeting. The aggregate outflow on account of the equity dividend for the year would be Rs. 2461 lakhs including tax on dividend of Rs. 343 lakhs. This represents a payout ratio of 20.79%.

During the year under review, an interim dividend of 7.5% was paid on the 8,80,00,000 Preference Shares of face value of Rs. 10 each in accordance with the terms of issue of the Preference Shares, for the financial year ending on March 31, 2011. The aggregate outgo on account of preference shares dividend was Rs. 660 lakhs, excluding tax on dividend of Rs. 110 lakhs.

SHARE CAPITAL

The authorized share capital of the Company was increased from Rs. 2,23,00,00,000 to Rs. 3,64,00,00,000 by creation of additional 14,10,00,000 preference shares by approval of the shareholders at their meeting held on February 9, 2011. The present authorized share capital of the Company is Rs. 3,64,00,00,000 divided into 13,50,00,000 equity shares of Rs. 10 each and 22,90,00,000 preference shares of Rs. 10 each.

During the year under review, on March 9, 2011, 1,76,82,000 equity shares were allotted to 'The Great Eastern Shipping Co. Ltd.' under rights issue for a price of Rs. 180 per share (face value of Rs. 10 each and premium of Rs. 170 each). Further, 6,06,24,000 preference shares were allotted to 'The Great Eastern Shipping Co. Ltd.' on March 9, 2011, on preferential basis at a price of Rs. 30 per share (face value of Rs. 10 each and premium of Rs. 20 each).

The total paid up capital of the Company as on date is Rs. 254,50,95,000 comprising of 10,58,85,500 equity shares of Rs. 10 each and 14,86,24,000 preference shares of Rs. 10 each.

DRAFT RED HERRING PROSPECTUS

As reported earlier, the Company had filed a draft red herring prospectus (DRHP) with Securities and Exchange Board of India (SEBI) on May 12, 2010 for its proposed public issue of 22,050,875 equity shares with a face value of Rs 10 each. However, in light of the capital market conditions, the Company, in consultation with the Book Running Lead Managers, decided not to proceed with the proposed public issue and in February 2011 withdrew the DRHP filed with SEBI.

SUBSIDIARIES

The Company has 8 wholly owned subsidiaries as under (together referred to as 'Subsidiaries'):

1. Greatship Global Holdings Ltd., Mauritius (GGHL)
2. Greatship Global Energy Services Pte. Ltd., Singapore (GGES)
3. Greatship Global Offshore Services Pte. Ltd., Singapore (GGOS)
4. Greatship Subsea Solutions Singapore Pte. Ltd., Singapore (GSS)
5. Greatship Global Offshore Management Services Pte. Ltd., Singapore (GMS)
6. Greatship Subsea Solutions Australia Pty Limited, Australia (GSA)
7. Greatship (UK) Limited, UK (GUK)
8. Greatship DOF Subsea Projects Private Limited, Mumbai (GDOF)

GGES and GGOS are wholly owned subsidiaries of GGHL.

During the year under review, GGOS incorporated two subsidiaries in Singapore, GSS on 12.08.2010 and GMS on 09.12.2010. GSS further incorporated a subsidiary in Australia, GSA on 17.08.2010.

GSS and GSA have been incorporated to commence and focus on the offshore construction/ subsea services business. GMS would be providing ship management services.

Your Company has till date invested Rs. 103781 lakhs in its Subsidiaries. Subsidiaries of your Company are expected to make substantial contribution to the overall growth for the Group.

SUBSIDIARIES FINANCIAL STATEMENTS

Ministry of Corporate Affairs, vide General Circular No: 2/2011 dated February 08, 2011, has granted a general exemption to companies under section 212(8) of the Companies Act, 1956. Pursuant to the said Circular, the Board of Directors of your Company has, by passing a resolution, given consent for not attaching the balance sheets, profit and loss accounts, reports of the Board of Directors, reports of the Auditors, etc. of the Subsidiaries with the Balance Sheet of your Company as required under section 212 of the Companies Act, 1956.

Accordingly, copies of the balance sheets, profit and loss accounts, reports of the Board of Directors, reports of the Auditors, etc. of the subsidiary companies have not been attached to the Balance Sheet of your Company as at March 31, 2011. As per the terms of the said Circular, a statement containing brief financial details of the subsidiaries of the Company for the year ended March 31, 2011 is included in the Annual Report. The annual accounts of the Subsidiaries and the related detailed information shall be made available to shareholders of the Company seeking such information at any point of time. The annual accounts of the Subsidiaries are also available for inspection, during business hours, by any shareholders, at the head office of the Company and of the Subsidiary concerned.

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. In accordance with the above notification, audited consolidated financial statements of the Company and Subsidiaries duly audited by its statutory auditors form part of the Annual Report. The consolidated net worth of the Company for FY 11 was Rs. 203156 lakhs as compared to Rs. 132342 lakhs.

DIRECTORS

Mr. Keki Mistry and Mr. Berjis Desai retire by rotation and being eligible offer themselves for re-appointment.

Mr. Venkatraman Sheshashayee was appointed as Additional Director of the Company w.e.f April 1, 2011. He ceases to be a Director on the date of the 9th Annual general Meeting. Notice under Section 257 of the Companies Act, 1956 has been received in respect of his appointment as Director on the Board.

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

EMPLOYEE STOCK OPTIONS

The stock options granted to employees of the Company and Subsidiaries are currently operated under five employee stock option schemes ("Schemes") and during the year under review, 3,91,100 stock options were granted to the employees of the Company and the Subsidiaries, making the total options outstanding as on March 31, 2011 to 16,33,600 (net of options cancelled/forfeited). In April 2011, 162,800 additional stock options were granted making the total options outstanding as on date to 1,796,400 (net of options cancelled/forfeited). The details of the Schemes are included in the Annexure 3 of this Report.

DEBT FUND RAISING

Over last few financial years, the Company has been raising debt for its large expansion programme. During the current financial year, the amount of debt went up from Rs. 61600 lakhs at the end of FY 10 to Rs. 65237 lakhs at the end of FY 11. The consolidated debt went up from Rs. 170127 lakhs for FY 10 to Rs. 234161 lakhs for FY 11. The gross debt:equity ratio as on March 31, 2011 was 0.34:1 on standalone basis and 1.51:1 on consolidated basis.

DIRECTORS' RESPONSIBILITY STATEMENT: –

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

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

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

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

The details of Foreign Exchange Earnings and Outgo are:

a)	Foreign Exchange earned and saved (on account of charter hire earnings, etc.)	Rs. 83604 lakhs
b)	Foreign Exchange used (including operating expenses, capital repayment, down payment for acquisition of assets, interest payment, etc.)	Rs. 102156 lakhs

PARTICULARS OF EMPLOYEES

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

AUDITORS

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

APPRECIATION

Your Directors express their sincere thanks to the Government of India, Ministry of Shipping, Ministry of Petroleum & Natural Gas, Ministry of Finance, Directorate General of Shipping, Port Authorities, Mercantile Marine Department, 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, April 30, 2011

ANNEXURE 1

MANAGEMENT DISCUSSION AND ANALYSIS

I. COMPANY PERFORMANCE

In FY 11, your Company recorded a total income of Rs. 76829 lakhs (previous year Rs. 67169 lakhs) on a standalone basis and Rs. 91362 lakhs (previous year Rs. 76309 lakhs) on consolidated basis. The Company earned a PBIDT of Rs. 22759 lakhs (previous year Rs. 17447 lakhs) on a standalone basis and Rs. 45507 lakhs (previous year Rs. 27704 lakhs) on consolidated basis.

II. OFFSHORE LOGISTICS

Market Trend and Analysis

FY11 was a challenging year for offshore oilfield services in general. While the year started with a burgeoning sense of optimism consequent to stabilised oil prices, a recovering global economy and announcements of increased E&P expenditure, the implicit promise did not translate into either increased utilization or enhanced charter rates. Brief spikes in activity or rates failed to sustain, both over time or across regions.

In comparison to other offshore markets, the Brazilian market has performed well. During the year, more than 27 vessels were contracted by Petrobras on terms ranging from 4 – 8 years. The tempo is expected to strengthen further with Petrobras planning to increase domestic production of oil and gas from 2.08m boe/day in 2010 to 5.06m boe/day by 2020. To do this, Petrobras is expected to add another 200 vessels to its existing in-chartered fleet of 250 vessels in the next 3-4 years.

Indian state-owned oil company, Oil and Natural Gas Corporation (“ONGC”) had a quiet year. Indian offshore logistic providers found few business opportunities within India. The East Coast seems dormant, though with the recent announcement of BP taking a stake in Reliance, this situation is expected to change.

The North Sea market was torpid through most of the year, with a brief period of cheer in the second quarter. The siphoning off of vessels by Brazil failed to alleviate the demand-supply equation enough to inflate charter rates much above five year lows.

The South-East Asian market continued to discourage. While national oil companies and IOCs continued to award contracts sporadically during the course of the year, day rates remained soft.

The Middle East market remained steeped in gloom, encouraging traditional Middle East companies to venture into global markets.

Strangely, even the West African market seemed downcast this year, with issues of piracy and political instability taking front stage.

Sale & Purchase of in-water vessels showed a little more activity than the previous year. Asset prices remained subdued, with AHTSVs neither gaining nor losing, and PSV values improving slightly.

New building activity was largely dormant, with most owners waiting for a little more certainty in the markets before committing their funds.

Overall, FY11 was not a year that most offshore vessel owners would like to remember, or to repeat.

Company Performance

During FY11, the Company or its Subsidiaries extended vessel operations into South East Asia, Australia and Latin America through quite attractive term charters. With operations now spread over most global markets, the Company continues to enhance its image as a global player. During the year, the Company or its Subsidiaries successfully won long term contracts with ONGC, Petrogas, Petronas, BHP Billiton, Petrobras, J R McDermott, etc.

During the earlier part of the financial year, thirteen out of the Company’s (including Subsidiaries) fourteen operating vessels were covered under term charters with various reputed clients. During the year, one PSV and three AHTSVs commenced new term charters after completion of their previous contracts. Of the three newly delivered ROVSVs which joined the operating fleet, one won a long term contract in Malaysia (with Petronas/BHP Billiton) and the other two won long term contracts in Brazil (with Petrobras). Further, the two MPSSVs which were delivered during the year remained active in the subsea markets of South East Asia and Australia.

Fleet Changes

As on March 31, 2011, the operating fleet of the Company (including Subsidiaries) stood at seventeen vessels which includes four Platform Supply Vessels (PSVs), seven Anchor Handling Tug cum Supply Vessels (AHTSVs), three Multipurpose

Platform Supply and Support Vessels (MPSSVs) and three ROV Support Vessels (ROVSVs). During the year under review, your Company along with its subsidiaries took delivery of the following vessels:

1. MPSSV 'Greatship Mamta' on July 20, 2010
2. ROVSV 'Greatship Ramya' on August 26, 2010
3. MPSSV 'Greatship Manisha' on September 17, 2010
4. ROVSV 'Greatship Rohini' on December 10, 2010
5. ROVSV 'Greatship Rashi' on March 14, 2011

During the year under review, Singapore subsidiary, GGOS, terminated the bareboat charter of the AHTSV Greatship Abha. Greatship Abha was acquired on sale and leaseback basis in February, 2009.

The total new building orders for the Company (including Subsidiaries) are for 7 vessels consisting of two Multipurpose Support Vessels (MSVs) in India, three ROVSVs in Sri Lanka and two 150 TBP AHTSVs in Singapore. The asset profile and fleet order book are enclosed.

Outlook for Offshore Logistics Market

With stabilization of oil prices, a growing Australian market, and a hungry Brazilian market absorbing tonnage swiftly, the global offshore market gives rise to optimism. There is, however, a certain amount of apprehension due to the oversupply of certain asset classes, strong cabotage regulations in certain pockets of South East Asia and rising security issues in West Africa.

Early indications in the North Sea market have been positive with a considerable number of term charters being awarded in the region. The spot market is expected to strengthen during the summer months.

The Indian market is expected to offer more opportunities post monsoon FY12.

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

III. DRILLING SERVICES

Market Trend and Analysis

FY11 will be remembered as the year of the Deepwater Horizon incident, which posed a huge set back to a gradually recovering market. Deep water drilling in the Gulf of Mexico (GoM) practically came to a standstill, with the Government imposing standards and requirements which prevented any reasonable activity. Only in the first quarter of 2011 has the situation shown some signs of relenting with the Government issuing the first few permits.

Jack Up Rig (JUR) markets in FY11 bifurcated sharply. Older rigs (pre 2000 built) found markets around the world turning hostile, resulting in sharply reduced utilisation and charter rates in the US$ 65,000 – US$ 75,000 range. Demand for modern rigs (post 2000 built) strengthened, with utilisation rising past the 80% mark and charter rates stabilising around US$ 120,000 per day.

Given the above, many drilling contractors reluctantly stacked their older rigs during the year.

During the second half of FY11, increased activity in Mexico, Brazil, West Africa and South East Asia lent the market much needed optimism, leading to a flurry of new build orders (31 in 6 months) being placed at leading rig building yards across the world. Some of these were by speculators, but most were by established drilling companies focussed on replacing their ageing fleets. This led to new build prices moving up steadily and settling at about US$ 180 m for a 350' modern JUR.

Company Performance

JUR Greatdrill Chitra, owned by Singapore subsidiary, GGES, continued operations with ONGC (the rig is under contract for a period of five years) in the West coast of India. Greatdrill Chitra has safely and successfully accomplished the lowering of 9-5/8" casing to a depth of 4900 Mts, deepest in Mumbai High, at the well KI#B in the Gulf of Kutch. The well was also successfully drilled to the target depth of 6000 Mts.

JUR Greatdrill Chetna continued under the current three year contract with ONGC and since the beginning of the Charter drilled and completed 3 wells successfully to deeper depths. The rig completed the year without any recordable incident/ accident.

Fleet Changes

GGES purchased bareboat chartered JUR Greatdrill Chetna from Mercator in early March 2011.

GGES also placed a new build order for a 350' JUR (Le Tourneau Super 116E) with Lamprell Energy in UAE, for delivery in Q3 FY 13 (Q4 calendar 2012).

Outlook for Drilling Market

Crude oil prices stayed stable through the year with a sharp increase in the last quarter due to the political situation in North Africa and the Middle East. EIA reports that global oil demand is expected to grow at a healthy rate resulting in average global consumption growth over the next 2 years returning to rates experienced prior to the global financial crisis in 2008. Recently, the Paris-based International Energy Agency (IEA), the energy-monitoring body of 28 industrialized countries, also raised its 2011 world oil demand outlook, citing the impact of buoyant global economic growth and frigid weather conditions in the northern hemisphere. IEA predicts that global oil demand will increase by 1.6% (or 1.4 million barrels per day) annually, reaching 89.1 million barrels a day in 2011 from last year's 87.7 million barrels a day.

With oil prices at above $100 per barrel, E&P companies seem to be accelerating both their exploration and production programmes, resulting in increasing demand for drilling rigs. This increased drilling activity, however, seems to be impacting only the modern, more powerful rigs.

Q4 FY11 saw increased contracting and increased dayrates in the JUR market, which is hoped will continue through the following years.

Current concerns include the geo-political unrest in North Africa and the Middle East, as well as a possible overhang of supply over demand due to the burst in new build ordering in the second and third quarters of FY11.

IV. SUBSEA SOLUTIONS

Market Trend and Analysis

FY11 was a loss making year for many mid-sized subsea services companies across the world. Utilisation of subsea vessels touched all time lows (some categories as low as 15%) and many projects, though visible, remained elusive as both IOCs and NOCs allowed uncertainty to stay their hands through the year.

Desperation led to many companies 'buying' work, doing projects at or lower than cost.

The large subsea SURF companies did not suffer as badly, as past order-books allowed them to coast through the year without visible pain.

Maintenance projects continued in many parts of the world, albeit sporadically.

The fourth quarter saw some recovery with Australia, Norway, SEA and China inking both new development projects as well as maintenance projects. However, FY12 is not likely to see a huge recovery, and tension prevails amongst vessel owners as well as service providers in this domain.

Brazil, Australia, China and GoM are expected to be the markets that will lead recovery through the year.

The S&P market and new build market for subsea assets remained somnolent. Though some desperate owners tried to down size their fleets, there were not many takers.

There was some interesting M&A activity as companies consolidated with the objective of strengthening previously week balance sheets and filling largely empty backlogs.

Company Performance

The Company's newly incorporated subsidiaries Greatship Subsea Solutions Singapore Pte. Ltd (GSS) and Greatship Subsea Solutions Australia Pty Limited (GSA) would be specializing in four sub segments within the subsea vertical, namely construction & decommissioning support, inspection, maintenance & repair, geotechnical & geophysical services and well construction services. This business vertical had one asset in subsea – Greatship Mamta which carried out three projects, one in Philippines, one in Australia and one in Indonesia involving jobs like ROV and positioning services, ROV support and light construction and pipeline replacement.

Outlook for Subsea Market

Worldwide indicators show signs of increased activity from second half 2011, which are further expected to improve in 2012 and return to normal levels of activity in later 2012 and 2013. For the period 2013 onwards, indications are for a significant uplift in activity surpassing even the highs of 2007-2008. The reasons for this include;

1. Oil prices are returning to levels which encourage E&P spending across all sectors of the market. In addition to the obvious spend on new projects from the majors the strong oil price has the following additional benefits;
    a. Strong oil prices allow small to mid cap oil companies to exploit smaller and more marginal fields. These projects provide significant opportunities.
    b. The strengthening oil price encourages extensions to field life cycles which increases brownfield construction and IMR opportunities
2. The combination of legislative pressures and reduced contractor costs / increased capacity has spurred a significant increase in decommissioning projects worldwide

3. The emergence of Asia as the new world economic power and its ever increasing demand for energy has underpinned several 'mega' LNG projects in Australia, PNG, Indonesia amongst others. These projects have a different economic model than oil and are usually based on 30-50 year life spans. The gas contracts are in place and indicators show Australasia overtaking Brazil in Greenfield construction spending across 2014-2015.

4. Recent mergers and acquisitions in the subsea space (Acergy – SS7, Fugro – TSMarine etc) are creating opportunities for emerging subsea players who can deliver solutions quicker and at a lower cost. This is especially true in the decommissioning and SURF markets with the mid cap operators.

For all the above reasons the improved prospects in subsea, especially in Australia, Brazil and South East Asia, appear to be favourable to our MPSSVs and MSVs.

V. QUALITY, HEALTH, SAFETY & ENVIRONMENT

During the year under review, the Company completed the fourth annual DOC Audit for verification of compliance towards the ISM (International Safety Management) Code. The audit was carried out by Directorate General of Shipping, Mumbai.

Annual audits for verification of compliance towards ISO 9001:2008 (Quality Management System), ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) for vessels and rigs were also completed. The audits were carried out by Det Norske Veritas (DNV), Mumbai.

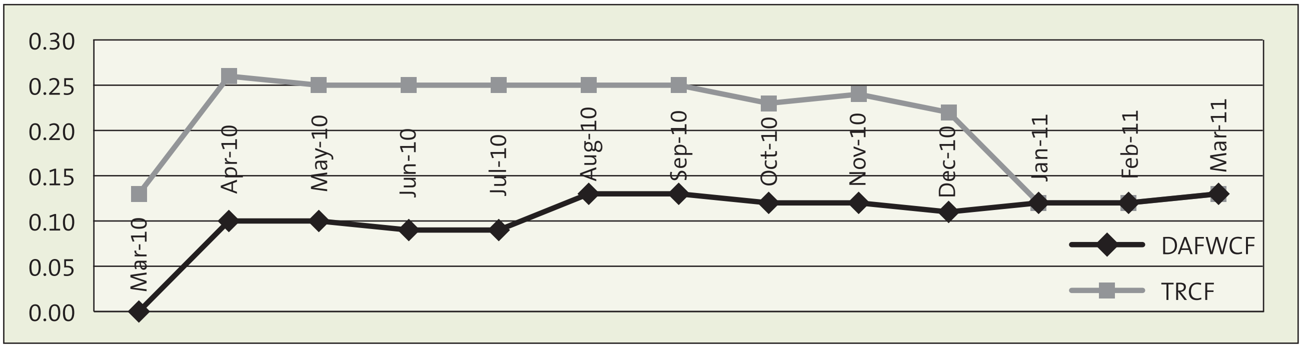
Subsidiary GGOS Singapore completed annual office audits for verification of compliance towards the ISM code, ISO 9001:2008 , ISO 14001:2004 and OHSAS 18001:2007 standards. The audits were carried out by Det Norske Veritas (DNV), Singapore.

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

Greatship Mamta became the first ship in the offshore industry to obtain the MLC-2006 Statement of Compliance.

Safety statistics of our rigs and vessels are at par with the best in the industry. There has been nil incident / Loss Time Injury cases in the last year on our two rigs. There have been two LTI cases onboard two of our seventeen fleet vessels.

The bar graph below depicts the LTI or Days Away from Work Cases Frequency (DAWCF) and Total Recordable Cases Frequency (TRCF) till March 31, 2011.



All Fleet vessels & rigs carry out onboard safety, environment and security training in the form of drills, safety movies and computer based training modules. Onboard on job training is carried out. Onshore training imparted in specialized courses such as Dynamic Positioning Refresher Training / DP Maintenance / Training in the usage of SAP system.

VI. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

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

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

VII. SYSTEMS

Your Company has successfully completed one year of functioning of SAP, the world's leading Enterprises Resources Planning software across its entire group of companies, Vessels and Rigs. Suitable enhancements are being carried out to meet the strategic and business intelligence requirements of the Company and its Subsidiaries.

Fleet as on March 31, 2011

Greatship (India) Limited

Category		Vessel Name	DWT (MT)	Year Built	Avg Age (years)
OFFSHORE SUPPORT VESSELS					
	Platform Supply Vessels				
	1	m.v. Greatship Disha	3,096	1999	
	2	m.v. Greatship Dipti	3,229	2005	
	3	m.v. Greatship Dhriti	3,318	2008	
	4	m.v. Greatship Dhwani	3,315	2008	
	4		**12,958**		**6**
	Anchor Handling Tug cum Supply Vessels				
	1	m.v. Greatship Anjali	2,188	2008	
	2	m.v. Greatship Amrita	2,045	2008	
	3	m.v. Greatship Akhila	1,639	2009	
	4	m.v. Greatship Asmi	1,634	2009	
	5	m.v. Greatship Ahalya	1,643	2009	
	6	m.v. Greatship Aarti	1,650	2009	
	6		**10,799**		**2.3**
	ROV Support Vessels				
	1	m.v. Greatship Rohini	3,700	2010	
	2	m.v. Greatship Rashi	3,700	2011	
	2		**7,400**		**0.5**
FLEET TOTAL					
Number	**12**				
Total Tonnage (dwt)	**31,157**				
Average Age (yrs)	**3.25**				

Greatship Global Offshore Services Pte. Ltd., Singapore

Category		Vessel Name	DWT (MT)	Year Built	Avg Age (years)
OFFSHORE SUPPORT VESSELS					
	Anchor Handling Tug cum Supply Vessels				
	1	*m.v. Greatship Aditi	2,057	2009	
	1		**2,057**		**2**
	Multi-purpose Platform Supply and Support Vessels				
	1	m.v. Greatship Maya	4,252	2009	
	2	m.v. Greatship Mamta	4,068	2010	
	3	m.v. Greatship Manisha	4,400	2010	
	3		**12,720**		**1.3**
	ROV Support Vessel				
	1	m.v. Greatship Ramya	3,700	2010	
	1		**3,700**		**1**
FLEET TOTAL					
Number	**5**				
Total Tonnage(dwt)	**18,477**				
Average Age (yrs)	**1.4**				

*acquired on a sale and leaseback basis

Greatship Global Energy Services Pte. Ltd., Singapore

Category		Rig Name	Year Built	Avg Age (years)
Drilling Units				
	Jack Up Rig			
	1	Greatdrill Chitra	2009	
	2	Greatdrill Chetna	2009	
	2			**2**
FLEET TOTAL				
Number	**2**			
Average Age (yrs)	**2**			

Transactions during FY 2010-11

Greatship (India) Limited

Category	Type	Vessel Name	DWT (MT)	Year Built	Month of Aquisition
Acquisitions					
New Built Deliveries					
Offshore Support Vessels					
	ROV Support Vessel	Greatship Rohini	3,700	2010	Dec-10
	ROV Support Vessel	Greatship Rashi	3,700	2011	Mar-11
Sales					
Offshore Support Vessels					
	Platform Supply Vessel	Greatship Diya	3,350	2003	May-10

Greatship Global Offshore Services Pte. Ltd., Singapore

Category	Type	Vessel Name	DWT (MT)	Year Built	Month of Aquisition
Acquisitions					
New Built Deliveries					
Offshore Support Vessels					
	Multi-purpose Platform Supply and Support Vessel	Greatship Mamta	4,068	2010	Jul-10
	ROV Support Vessel	Greatship Ramya	3,700	2010	Aug-10
	Multi-purpose Platform Supply and Support Vessel	Greatship Manisha	4,400	2010	Sep-10
Sales					
Offshore Support Vessels					
	ROV Support Vessel	**Greatship Rekha	3,732	2010	Apr-10
	Anchor Handling Tug cum Supply Vessel	@Greatship Abha	2,054	2009	Jul-10

**acquired and simultaneously sold to the buyers

@ Bareboat charter terminated simultaneously with the sale of the vessel by the Owners

Greatship Global Energy Services Pte. Ltd., Singapore

Category	Type	Vessel Name	Year Built	Month of Aquisition
Drilling Unit				
	Jack Up Rig	Greatdrill Chetna	2009	Mar-11

Order Book as on April 30, 2011

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	Drydocks World Singapore Pte. Ltd., Singapore	Jul-08	Q3 FY12
	2.	Anchor Handling Tug cum Supply Vessel	Drydocks World Singapore Pte. Ltd., Singapore	Jul-08	Q4 FY12
Offshore Support Vessels in Greatship Global Offshore Services Pte. Ltd., Singapore					
	1.	Multipurpose Support Vessel	Mazagon Dock Limited, Mumbai	Sep-07	Q2 FY12
	2.	Multipurpose Support Vessel	Mazagon Dock Limited., Mumbai	Sep-07	Q3 FY12
	3.	ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Oct-10	Q4 FY12
	4.	ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Oct-10	Q1 FY13
	5.	ROV Support Vessel	Colombo Dockyard Plc, Srilanka	Dec-10	Q2 FY13
Drilling units in Greatship Global Energy Services Pte. Ltd., Singapore					
	1.	Jack Up Rig	Lamprell Energy Ltd.,Dubai	Jan-11	Q3 FY13

ANNEXURE 2

CORPORATE GOVERNANCE

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

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

BOARD OF DIRECTORS

Composition of the Board

As on date, the Board of Directors consists of nine directors and the Chairman is a Non-Executive Director. We have two Executive Directors and seven Non-Executive Directors on our Board. The Board of Directors is strengthened with the increase in the number of independent directors which will enable separation of the board function of governance and management. All independent directors are persons of eminence and bring a wide range of expertise and experience to the board. The composition of the Board is in line with 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 – 400018. Six Board Meetings were held during the year and the gap between two meetings did not exceed four months. The Board Meetings were held on May 14, 2010, June 15, 2010, July 23, 2010, October 28, 2010, February 7, 2011. The offsite board meeting was held at Udaipur between March 11-13, 2011.

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

The Composition of the Board of Directors and their attendance at the Meetings during the year and at the last Annual General Meeting and also number of other Directorships and Memberships of Committees as on March 31, 2011 are as follows:

Name of Director	Nature of Directorship	Attendance		As on March 31, 2011		
		Board Meetings	Last Annual General Meeting	Number of other directorships *	Committee Memberships**	Committee Chairmanships**
Mr. Bharat K. Sheth	Non Executive Chairman	6	Yes	1	NIL	NIL
Mr. Ravi K. Sheth	Managing Director	6	Yes	2	NIL	NIL
Mr. P. R. Naware	Executive Director	5	Yes	NIL	NIL	NIL
Mr. Keki Misty	Non Executive Director	5	Yes	12	10	4
Mr. Berjis Desai	Non Executive Director	5	Yes	8	9	2
Mr. Vineet Nayyar	Non Executive Director	3	No	7	2	1
Mr. Rajiv Lall	Non Executive Director	3	No	12	4	0
Mr. Shashank Singh	Non Executive Director	5	No	1	NIL	NIL

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

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

3. *Mr. Venkatraman Sheshashayee was appointed as the Additional Director of the Company w.e.f. April 1, 2011.*

COMMITEES OF THE BOARD OF DIRECTORS

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

A) AUDIT COMMITTEE

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

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

iii. During the year under review, four meetings of the Audit Committee were held on May 14, 2010, July 23, 2010, October 28, 2010 and February 7, 2011.

Details of attendance of the members at the Committee meetings held during the year is as under:

Name of the Member	Number of meetings attended during FY11
Mr. Keki Mistry (Chairman)	4
Mr. Ravi K. Sheth	4
Mr. Berjis Desai	3

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

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

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

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

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

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

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

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

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

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

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

vi. Compliance with accounting standards;

vii. The going concern assumption;

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

ix. Qualifications in the draft audit report.

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

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

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

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

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

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

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

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

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

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

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

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

B) REMUNERATION COMMITTEE

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

During the year under review, two meetings of the Remuneration Committee were held on May 14, 2010 and September 23, 2010.

Details of attendance of the members at the Committee meetings held during the year is as under:	
Name of the Member	Number of meetings attended during FY11
Mr. Vineet Nayyar (Chairman)	1
Mr. Berjis Desai	2
Mr. Rajiv Lall	2

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

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

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

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

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

The Remuneration Committee is empowered to frame remuneration packages for the Executive Directors and review the same from time to time on certain performance parameters, growth in business as well as profitability and also align the remuneration with the best practices prevailing in the industry.

Details of Remuneration to Executive Directors for FY 2010-11	
Name of Director	Commission (Amt. in Rs.)
Ravi K. Sheth	2,45,00,000
P. R. Naware	68,00,000
Total	**3,13,00,000**

Details of Remuneration to Non - Executive Directors for FY 2010-11	
Name of Director	Commission (Amt. in Rs.)
Keki Mistry	6,00,000
Berjis Desai	5,75,000
Vineet Nayyar	5,50,000
Rajiv Lall	5,25,000
Shashank Singh	5,00,000
Total	**27,50,000**

Commission to Executive Directors is paid as determined by the Remuneration Committee based on certain performance parameters and profitability of the Company and is within the overall limit fixed by the members.

Commission to Non Executive Directors is determined after taking into account time spent by the Directors for the Company, profitability of the Company, the valuable guidance of the Directors for the various business initiatives and decisions at the Board level, membership/chairmanship of various committees of Directors. The remuneration to Non Executive Director will be paid after obtaining approval of the shareholders.

B) SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

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

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

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

ANNEXURE 3

INFORMATION ON EMPLOYEE STOCK OPTION SCHEMES AS ON MARCH 31, 2011

Particulars	Employee Stock Option Scheme 2007 ("ESOP 2007")	Employee Stock Option Scheme 2007 - II ("ESOP 2007-II")	Employee Stock Option Scheme 2008 - I ("ESOP 2008-I")	Employee Stock Option Scheme 2008 - II ("ESOP 2008-II")	Employee Stock Option Scheme 2010 ("ESOP 2010")
Options granted	656,300	99,700	85,000	925,900	222,600
The pricing formula	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to The Great Eastern Shipping Company Limited ("GESCO")	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to GESCO.	These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to GESCO.	These options were granted at a price of Rs. 135, which is above the price at which the Equity Shares were allotted to GESCO	These options were granted at a price of Rs. 135, which is above the price at which the Equity Shares were allotted to GESCO
Exercise price of options	Rs. 100	Rs. 100	Rs. 100	Rs. 135	Rs. 135
Total options vested	315,920	89,100	60,000	177,900	Nil
Options exercised	Nil	Nil	Nil	Nil	Nil
Total number of Equity Shares arising as a result of exercise of options	Nil	Nil	Nil	Nil	Nil
Options forfeited/lapsed/ cancelled	114,200	10,600	25,000	159,400	46,700
Variation in terms of options	Please see Note 1 below	Please see Note 2 below	Nil	Nil	Nil
Money realised by exercise of options	Nil	Nil	Nil	Nil	Nil
Options outstanding (in force)	542,100	89,100	60,000	766,500	175,900
Person wise details of options granted to					
(i) Senior Managerial Personnel	P. R. Naware-106,700 V Sheshashayee-106,700 KSS Kowshik-42,500 Amisha Ghia-11,600	Alok Mahajan -15,000	Nil	Nisha Nath Jain-46,700 Alok Mahajan-70,000 P. V. Suresh-46,700 Satish Sinha-70,000 Ajith Karunakaran-46,700	Nil
(ii) Any other employee who received a grant of options amounting to 5% or more of the options granted during the year ended March 31, 2011	Nil	Nil	Nil	Please see Note 3 below	Please see Note 3 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil	Nil
Fully diluted EPS on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 12.28	Rs. 12.28	Rs. 12.28	Rs. 12.28	Rs. 12.28
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 9,321,777 (As on March 31, 2011) Impact on profit: Profit would be less by Rs. 9,321,777 Impact on EPS (basic) : 0.10 Impact on EPS (diluted) : 0.10	Rs. 9,321,777 (As on March 31, 2011) Impact on profit: Profit would be less by Rs. 9,321,777 Impact on EPS (basic) : 0.10 Impact on EPS (diluted) : 0.10	Rs. 9,321,777 (As on March 31, 2011) Impact on profit: Profit would be less by Rs. 9,321,777 Impact on EPS (basic) : 0.10 Impact on EPS (diluted) : 0.10	Rs. 9,321,777 (As on March 31, 2011) Impact on profit: Profit would be less by Rs. 9,321,777 Impact on EPS (basic) : 0.10 Impact on EPS (diluted) : 0.10	Rs. 9,321,777 (As on March 31, 2011) Impact on profit: Profit would be less by Rs. 9,321,777 Impact on EPS (basic) : 0.10 Impact on EPS (diluted) : 0.10
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA	NA	NA	NA	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method	Intrinsic value method	Intrinsic value method	Intrinsic value method	Intrinsic value method

Note 1: Variation in terms of options – ESOP 2007:

a) The provisions of ESOP 2007 relating to the exercise of the vested options by settlement in cash prior to listing of the shares of our Company were modified with effect from August 18, 2008, to be settled at a value to be determined at five times the EPS as per the latest audited consolidated financial statements of our Company instead of determining the value as per the latest audited financial statements of our Company.

b) Under ESOP 2007, vesting conditions relating to continued employment with our Company were modified with effect from August 18, 2008 to provide for the transfer of employment within the Group Companies.

Note 2: Variation in terms of options – ESOP 2007-II:

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

Note 3: Any other employee who received a grant of options amounting to 5% or more of the options granted during the year ended March 31, 2011:

ESOP 2008-II

Name of Employee	No. of options granted
Satish Sinha	70,000
Ajith Karunakaran	46,700
Vincent Fernandes	25,000

ESOP 2010

Name of Employee	No. of options granted
S Sridhar*	46,700
Edmond Pereira	46,700
Lokanath Tripathy	25,000
Zachariah Varughese	16,300
Satish Tawade	16,300
Sameer Anjarlekar	16,300
K P Ramachandran	11,600
Parag Bapat	11,600
Jaideep Mainkar	11,600

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

REPORT OF THE AUDITORS TO THE MEMBERS OF GREATSHIP (INDIA) LIMITED

1) We have audited the attached Balance Sheet of Greatship (India) Ltd. as at March 31, 2011 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) 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, 2011; 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, 2011 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, 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place : Mumbai
Date: April 30, 2011

Annexure to the Auditor's Report

Referred to in Paragraph 3 of our report of even date on the accounts of Greatship (India) Ltd. for the year ended March 31, 2011:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. (a) According to the information and explanations given to us and the books and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities, where applicable. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2011 for a period of more than six months from the date of becoming payable.

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

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise and Customs Act, 1962	Service tax	272,452,804	FY. 2009-10	Commissioner Service Tax
Central Excise and Customs Act, 1962	Customs Duty	1,185,657	FY. 2009-10	Commissioner of Customs

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

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

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

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

14. In our opinion, the Company has maintained proper records of the transactions and contracts of investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.

15. According to the information and explanations given to us and the records examined by us, the Company has given guarantees for loans taken by its subsidiaries from banks or financial institutions, however, in our opinion, the terms and conditions thereof are not prima facie prejudicial to the interest of the company.

16. As informed to us, the term loans were applied by the Company for the purpose for which they were obtained.

17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the company has not utilised any funds raised on short term basis for long term investments.

18. The Company has during the year allotted shares on conversion of warrants preferentially allotted in the previous year to a party covered in the register maintained under section 301 of the Act. In our opinion, the price at which the shares have been allotted is not prima facie prejudicial to the interest of the company.

19. The Company has not issued any debentures.

20. The Company has not raised any money through public issues.

21. Based upon the audit procedures performed and the information and explanation given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Registration No. 104607W

Viraf R. Mehta
Partner
Membership No: 32083

Place: Mumbai
Date: April 30, 2011

Balance Sheet as at March 31, 2011

	Schedule	Current Year Rs.	Previous Year Rs.
SOURCES OF FUNDS :			
Shareholders' Funds :			
Share Capital	1	**2,545,095,000**	1,741,000,000
Application Money - Equity Warrants (Note 3)		**-**	59,066,280
Employee Stock Options Outstanding (Note 4)		**24,203,285**	23,207,385
Reserves & Surplus	2	**16,403,120,471**	10,858,396,141
		18,972,418,756	12,681,669,806
Loan Funds :			
Secured Loans	3	**6,523,794,624**	6,160,047,495
Foreign Currency Monetary Item Translation Difference Account			
Gain on long term foreign currency monetary items		**-**	5,700,757
		25,496,213,380	18,847,418,058
APPLICATION OF FUNDS :			
Fixed Assets :	4		
Gross Block		**11,447,709,843**	10,189,376,965
Less : Depreciation		**1,358,950,508**	1,017,238,559
Net Block		**10,088,759,335**	9,172,138,406
Ships Under Construction		**403,835,426**	590,395,597
		10,492,594,761	9,762,534,003
Investments :	5	**11,522,457,263**	7,623,321,595
Deferred tax assets (net)		**8,800,000**	7,000,000
Current Assets, Loans and Advances :			
Inventories	6	**423,274,683**	379,737,117
Sundry Debtors	7	**1,106,501,865**	1,222,788,192
Cash and Bank Balances	8	**1,369,548,148**	1,732,576,099
Other Current Assets	9	**2,209,988**	144,060
Loans and Advances	10	**2,047,566,726**	139,611,605
		4,949,101,410	3,474,857,073
Less :			
Current Liabilities and Provisions :			
Current Liabilities	11	**1,217,553,429**	1,922,381,990
Provisions	12	**259,186,625**	97,912,623
		1,476,740,054	2,020,294,613
Net Current Assets		**3,472,361,356**	1,454,562,460
		25,496,213,380	18,847,418,058
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached hereto

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, April 30, 2011

Amisha M. Ghia
Company Secretary

For and on behalf of the Board

Ravi K. Sheth Managing Director

P.R.Naware Executive Director

Profit and Loss Account for the year ended March 31, 2011

Particulars	Schedule	Current Year Rs.	Previous Year Rs.
INCOME :			
Income from Operations	13	**7,598,714,716**	6,651,463,912
Other Income	14	**84,141,176**	65,480,538
		7,682,855,892	6,716,944,450
EXPENDITURE :			
Operating Expenses	15	**4,848,713,025**	4,453,631,121
Administration & Other Expenses	16	**558,212,570**	518,607,719
Interest & Finance Charges	17	**303,399,191**	337,658,412
Depreciation		**519,574,103**	527,003,369
		6,229,898,889	5,836,900,621
Profit before tax		**1,452,957,003**	880,043,829
Less : Provision for tax			
- Current tax		**271,000,000**	65,000,000
- Deferred tax		**(1,800,000)**	(7,000,000)
- Tax adjustment of prior years		**-**	(2,137,423)
		269,200,000	55,862,577
Profit for the year after tax		**1,183,757,003**	824,181,252
Less : Prior Period Items		**-**	2,421,901
Net Profit		**1,183,757,003**	821,759,351
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961		**200,000,000**	120,000,000
		983,757,003	701,759,351
Balance brought forward from previous year		**1,211,318,482**	599,143,404
Amount available for appropriation		**2,195,075,485**	1,300,902,755
Appropriations :			
Transfer to General Reserve		**120,000,000**	-
Proposed Dividend on Preference Shares		**-**	76,824,658
Interim Dividend on Preference Shares		**66,000,000**	-
Proposed Dividend on Equity Shares		**211,771,000**	-
Tax on Dividend		**45,316,325**	12,759,615
Balance carried forward		**1,751,988,160**	1,211,318,482
		2,195,075,485	1,300,902,755
Basic earnings per share (in Rs.)		**12.30**	8.50
Diluted earnings per share (in Rs.)		**12.28**	8.48
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached hereto

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, April 30, 2011

Amisha M. Ghia
Company Secretary

For and on behalf of the Board

Ravi K. Sheth Managing Director

P.R.Naware Executive Director

Cash Flow Statement for the year ended March 31, 2011

		Current Year Rs.	Previous Year Rs.
A.	**CASH FLOW FROM OPERATING ACTIVITIES :**		
	PROFIT BEFORE TAX :	**1,452,957,003**	880,043,829
	Adjustment for :		
	Depreciation	**519,574,103**	527,003,369
	Interest income	**(18,120,018)**	(10,873,007)
	Interest expense	**303,399,191**	337,658,413
	Dividend income	**(52,942,293)**	(30,574,533)
	Provision for Doubtful Debts and Advances	**75,481,849**	100,009,805
	ESOP Costs	**995,900**	4,327,729
	(Profit) / Loss on sale of assets (net)	**(65,915,526)**	3,991,596
	(Profit) / Loss on sale of Investments	**(56,291)**	(64,832)
	Prior period items	**-**	(2,421,901)
	Unrealised exchange (gain)/loss	**10,829,347**	41,701,678
	OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	**2,226,203,265**	1,850,802,146
	Adjustment for :		
	Inventories	**(43,537,566)**	(181,041,192)
	Trade & Other Receivables	**12,784,093**	(744,595,134)
	Trade payables	**(567,539,881)**	931,399,569
		(598,293,354)	5,763,243
	CASH GENERATED FROM OPERATIONS :	**1,627,909,911**	1,856,565,389
	Taxes paid	**(253,187,240)**	(79,872,306)
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES :	**1,374,722,671**	1,776,693,083
B.	**CASH FLOW FROM INVESTING ACTIVITIES :**		
	Purchase of Fixed Assets	**(2,236,321,426)**	(2,051,452,116)
	Proceeds from sale of Fixed Assets	**992,507,088**	363,889
	Purchase of Investments	**(3,362,502,261)**	(589,990,513)
	Investment in subsidiary companies	**(3,209,266,666)**	(424,999,000)
	Loan to subsidiary companies	**(1,828,190,000)**	-
	Proceeds from sale of Investments	**2,672,689,553**	1,775,064,832
	Interest received	**15,302,039**	17,092,616
	Dividend received	**52,942,293**	30,574,533
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES :	**(6,902,839,380)**	(1,243,345,759)
C.	**CASH FLOW FROM FINANCING ACTIVITIES :**		
	Proceeds from issue of Share Capital	**5,267,278,260**	-
	Proceeds from Long Term Borrowings	**1,690,368,000**	1,642,625,549
	Repayment of Long Term Borrowings	**(1,266,525,869)**	(696,653,974)
	Interest Paid	**(371,709,173)**	(336,281,435)
	Dividend paid	**(166,546,048)**	-
	NET CASH FROM/(USED IN) FINANCING ACTIVITIES :	**5,152,865,170**	609,690,140
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**(375,251,539)**	1,143,037,464
	CASH AND CASH EQUIVALENTS AS AT April 1, 2010	**1,810,329,799**	667,292,335
	CASH AND CASH EQUIVALENTS AS AT Mar 31, 2011 (See note below)	**1,435,078,260**	1,810,329,799
	Note:		
	Cash & Cash equivalents as on Mar 31	**1,369,548,148**	1,732,576,099
	Effect of exchange rate changes (Loss / (Gain))	**65,530,112**	77,753,700
		1,435,078,260	1,810,329,799

As per our Report attached hereto

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, April 30, 2011

Amisha M. Ghia
Company Secretary

For and on behalf of the Board

Ravi K. Sheth Managing Director

P.R.Naware Executive Director

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2011

	Current Year Rs.	Previous Year Rs.
SCHEDULE "1"		
SHARE CAPITAL :		
AUTHORISED		
135,000,000 (Previous year 95,000,000) Equity Shares of Rs.10 each	**1,350,000,000**	950,000,000
229,000,000 (Previous year 88,000,000) Preference Shares of Rs.10 each	**2,290,000,000**	880,000,000
	3,640,000,000	1,830,000,000
ISSUED, SUBSCRIBED & PAID UP		
105,885,500 (Previous year 86,100,000) Equity shares of Rs.10 each fully paid up	**1,058,855,000**	861,000,000
88,000,000 (Previous year 88,000,000) 7.5% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	**880,000,000**	880,000,000
60,624,000 (Previous year NIL) 22.5% Cumulative Redeemable Preference Shares of Rs.10 each fully paid up	**606,240,000**	-
	2,545,095,000	1,741,000,000
Note:		
Of the above,		
103,782,000 Equity shares are held by The Great Eastern Shipping Company Limited, the holding company.		
88,000,000 7.5 % Cumulative Redeemable Preference Shares and 60,624,000 22.5 % Cumulative Redeemable Preference Shares are held by The Great Eastern Shipping Company Limited, the holding company.		
SCHEDULE "2"		
RESERVES AND SURPLUS :		
Securities Premium Account		
Balance as per last Balance Sheet	**8,853,945,839**	9,419,000,000
Add : Premium on shares issued during the year	**4,492,716,400**	-
Less : Transferred to Preference Share Capital Redemption Reserve Account	**399,457,439**	565,054,161
	12,947,204,800	8,853,945,839
Preference Share Capital Redemption Reserve Account		
Balance as per last Balance Sheet	**565,054,161**	-
Add : Transfer from Securities Premium Account	**399,457,439**	565,054,161
	964,511,600	565,054,161
General Reserve		
Transfer from Profit & Loss Account	**120,000,000**	-
Capital Reserve Account		
Amount forfeited on warrants not exercised	**29,533,140**	-
Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961		
Balance as per last Balance Sheet	**368,500,000**	248,500,000
Add : Transfer from Profit & Loss Account	**200,000,000**	120,000,000
	568,500,000	368,500,000
Hedging Reserve Account		
Balance as per last Balance Sheet	**(140,422,341)**	(577,031,174)
Add : Fair value Gain / (Loss) on derivative contracts designated as cash flow hedges (net)	**161,805,112**	436,608,833
	21,382,771	(140,422,341)
Profit & Loss Account	**1,751,988,160**	1,211,318,482
	16,403,120,471	10,858,396,141
SCHEDULE "3"		
SECURED LOANS :		
Term Loans from Banks	**6,523,794,624**	6,160,047,495
(Secured by mortgage of vessels, assignment of earnings and corporate guarantee of The Great Eastern Shipping Company Limited, the holding company in some loans)		
	6,523,794,624	6,160,047,495

SCHEDULE "4"

FIXED ASSETS :

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at April 1, 2010 Rs.	Additions for the year Rs.	Deductions for the year Rs.	**As at March 31, 2011 Rs.**	Upto April 1, 2010 Rs.	Adjustments/ Deduction for Assets Sold/ Discarded Rs.	For the year Rs.	**Upto March 31, 2011 Rs.**	**As at March 31, 2011 Rs.**	As at March 31, 2010 Rs.
Tangible Assets										
Fleet	10,017,883,047	2,406,744,746	1,146,920,125	**11,277,707,668**	963,393,786	168,894,542	474,425,464	**1,268,924,708**	**10,008,782,960**	9,054,489,261
Leasehold Improvements	5,325,595	-	-	**5,325,595**	1,927,301	-	1,065,119	**2,992,420**	**2,333,175**	3,398,294
Furniture & Fixtures	15,878,496	59,805	-	**15,938,301**	6,125,187	-	3,183,449	**9,308,636**	**6,629,665**	9,753,309
Computers	13,585,079	3,428,155	-	**17,013,234**	7,129,835	-	3,863,295	**10,993,130**	**6,020,104**	6,455,244
Office Equipments	14,007,976	596,136	100,320	**14,503,792**	6,170,780	88,964	2,901,456	**8,983,272**	**5,520,520**	7,837,196
Vehicles	18,403,031	3,232,180	1,549,659	**20,085,552**	7,653,476	1,022,830	4,561,010	**11,191,656**	**8,893,896**	10,749,555
Plant & Machinery	68,839,642	218,250	15,553,755	**53,504,137**	20,939,834	7,776,878	21,346,640	**34,509,596**	**18,994,541**	47,899,808
Intangible Assets										
Software	35,454,099	8,602,325	424,860	**43,631,564**	3,898,360	78,940	8,227,670	**12,047,090**	**31,584,474**	31,555,739
Total	10,189,376,965	2,422,881,597	1,164,548,719	**11,447,709,843**	1,017,238,559	177,862,154	519,574,103	**1,358,950,508**	**10,088,759,335**	9,172,138,406
Previous Year - Total	8,609,301,484	1,586,962,730	6,887,249	10,189,376,965	492,766,955	2,531,765	527,003,369	1,017,238,559		
Ships under construction									**403,835,426**	590,395,597
Total									**10,492,594,761**	9,762,534,003

SCHEDULE "5"

INVESTMENTS : (A) Long Term Investments		Face Value Rs.	Current Year Rs.	Previous Year Rs.
(At cost - fully paid)				
Equity shares : Trade - Unquoted				
Subsidiaries				
282,252	Greatship Global Energy Services Pte. Ltd., Singapore	USD 64	**809,284,267**	809,284,267
1	Greatship Global Energy Services Pte. Ltd., Singapore	USD 1	**44**	44
222,201,774	Greatship Global Holdings Ltd., Mauritius (70,100,000 (Previous year 9,000,000) shares aquired during the year)	USD 1	**9,546,127,066**	6,359,422,866
1,000	Greatship DOF Subsea Private Ltd.	100	**100,000**	100,000
500,000	Greatship (UK) Ltd. (500,000 shares aquired during the year)	USD 1	**22,562,466**	-
	Total of (A)		**10,378,073,843**	7,168,807,177
(B) Current Investments				
(At lower of cost and fair value - fully paid)				
Mutual Funds : Non Trade - Quoted				
15,000,000	Rel. Fixed Horizon Fund XVIII Sr 6) - DDR (15,000,000 units acquired during the year)	10	**150,000,000**	-
Mutual Funds : Non Trade - Unquoted				
9,081,536	Kotak Flexi Debt IP DDR (10,574,444 units acquired and 1,492,908 units redeemed during the year)	10	**91,246,731**	-
-	SBI SHF Ultra Short Term Fund IP (56,770,243 units acquired and 63,688,278 units redeemed during the year)	10	**-**	69,215,065
20,084	Reliance Money Manager Fund Institution Option DDR (515,547 units acquired and 674,849 units redeemed during the year)	1,000	**20,111,917**	179,589,369
10,028,900	Birla Sunlife Short Term Opportunities (10,028,900 units acquired during the year)	10	**100,365,991**	-
-	Reliance Medium Term Fund DDR (20,378,401 units acquired and 23,309,649 units redeemed during the year)	10	**-**	50,111,151

SCHEDULE “5” (Contd.)

INVESTMENTS :		Face Value Rs.	Current Year Rs.	Previous Year Rs.
-	HDFC Liquid Fund - Premium Plan DDR (42,421,170 units acquired and 46,500,072 units redeemed during the year)	10	**-**	50,006,525
-	HDFC Cash Management Fund - Treasury Adv. Plan DDR (47,942,595 units acquired and 58,468,669 units redeemed during the year)	10	**-**	105,592,308
3,226,114	Birla Sun Life Savings Fund - Instl. - DDR (23,237,592 units acquired and 20,011,478 units redeemed during the year)	10	**32,283,081**	-
2,670,807	Canara Robeco Tr. Advantage Super IP DDR (17,984,620 units acquired and 15,313,813 units redeemed during the year)	10	**33,136,973**	-
126,965	UTI Treasury Advantage Fund - IP - DDR (277,017 units acquired and 150,052 units redeemed during the year)	1,000	**126,991,884**	-
2,721,206	ICICI Prudential FRF - Plan D (2,721,206 units acquired during the year)	100	**272,183,228**	-
4,645,996	IDFC Money Mgr Treasury Plan DDR (4,645,996 units acquired during the year)	10	**46,786,570**	-
15,032	UTI Floating Rate Fund (STP) IP DDR (15,032 units acquired during the year)	1,000	**15,043,776**	-
10,310,246	Reliance Monthly Interval Fund Series I - Inst. Plan - Dividend Re-Inv Plan (10,310,246 units acquired during the year)	10	**103,136,482**	-
15,309,679	ICICI Prudential Interval Fund II Quarterly Interval Plan D IP DDR (15,309,679 units acquired during the year)	10	**153,096,787**	-
	Total of (B)		**1,144,383,420**	454,514,418
	Total of (A + B)		**11,522,457,263**	7,623,321,595
	AGGREGATE BOOK VALUE OF INVESTMENTS			
	Quoted Investments		**150,000,000**	-
	Unquoted Investments		**11,372,457,263**	7,623,321,595
	Total		**11,522,457,263**	7,623,321,595
	MARKET VALUE OF QUOTED INVESTMENTS		**150,600,000**	-

SCHEDULE “6”
INVENTORIES :
(At Lower of cost and net realisable value)

-	Stores & Spares on board Rigs	**364,645,143**	352,612,126
-	Fuel Oils	**58,629,540**	27,124,991
		423,274,683	379,737,117

	Current Year Rs.	Previous Year Rs.
SCHEDULE "7"		
SUNDRY DEBTORS :		
(Unsecured)		
Debts outstanding over six months		
- Considered good	**-**	7,061,742
- Considered doubtful	**148,216,575**	104,003,423
	148,216,575	111,065,165
Other Debts		
- Considered good	**1,106,501,865**	1,215,726,450
- Considered doubtful	**25,011,273**	-
	1,131,513,138	1,215,726,450
Less : Provision for doubtful debts	**173,227,848**	104,003,423
	1,106,501,865	1,222,788,192
SCHEDULE "8"		
CASH AND BANK BALANCES :		
Cash on hand	**78,066**	47,597
Balances with scheduled banks		
- on current account	**130,455,242**	89,215,870
- on deposit account	**445,899,376**	227,463,053
	576,354,618	316,678,923
Balances with other banks		
on current account with The Royal Bank of Scotland, London	**433,058,484**	1,393,893,020
(Maximum Balance - Rs. 2,332,114,441/- Previous year - Rs. 1,539,680,967/-)		
on current account with Societie Generale, Singapore	**25,752,551**	19,730,732
(Maximum Balance - Rs. 106,043,557/- Previous year - Rs. 70,118,767/-)		
on current account with The Bank of Nova Scotia, Singapore	**334,242,758**	2,225,827
(Maximum Balance - Rs. 675,224,453/- Previous year - Rs. 648,314,555/-)		
on current account with Axis Bank Ltd, Singapore	**61,671**	-
(Maximum Balance - Rs. 227,732,500/- Previous year - NIL)		
	793,115,464	1,415,849,579
	1,369,548,148	1,732,576,099
SCHEDULE "9"		
OTHER CURRENT ASSETS :		
Interest accrued on deposits	**2,209,988**	144,060
	2,209,988	144,060
SCHEDULE "10"		
LOANS AND ADVANCES :		
(Unsecured - considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	**142,641,347**	70,973,910
(Including Advances considered doubtful - Rs. 5,175,257/-, Previous year - NIL)		
Less : Provision for doubtful Advances	**5,175,257**	-
	137,466,090	70,973,910
Loan to Subsidiary Companies	**1,828,190,000**	-
Due from Subsidiary Companies	**6,921,537**	-
Agents current accounts	**4,350,619**	10,897,058
Derivative contracts receivables (net)	**26,346,135**	-
Advance payment of Income-tax & tax deducted at source	**5,813,808**	22,874,518
(Net of Provision for taxation - Rs. 344,774,567/-, Previous year - Rs.73,774,567/-)		
Deposits	**38,478,537**	34,866,119
	2,047,566,726	139,611,605

	Current Year Rs.	Previous Year Rs.
SCHEDULE "11"		
CURRENT LIABILITIES :		
Sundry Creditors		
- Outstanding dues of Micro Enterprises and Small Enterprises	**-**	-
- Dues of other creditors	**364,580,272**	351,023,353
Other Liabilities	**137,458,493**	443,144,764
Derivative contracts payables (net)	**-**	140,422,341
Due to Subsidiary companies	**667,106,864**	899,021,785
Advance Charter Hire	**-**	37,707,600
Interest accrued but not due on loans	**48,407,800**	51,062,147
	1,217,553,429	1,922,381,990
SCHEDULE "12"		
PROVISIONS :		
Provision for Compensated Absences	**2,591,482**	2,451,162
Provision for Gratuity	**10,469,593**	5,877,188
Proposed Dividend on Preference Shares	**-**	76,824,658
Proposed Dividend on Equity Shares	**211,771,000**	-
Provision for tax on dividends	**34,354,550**	12,759,615
	259,186,625	97,912,623

Schedules Annexed to and forming part of the Profit and Loss account for the year ended March 31, 2011

	Current Year Rs.	Previous Year Rs.
SCHEDULE "13"		
INCOME FROM OPERATIONS :		
Charter Hire (Gross)	**7,524,708,625**	6,628,595,152
(Income tax deducted at source - Rs. 144,575,651/-, Previous Year - Rs. 78,935,473/-)		
Liquidated damages for late delivery of vessels	**-**	22,868,760
Profit on Sale of Vessel	**74,006,091**	-
	7,598,714,716	6,651,463,912
SCHEDULE "14"		
OTHER INCOME :		
Agency Income	**9,837,180**	22,882,000
Dividend on current investments	**52,942,293**	30,574,533
Interest earned (Gross)		
- on deposits with banks	**10,446,431**	9,504,195
- on Inter Company loans	**6,921,537**	994,444
- Income tax refund	**752,050**	374,368
(Income-tax deducted at source - NIL, Previous Year - Rs. 109,350/-)		
Profit on Sale of Mutual Fund Investments	**56,291**	64,832
Miscellaneous Income	**3,185,394**	1,086,166
	84,141,176	65,480,538

	Current Year Rs.	Previous Year Rs.
SCHEDULE "15"		
OPERATING EXPENSES :		
Fuel	**55,156,763**	43,969,127
Port Dues	**21,348,553**	25,394,698
Hire of Chartered Rigs and other Vessels	**3,303,419,332**	2,681,186,789
Rig mobilisation expenses	**-**	123,246,802
Brokerage & Commission	**6,711,579**	14,083,061
Agency fees	**12,293,699**	15,420,728
Wages, Bonus and Other expenses - Floating Staff	**785,802,960**	753,132,646
Contribution to Provident & Other Funds - Floating Staff	**5,607,262**	3,385,191
Stores	**161,665,829**	192,467,401
Repairs & Maintenance - Fleet & Rigs	**255,929,285**	171,401,540
Insurance & Protection Club Fees	**172,097,991**	143,648,830
(Gain) / Loss on foreign currency transactions (net)	**(10,799,935)**	226,100,452
Sundry Operating Expenses	**79,479,707**	60,193,856
	4,848,713,025	4,453,631,121
SCHEDULE "16"		
ADMINISTRATION & OTHER EXPENSES :		
Staff Expenses :		
- Salaries, Allowances & Bonus	**228,897,384**	218,698,720
- Contribution to Provident & Other Funds	**11,151,537**	9,964,080
- Staff Welfare Expenses	**2,961,050**	2,083,136
Rent	**46,391,868**	37,696,532
Insurance	**3,641,076**	5,462,522
Repairs and Maintenance - Others	**1,115,906**	1,487,506
Auditors' remuneration	**7,622,585**	3,808,161
Travelling Expenses	**28,026,483**	23,762,257
Legal & Professional expenses	**59,978,621**	10,082,623
Filing & Application fees	**16,177,808**	4,442,546
Miscellaneous Expenses	**68,675,838**	58,619,915
Loss on Swap contract cancellation	**-**	38,498,320
Loss on Sale/Discarded assets	**8,090,565**	3,991,596
Provision for Doubtful Debts and Advances	**75,481,849**	100,009,805
	558,212,570	518,607,719
SCHEDULE "17"		
INTEREST & FINANCE CHARGES :		
Interest on Fixed Loans	**296,234,292**	328,008,239
Finance charges	**11,306,500**	10,018,104
	307,540,792	338,026,343
Less : Pre-delivery interest & finance charges capitalised	**4,141,601**	367,931
	303,399,191	337,658,412

SCHEDULE "18"

SIGNIFICANT ACCOUNTING POLICIES :

(a) **Accounting Convention :**

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

(b) **Use of Estimates :**

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

(c) **Fixed Assets :**

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

(d) **Investments :**

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

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

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

(e) **Inventories :**

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

(f) **Borrowing Costs :**

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

(g) **Revenue Recognition :**

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

(h) **Operating Expenses :**

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

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

(i) **Operating lease :**

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

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

(j) **Employee Benefits :**

Liability is provided for retirement benefits of provident fund, superannuation, gratuity and compensated absences 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 Contributions 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 obligation and is provided for on the basis of actuarial valuations, using the projected unit credit method, as at the date of the Balance Sheet.

(iii) Other Long Term Benefits

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

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

(k) **Depreciation :**

Depreciation is provided on the straight line method, 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
Plant & Machinery	Straight line over contract period	3 years

(l) **Asset Impairment :**

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

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

(m) **Foreign Exchange Transactions :**

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

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

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

(n) **Derivative Financial Instruments and Hedging :**

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

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

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

(o) **Provision for Taxation :**

Tax expense comprises both current and deferred tax.

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

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

(p) **Provisions and Contingent Liabilities :**

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

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

SCHEDULE “19”
NOTES TO ACCOUNTS

1. **Contingent Liabilities :**

a) Guarantees given by banks Rs.525,945,603/- (previous year - Rs. 704,670,502/-).

b) Corporate guarantees given on behalf of subsidiary companies Rs. 21,397,071,444/- (previous year - Rs. 16,235,804,876/-).

c) Customs duty in respect of vessel provisionally cleared against security bond furnished by the company Rs. 88,230,240/- (previous year- Rs. 88,230,240/-).

d) Service tax claimed for services provided by drilling units under the head “Supply of Tangible Goods for use” and the services being consumed by the seabed of the Continental Shelf of India, amounting to Rs. 272,452,804/- (previous year – Rs. Nil). However, the Company is of the view that in the unforeseen circumstances that the demand is sustained, the same would be recoverable from the service receiver under the terms of contract. For the similar period the company has also received notice from The Assistant Commissioner of Service Tax in relation to the Central Excise Revenue Audit (CERA) objection for payment of service tax on the services provided by the drilling units.

e) Custom duty demand for Marine Gas Oil to be treated as Light Diesel Oil during conversion of the vessel from a foreign-run vessel to a coastal-run vessel, disputed by the company estimated Rs. 1,185,657/- (previous year - Rs. Nil).

2. **Share Capital :**

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

1. 14,500,000 Preference Shares on April 1, 2013
2. 14,500,000 Preference Shares on April 1, 2014
3. 14,500,000 Preference Shares on April 1, 2015
4. 14,500,000 Preference Shares on April 1, 2016
5. 15,000,000 Preference Shares on April 1, 2017
6. 15,000,000 Preference Shares on April 1, 2018

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

b) During the year, the Company has issued 60,624,000 22.5% Cumulative Redeemable Preference Shares of face value Rs 10/- each at a premium of Rs. 20/- each on preferential basis to the Holding Company, "The Great Eastern Shipping Company Ltd". The said Preference shares would be redeemed at a premium of Rs. 20/- per share payable on redemption in four annual instalments as under:

1. 15,156,000 Preference Shares on April 1, 2014
2. 15,156,000 Preference Shares on April 1, 2015
3. 15,156,000 Preference Shares on April 1, 2016
4. 15,156,000 Preference Shares on April 1, 2017

The Company has an option of early redemption by providing one month's notice to the holding company. Early redemption can be in part or in full subject to a minimum of 25 lac shares at a time. In case the preference shares are redeemed early, the dividend would be paid on pro rata basis up to the early redemption date on number of preference shares redeemed

c) During the year, the Company issued a further 17,682,000 Equity Shares of face value of Rs 10/- each at a premium of Rs. 170/- per share to the Holding Company, "The Great Eastern Shipping Company Ltd".

3. **Warrants against Share Capital :**

On March 19, 2008, the Company had issued and allotted 4,207,000 Warrants out of total 6,027,000 Warrants approved by the shareholders, on preferential basis, to the promoter directors of the holding company, "The Great Eastern Shipping Company Ltd." with an option to convert these Warrants into equal numbers of equity shares of Rs. 10/- each at a price of Rs. 140.40/- per equity share. On April 30, 2010, 2,103,500 warrants were converted into equal number of equity shares at the predetermined price of Rs. 140.40/- per equity share and Rs. 265,798,260/- was received on conversion of warrants into equity shares. For the balance 2,103,500 warrants which were not converted, the advance amount of Rs. 29,533,140/- paid at time of applying for the warrants, stood forfeited. The remaining 1,820,000 warrants out of the total approved issue were cancelled as the warrant holders conveyed their intention of not applying for the same.

4. **Employee Stock Option Schemes :**

All the ESOPs are in respect of the 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 Option Schemes ('Scheme/s') for the employees of the Company, the parent company and the subsidiaries. The Shareholders of the Company at their meeting held on April 23, 2010 approved the proposal to frame a new SEBI compliant Scheme – ESOP 2010 for grant of employee stock options and transfer of 1,028,900 options available for future grants under the existing schemes ESOP 2007, ESOP 2007 – II, ESOP 2008 – I and ESOP 2008 - II to ESOP 2010. The Remuneration Committee of the Board of Directors of the Company at their meeting held on September 23, 2010 has approved the new Scheme – ESOP 2010.

The particulars of the 1,633,600 options outstanding under Various ESOP Schemes as on March 31, 2011 and movements during the year as under:

Sr.No.	PARTICULARS	ESOP 2007	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II	ESOP 2010
1.	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	12/02/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09 18/03/10 30/04/10	23/09/10
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08	18/03/10
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08	23/04/10
4.	Options approved*	1,000,000	200,000	100,000	1,710,000	1,028,900
5.	Options outstanding at the beginning of the year	584,600	89,100	60,000	651,900	—
6.	Options granted during the year	—	—	—	30/04/10 – 168,500	23/09/10 – 222,600
7.	Options cancelled/forfeited during the year	42,500	—	—	53,900	46,700
8.	Options Exercised during the year	—	—	—	—	—
9.	Options outstanding at the end of the year	542,100	89,100	60,000	766,500	175,900
10.	Exercise Price/Weighted Average Exercise Price	100	100	100	135	135
11.	Exercise period from the date of vesting	One year from the date of vesting/ listing whichever is later	One year from the date of vesting/ listing whichever is later	One year from the date of vesting/ listing whichever is later	One year from the date of vesting/ listing whichever is later	One year from the date of vesting/listing whichever is later
12.	Exercisable at end of the year	—	—	—	—	—
13.	Method of Settlement	Equity/Cash	Equity	Equity	Equity/Cash	Equity
14.	Vesting period from the date of grant	20% equally over a period of five years	One year	One year	20% equally over a period of five years	20% equally over a period of five years
15.	Vesting conditions	Continued employment with the Company (includes transfer within group companies)	Continued employment with the holding Company "The Great Eastern Shipping Co. Ltd." (includes transfer within group companies)	Continued employment with the holding Company "The Great Eastern Shipping Co. Ltd." (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within group companies)

* 1,028,900 options which were available for future grants under the schemes - ESOP 2007, ESOP 2007 – II, ESOP 2008 – I and ESOP 2008 - II have been transferred to the new scheme – ESOP 2010

The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense / (income) amount which is the difference between exercise price of the option and the intrinsic value of shares amortised in the current year is Rs. 995,900/-(previous year Rs. 4,327,729/-). The cumulative amount of Employee Stock Option expense amortised upto March 31, 2011 of Rs. 24,203,285/- is included under Share Capital in the Balance Sheet.

Had the compensation cost for the stock options outstanding as on March 31, 2011 been recognised, basis fair value method, the compensation expense to be amortised would be Rs. 9,321,777/- (previous year Rs. 13,601,390/-) The impact on EPS (basic) and EPS (diluted), had the fair value method been used, would be Rs. 0.10 (previous year - Rs. 0.16) and Rs. 0.10 (previous year - Rs. 0.16) 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. 3,174,168,130 /- (previous year - Rs. 4,912,465,970/-)

b) The amount of exchange gain / (loss) on account of fluctuation of the rupee against foreign currencies and the gain / (loss) on hedging contracts (including on cancellation of forward covers) relating to long term monetary items and capital commitments for acquisition of depreciable capital assets deducted from added to the carrying amount of fixed assets during the year is Gain – Rs. 122,309,958/- (previous year Gain – Rs. 665,453,065/-).

6. **Investments :**

In the financial year 2008-2009, the Company had subscribed to the Memorandum of Association of Greatship DOF Subsea Projects Pvt. Ltd. (GDSP) and accordingly subscribed to 1,000 shares in the capital of GDSP amounting to Rs. 100,000/- (Rupees One Lakh only). GDSP was incorporated on November 10, 2008 to focus on the subsea projects opportunities in joint venture with DOF Subsea Pte. Ltd., Singapore. The joint venture has been terminated as approved by the board in its meeting held on May 7, 2010.

During the year, the company subscribed to 500,000 Ordinary Shares of USD 1/- each of 'Greatship (UK) Limited' which was incorporated on October 29, 2010 and 70,100,000 Ordinary Shares of USD 1/- each of Greatship Global Holdings Limited.

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

8. **Current Liabilities :**

Disclosure of sundry creditors under current liabilities is based on the information available with the Company regarding the status of the suppliers as defined under 'The Micro, Small and Medium Enterprises Development Act, 2006'. Amount overdue on account of principal amount and interest thereon as on March 31, 2011 is Rs. NIL (previous year Rs. NIL).

9. **Taxation :**

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

Deferred tax asset in respect of the non-tonnage income of the company is comprised of:

As at the end of	Current Year (Rs.)	Previous Year (Rs.)
Difference in depreciation as per books and Income Tax	8,800,000	7,000,000

10. **Auditors Remuneration :**

	Current Year (Rs.)	Previous Year (Rs.)
- Audit Fees	1,200,000	1,000,000
- In Other Capacity		
- Tax Audit	200,000	200,000
- Taxation matters	1,150,000	1,150,000
- Certification & other services	5,072,585	1,458,161
	7,622,585	3,808,161

11. **Managerial Remuneration :**

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

	Current Year (Rs.)	Previous Year (Rs.)
Commission to whole-time directors	31,300,000	26,550,000
Commission to non whole time directors	2,750,000	-
	34,050,000	26,550,000

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

	Current Year (Rs.)		**Previous Year (Rs.)**	
Profit for the year before tax		1,452,957,003		880,043,829
Add:				
Managerial Remuneration	34,050,000		26,550,000	
Provision for doubtful debts and advances	75,481,849		100,009,805	
Capital Loss on sale of Fixed Assets	8,090,564		3,991,596	
Depreciation as per books	519,574,103		527,003,369	
		637,196,516		**657,554,770**
		2,090,153,519		**1,537,598,599**
Less:				
Depreciation u/s 350 of the Companies Act, 1956	519,574,103		527,003,369	
Profit on sale of Mutual Fund Investment	56,291		64,832	
		519,630,394		**527,068,201**
Net Profit for Section 198 of the Companies Act, 1956		**1,570,523,125**		**1,010,530,398**
10% of Net Profit as computed above		**157,052,313**		**101,053,040**
Total Managerial Remuneration		**34,050,000**		**26,550,000**

12. Particulars of investments purchased and sold during the year :

Sr. No.	**Mutual Fund**	**Scheme Name**	**Face Value (Rs.)**	**No. of Units purchased and sold**	**Amt. (Rs.)**
1	HDFC FMP Mutual Fund	35 D September 2010 (1) Dividend Series XIV Payout	10/-	10,000,530	100,005,300
2	HDFC FMP Mutual Fund	35 D October 2010 (1) Dividend Series XVII Payout	10/-	15,000,000	150,000,000
3	State Bank of India Mutual Fund	Magnum Insta Cash Fund - Daily Dividend Reinvestment	10/-	33,436,430	560,070,237
4	HSBC Cash Fund	Institutional Plus – Daily Dividend Reinvestment	10/-	1,999,508	20,006,274
5	Reliance Liquid Fund	Treasury plan -Institution option - Daily Dividend Reinvestment	10/-	43,178,029	660,079,794
6	Canara Robeco Mutual Fund	Liquid Super Institutional Daily Dividend Reinvestment	10/-	5,968,110	60,009,347
7	UTI Mutual Fund	Liquid Cash Plan Institutional – Daily Income Option Reinvestment	1,000/-	206,024	210,030,229
8	UTI Mutual Fund	UTI Fixed Income Interval Fund-Monthly Interval Plan Series – I Institutional Dividend Plan – Re-investment	10/-	6,132,663	61,332,154
9	Birla Sunlife Mutual Fund	Sun life - Cash Plus – Institutional Premium Daily Dividend	10/-	7,985,603	80,011,745
10	Kotak Mutual Fund	Kotak Floater Long Term - Daily Dividend	10/-	12,538,892	126,389,527

13. Related Party Disclosures :

List of Related Parties

a) Holding Company :

The Great Eastern Shipping Company Ltd.

b) Subsidiary Companies :

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

Greatship Subsea Solutions Singapore Pte. Ltd., Singapore (Incorporated on August 12, 2010)

Greatship Subsea Solutions Australia Pty. Limited., Australia (Incorporated on August 17, 2010)

Greatship (UK) Limited, UK (incorporated on October 29, 2010)

Greatship Global Offshore Management Services Pte. Ltd., Singapore (incorporated on December 09, 2010)

c) Fellow Subsidiaries :

The Great Eastern Chartering LLC (FZC), Sharjah

The Great Eastern Shipping Company (London) Ltd., London

The Greatship (Singapore) Pte. Ltd., Singapore

d) Key Management Personnel :

Mr. Bharat K. Sheth	-	Chairman
Mr. Ravi K. Sheth	-	Managing Director
Mr. P.R. Naware	-	Executive Director

e) Relative of Key Management Personnel :

Ms. Nirja B. Sheth	-	Daughter of Chairman

Transactions with related parties

Amount in Rs.

Nature of transaction	Holding Company		Subsidiary Company		Fellow Subsidiaries		Key Management Personnel and Relatives	
	Current Year	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year	**Current Year**	Previous Year
Gurantees Given / (Received)	**(1,228,368,367)**	(3,489,560,331)	**-**	-	**-**	-	**-**	-
Greatship Global Offshore Services Pte. Ltd.	**-**	-	**9,547,357,600**	9,206,220,000	**-**	-	**-**	-
Greatship Global Energy Services Pte. Ltd.	**-**	-	**11,849,713,844**	7,029,770,000	**-**	-	**-**	-
Loan Given and Returned								
Greatship Global Energy Services Pte. Ltd.	**-**	-	**-**	194,960,000	**-**	-	**-**	-
Greatship Global Holdings Ltd.	**-**	-	**1,817,416,000**	-	**-**	-	**-**	-
Greatship (UK) Ltd.	**-**	-	**45,125,000**	-	**-**	-	**-**	-
Loan Received and Returned	**608,835,353**	-	**-**	-	**-**	-	**-**	-
Advance Given / (Received back)	**-**	(9,059,050)	**-**	-	**-**	-	**-**	-
Purchase of Inventories								
Greatship Global Energy Services Pte. Ltd.	**-**	-	**12,068,623**	238,763,662	**-**	-	**-**	-
Agency Income								
Greatship Global Offshore Services Pte. Ltd.	**-**	-	**9,837,180**	22,882,000	**-**	-	**-**	-
Interest Income on Loan								
Greatship Global Energy Services Pte. Ltd.	**-**	-	**-**	994,444	**-**	-	**-**	-
Greatship Global Holdings Ltd.	**-**	-	**6,857,050**	-	**-**	-	**-**	-
Greatship (UK) Ltd.	**-**	-	**64,487**	-	**-**	-	**-**	-
Interest paid on Loan	**3,703,891**	-	**-**	-	**-**	-	**-**	-
Dividend Paid	**66,000,000**	-	**-**	-	**-**	-	**-**	-
Inchartering Expenses								
Greatship Global Energy Services Pte. Ltd.	**-**	-	**3,233,162,492**	2,374,604,609	**-**	-	**-**	-
Greatship Global Offshore Services Pte. Ltd.	**-**	-	**70,256,840**	195,083,471	**-**	-	**-**	-
Inchartering Income								
Greatship Subsea Solutions Singapore Pte. Ltd	**-**	-	**23,248,437**	-	**-**	-	**-**	-
Agency Fees								
The Greatship (Singapore) Pte. Ltd.	**-**	-	**-**	-	**-**	49,180	**-**	-
Finance Received								
Share Capital								
Ravi K Sheth	**-**	-	**-**	-	**-**	-	**265,798,260**	-
Remuneration Paid								
Ravi K Sheth	**-**	-	**-**	-	**-**	-	**24,500,000**	21,000,000
P R Naware	**-**	-	**-**	-	**-**	-	**6,800,000**	5,550,000
Relative of Key Management Personnel								
Remuneration Paid								
Nirja B Sheth	**-**	-	**-**	-	**-**	-	**556,558**	490,898
Finance Provided								
Equity contribution to								
Greatship Global Holdings Ltd.	**-**	-	**3,186,704,200**	424,999,000	**-**	-	**-**	-
Greatship (UK) Ltd.	**-**	-	**22,562,466**	-	**-**	-	**-**	-
Finance Provided								
Equity	**3,182,760,000**	-	**-**	-	**-**	-	**-**	-
Preference	**1,818,720,000**	-	**-**	-	**-**	-	**-**	-
Re-imbursement of Expenses Paid/(Received)	**1,481,703**	6,572,181	**-**	-	**-**	-	**-**	-
Greatship Global Energy Services Pte. Ltd.	**-**	-	**851,088**	40,668,162	**-**	-	**-**	-
Greatship Global Offshore Services Pte. Ltd.	**-**	-	**49,086,365**	941,944	**-**	-	**-**	-
Greatship Subsea Solutions Singapore Pte. Ltd	**-**	-	**(6,909,696)**	-	**-**	-	**-**	-
The Greatship (Singapore) Pte. Ltd.	**-**	-	**-**	-	**-**	4,813,155	**-**	-
Outstanding Balance as on 31.03.2011								
Receivables								
Greatship Global Offshore Services Pte. Ltd.	**-**	-	**-**	8,933,379	**-**	-	**-**	-
Greatship Subsea Solutions Singapore Pte. Ltd	**-**	-	**31,574,126**	-	**-**	-	**-**	-
Payables	**-**	32,691	**-**	-	**-**	-	**-**	-
Greatship Global Energy Services Pte. Ltd.	**-**	-	**641,524,187**	848,478,159	**-**	-	**-**	-
Greatship Global Offshore Services Pte. Ltd.	**-**	-	**23,586,634**	59,477,005	**-**	-	**-**	-
Greatship Subsea Solutions Singapore Pte. Ltd	**-**	-	**1,996,043**	-	**-**	-	**-**	-

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

14. Hedging Contracts :

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

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

(i) Derivative instruments outstanding:

(a) Forward exchange contracts:

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts	-	1	-	-
Foreign Currency Value(USD million)	-	12.00	-	-
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	-	(2,405,293)	-	-
Maturity Period	-	Upto 24 Months	-	-

(b) Cross currency forward exchange contracts:

Details	Current Year	Previous Year
Total No. of contracts	4	5
Cross currency Singapore Dollars to US Dollars (SGD million)	27.69	55.42
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	55,495,453	(94,610,145)
Maturity Period	Upto 6 Months	Upto 8 Months

(c) Forward exchange option contracts:

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts	-	5	-	-
Foreign Currency Value(USD million)	-	48.00	-	-
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	-	(11,353,539)	-	-
Maturity Period	-	Upto 24 Months	-	-

(d) Interest rate swap contracts:

	Current Year	Previous Year
Total No. of contracts	3	3
Principal Notional Amount (USD million)	27.55	31.10
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	(52,460,737)	(61,697,033)
Maturity Period	Upto 77 Months	Upto 89 Months

(e) Currency cum interest rate swap contracts:

	Current Year	Previous Year
Total No. of contracts	5	5
Principal Notional Amount (USD million)	61.63	70.08
Principal Notional Amount (JPY million)	(6,624.19)	(7,536.75)
Amount recognised in Hedging Reserve (loss) / gain (Rs.)	32,106,888	15,884,837
Maturity Period	Upto 92 Months	Upto 104 Months

(ii) Un-hedged foreign currency exposures as on March 31, 2011 :

	Current Year	Previous Year
Loan liabilities and Payables		
(USD in millions)	164.16	173.52
(AED in millions)	0.04	1.23
(EUR in millions)	0.19	1.44
(GBP in millions)	0.04	0.18
(JPY in millions)	1.74	0.07
(NOK in millions)	0.13	1.08
(SGD in millions)	0.23	2.44
(ZAR in millions)	0.01	0.84
(SEK in millions)	0.02	-
Receivables		
(USD in millions)	30.42	29.68
(GBP in millions)	0.31	-
Bank Balances		
(USD in millions)	27.72	12.34
(GBP in millions)	0.04	0.45

(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, 2011 amounting to Rs. 21,382,771/- (Previous year (Rs. 140,422,341/-)) has been recorded in the Hedging Reserve Account as on March 31, 2011.

The interest rate swaps are entered to hedge floating semi-annual interest payments on borrowings. Fair value gains and losses on the interest rate swaps recognised in Hedging Reserve are transferred to the statement of Profit and Loss as part of interest expense over the period of borrowings.

The currency forward and option contracts were entered to hedge highly probable forecast transactions denominated in foreign currency. The currency forwards and options have maturity dates that coincide with the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to occurrence of these transactions are transferred to the statement of Profit and Loss, except for forwards used to hedge highly probable forecast foreign currency purchases relating to construction of new vessels / rig, whose gains and losses are included in the cost of the assets and recognised in the statement of Profit and Loss over the estimated useful lives as part of depreciation expense.

15. 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:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Contribution to Provident Fund	5,557,183	4,079,706
Contribution to Superannuation Fund	1,001,947	919,153
Contribution to Seamens' Welfare Fund	61,000	76,500

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

Valuation in respect of Gratuity and Compensated Absences 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		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
a) Discount Rate (per annum)	8.0%	6.0%	8.0%	6.0%
b) Rate of Return on Plan Assets	NA	NA	NA	NA
c) Salary Escalation Rate	9.0%	6.0%	9.0%	6.0%
d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96
e) Withdrawal rate - Shore Staff	5.0%	5.0%	5.0%	5.0%
f) Withdrawal rate - Rig Staff	5.0%	15.0%	-	-
g) Expected average remaining service - Shore Staff	11.53	11.8	11.53	11.81
h) Expected average remaining service - Rig Staff	10.72	5.04	-	-

i) Change in Benefit Obligation :	Gratuity		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	5,877,188	1,456,752	1,379,700	615,266
Interest Cost	352,632	87,405	74,472	36,206
Current Service Cost	5,398,312	3,341,696	3,010,666	2,404,356
Benefits Paid	-	-	(276,985)	(23,661)
Actuarial (Gain) / loss on Obligation	(1,158,539)	991,335	(2,666,449)	(1,652,467)
Liability at the end of the year	10,469,593	5,877,188	1,521,404	1,379,700

ii) Fair Value of Plan Assets :	Gratuity		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year	-	-	-	-
Expected Return on Plan Assets	-	-	-	-
Employer's Contribution	-	-	276,985	23,661
Benefits Paid	-	-	(276,985)	(23,661)
Actuarial Gain / (loss) on Plan Assets	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-
Funded Status (including unrecognised past service cost)	(10,469,593)	(5,877,188)	-	-

iii) Actual Return on Plan Assets :	Gratuity		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
Expected Return on Plan Assets	-	-	-	-
Actuarial Gain/(Loss) for the period (Obligation)	1,158,539	991,335	2,666,449	1,652,467
Actuarial Gain / (loss) on Plan Assets	-	-	-	-
Actuarial Return on Plan Assets	-	-	-	-

iv) Amount Recognised in the Balance Sheet	Gratuity		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the Year	10,469,593	5,877,188	1,521,404	1,379,700
Fair Value of Plan Assets at the end of the year	-	-	-	-
Funded Status	(10,469,593)	(5,877,188)	(1,521,404)	(1,379,700)
Unrecognised past Service Cost	-	-	-	-
Amount Recognised in Balance Sheet	(10,469,593)	(5,877,188)	(1,521,404)	(1,379,700)

v) Expenses Recognised in the Profit & Loss A/c	Gratuity		Compensated Absences	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	5,398,312	3,341,696	3,010,666	2,404,356
Interest Cost	352,632	87,405	74,472	36,206
Acturial return on Plan Assets	-	-	-	-
Net Acturial (Gain) / Loss to be recognised	(1,158,539)	991,335	(2,666,449)	(1,652,467)
Expenses recognised in the P & L A/c	4,592,405	4,420,436	418,689	788,095

General Description:

a) Gratuity :

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

b) Compensated Absences :

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

16. Earnings Per Share :

	Basic earnings per share		Current Year	Previous Year
(a)	Profit for the year after tax	Rs.	1,183,757,003	821,759,351
	Less : Dividend on Cumulative Preference Shares	Rs.	74,595,321	76,824,658
	Less : Dividend Distribution Tax	Rs.	12,389,350	12,759,615
	Profit attributable to Equity Share holders	Rs.	1,096,772,332	732,175,078
(b)	Number of Equity Shares as on April 1		86,100,000	86,100,000
	Number of Equity shares as on March 31		105,885,500	86,100,000
	Weighted average number of Equity shares outstanding during the period		89,150,581	86,100,000
(c)	Face value of Equity Share	Rs.	10.00	10.00
(d)	Basic earnings per shares	Rs.	12.30	8.50
	Diluted earnings per share			
(a)	Profit attributable to Equity Share holders	Rs.	1,183,757,003	821,759,351
	Less : Dividend on Cumulative Preference Shares	Rs.	74,595,321	76,824,658
	Less : Dividend Distribution Tax	Rs.	12,389,350	12,759,615
	Profit attributable to Equity Share holders	Rs.	1,096,772,332	732,175,078
(b)	Weighted average number of Equity shares outstanding during the period		89,150,581	86,100,000
	Add : Potential Equity shares on exercise of options		184,143	196,286
	Weighted average number of Equity shares outstanding during the period		89,334,724	86,296,286
(c)	Face value of Equity Share	Rs.	10.00	10.00
(d)	Diluted earnings per shares	Rs.	12.28	8.48

17. Operating Lease :

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

a)	Total Future Minimum Lease payments	**Current Year**	**Previous Year**
-	Not later than 1 year		
	Premises	46,553,616	43,033,848
	Rigs and Vessel	2,945,908,356	3,084,545,648
-	Later than 1 year and not later than 5 years		
	Premises	34,264,516	65,369,816
	Rigs	3,861,129,923	5,462,140,458
-	Later than 5 years		
	Premises	-	-
	Rigs	-	-

b) Lease payments recognised in the statement of Profit and Loss Account for the period - Rs. 3,211,919,179- (previous year - Rs. 2,424,356,530/-)

18. Segment Reporting :

a) Primary segment reporting by business segment:

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

b) Secondary segment reporting by geographical segment:

i) Segment-wise Revenue from Operations and Sales:

Amount in Rs.

Particulars	**Current Year**	**Previous Year**
Revenue from customers outside India	447,946,193	1,208,252,841
Revenue from customers within India	7,076,762,432	5,420,342,311
Total	7,524,708,625	6,628,595,152

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

(iii) In view of (ii) above the total cost incurred during the year ended March 31, 2011 geographical segment wise is not applicable.

19. 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 Ministry of Corporate Affairs vide order no.46/30/2011-CL-III dated January 17, 2011.

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

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	Greatship Global Energy Services Pte. Ltd. #	Greatship Global Offshore Services Pte.Ltd. $	Greatship Global Holdings Ltd. +	Greatship DOF Subsea Projects Pvt. Ltd. +	Greatship Subsea Solutions Singapore Pte. Ltd.* @	Greatship Subsea Solutions Australia Pty Limited ** @	Greatship (UK) Limited @ +	Greatship Global Offshore Management Services Pte. Ltd. * @
Financial Year ended	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011	March 31, 2011
Date from which it became a Subsidiary	October 23, 2006	May 8, 2007	May 30, 2007	November 10, 2008	August 12, 2010	August 17, 2010	October 29, 2010	December 9, 2010
Extent of interest of the Holding Company in the Capital of the Subsidiary	100%	100%	100%	100%	100%	100%	100%	100%
Net aggregate amount of the Subsidiary's profits less losses not dealt with in the Holding Company's Accounts (Standalone)								
(i) Current Year	Rs.931209490	Rs.149127464	(Rs.2509481)	(Rs.3420)	Rs.13148790	(Rs.110614279)	(Rs.27036611)	Rs.7592384
(ii) Previous Year since it became Subsidiary	Rs.231480043	(Rs.34392384)	(Rs.4357966)	(Rs.1000)	-	-	-	-
Net aggregate amount of the Subsidiary's profits less losses dealt with in the Holding Company's Accounts (Standalone)								
(i) Current Year	-	-	-	-	-	-	-	-
(ii) Previous Year since it became Subsidiary	-	-	-	-	-	-	-	-

+ Greatship Global Holdings Ltd., Greatship DOF Subsea Projects Pvt. Ltd. and Greatship (UK) Limited are wholly owned subsidiaries of the Company.
$ Greatship Global Offshore Services Pte. Ltd. is a wholly owned subsidiary of Greatship Global Holdings Ltd.
# The entire share capital of Greatship Global Energy Services Pte. Ltd. is held by Greatship (India) Limited and Greatship Global Holdings Ltd.
* Greatship Subsea Solutions Singapore Pte. Ltd. and Greatship Global Offshore Management Services Pte. Ltd. are wholly owned subsidiaries of Greatship Global Offshore Services Pte. Ltd.
** Greatship Subsea Solutions Australia Pty Limited is a wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte. Ltd.
@ First financial statements are for the period from the date of incorporation till March 31, 2011.

For and on behalf of the Board

Ravi K. Sheth Managing Director
P. R. Naware Executive Director

Amisha M. Ghia
Company Secretary

Mumbai, April 30, 2011

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	310311

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

Public Issue	NIL
Rights Issue	176820
Bonus Issue	NIL
Private Placement	627275

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

Total Liabilities	26972953
Total Assets	26972953

Sources of Funds :

Paid-up Capital	2545095
Employee Stock Options Outstanding	24203
Reserves & Surplus	16403120
Secured Loans	6523795
Unsecured Loans	NIL

Application of Funds :

Net Fixed Assets	10492595
Investments	11522457
Deferred tax assets (net)	8800
Net Current Assets	3472361
Misc. Expenditure	NIL
Accumulated Losses	NIL

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

Turnover	7682856
Total Expenditure	6229899
Profit / (Loss) Before Tax	1452957
Profit / (Loss) After Tax	1183757
Earning Per Share (in Rs.) [Basic]	12.30
Earning Per Share (in Rs.) [Diluted]	12.28
Dividend Rate (%) (Preference Dividend)	7.50
Dividend Rate (%) (Equity Dividend)	20.00

V. Generic Names of Three Principal Products / Services of Compnay (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 (resigned on 01 April 2011) Mohammad Rezah Cotobally (Alternate to Marie-Claude Priscille Koenig) (resigned on 31 December 2010) Shameel Rumjaun (Alternate to Marie Cindhia Véronique Magny-Antoine) Alok Mahajan (appointed on 01 April 2011) Amit Gupta (Alternate to Marie-Claude Priscille Koenig) (appointed on 14 April 2011)
REGISTERED OFFICE :	Abax Corporate Services ltd 6th Floor, Tower A 1 Cyber City Ebène Mauritius
REGISTRATION NUMBER :	071503C1/GBL
AUDITORS :	UHY Heeralall 4th Floor, TN Tower 13, St Georges Street Port-Louis Mauritius
SECRETARY :	Abax Corporate Services ltd 6th Floor, Tower A 1 Cyber City Ebène Mauritius

DIRECTORS' REPORT

The directors are pleased to present their report and the audited financial statements of Greatship Global Holdings Ltd (the "Company") for the year ended 31 March 2011.

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 2011 is USD 56,279 (Rs. 2,509,481) (31 March 2010 - USD 39,148) (Rs. 1,757,354).

The directors do not recommend the payment of a dividend.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

By Order of the Board

CORPORATE SECRETARY
Abax Corporate Services Ltd

Date: 26 April 2011

SECRETARY'S REPORT TO BE INCLUDED IN THE FINANCIAL STATEMENTS OF GREATSHIP GLOBAL HOLDINGS LTD

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

We confirm that, based on records and information made available to us by the directors and shareholder of the Company, we have filed with the Registrar of Companies, for the year ended 31 March 2011, all such returns as are required of the Company under the Mauritian Companies Act 2001.

ABAX CORPORATE SERVICES LTD
SECRETARY

Date: **26 April 2011**

AUDITORS' REPORT TO THE MEMBER OF GREATSHIP GLOBAL HOLDINGS LTD

Report on the Financial Statements

1. We have audited the financial statements of Greatship Global Holdings Ltd (the "Company"), which comprise the statement of financial position at 31 March 2011 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

6. In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 March 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as modified by the exemption from consolidation in the Mauritian Companies Act 2001 for companies holding a category 1 Global Business Licence and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

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

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

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

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

Other matters

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

UHY Heeralall

Nirmal Heeralall
Signing partner

Date: 26 April 2011

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Income				
Interest on loan (Note 12 (ii))	**149,573**	**6,669,460**	-	-
Expenses				
Secretarial and administration fees	**15,512**	**691,680**	12,352	554,481
Accountancy fees	**8,400**	**374,556**	7,600	341,164
Audit fees	**16,905**	**753,794**	13,800	619,482
Tax fees	**1,000**	**44,590**	1,100	49,379
Directors' fees	**1,505**	**67,108**	1,402	62,936
Legal fees	**5,520**	**246,137**	-	-
Bank charges	**1,470**	**65,547**	1,184	53,150
Licence fees	**1,760**	**78,478**	1,710	76,762
Interest expense (Note 12(i))	**153,780**	**6,857,050**	-	-
	205,852	**9,178,941**	39,148	1,757,354
Loss before tax	**(56,279)**	**(2,509,481)**	(39,148)	(1,757,354)
Income tax expense (Note 11)	**-**	**-**	-	-
Loss for the year	**(56,279)**	**(2,509,481)**	(39,148)	(1,757,354)
Other comprehensive income	**-**	**-**	-	-
Total comprehensive income for the year	**(56,279)**	**(2,509,481)**	(39,148)	(1,757,354)

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION - 31 MARCH 2011

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
ASSETS				
Non current-assets				
Investment in subsidiaries (Note 5)	**222,001,410**	**9,899,042,872**	152,001,410	6,823,343,295
Loan receivable (Note 6)	**40,000,000**	**1,783,600,000**	-	-
	262,001,410	**11,682,642,872**	152,001,410	6,823,343,295
Current assets				
Receivables (Note 7)	**150,816**	**6,724,885**	1,200	53,868
Cash at bank	**64,893**	**2,893,579**	12,233	549,139
	215,709	**9,618,464**	13,433	603,007
Total assets	**262,217,119**	**11,692,261,336**	152,014,843	6,823,946,302
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital (Note 8)	**222,201,774**	**9,907,977,103**	152,101,774	6,827,848,635
Accumulated losses	**(153,360)**	**(6,838,322)**	(97,081)	(4,357,966)
Total equity	**222,048,414**	**9,901,138,780**	152,004,693	6,823,490,669
Non current liabilities				
Borrowings (Note 9)	**40,000,000**	**1,783,600,000**	-	-
Current liabilities				
Payables (Note 10)	**168,705**	**7,522,556**	10,150	455,634
Total equity and liabilities	**262,217,119**	**11,692,261,336**	152,014,843	6,823,946,302

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

Veronique Magny Antoine
Director

Amit Gupta
Director

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2011

	Share capital		Accumulated losses		Total	
	USD	Rs.	USD	Rs.	USD	Rs.
At 01 April 2009	**143,101,774**	7,258,121,977	**(57,933)**	(2,938,361)	**143,043,841**	7,255,183,616
Issued during the year	**9,000,000**	404,010,000	**-**	-	**9,000,000**	404,010,000
Foreign Translation Difference	**-**	(834,283,342)	**-**	337,749	**-**	(833,945,593)
Total comprehensive income	**-**	-	**(39,148)**	(1,757,354)	**(39,148)**	(1,757,354)
At 31 March 2010	**152,101,774**	6,827,848,635	**(97,081)**	(4,357,966)	**152,004,693**	6,823,490,669
At 01 April 2010	**152,101,774**	6,827,848,635	**(97,081)**	(4,357,966)	**152,004,693**	6,823,490,669
Issued during the year	**70,100,000**	3,125,759,000	**-**	-	**70,100,000**	3,125,759,000
Foreign Transalation Difference	**-**	(45,630,532)	**-**	29,124	**-**	(45,601,408)
Total comprehensive income	**-**	-	**(56,279)**	(2,509,481)	**(56,279)**	(2,509,481)
At 31 March 2011	**222,201,774**	9,907,977,103	**(153,360)**	(6,838,322)	**222,048,414**	9,901,138,780

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	2011 USD	**2011 Rs.**	**2010 USD**	**2010 Rs.**
Cash flow from operating activities				
Net loss before income tax	**(56,279)**	**(2,509,481)**	(39,148)	(1,757,354)
Adjustment for:				
Interest income	**(149,573)**	**(6,669,460)**	-	-
Interest expense	**153,780**	**6,857,050**	-	-
Increase in prepayments	**(43)**	**(1,917)**	(406)	(18,225)
Increase/(decrease) in accruals	**4,775**	**212,917**	(10,250)	(460,123)
Net cash absorbed by operating activities	**(47,340)**	**(2,110,891)**	(49,804)	(2,235,702)
Cash flow from investing activities				
Loan advanced	**(40,000,000)**	**(1,783,600,000)**	-	-
Purchase of investments in subsidiaries	**(70,000,000)**	**(3,121,300,000)**	(9,000,000)	(404,010,000)
Net cash used in investing activities	**(110,000,000)**	**(4,904,900,000)**	(9,000,000)	(404,010,000)
Cash flow from financing activities				
Borrowings	**40,000,000**	**1,783,600,000**	-	-
Proceeds from the issue of ordinary shares	**70,100,000**	**3,125,759,000**	9,000,000	404,010,000
Net cash generated from financing activities	**110,100,000**	**4,909,359,000**	9,000,000	404,010,000
Net increase/ (decrease) in cash and cash equivalents	**52,660**	**2,348,109**	(49,804)	(2,235,702)
Foreign Translation Difference	**-**	**(3,670)**	-	(361,676)
Cash and cash equivalents at start of year	**12,233**	**549,139**	62,037	3,146,517
Cash and cash equivalents at end of year	**64,893**	**2,893,579**	12,233	549,139

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2011

1 GENERAL INFORMATION

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. 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, 6th Floor, Tower A, 1 CyberCity, Ebene, Mauritius.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Basis of preparation

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

The preparation of financial statements in conformity with IFRS as modified by the Mauritius Companies Act 2001 requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity or areas where assumptions or estimates are significant to the financial statements have been described in Note 3.

New and amended standards adopted by the Company

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning on or after 01 April 2010 and have been applied by the Company where relevant to its operations. The adoption of these new and revised standards has no material effect on the Company's accounting policies and disclosures:

IAS 27 Consolidated and Separate Financial Statements (effective for accounting periods beginning on or after 1 July 2009)

IAS 27 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. IAS 27 (revised) has had no impact on the current period, as none of the non-controlling interests have a deficit balance; there have been no transactions whereby an interest in an entity is retained after the loss of control of that entity, and there have been no transactions with non-controlling interests.

IAS 7 – Statement of Cash Flows (effective for accounting periods beginning on or after 1 January 2010)

IAS 7 is amended to state explicitly that only expenditures that result in the recognition of an asset can be classified as a cash flow from investing activities. The amendment did not have any impact on the financial position or performance of the Company.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The directors have considered new standards, amendments and interpretations to existing standards that have been published and that are mandatory for accounting periods beginning on or after 01 April 2011 which the Company has not early adopted and have concluded that these amendments will not have a material impact on the financial statements for the year ended 31 March 2011. The Company's assessment of the impact of these new standards and interpretations is set out below:

IFRS 9 – Financial Instruments (effective for accounting periods beginning on or after 1 January 2013)

IFRS 9, 'Financial instruments', issued in November 2009. This standard is the first step in the process to replace IAS 39, 'Financial Instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Company is yet to assess IFRS 9's full impact.

IAS 24 (Revised) - Related Party Disclosures (effective for accounting periods beginning on or after 1 January 2011)

Revised IAS 24 (revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. IAS 24 (revised) is mandatory for periods beginning on or after 1 January 2011. Earlier application, in whole or in part, is permitted. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. The Company will apply the revised standard from 1 April 2011.

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. The USD is the currency that most faithfully reflects the underlying transactions, events and conditions that are relevant to the Company.

- *Transactions and balances*

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

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax is realised or the deferred income tax liability is settled.

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

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and where the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Investment in subsidiaries

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

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

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

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

Consolidated financial statements

The Company owns 100% and 84.82 % of the issued share capital of Greatship Global Offshore Services Pte Ltd and Greatship Global Energy Services Pte Ltd respectively, which are both incorporated in Singapore. The Company has taken advantage of the exemption provided by the Mauritian Companies Act 2001 allowing a wholly or virtually owned parent company holding Category 1 Global Business Licence not to present consolidated financial statements. These financial statements are of the Company only and do not consolidate the result of its subsidiaries. Greatship (India) Limited, the parent company, prepares consolidated financial statements under Indian GAAP. The consolidated financial statements are available for public use at the registered office address of the holding company, Ocean House, 134/A, Dr Annie Besant Road, Worli, Mumbai 400 018, India.

Financial instruments

Financial instruments are initially recognised on the trade date, which is the date that the Company becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments carried on the statement of financial position include loan and other receivables, cash and cash equivalents, borrowings and payables. The particular recognition methods adopted are disclosed below:

Loan and receivables

Loans and receivables are financial assets with fixed or predeterminable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loan and receivables comprises of loan receivable and cash and cash equivalents.

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.

Payables

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

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Derecognition of financial assets and liabilities

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Impairment of assets

At each reporting 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 in order to determine the extent of impairment loss (if any). An impairment is recognised when the carrying amount of an asset exceeds its recoverable amount which is the higher of an asset's net selling price and its value in use. Impairment losses (if any) are recognised as an expense in the statement of comprehensive income.

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 obligation, and the amount has been reliably estimated.

Revenue recognition

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Dividend income is recognised when the Company's right to receive payment is established, and is recorded gross of any withholding taxes.

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

Expense recognition

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

Share capital

Ordinary shares are classified as equity.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and judgments 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.

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Determination of functional currency

The primary objective of the Company is to generate returns in USD, its capital-raising currency. The liquidity of the Company is managed on a day-to-day basis in USD. The Company's performance is evaluated in USD. Therefore, the management considers the USD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

4 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Financial risk factors

The board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the Company's activities.

The Company's exposure to the various types of risks associated to its activity and financial instruments is detailed as follows:

(a) 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.

(i) Currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rate. 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.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The only significant bearing financial assets and liabilities held by the Company are loan receivable from its subsidiary and a borrowing from its parent company. Interest income and the interest expense may fluctuate in amount, in particular due to changes in market interest rates.

Sensivity analysis

The Company's interest rate risk arises from interest receivable from its subsidiary and on interest payable to its parent company which is at the rate of LIBOR plus 3% and LIBOR plus 2.9% respectively. Fluctuations in market interest rates will not have a significant impact on the post tax profit and equity of the Company since any increase / decrease in interest income due to fluctuation of the rate of LIBOR will be offset by an equivalent increase / decrease in interest expense.

(iii) Price risk

Equity price risk is the risk of unfavourable changes in fair values of equities as the result of changes in the value of individual shares. The Company has no exposure to price risk at year end.

(b) Credit risk

The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. With respect to credit risk arising from financial assets which comprise of cash and cash equivalents, the Company's exposure arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets at the reporting date. The risk is minimal on the loan receivable as it is with related parties. Cash transactions are limited to high credit quality financial institutions. There was no concentration of credit risk at the reporting date.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter financial difficulty in meeting obligations associated with financial liabilities. The Company manages liquidity risk by maintaining adequate cash reserves, through funding from its holding company, to meet its obligations as they fall due. The Company is therefore not exposed to liquidity risk. All financial liabilities, excluding borrowing, mature within one year.

The table below summarises the maturity profile of the Company's financial liabilities at 31 March 2011 based on contractual undiscounted payments:

	More Than One Year		Within One Year		Total	
2011	USD	Rs.	USD	Rs.	USD	Rs.
Borrowings	40,000,000	1,783,600,000	-	-	40,000,000	1,783,600,000
Trade and other payables	-	-	168,705	7,522,556	168,705	7,522,556
At 31 March	**40,000,000**	**1,783,600,000**	**168,705**	**7,522,556**	**40,168,705**	**1,791,122,556**

	More Than One Year		Within One Year		Total	
2010	USD	Rs.	USD	Rs.	USD	Rs.
Trade and other payables	-	-	10,150	455,634	10,150	455,634
At 31 March	**-**	**-**	**10,150**	**455,634**	**10,150**	**455,634**

Fair values

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

Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages and adjusts its capital structure in the light of changes in economic conditions. To maintain or adjust its capital structure, the Company may rely on borrowings from its parent company or issue new shares.

5 INVESTMENT IN SUBSIDIARIES

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Unquoted at cost :				
At start	**152,001,410**	**6,823,343,295**	143,001,410	7,253,031,515
Additions				
Greatship Global Offshore Services Pte Ltd (GGOS)	**20,000,000**	**891,800,000**	7,000,000	314,230,000
Greatship Global Energy Services Pte Ltd (GGES)	**50,000,000**	**2,229,500,000**	2,000,000	89,780,000
Foreign Translation Difference	**-**	**(45,600,423)**	-	(833,698,220)
At end	**222,001,410**	**9,899,042,872**	**152,001,410**	**6,823,343,295**

Details pertaining to the investment in subsidiaries at 31 March 2011 are as follows:

Name	Business activity	Country Incorporation	Effective % holding	Cost	
				USD	Rs.
GGOS	Operate offshore supply vessels	Singapore	100.00%	121,101,378	5,399,910,445
GGES	Drilling	Singapore	84.82%	100,900,032	4,499,132,427

The directors have reviewed the operations of the above companies and have not identified any indication of impairment. Consequently, no impairment has been recorded during the year.

On 04 February 2011, the Company has committed to invest USD 60,000,000 (Rs. 267,540,000) in Greatship Global Offshore Services Pte Ltd. From the total amount committed, USD 20,000,000 (Rs. 891,800,000) has already been invested and the remaining amount shall be invested in the coming months.

6 LOAN RECEIVABLE

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Loan to subsidiary	**40,000,000**	**1,783,600,000**	-	-

The terms and conditions in respect of the loan receivable from the subsidiary have been disclosed in Note 12.

7 RECEIVABLES

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Interest on loan (Note 12(ii))	**149,573**	**6,669,460**	-	-
Prepayments	**1,243**	**55,425**	1,200	53,868
	150,816	**6,724,885**	1,200	53,868

8 STATED CAPITAL

	2011 Number	2010 Number	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Issued capital						
Ordinary shares of no par value issued and fully paid						
At start	**152,101,774**	143,101,774	**152,101,774**	**6,782,218,103**	143,101,774	6,423,838,635
Issued during the year	**70,100,000**	9,000,000	**70,100,000**	**3,125,759,000**	9,000,000	404,010,000
At end	**222,201,774**	152,101,774	**222,201,774**	**9,907,977,103**	152,101,774	6,827,848,635

9 BORROWINGS

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Loan from parent company	**40,000,000**	**1,783,600,000**	-	-

The terms and conditions in respect of the loan from the parent company have been disclosed in Note 12.

10 PAYABLES

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Interest on loan (Note 12(i))	**153,780**	**6,857,050**	-	-
Accruals	**14,925**	**665,506**	10,150	455,634
	168,705	**7,522,556**	10,150	455,634

11 TAXATION

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

The Company is subject to income tax in Mauritius at the rate of 15%. However, it is entitled to a tax credit equivalent to the higher of the actual foreign tax suffered and 80% of the Mauritius tax payable in respect of its foreign source income, thus reducing the maximum effective rate to 3%. There is no capital gain tax in Mauritius.

The foregoing is based on current interpretation and practice and is subject to any future changes in the Singaporean or Mauritian tax laws and in the tax treaty between Singapore and Mauritius. At 31 March 2011, the Company had accumulated tax losses of USD 148,121 (Rs. 6,604,715) (31 March 2010 - USD 97,362 (Rs. 4,370,580)).

The tax losses are available for offset against future taxable profit of the Company as follow:

	USD	Rs.
Up to the year ending:		
31 March 2013	(21,620)	(964,036)
31 March 2014	(36,594)	(1,631,726)
31 March 2015	(39,148)	(1,745,609)
31 March 2016	(50,759)	(2,263,344)
	(148,121)	(6,604,715)

Deferred taxation

No deferred tax asset has been recognised as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised. The deferred tax balance at 31 March 2011 arising from accumulated tax losses amounted to USD 4,443 (Rs. 198,113) (31 March 2010 – USD 2,920 (Rs.131,079)).

Tax reconciliation

A numerical reconciliation between the accounting loss as adjusted for tax purposes and the actual income tax charge is shown as follows:

	2011 USD	2011 Rs.	2010 USD	2010 Rs.
Net loss for the year before taxation	**(56,279)**	**(2,509,481)**	(39,148)	(1,757,354)
Tax @ 15%	**(8,442)**	**(376,429)**	(5,872)	(263,594)
Non allowable expense	**828**	**36,921**	-	-
Unutilised tax loss	**7,614**	**339,508**	5,872	263,594
Income tax charge	**-**	**-**	-	-

12 RELATED PARTY DISCLOSURES

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

		2011 USD	2011 Rs.	2010 USD	2010 Rs.
(i)	*Amount due to parent company:*				
	Greatship (India) Limited:				
	At start	-	-	-	-
	Loan advanced during the year	**40,000,000**	**1,783,600,000**	-	-
	Interest accrued on borrowings	**153,780**	**6,857,050**	-	-
	At end	**40,153,780**	**1,790,457,050**	-	-

The Company has a loan facility of USD 75,000,000 (Rs. 3,344,250,000) of which USD 40,000,000 (Rs. 1,783,600,000) has been received at 31 March 2011. The loan is unsecured, repayable by instalments of 25% each year commencing three years after the first drawdown (22 February 2011) and carries interest at LIBOR plus 2.9% per annum. Interest is payable annually with the first interest payment due on 22 February 2012 and hence has been classified as current liabilities.

		2011 USD	2011 Rs.	2010 USD	2010 Rs.
(ii)	*Amount receivable from Subsidiary:*				
	Greatship Global Energy Services Pte Ltd:				
	At start	-	-	-	-
	Loan advanced during the year	**40,000,000**	**1,783,600,000**	-	-
	Interest receivable on loan	**149,573**	**6,669,460**	-	-
	At end	**40,149,573**	**1,790,269,460**	-	-

The loan is unsecured, repayable by instalments of 25% each year commencing three years after the first drawdown (24 February 2011) and carries interest at LIBOR plus 3% per annum. Interest is payable annually with the first interest payment due on 22 February 2012 and hence has been classified as current assets.

		2011 USD	2011 Rs.	2010 USD	2010 Rs.
(iii)	*Remuneration paid to key management personnel:*				
	Directors' fees	**1,505**	**67,108**	1,402	62,936

13 PARENT AND ULTIMATE PARENT

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

GREATSHIP GLOBAL OFFSHORE SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Venkatraman Sheshashayee Arangannal s/o Kathamuthu
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER:	200708009M
AUDITORS:	Shanker Iyer & Co. 3 Phillip Street #18-00 Commerce Point, Singapore 048693
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 2011.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

Venkatraman Sheshashayee

Arangannal s/o Kathamuthu

Mr Venkatraman Sheshashayee, has resigned as the Executive Director of the company with effect from 1 April 2011 and will continue as the Director of the company.

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 01.04.2010	As at 31.03.2011
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITOR

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Director

21 April 2011

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at as at 31 March 2011 and of its results, changes in equity and cash flows for the financial year then ended; and

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

The board of directors authorised these financial statements for issue on 21 April 2011.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Director

21 April 2011

INDEPENDENT AUDITOR'S 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. (the"company") which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 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, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
21 April 2011

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	2011 US$	2011 Rs.	2010 US$	2010 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**29,791,557**	**1,328,405,527**	21,000,431	942,709,348
Trade receivables	5	**4,197,763**	**187,178,252**	4,130,035	185,397,271
Other receivables	6	**608,505**	**27,133,238**	995,162	44,672,822
Inventories	7	**66,316**	**2,957,030**	-	-
Derivative financial instruments receivable	8	**-**	**-**	9,641,267	432,796,476
Loans to subsidiaries	9	**7,000,000**	**312,130,000**	-	-
		41,664,141	**1,857,804,047**	35,766,895	1,605,575,917
Non-current assets					
Plant and equipment	10	**181,354,661**	**8,086,604,334**	79,312,977	3,560,359,538
Capital project in progress	11	**34,100,588**	**1,520,545,219**	108,824,440	4,885,129,111
Investments in subsidiaries	12	**3,110,100**	**138,679,359**	-	-
Deferred expenses	6	**1,282,884**	**57,203,798**	-	-
		219,848,233	**9,803,032,710**	188,137,417	8,445,488,649
TOTAL ASSETS		**261,512,374**	**11,660,836,757**	223,904,312	10,051,064,566
LIABILITIES					
Current liabilities					
Trade payables	13	**1,284,983**	**57,297,392**	2,023,543	90,836,846
Other payables	14	**1,851,954**	**82,578,629**	7,240,339	325,018,818
Derivative financial instruments payable	8	**867,846**	**38,697,253**	10,000,000	448,900,000
Finance lease	15	**1,141,429**	**50,896,319**	2,082,135	93,467,040
Deferred (loss)/gain	16	**(57,216)**	**(2,551,261)**	4,214	189,166
Bank loans	17	**12,810,513**	**571,220,775**	-	-
Provision for income tax		**16,392**	**730,919**	-	-
		17,915,901	**798,870,026**	21,350,231	958,411,870
Non-current liabilities					
Finance lease	15	**15,686,762**	**699,472,718**	33,247,475	1,492,479,153
Deferred (loss)/gain	16	**(297,087)**	**(13,247,109)**	9,183	412,225
Bank loans	17	**105,436,153**	**4,701,398,062**	69,844,000	3,135,297,160
		120,825,828	**5,387,623,671**	103,100,658	4,628,188,538
Total liabilities		**138,741,729**	**6,186,493,697**	124,450,889	5,586,600,408
NET ASSETS		**122,770,645**	**5,474,343,060**	99,453,423	4,464,464,158
SHAREHOLDERS' EQUITY					
Share capital	18	**121,060,224**	**5,398,075,388**	101,060,224	4,536,593,455
Reserves	19	**1,710,421**	**76,267,672**	(1,606,801)	(72,129,297)
TOTAL EQUITY		**122,770,645**	**5,474,343,060**	99,453,423	4,464,464,158

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 US$	2011 Rs.	2010 US$	2010 Rs.
REVENUE					
Charter hire income		**26,526,302**	**1,182,807,806**	20,470,620	918,926,132
Other income	20	**3,055,822**	**136,259,103**	2,688,389	120,681,782
Total revenue		**29,582,124**	**1,319,066,909**	23,159,009	1,039,607,914
EXPENSES					
Charter hire expenses	21	**10,077,791**	**449,368,701**	15,261,082	685,069,970
Employee benefits expenses		**1,493,531**	**66,596,547**	1,135,144	50,956,616
Depreciation of plant and equipment	10	**7,370,235**	**328,638,779**	2,342,232	105,142,794
Other operating expenses	22	**1,515,870**	**67,592,643**	645,224	28,964,105
Finance costs	23	**5,541,935**	**247,114,882**	3,728,926	167,391,488
Total expenses		**25,999,362**	**1,159,311,552**	23,112,608	1,037,524,973
Profit before income tax	24	**3,582,762**	**159,755,357**	46,401	2,082,941
Income tax expense	25	**(238,347)**	**(10,627,893)**	(698,795)	(31,368,908)
Net income/(loss)		**3,344,415**	**149,127,464**	(652,394)	(29,285,967)
Other comprehensive income:					
De-recognition of fair value loss arising from forward currency contracts and interest rate swaps		**840,653**	**37,484,717**	452,293	20,303,433
Changes in fair value of interest rate swap		**(867,846)**	**(38,697,253)**	(481,920)	(21,633,389)
Fair value gain arising from forward currency contracts		**-**	**-**	80,430	3,610,503
Other comprehensive (loss)/ income for the year, net of tax		**(27,193)**	**(1,212,536)**	50,803	2,280,547
Total comprehensive income/(loss) for the year		**3,317,222**	**147,914,928**	(601,591)	(27,005,420)

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 2011

	Share capital		Accumulated losses		Hedging reserve		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
2011								
Balance as at 1 April 2010	**101,060,224**	4,536,593,455	**(766,148)**	(34,392,384)	**(840,653)**	(37,736,913)	**99,453,423**	4,464,464,158
Issuance of ordinary shares	**20,000,000**	891,800,000	**-**	-	**-**	-	**20,000,000**	891,800,000
Foreign translation difference	**-**	(30,318,067)	**-**	229,845	**-**	252,196	**-**	(29,836,026)
Total comprehensive (loss)/ income for the year	**-**	-	**3,344,415**	149,127,464	**(27,193)**	(1,212,536)	**3,317,222**	147,914,928
Balance as at 31 March 2011	**121,060,224**	5,398,075,388	**2,578,267**	114,964,925	**(867,846)**	(38,697,253)	**122,770,645**	5,474,343,060
2010								
Balance as at 1 April 2009	**94,060,224**	4,770,734,561	**(113,754)**	(5,769,603)	**(891,456)**	(45,214,648)	**93,055,014**	4,719,750,310
Issuance of ordinary shares	**7,000,000**	314,230,000	**-**	-	**-**	-	**7,000,000**	314,230,000
Foreign translation difference	**-**	(548,371,106)	**-**	663,186	**-**	5,197,188	**-**	(542,510,732)
Total comprehensive (loss)/ income for the year	**-**	-	**(652,394)**	(29,285,967)	**50,803**	2,280,547	**(601,591)**	(27,005,420)
Balance as at 31 March 2010	**101,060,224**	4,536,593,455	**(766,148)**	(34,392,384)	**(840,653)**	(37,736,913)	**99,453,423**	4,464,464,158

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Cash Flows From Operating Activities					
Profit before income tax		**3,582,762**	**159,755,357**	46,401	2,082,941
Adjustments for:					
Depreciation of plant and equipment	10	**7,370,235**	**328,638,779**	2,342,232	105,142,794
Gain on disposal of a motor vessels	20	**(2,639,982)**	**(117,716,797)**	(2,445,837)	(109,793,623)
Interest income		**(119,165)**	**(5,313,567)**	(1,399)	(62,801)
Interest expense	23	**5,541,935**	**247,114,882**	3,581,930	160,792,838
Realised deferred gain		**(367,700)**	**(16,395,743)**	(15,473)	(694,583)
Cash flows from operations before changes in working capital		**13,368,085**	**596,082,911**	3,507,854	157,467,566
Working capital changes, excluding changes relating to cash:					
Trade receivables		**(67,728)**	**(3,019,992)**	(61,623)	(2,766,256)
Trade payables		**(738,560)**	**(32,932,390)**	(946,457)	(42,486,455)
Inventories		**(66,316)**	**(2,957,030)**	-	-
Other receivables		**534,209**	**23,820,379**	(536,580)	(24,087,076)
Other payables		**(5,388,385)**	**(240,268,087)**	1,504,971	67,558,148
Deferred expenses		**(1,430,436)**	**(63,783,141)**	-	-
Cash generated from operations		**6,210,869**	**276,942,650**	3,468,165	155,685,927
Interest received		**119,165**	**5,313,567**	1,399	62,801
Interest paid		**(4,733,348)**	**(211,059,987)**	(3,330,220)	(149,493,576)
Income tax paid		**(221,955)**	**(9,896,973)**	(698,795)	(31,368,908)
Net cash generated from/(used in) operating activities		**1,374,731**	**61,299,257**	(559,451)	(25,113,756)
Cash Flows From Investing Activities					
Purchase of plant and equipment		**(1,784,187)**	**(79,556,898)**	(18,617,002)	(835,717,220)
Proceeds from disposal of motor vessels		**45,002,308**	**2,006,652,914**	47,063,775	2,112,692,860
Proceeds from sale of plant and equipment		**-**	**-**	18,500,000	830,465,000
Deposit received for sale of a vessel	14	**-**	**-**	4,072,500	182,814,525
Investment in subsidiaries		**(3,110,100)**	**(138,679,359)**	-	-
Loan to subsidiaries		**(7,000,000)**	**(312,130,000)**	-	-
Addition to capital project in progress		**(75,732,906)**	**(3,376,930,279)**	(111,289,306)	(4,995,776,946)
Net cash used in investing activities		**(42,624,885)**	**(1,900,643,622)**	(60,270,033)	(2,705,521,781)
Cash Flows From Financing Activities					
Proceeds from issuance of ordinary shares		**20,000,000**	**891,800,000**	7,000,000	314,230,000
Proceeds from finance lease		**-**	**-***	18,599,691	834,940,129
Proceeds from drawdown of bank loans	17	**56,645,156**	**2,525,807,506**	49,942,950	2,241,939,025
Repayment of bank loans		**(8,102,458)**	**(361,288,602)**	(6,567,250)	(294,803,852)
Repayment of finance leases		**(18,501,419)**	**(824,978,273)**	(1,706,748)	(76,615,918)
Reduction of cash collateral provided to a financial institution	4	**870,146**	**38,799,810**	4,191,156	188,140,994
Net cash from financing activities		**50,911,425**	**2,270,140,441**	71,459,799	3,207,830,378
Net increase in cash and cash equivalents		**9,661,271**	**430,796,076**	10,630,315	477,194,841
Foreign translation difference		**-**	**(6,039,043)**	-	(55,384,825)
Cash and cash equivalents at the beginning of the year		**20,130,285**	**903,648,494**	9,499,970	481,838,478
Cash and cash equivalents at the end of the year	4	**29,791,556**	**1,328,405,527**	20,130,285	903,648,494

* In the previous financial year, a motor vessel of US$18,599,691 (equivalent to Rs 834,940,129) was acquired under finance lease.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Global Offshore Services Pte. Ltd. (Company Registration No. 200708009M) is domiciled in Singapore. The company's registered office is at 15 Hoe Chiang Road, #06-03, Singapore 089316.

During the year, the company has set up a branch in Labuan.

The company is providing offshore oilfield services with the principal activity of owning and operating offshore supply of vessels which is carried out by its branch office in Labuan, Malaysia. The company is also currently involved in activities relating to the construction of vessels. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the company as at 31 March 2011 and for the year then ended were authorised and approved by the Board of Directors for issuance on 21 April 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = Rs. 44.59 (2010: USD 1 = Rs. 44.89) and rounded up to the nearest rupee.

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 FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

These financial statements are separate financial statements of Greatship Global Offshore Services Pte. Ltd. The company avails the exemption as per FRS 27: Consolidated and Separate Financial Statements from the preparation of consolidated financial statements as the ultimate holding company, The Great Eastern Shipping Co. Ltd. produces consolidated financial statements available for public use. The registered office of The Great Eastern Shipping Co. Ltd. is at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400018, India.

b) Currency translation

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

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

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

c) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, less cash at bank collateralised for letter of credit.

d) Derivative financial instruments and hedging activities

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

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

The company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

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

Cash flow hedge - currency forwards

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

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

Cash flow hedge - interest rate swaps

The company has entered into interest rate swaps that are cash flow hedges for the company's exposure to the interest rate on its borrowings. These contracts entitle the company to receive interest at floating rates on notional principal amounts and oblige the company to pay interest at fixed rates on the same notional principal amounts, thus allowing the company to raise borrowings at floating rates and swap them into fixed rate.

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

e) Financial instruments

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

Effective interest method

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

f) Financial assets

(i) Classification

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

Loans and receivables

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

(ii) Recognition and derecognition

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

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

(iii) Initial measurement

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

(iv) Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

(v) Impairment

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

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

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

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

g) <u>Inventories</u>

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. Cost is ascertained on first-in, first-out basis for fuel oil. Stores and spares (other than fuel oil) delivered on board of the vessels are charged to statement of comprehensive income.

h) <u>Plant and equipment</u>

(i) Measurement

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

Components of costs

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

Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

(ii) Depreciation

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

Computers	3 - 5 years
Office equipment	1 - 3 years
Furniture, fixture and renovation	5 years
Motor vessels	20 years

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

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

(iii) Subsequent expenditure

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

(iv) Disposals

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

i) <u>Investments in subsidiaries</u>

Unquoted equity investments in subsidiaries are carried at cost less accumulated impairment losses in the company's statement of financial position. On disposal of investment in subsidiary, the difference between the disposal proceeds and the carrying amount of the investment is recognised in the statement of comprehensive income.

j) <u>Impairment of non-financial assets</u>

Plant and equipment

Investments in subsidiaries

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

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

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

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

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

k) <u>Capital project in progress</u>

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.

l) <u>Trade and other payables</u>

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

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

m) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs accrued to finance the building of motor vessels are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the statement of comprehensive income over the period of borrowing using the effective interest method.

n) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

o) Provisions

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

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

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

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

p) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

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

Foreign tax is recognised in the statement of comprehensive income on an accrual basis.

q) Revenue recognition

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

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

(i) Charter income is recognised on accrual basis.

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

(iii) Unbilled revenue represents services completed in the year which are billed subsequent to the year end. Unbilled revenue is measured at fair value.

r) Employee benefits

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

Defined Contribution Plans

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

Employee leave entitlement

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

s) Share capital

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

t) Leases

Finance lease

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

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

Gains or losses arising from sale and finance leaseback of motor vessel are deferred and amortised over the minimum lease terms.

Operating lease

Company is the lessor

Assets leased out under operating leases are included in plant and equipment and are stated at cost less depreciated amounts and impairment loss (if any). Operating lease income is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as income in the statement of comprehensive income when earned.

Company is the lessee

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

Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of comprehensive income on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

u) Government grants - Jobs Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income when there is reasonable assurance that the grant will be received.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

The following are the significant accounting estimates and judgements for preparation of financial statements:

(a) Depreciation of plant and equipment

The company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's plant and equipment.

The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's plant and equipment as at the end of each reporting period were disclosed in Note 9 to the financial statements.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

4. CASH AND CASH EQUIVALENTS

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Cash at bank	**29,783,905**	**1,328,064,324**	20,995,232	942,475,964
Cash on hand	**7,652**	**341,203**	5,199	233,384
	29,791,557	**1,328,405,527**	21,000,431	942,709,348

As at 31 March 2010, the carrying amounts of cash at bank include cash collateralised towards letter of credit facilities amounting to US$870,146 (equivalent to Rs 39,060,854) (Note 29).

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

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Singapore dollar	**366,510**	**16,342,681**	212,609	9,544,018
United States dollar	**29,425,047**	**1,312,062,846**	20,787,822	933,165,330
	29,791,557	**1,328,405,527**	21,000,431	942,709,348

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

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Cash and cash equivalents (as above)	**29,791,557**	**1,328,405,527**	21,000,431	942,709,348
Less : cash at bank collateralised for letter of credit	**-**	**-**	(870,146)	(39,060,854)
Cash and cash equivalents per statement of cash flows	**29,791,557**	**1,328,405,527**	20,130,285	903,648,494

5. TRADE RECEIVABLES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Third parties	**3,668,796**	**163,591,614**	2,796,696	125,543,683
GST recoverable	**-**	**-**	8,389	376,582
Intermediate holding company	**528,967**	**23,586,638**	1,324,950	59,477,006
	4,197,763	**187,178,252**	4,130,035	185,397,271

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

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

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

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollar	**2,604**	**116,112**	8,389	376,582
United States dollar	**4,195,159**	**187,062,140**	4,121,646	185,020,689
	4,197,763	**187,178,252**	4,130,035	185,397,271

6. OTHER RECEIVABLES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Third parties:				
Deposits	**75,159**	**3,351,340**	72,376	3,248,959
Prepayments	**88,715**	**3,955,802**	41,576	1,866,347
Other debtors	**252,775**	**11,271,237**	881,210	39,557,516
Deferred expenses	**1,430,436**	**63,783,141**	-	-
	1,847,085	**82,361,520**	995,162	44,672,822
Subsidiary	**44,304**	**1,975,515**	-	-
	1,891,389	**84,337,035**	995,162	44,672,822
Less: deferred expenses (non-current)	**(1,282,884)**	**(57,203,797)**	-	-
	608,505	**27,133,238**	995,162	44,672,822

Other debtors mainly represent advance payment to lessor, vendor and agents.

Deferred expenses represent the arrangement and commitment fees for bank loans and are amortised from 6 years to 10 years.

The amounts owing by a subsidiary 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:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollar	**68,140**	**3,038,363**	68,140	3,058,805
United States dollar	**540,365**	**24,099,335**	927,022	41,614,017
	608,505	**27,133,238**	995,162	44,672,822

7. INVENTORIES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Bunkers on board, at cost	**66,316**	**2,957,030**	-	-

8. DERIVATIVE FINANCIAL INSTRUMENTS RECEIVABLE/(PAYABLE)

	Contract/ notional amount	Fair values			
	Contract/ notional amount US$	Asset US$	Liability US$	Asset Rs.	Liability Rs.
2011					
Cash flow hedges					
- Interest rate swaps	70,179,064	-	(867,846)	-	(38,697,253)
2010					
Cash flow hedges					
- Currency forwards	10,000,000	9,641,267	(10,000,000)	432,796,476	(448,900,000)

Period when the cash flows on cash flow hedges are expected to occur or affect the statement of comprehensive income:

(a) The interest rate swaps are entered to hedge floating quarterly interest payments on borrowings that will mature on 20 July 2020. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to statement of comprehensive income as part of interest expense over the period of the borrowings.

(b) As at 31 March 2010, currency forwards were entered to hedge highly probable forecast transactions denominated in foreign currency expected to occur at various dates from the reporting date. The currency forwards had maturity dates that coincide within the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions were transferred to the statements of comprehensive income except for those forwards used to hedge highly probable forecast foreign currency purchases relating to the building of motor vessels, whose gains and losses are included in the cost of the assets and recognised in the statements of comprehensive income over their estimated useful lives as part of depreciation expense.

9. LOANS TO SUBSIDIARIES

Loans to subsidiaries are unsecured, interest-free and are repayable within the next twelve months.

The carrying amounts of loans to subsidiaries approximate their fair values due to their short-term nature and are denominated in United States dollars.

10. PLANT AND EQUIPMENT

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Cost										
At 1 April 2010	**42,428**	1,904,593	**18,807**	844,246	**131,749**	5,914,213	**81,588,509**	3,662,508,169	**81,781,493**	3,671,171,221
Foreign translation difference	-	(12,729)	-	(5,642)	-	(39,525)	-	(24,476,552)	-	(24,534,448)
Additions	**4,057**	180,902	-	-	-	-	**1,780,130**	79,375,997	**1,784,187**	79,556,899
Reclassified from capital project in progress (Note 11)	-	-	-	-	-	-	**124,885,370**	5,568,638,648	**124,885,370**	5,568,638,648
Disposal	-	-	-	-	-	-	**(18,545,918)**	(826,962,484)	**(18,545,918)**	(826,962,484)
At 31 March 2011	**46,485**	2,072,766	**18,807**	838,604	**131,749**	5,874,688	**189,708,091**	8,459,083,778	**189,905,132**	8,467,869,836
Accumulated depreciation										
At 1 April 2010	**15,423**	692,338	**5,902**	264,941	**39,259**	1,762,337	**2,407,932**	108,092,067	**2,468,516**	110,811,683
Foreign translation difference	-	(4,626)	-	(1,771)	-	(11,778)	-	(722,379)	-	(740,554)
Charge for the year	**12,472**	556,126	**3,783**	168,684	**26,494**	1,181,367	**7,327,486**	326,732,601	**7,370,235**	328,638,778
Disposals	-	-	-	-	-	-	**(1,288,280)**	(57,444,405)	**(1,288,280)**	(57,444,405)
At 31 March 2011	**27,895**	1,243,838	**9,685**	431,854	**65,753**	2,931,926	**8,447,138**	376,657,884	**8,550,471**	381,265,502
Net Book Value										
At 31 March 2011	**18,590**	828,928	**9,122**	406,750	**65,996**	2,942,762	**181,260,953**	8,082,425,894	**181,354,661**	8,086,604,334

	Computers		Office equipment		Furniture, fixture & renovation		Motor vessels		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Cost										
At 1 April 2009	**33,194**	1,683,600	**18,807**	953,891	**123,672**	6,272,644	**18,545,918**	940,648,961	**18,721,591**	949,559,096
Foreign translation difference	-	(193,521)	-	(109,645)	-	(721,008)	-	(108,122,702)	-	(109,146,876)
Additions	**9,234**	414,514	-	-	**8,077**	362,577	**18,599,691**	834,940,129	**18,617,002**	835,717,220
Reclassified from capital project in progress	-	-	-	-	-	-	**108,018,610**	4,848,955,403	**108,018,610**	4,848,955,403
Disposal	-	-	-	-	-	-	**(63,575,710)**	(2,853,913,622)	**(63,575,710)**	(2,853,913,622)
At 31 March 2010	**42,428**	1,904,593	**18,807**	844,246	**131,749**	5,914,213	**81,588,509**	3,662,508,169	**81,781,493**	3,671,171,221
Accumulated depreciation										
At 1 April 2009	**3,689**	187,106	**2,098**	106,411	**13,794**	699,632	**106,703**	5,411,976	**126,284**	6,405,125
Foreign translation difference	-	(21,507)	-	(12,232)	-	(80,419)	-	(622,078)	-	(736,236)
Charge for the year	**11,734**	526,739	**3,804**	170,762	**25,465**	1,143,124	**2,301,229**	103,302,169	**2,342,232**	105,142,794
At 31 March 2010	**15,423**	692,338	**5,902**	264,941	**39,259**	1,762,337	**2,407,932**	108,092,067	**2,468,516**	110,811,683
Net Book Value										
At 31 March 2010	**27,005**	1,212,255	**12,905**	579,305	**92,490**	4,151,876	**79,180,577**	3,554,416,102	**79,312,977**	3,560,359,538

Plant and equipment as at 31 March 2011 includes motor vessels acquired under finance leases with net book value of US$17,109,729 (2010: US$35,357,431) (equivalent to Rs 762,922,816 (2010: Rs 1,587,195,078) (Note 15). Motor vessels included in plant and equipment with a net book value of US$164,151,225 (2010: US$43,823,146) (equivalent to Rs 7,319,503,123 (2010: Rs 1,967,221,024)) are mortgaged to a financial institution for banking facility as disclosed in Note 17 to the financial statements.

11. 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 third quarter of calendar year 2012. The total expected costs of the project are estimated to be approximately US$186 million (equivalent to Rs 8,294 million).

As at 31 March 2010, the capital project in progress included accumulated costs incurred relating to shipbuilding contracts amounting to US$62,482,838 (equivalent to Rs 2,804,854,598) which are assigned to a financial institution for banking facility as disclosed in Note 17 to the financial statements.

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Balance at the beginning of the year	**108,824,440**	**4,885,129,111**	105,553,744	5,353,685,896
Foreign translation difference	**-**	**(32,647,332)**	-	(615,378,329)
Additions	**75,732,906**	**3,376,930,279**	111,289,306	4,995,776,946
Reclassified to plant and equipment (Note 10)	**(124,885,370)**	**(5,568,638,648)**	(108,018,610)	(4,848,955,402)
Disposal	**(25,571,388)**	**(1,140,228,191)**	-	-
Balance at the end of the year	**34,100,588**	**1,520,545,219**	108,824,440	4,885,129,111

12. INVESTMENT IN SUBSIDIARIES

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Unquoted equity shares - at cost	**3,110,100**	**138,679,359**	-	-

The details of the subsidiaries are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of equity held 2011	2010
Held by the company				
Greatship Subsea Solutions Singapore Pte. Ltd. ("GSS")	Singapore	Providing services related to subsea operation	100%	-
Greatship Global Offshore Management Services Pte. Ltd.	Singapore	Providing ship management services	100%	-

Name of company	Country of incorporation	Principal activities	Percentage of equity held	
			2011	2010
Held by GSS				
Greatship Subsea Solutions Australia Pty Ltd ("GSA")	Australia	Providing services related to subsea operation	100%	-

During the financial year ended 31 March 2011, the company incorporated Greatship Subsea Solutions Singapore Pte. Ltd. and Greatship Global Offshore Management Services Pte. Ltd. with an issued and paid up capital of US$3,000,100 (equivalent to Rs 133,774,459) and US$110,000 (equivalent to Rs 4,904,900) respectively.

GSA was incorporated by GSS with an issued and paid up capital of US$2,800,050 (equivalent to Rs 124,854,230).

13. TRADE PAYABLES

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

14. OTHER PAYABLES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Third parties:				
Accruals of operating expenses	**80,946**	**3,609,382**	37,305	1,674,621
Accrual of employee benefits expenses	**271,872**	**12,122,772**	355,952	15,978,685
Accrued interest	**310,324**	**13,837,347**	108,979	4,892,067
Withholding tax payable	**46,256**	**2,062,555**	92,188	4,138,319
Deposit for sale of a vessel	-	-	4,072,500	182,814,525
Commission payable for sale of a vessel	-	-	962,000	43,184,180
Advance payments from a charterer	**877,250**	**39,116,578**	312,413	14,024,221
Other creditors	**265,306**	**11,829,995**	403,055	18,093,139
	1,851,954	**82,578,629**	6,344,392	284,799,757
Related company	-	-	696,941	31,285,682
Intermediate holding company	-	-	199,006	8,933,379
	1,851,954	**82,578,629**	7,240,339	325,018,818

Accruals of operating expenses included technical management fees, manning expenses and agency fees pertaining to vessels operation.

In March 2010, deposit represented 15% of selling price received from a buyer for a ship under construction which was completed and delivered on 14 April 2010.

In 2010, the amounts owing to related company and intermediate holding company were unsecured, interest-free and were fully repaid during the year.

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollar	**307,881**	**13,728,414**	528,588	23,728,315
Indian Rupee	**19,454**	**867,454**	-	-
Malaysian Ringgit	**1,130**	**50,387**	-	-
United Arab Emirates Dirham	**97**	**4,325**	-	-
Pound Sterling	**17,982**	**801,817**	-	-
United States dollar	**1,505,410**	**67,126,232**	6,711,751	301,290,503
	1,851,954	**82,578,629**	7,240,339	325,018,818

15. FINANCE LEASES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Due within one year	**2,854,800**	**127,295,532**	5,577,200	250,360,508
Due within two to five years	**9,056,550**	**403,831,565**	19,135,870	859,009,204
Due over five years	**15,013,107**	**669,434,441**	32,361,355	1,452,701,226
	26,924,457	**1,200,561,538**	57,074,425	2,562,070,938
Finance charge allocated to future periods	**(10,096,266)**	**(450,192,501)**	(21,744,815)	(976,124,745)
Total (Note 10)	**16,828,191**	**750,369,037**	35,329,610	1,585,946,193
Representing finance lease liabilities:				
Current	**1,141,429**	**50,896,319**	2,082,135	93,467,040
Non-current	**15,686,762**	**699,472,718**	33,247,475	1,492,479,153
	16,828,191	**750,369,037**	35,329,610	1,585,946,193

The finance lease bears an effective interest rate of 10.3% (2010: 10.3%) per annum. The obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the intermediate holding company, which is the Bareboat Charter Guarantor.

The finance leases are denominated in United States dollar.

16. DEFERRED GAIN

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Deferred gain	-	-	486,642	21,845,359
Deferred loss	**(396,137)**	**(17,663,750)**	(457,772)	(20,549,385)
Transfer to statement of comprehensive income (Note 22)	**41,834**	**1,865,378**	(15,473)	(694,583)
	(354,303)	**(15,798,372)**	13,397	601,391
Less: current portion	**57,216**	**2,551,261**	(4,214)	(189,166)
Non-current portion	**297,087**	**13,247,109**	9,183	412,225

In 2009, the company had entered into a lease agreement whereby the company sold and leased back a motor vessel with net book value of US$18,545,918 (equivalent to Rs 832,526,259). The gain arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from 18 February 2009. The said motor vessel was sold and the related deferred gain balance at the disposal date was charged to statement of comprehensive income during the financial year.

In 2009, the company entered into another lease agreement whereby the company sold and leased back a motor vessel with net book value of US$18,599,691 (equivalent to Rs 834,940,129). The loss arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from 10 September 2009.

The holding company has guaranteed the repayment of these future lease obligations, and accordingly has become the primary obligor under the lease agreement.

17. BANK LOAN

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Loan	**118,386,700**	**5,278,862,953**	69,844,000	3,135,297,160
Unamortised facility fees	**(140,034)**	**(6,244,116)**	-	-
	118,246,666	**5,272,618,837**	69,844,000	3,135,297,160
Current	**12,810,513**	**571,220,775**	-	-
Non-current	**105,436,153**	**4,701,398,062**	69,844,000	3,135,297,160
	118,246,666	**5,272,618,837**	69,844,000	3,135,297,160

On 6 August 2008 and 5 February 2010, the company obtained loans with credit facility for US$136 million (equivalent to Rs 6,898 million) and US$18 million (equivalent to Rs 803 million) respectively from a financial institution. The bank loans are subject to interest ranging from 1.25% to 3.80% (2010: 1.2%) per annum and are repayable within ten years of the final delivery date of the vessels. The bank loans are secured by:-

Pre-delivery

1) First assignment of Shipbuilding and engine contracts.

2) Corporate guarantee from its intermediate holding company.

Post -delivery

1) First Singapore mortgage over the vessels (Note 10).

2) First assignment of insurances and requisition of compensation on the vessels.

3) First assignment and pledge of all vessel earnings.

4) Corporate guarantee from its intermediate holding company.

The carrying amounts of bank loans approximate their fair values and are denominated in United States dollar.

18. SHARE CAPITAL

	2011	2010	**2011**	**2011**	2010	2010
	Number of ordinary shares		**US$**	**Rs.**	US$	Rs.
Issued						
Ordinary shares	**101,060,224**	94,060,224	**101,060,224**	**4,536,593,455**	94,060,224	4,770,734,561
Issuance of ordinary shares	**20,000,000**	7,000,000	**20,000,000**	**891,800,000**	7,000,000	314,230,000
Foreign translation difference	**-**	-	**-**	**(30,318,067)**	-	(548,371,106)
As at end of year	**121,060,224**	101,060,224	**121,060,224**	**5,398,075,388**	101,060,224	4,536,593,455

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$101,060,224 (equivalent to Rs 4,506,275,388) to US$121,060,224 (equivalent to Rs 5,398,075,388) by way of further allotment of 20,000,000 ordinary shares for cash consideration of US$20,000,000 (equivalent to Rs 891,800,000).

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

19. RESERVES

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Hedging reserve				
At the beginning of the year	**(840,653)**	**(37,736,913)**	(891,456)	(45,214,648)
De-recognition of fair value loss / (gain) arising from forward currency contracts	**840,653**	**37,484,717**	452,293	20,303,433
Fair value gain/(loss) arising from forward currency contracts	**-**	**-**	80,430	3,610,503
Changes in fair value of interest rate swap	**(867,846)**	**(38,697,253)**	(481,920)	(21,633,389)
Foreign translation difference	**-**	**252,196**	-	5,197,188
Balance at the end of the year	**(867,846)**	**(38,697,253)**	(840,653)	(37,736,913)
(Accumulated losses)/Retained Profits				
At the beginning of the year	**(766,148)**	**(34,392,384)**	(113,754)	(5,769,603)
Profit/(loss) for the year	**3,344,415**	**149,127,464**	(652,394)	(29,285,967)
Foreign translation difference	**-**	**229,845**	-	663,186
Balance at the end of the year	**2,578,267**	**114,964,925**	(766,148)	(34,392,384)
Total reserves	**1,710,421**	**76,267,672**	(1,606,801)	(72,129,297)

20. OTHER INCOME

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Government grant	**8,612**	**384,009**	15,680	703,875
Interest on cash collateralised for letter of credit	**2,002**	**89,269**	1,399	62,801
Interest on fixed deposit	**119,165**	**5,313,568**	-	-
Deferred gain (Note 16)	**-**	**-**	15,473	694,583
Liquidated damages income	**260,000**	**11,593,400**	210,000	9,426,900
Gain on disposal of a motor vessel	**2,639,983**	**117,716,842**	2,445,837	109,793,623
Reimbursement of expenses	**26,060**	**1,162,015**	-	-
	3,055,822	**136,259,103**	2,688,389	120,681,782

21. CHARTER HIRE EXPENSES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Charter hire	**3,904,775**	**174,113,917**	11,775,060	528,582,443
Crew salary	**2,238,171**	**99,800,045**	1,609,413	72,246,550
Fuel and fresh water	**561,329**	**25,029,660**	245,151	11,004,828
Insurance	**257,062**	**11,462,395**	215,808	9,687,621
Technical management fees	**407,288**	**18,160,972**	-	-
Mobilisation expenses	**600,000**	**26,754,000**	-	-
Repairs and maintenance	**1,336,561**	**59,597,255**	933,526	41,905,982
Others	**772,605**	**34,450,457**	482,124	21,642,546
	10,077,791	**449,368,701**	15,261,082	685,069,970

22. OTHER OPERATING EXPENSES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Amortisation of loss on sale and lease back (Note 16)	**41,834**	**1,865,378**	-	-
Bank charges	**95,246**	**4,247,019**	84,076	3,774,172
Director's fee	**12,211**	**544,488**	10,016	449,618
Professional fees	**507,357**	**22,623,049**	70,709	3,174,127
Office rental	**217,186**	**9,684,324**	203,632	9,141,040
Telephone	**76,684**	**3,419,340**	46,911	2,105,835
Travelling	**399,838**	**17,828,776**	168,905	7,582,145
Others	**165,514**	**7,380,269**	60,975	2,737,168
	1,515,870	**67,592,643**	645,224	28,964,105

23. FINANCE COST

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Finance charges	**483,887**	**21,576,522**	146,995	6,598,606
Interest on finance leases	**2,225,680**	**99,243,071**	3,335,524	149,731,672
Interest rate swap payable to a related company	**944,326**	**42,107,496**	169,955	7,629,280
Interest on loans	**1,888,042**	**84,187,793**	76,452	3,431,930
	5,541,935	**247,114,882**	3,728,926	167,391,488

24. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
CPF contributions	**72,891**	**3,250,210**	51,402	2,307,436
Director's fees	**12,211**	**544,488**	10,016	449,618
Directors' remuneration and bonus	**96,857**	**4,318,853**	181,297	8,138,422

25. INCOME TAX EXPENSE

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Current year tax provision	**9,792**	**436,625**	-	-
Foreign tax paid	**228,555**	**10,191,268**	698,795	31,368,908
	238,347	**10,627,893**	698,795	31,368,908

The company has set up a branch in Labuan from where its business is carried out. Interest on a fixed deposit placed with a UK bank was from fund generated from operations in Singapore and hence is taxable in Singapore upon remittance.

Foreign income tax relates to foreign tax of US$221,955 (equivalent to Rs 9,896,974) withheld on charter income and tax payable under the Labuan Offshore Business Activity Tax Act 1990 (LOBATA) amounting to US$6,600 (equivalent to Rs 294,294) which is computed based on RM20,000 upon election made under Section 7(1) of said act.

The current year income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2010: 17%) to profit before income tax as a result of the following differences:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Accounting profit	**3,582,762**	**159,755,357**	46,401	2,082,941
Income tax expense at statutory rate	**609,070**	**27,158,431**	7,888	354,092
Exempt income	**(599,278)**	**(26,721,806)**	(7,888)	(354,092)
Foreign tax paid	**228,555**	**10,191,268**	698,795	31,368,908
	238,347	**10,627,893**	698,795	31,368,908

26. 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., a company incorporated in India which is the parent company of Greatship (India) Limited.

27. SIGNIFICANT RELATED PARTIES TRANSACTIONS

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

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

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

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Charter hire income from:				
Intermediate holding company	**1,472,842**	**65,674,025**	3,528,125	158,377,531
Subsidiary	**2,666,000**	**118,876,940**	-	-
Management fees charged by intermediate holding company	**216,000**	**9,631,440**	-	-
Payment for purchase of crane on behalf of intermediate holding company	**810,960**	**36,160,706**	-	-
Reimbursement of expenses charged to subsidiary	**26,060**	**1,162,015**	-	-
Operating expenses paid on behalf of subsidiary	**18,244**	**813,500**	-	-

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The company's key management personnel are comprised of a director and heads of departments of the company.

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Directors' remuneration and bonus	**96,857**	**4,318,854**	181,297	8,138,422

28. CONTINGENT LIABILITIES

As at 31 March 2010, a payment guarantee of US$14,682,000 (equivalent to Rs 659,074,980) from a financial institution has been provided to a shipyard. The banking facilities are secured by way of charges against the capital project in progress as disclosed in Note 11 to the financial statements.

29. 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 end of the reporting period but not recognised as liabilities, are as follows:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Due within one year				
Office lease	**121,245**	**5,406,315**	262,515	11,784,298
Charter hire	**-**	**-**	4,290,000	192,578,100
	121,245	**5,406,315**	4,552,515	204,362,398
Due in 2 to 5 years				
Office lease	-	-	109,381	4,910,113
Operating lease commitments	**121,245**	**5,406,315**	4,661,896	209,272,511

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 end of the reporting period, the future minimum lease receipts of the company under non-cancellable operating leases contracted but not recognised as receivables, are as follows:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Due within one year	**4,675,750**	**208,491,693**	11,092,250	497,931,103
Due within two to five years	**-**	**-**	4,650,500	208,760,945
	4,675,750	**208,491,693**	15,742,750	706,692,048

(iii) Capital commitments

The company has capital expenditure contracted for at the reporting date but not recognised in the financial statements in respect to the completion of the construction of vessels amounting to approximately US$152 million (equivalent to Rs 6,778 million) (2010: US$145 million; equivalent to Rs 6,509 million).

(iv) Other commitment

In 2010, the company had letters of credit amounting to US$870,146 (equivalent to Rs 39,060,854) which were secured by way of a collateral against the company's cash at bank (Note 4)

30. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risk

(i) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Singapore dollar. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The company do not use any hedging instruments to protect against the volatility associated with the foreign currency transactions, except for transaction in Euro which are being use for payment of capital project in progress.

The company's currency exposure to Singapore dollar is as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Financial assets				
Cash and cash equivalents	**366,510**	**16,342,681**	212,609	9,544,018
Trade receivables	**2,604**	**116,112**	8,389	376,582
Other receivables	**68,140**	**3,038,363**	68,140	3,058,805
	437,254	**19,497,156**	289,138	12,979,405
Financial liabilities				
Other payables	**(307,881)**	**(13,728,414)**	(528,588)	(23,728,315)
	(307,881)	**(13,728,414)**	(528,588)	(23,728,315)
Currency exposure	**129,373**	**5,768,742**	(239,450)	(10,748,910)

At 31 March 2011, an estimated 8% (2010: 9%) currency fluctuation in Singapore dollar against the United States dollar, with all other variables including tax rate being held constant, the company's loss after tax for the financial year would have been lower/higher by approximately US$10,000 (equivalent to Rs 445,900) (2010 : US$22,000; equivalent to Rs 987,580) as result of currency translation.

ii) Interest rate risk

The company's policy is to maintain cash equivalents and borrowings in fixed rate instruments. The company sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the company to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the company borrowed at fixed rates directly. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 8 to the financial statements.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the company's profit for the year ended March 2011 would increase/(decrease) by US$144,734 (equivalent to Rs 6,453,689) (2010:US$NIL). As impact of interest rate movement on undelivered ship is capitalised, this is mainly attributable to the company's exposure to interest rates on its variable rate borrowings on delivered ships.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial asset of the company is trade receivables. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the company comprise 3 debtors (2010: 1 debtor) that individually represents 85% (2010: 53%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
By geographical areas				
India	**1,316,778**	**58,715,131**	3,508,040	157,475,916
Singapore	**1,316,588**	**58,706,659**	243,768	10,942,746
Malaysia	**1,564,397**	**69,756,462**	378,227	16,978,610
	4,197,763	**187,178,252**	4,130,035	185,397,272
By types of customers				
Non-related parties	**3,668,796**	**163,591,614**	2,805,085	125,920,266
Intermediate holding company	**528,967**	**23,586,638**	1,324,950	59,477,006
	4,197,763	**187,178,252**	4,130,035	185,397,272

(i) *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are credit worthy debtors with good payment record with the company. Cash and cash equivalent that are neither past due nor impaired are placed with reputable financial institution with high credit values and no history of default. The company's trade receivables that are neither past due nor impaired include receivables amounting to US$2,878,511 (equivalent to Rs 128,352,805) (2010: NIL) and US$1,319,252 (equivalent to Rs 58,825,447) (2010: NIL).

The ageing analysis for the trade receivables of the company as at year end is as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Due less than 30 days	**3,409,952**	**152,049,760**	2,053,697	92,190,458
Due from 30 to 90 days	**-**	**-**	1,036,000	46,506,040
Due more than 90 days	**787,811**	**35,128,492**	1,040,338	46,700,773
	4,197,763	**187,178,252**	4,130,035	185,397,271

(c) *Liquidity risk*

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the company's operations and mitigate effects of fluctuations in cash flows. The holding company also provides financial support to finance the company's operations as required.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table represents interest and principal cash flows.

	On demand or within 1 year		Between 2 to 5 years		On demand or over 5 years		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
2011								
Trade payables	**1,284,983**	**57,297,392**	**-**	**-**	**-**	**-**	**1,284,983**	**57,297,392**
Other payables	**1,851,954**	**82,578,629**	**-**	**-**	**-**	**-**	**1,851,954**	**82,578,629**
Finance lease	**1,141,429**	**50,896,319**	**3,145,756**	**140,269,260**	**12,541,006**	**559,203,458**	**16,828,191**	**750,369,037**
Bank loan	**12,810,513**	**571,220,775**	**51,242,051**	**2,284,883,054**	**54,194,102**	**2,416,515,008**	**118,246,666**	**5,272,618,837**
	17,088,879	**761,993,115**	**54,387,807**	**2,425,152,314**	**66,735,108**	**2,975,718,466**	**138,211,794**	**6,162,863,895**
2010								
Trade payables	2,023,543	90,836,845	-	-	-	-	2,023,543	90,836,845
Other payables	7,240,339	325,018,818	-	-	-	-	7,240,339	325,018,818
Finance leases	2,082,135	93,467,040	7,117,897	319,522,396	26,129,578	1,172,956,756	35,329,610	1,585,946,193
Bank loan	-	-	-	-	69,844,000	3,135,297,160	69,844,000	3,135,297,160
	11,346,017	509,322,703	7,117,897	319,522,396	95,973,578	4,308,253,916	114,437,492	5,137,099,016

(d) *Fair value of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other receivables, forward currency contracts receivable and payable, trade and other payables, finance leases and deferred gain on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

31. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital. The company has no external borrowings. The management sets the amount of capital in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of directors' monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables, finance lease and loan less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Net debt	**108,420,237**	**4,834,458,368**	93,437,061	4,194,389,669
Total equity	**122,770,645**	**5,474,343,060**	99,453,423	4,464,464,158
Total capital	**231,190,882**	**10,308,801,428**	192,890,484	8,658,853,827
Gearing ratio	**0.47**		0.48	

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

The company is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2011 and 2010 as required in accordance with the covenants in the bank loans in Note 17.

GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:	Naware Pradyumna Raghunath Jaya Prakash Venkatraman Sheshashayee John David Peter Wells (Appointed on 10 March 2011) Arangannal s/o Kathamuthu
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER:	200615858G
AUDITORS:	Shanker Iyer & Co. 3 Phillip Street #18-00 Commerce Point, Singapore 048693
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 2011.

DIRECTORS

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

Naware Pradyumna Raghunath

Jaya Prakash

Venkatraman Sheshashayee

John David Peter Wells (Appointed on 10 March 2011)

Arangannal s/o Kathamuthu

Mr Venkatraman Sheshashayee, has resigned as an Executive Director of the Company with effect from 1 April 2011 and will continue as a Director of the Company.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 01.04.2010	As at 31.03.2011
The Great Eastern Shipping Company Limited (Ultimate holding company)		
Naware Pradyumna Raghunath	2,952	2,952

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

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

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

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

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

INDEPENDENT AUDITOR

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

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Director

20 April 2011

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows for the financial year then ended; and

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

The board of directors authorised these financial statements for issue on 20 April 2011.

On behalf of the Board

Naware Pradyumna Raghunath
Director

Venkatraman Sheshashayee
Director

20 April 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD.

We have audited the accompanying financial statements of GREATSHIP GLOBAL ENERGY SERVICES PTE. LTD. (the "company") which comprise the statement of financial position as at 31 March 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 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, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
20 April 2011

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2011

	Note	2011 US$	2011 Rs.	2010 US$	2010 Rs.
ASSETS					
Current assets					
Cash and cash equivalents	4	**20,065,527**	**894,721,849**	6,693,488	300,470,676
Trade receivables	5	**14,503,843**	**646,726,359**	13,453,012	603,905,709
Other receivables	6	**-**	**-**	6,504,542	291,988,890
		34,569,370	**1,541,448,208**	26,651,042	1,196,365,275
Non-current assets					
Plant and equipment	7	**361,535,053**	**16,120,848,013**	190,783,461	8,564,269,564
Capital project in progress	8	**32,318,973**	**1,441,103,006**	-	-
		393,854,026	**17,561,951,019**	190,783,461	8,564,269,564
Total assets		**428,423,396**	**19,103,399,227**	217,434,503	9,760,634,839
LIABILITIES					
Current liabilities					
Trade payables	9	**42,500**	**1,895,075**	2,939,233	131,942,169
Other payables	10	**1,191,861**	**53,145,082**	2,744,139	123,184,400
Derivative financial instruments payable	11	**5,025,017**	**224,065,508**	5,267,965	236,478,949
Borrowings	12	**44,785,975**	**1,997,006,625**	-	-
		51,045,353	**2,276,112,290**	10,951,337	491,605,518
Non-current liability					
Borrowings	12	**195,166,010**	**8,702,452,386**	134,072,981	6,018,536,117
Loan from immediate holding company	13	**40,000,000**	**1,783,600,000**	-	-
		235,166,010	**10,486,052,386**	134,072,981	6,018,536,117
Total liabilities		**286,211,363**	**12,762,164,676**	145,024,318	6,510,141,635
NET ASSETS		**142,212,033**	**6,341,234,551**	72,410,185	3,250,493,204
SHAREHOLDERS' EQUITY					
Share capital	14	**118,964,161**	**5,304,611,939**	68,964,161	3,095,801,187
Reserves	15	**23,247,872**	**1,036,622,612**	3,446,024	154,692,017
TOTAL EQUITY		**142,212,033**	**6,341,234,551**	72,410,185	3,250,493,204

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Revenue					
Charter hire income		**68,015,925**	**3,032,830,096**	50,874,057	2,283,736,419
Other income	16	**25,867**	**1,153,410**	11,688	524,674
Total revenue		**68,041,792**	**3,033,983,506**	50,885,745	2,284,261,093
Expenses					
Charter hire expenses		**31,143,351**	**1,388,682,021**	33,718,606	1,513,628,223
Employee benefits expenses		**192,300**	**8,574,657**	412,528	18,518,382
Depreciation of plant and equipment	7	**6,989,177**	**311,647,402**	2,978,598	133,709,264
Early delivery incentive		**-**	**-**	300,000	13,467,000
Other operating expenses	17	**228,028**	**10,167,769**	246,036	11,044,557
Finance costs	18	**8,605,117**	**383,702,167**	7,567,911	339,723,525
Total expenses		**47,157,973**	**2,102,774,016**	45,223,679	2,030,090,951
Profit before income tax	19	**20,883,819**	**931,209,490**	5,662,066	254,170,142
Income tax expense	20	**-**	**-**	-	-
Net profit for the year		**20,883,819**	**931,209,490**	5,662,066	254,170,142
Other comprehensive income:					
De-recognition of fair value gain arising from derivative financial instruments		**1,710,582**	**76,274,851**	684,609	30,732,098
Fair value loss arising from derivative financial instruments		**(2,792,553)**	**(124,519,938)**	(1,710,582)	(76,788,026)
Other comprehensive loss for the year, net of tax		**(1,081,971)**	**(48,245,087)**	(1,025,973)	(46,055,928)
Total comprehensive income for the year		**19,801,848**	**882,964,403**	4,636,093	208,114,214

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 2011

	Share Capital		Hedging reserve		Retained profits/ (Accumulated losses)		Total	
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
2011								
Balance as at 1 April 2010	68,964,161	3,095,801,187	(1,710,582)	(76,788,026)	5,156,606	231,480,043	72,410,185	3,250,493,204
Issuance of ordinary shares (Note 14)	50,000,000	2,229,500,000	-	-	-	-	50,000,000	2,229,500,000
Foreign translation difference	-	(20,689,248)	-	513,175	-	(1,546,983)	-	(21,723,056)
Total comprehensive (loss)/income for the year	-	-	(1,081,971)	(48,245,087)	20,883,819	931,209,490	19,801,848	882,964,403
Balance as at 31 March 2011	118,964,161	5,304,611,939	(2,792,553)	(124,519,938)	26,040,425	1,161,142,550	142,212,033	6,341,234,551
2010								
Balance as at 1 April 2009	66,964,161	3,396,422,246	(684,609)	(34,723,368)	(505,460)	(25,636,932)	65,774,092	3,336,061,946
Issuance of ordinary shares	2,000,000	89,780,000	-	-	-	-	2,000,000	89,780,000
Foreign translation difference	-	(390,401,059)	-	3,991,270	-	2,946,833	-	(383,462,956)
Total comprehensive (loss)/income for the year	-	-	(1,025,973)	(46,055,928)	5,662,066	254,170,142	4,639,093	208,114,214
Balance as at 31 March 2010	68,964,161	3,095,801,187	(1,710,582)	(76,788,026)	5,156,606	231,480,043	72,410,185	3,250,493,204

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2011

	Note	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Cash Flows from Operating activities					
Profit before income tax		**20,883,819**	**931,209,490**	5,662,066	254,170,142
Adjustments for:					
Depreciation of plant and equipment	7	**6,989,177**	**311,647,402**	2,978,598	133,709,264
Interest income		**(125)**	**(5,574)**	-	-
Plant and equipment written off		**5,524**	**246,315**	-	-
Finance costs		**8,605,117**	**383,702,167**	7,567,911	339,723,525
Foreign exchange loss		**-**	**-**	16,275	730,585
Cash Flows before Changes in working capital		**36,483,512**	**1,626,799,800**	16,224,850	728,333,516
Working capital changes, excluding charges relating to cash:					
Trade receivables		**(1,050,831)**	**(46,856,554)**	(11,346,577)	(509,347,842)
Other receivables		**6,504,542**	**290,037,528**	(1,363,172)	(61,192,791)
Trade payables		**(2,896,733)**	**(129,165,324)**	1,019,700	45,774,333
Other payables		**(1,701,851)**	**(75,885,536)**	(2,004,386)	(89,976,888)
Cash generated from operating activities		**37,338,639**	**1,664,929,914**	2,530,415	113,590,328
Finance costs paid		**(9,386,851)**	**(418,559,686)**	(7,007,469)	(314,565,283)
Interest received		**125**	**5,574**	-	-
Net cash from/(used in) operating activities		**27,951,913**	**1,246,375,802**	(4,477,054)	(200,974,955)
Cash Flows from Investing activities					
Purchase of plant and equipment	7	**(177,746,294)**	**(7,925,707,249)**	-	-
Additions to capital project in progress	8	**(32,169,400)**	**(1,434,433,546)**	(63,904,963)	(2,868,693,789)
Net cash used in investing activities		**(209,915,694)**	**(9,360,140,795)**	(63,904,963)	(2,868,693,789)
Cash Flows from Financing activities					
Proceeds from issuance of ordinary shares	14	**50,000,000**	**2,229,500,000**	2,000,000	89,780,000
Draw-down of borrowings – net of facility fees		**126,303,085**	**5,631,854,560**	140,000,000	6,284,600,000
Repayment of borrowings		**(20,967,266)**	**(934,930,391)**	(73,884,428)	(3,316,671,973)
Loan from immediate holding company		**40,000,000**	**1,783,600,000**	-	-
Net cash generated from financing activities		**195,335,819**	**8,710,024,169**	68,115,572	3,057,708,027
Net increase/(decrease) in cash and cash equivalents		**13,372,039**	**596,259,176**	(266,445)	(11,960,717)
Unrealised exchange difference		**-**	**-**	(16,275)	(730,585)
Foreign translation difference		**-**	**(2,008,003)**	-	(40,672,092)
Cash and cash equivalents at the beginning of the year		**6,693,488**	**300,470,676**	6,976,208	353,833,270
Cash and cash equivalents at the end of the year	4	**20,065,527**	**894,721,849**	6,693,488	300,470,676

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Global Energy Services Pte. Ltd. (Company Registration No. 200615858G) is domiciled in Singapore with its registered office and principal place of business at 15 Hoe Chiang Road, #06-03 Singapore 089316.

The company is providing offshore oilfield services with the principal activity of owning and operating mobile offshore drilling units and charter hire income. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the company for the year ended 31 March 2011 were authorised and approved by the Board of Directors for issuance on 20 April 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = Rs. 44.59 (2010: USD 1 = Rs 44.89) and rounded upto the nearest rupee.

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 FRSs and INT FRSs that have been issued but are effective only in next financial year. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

As at 31 March 2011, the company is in a net current liabilities position of US$16,475,983 (Rs 734,664,082). Notwithstanding the same, the financial statements have been prepared on a going concern basis as the company is able to generate funds from its own operating activities and the ultimate holding company has undertaken to provide financial support as and when required. 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.

b) Currency translation

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

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

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

c) Derivative financial instruments and hedging activities

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

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in statement of comprehensive income when the changes arise.

The company documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The company also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

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

Cash flow hedge – currency forwards

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

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

Cash flow hedge – interest rate swaps

The company has entered into interest rate swaps that are cash flow hedges for the company's exposure to the interest rate on its borrowings. These contracts entitle the company to receive interest at floating rates on notional principal amounts and oblige the company to pay interest at fixed rates on the same notional principal amounts, thus allowing the company to raise borrowings at floating rates and swap them into fixed rate.

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

d) Financial instruments

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

Effective interest method

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

e) Financial assets

(i) Classification

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

Loans and receivables

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

(ii) Recognition and derecognition

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

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

(iii) Initial and subsequent measurement

Financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, as defined above.

(iv) Impairment

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

Loans and receivables

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

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

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

f) Plant and equipment

(i) Measurement

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

Components of costs

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

Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset and any fair value gains or losses on qualifying cash flow hedges of plant and equipment that are transferred from the hedging reserve.

(ii) Depreciation

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

	Useful lives
Computers	3 - 5 years
Rigs	30 years

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

(iii) Subsequent expenditure

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

(iv) Disposal

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

g) Impairment of non-financial assets

Plant and equipment

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

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

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

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

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

h) Capital project in progress

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

i) Trade and other payables

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

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

j) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs accrued to finance the building of rig are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are taken to the statement of comprehensive income over the period of borrowing using the effective interest method.

k) Provisions

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

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

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

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

l) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

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

m) <u>Fair value estimation of financial assets and liabilities</u>

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

The fair values of currency forwards are determined using actively quoted forward exchange rates. The fair values of interest rate swaps are calculated as the present value of the estimated future cash flows discounted at actively quoted interest rates.

n) <u>Revenue recognition</u>

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 company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured.

Charter hire income is recognised on an accrual basis over the period of the agreement.

o) <u>Employee benefits</u>

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

Defined Contribution Plans

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

p) <u>Share capital</u>

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

q) <u>Operating lease</u>

Company is the lessor

Assets leased out under operating leases are included in plant and equipment and are stated at cost less depreciated amounts and impairment loss (if any). Operating lease income is recognised on a straight-line basis over the lease term.

Contingent rents are recognised as income in the statement of comprehensive income when earned.

Company is the lessee

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

Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of comprehensive income when incurred.

r) Government grants

Job Credit Scheme

Cash grants received from the government in relation to the Job Credit Scheme are recognised as income when there is reasonable assurance that the grant will be received.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Depreciation of plant and equipment

The company depreciates the plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the periods that the company intends to derive future economic benefits from the use of the company's plant and equipment. The residual values reflect management's estimated amount that the company would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, as if the asset were already of the age and in the condition expected at the end of its useful life. The carrying amounts of the company's plant and equipment as at the end of each reporting period were disclosed in Note 7 to the financial statements.

(b) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting date. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents represents cash at banks.

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollars	**222,789**	**9,934,162**	268,471	12,051,663
United States dollars	**19,842,738**	**884,787,687**	6,425,017	288,419,013
	20,065,527	**894,721,849**	6,693,488	300,470,676

5. TRADE RECEIVABLES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
GST recoverable	**116,668**	**5,202,226**	1,847	82,912
Intermediate holding company	**14,387,175**	**641,524,133**	13,451,165	603,822,797
	14,503,843	**646,726,359**	13,453,012	603,905,709

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

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

The amounts owing by intermediate holding company are unsecured, interest free, and repayable on demand.

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollars	**116,668**	**5,202,226**	1,847	82,912
United States dollars	**14,387,175**	**641,524,133**	13,451,165	603,822,797
	14,503,843	**646,726,359**	13,453,012	603,905,709

6. OTHER RECEIVABLES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Advance to creditors	-	-	351,156	15,763,393
Intermediate holding company	-	-	5,450,108	244,655,348
Related company	-	-	696,941	31,285,681
Deposits and prepayment	-	-	6,337	284,468
	-	-	6,504,542	291,988,890

In 2010, amounts owing by intermediate holding company represented inventories purchased on behalf of the intermediate holding company as part of bareboat charter of one of the rigs. The amounts were unsecured, interest free and was repayable on contractually agreed terms.

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollars	-	-	21,105	947,403
United States dollars	-	-	6,483,437	291,041,487
	-	-	6,504,542	291,988,890

7. PLANT AND EQUIPMENT

	Rigs US$	Rigs Rs.	Computers US$	Computers Rs.	Total US$	Total Rs.
2011						
Cost						
At 1 April 2010	**193,745,084**	8,697,216,820	**20,013**	898,384	**193,765,097**	8,698,115,204
Additions [(a)]	**177,746,293**	7,925,707,205	-	-	**177,746,293**	7,925,707,205
Written off	-	-	**(20,013)**	(892,380)	**(20,013)**	(892,380)
Foreign translation difference	-	(58,123,525)	-	(6,004)	-	(58,129,529)
At 31 March 2011	**371,491,377**	16,564,800,500	-	-	**371,491,377**	16,564,800,500
Accumulated depreciation						
At 1 April 2010	**2,972,527**	133,436,737	**9,109**	408,903	**2,981,636**	133,845,640
Charge for the year	**6,983,797**	311,407,508	**5,380**	239,894	**6,989,177**	311,647,402
Written off	-	-	**(14,489)**	(646,065)	**(14,489)**	(646,065)
Foreign translation difference	-	(891,758)	-	(2,732)	-	(894,490)
At 31 March 2011	**9,956,324**	443,952,487	-	-	**9,956,324**	443,952,487
Net Book Value						
At 31 March 2011	**361,535,053**	16,120,848,013	-	-	**361,535,053**	16,120,848,013
2010						
Cost						
At 1 April 2009	-	-	**20,013**	1,015,059	**20,013**	1,015,059
Additions [(b)] [(c)]	**193,745,084**	8,697,216,820	-	-	**193,745,084**	8,697,216,820
Foreign translation difference	-	-	-	(116,675)	-	(116,675)
At 31 March 2010	**193,745,084**	8,697,216,820	**20,013**	898,384	**193,765,097**	8,698,115,204
Accumulated depreciation						
At 1 April 2009	-	-	**3,038**	154,087	**3,038**	154,087
Charge for the year	**2,972,527**	133,436,737	**6,071**	272,527	**2,978,598**	133,709,264
Foreign translation difference	-	-	-	(17,711)	-	(17,711)
At 31 March 2010	**2,972,527**	133,436,737	**9,109**	408,903	**2,981,636**	133,845,640
Net Book Value						
At 31 March 2010	**190,772,557**	8,563,780,083	**10,904**	489,481	**190,783,461**	8,564,269,564

[(a)] This is mortgaged as security against Loan II as disclosed in Note 12.

[(b)] In 2010, additions represented reclassification for capital project in progress of which US$63,904,963 (equivalent to Rs 2,868,693,789) was paid during 2010.

[(c)] These are mortgaged as security against Loan I as disclosed in Note 12.

8. CAPITAL PROJECT IN PROGRESS

Capital project in progress represents the direct costs and other initial costs incurred towards construction of a new rig. The management expects the construction to be completed in the third quarter of financial year 2013. The total expected costs of the project are estimated to be approximately US$161 million (Rs 7,179 million).

9. TRADE PAYABLES

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

10. OTHER PAYABLES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Accruals	**1,191,861**	**53,145,082**	956,726	42,947,430
Purchases on behalf by holding company	-	-	1,786,791	80,209,048
Other creditors	**-**	**-**	622	27,922
	1,191,861	**53,145,082**	2,744,139	123,184,400

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Singapore dollars	**98,115**	**4,374,948**	89,090	3,999,250
United States dollars	**1,093,746**	**48,770,134**	2,655,049	119,185,150
	1,191,861	**53,145,082**	2,744,139	123,184,400

11. DERIVATIVE FINANCIAL INSTRUMENTS PAYABLE

	Contract/ notional amount US$	Fair values US$	Fair values Rs
31.03.2011			
Cash flow hedges			
- Interest rate swaps	**235,120,000**	(5,025,017)	(224,065,508)
31.03.2010			
Cash flow hedges			
- Interest rate swaps	**184,088,000**	(5,267,965)	(236,478,949)

The interest swaps are entered to hedge floating interest payments on borrowings that will mature on 15 October 2014 and 17 November 2014 and 2 March 2016. Fair value gains and losses on the interest rate swaps recognised in the hedging reserve are transferred to statement of comprehensive income as part of interest expense over the period of the borrowings.

12. BORROWINGS

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Loan I	**115,620,737**	**5,155,528,663**	136,588,002	6,131,435,410
Unamortised facility fees	**(1,971,836)**	**(87,924,212)**	(2,515,021)	(112,899,293)
	113,648,901	**5,067,604,451**	134,072,981	6,018,536,117
Loan II	**128,000,000**	**5,707,520,000**	-	-
Unamortised facility fees	**(1,696,915)**	**(75,665,440)**	-	-
	126,303,085	**5,631,854,560**	-	-
Total borrowings	**239,951,986**	**10,699,459,011**	134,072,981	6,018,536,117

Presented as:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Current	**44,785,976**	**1,997,006,625**	-	-
Non-current	**195,166,010**	**8,702,452,386**	134,072,981	6,018,536,117
	239,951,986	**10,699,459,011**	134,072,981	6,018,536,117

Loan I

As at 31 March 2011, the loan is subject to interest ranging from 3.61% to 5.04% (2010: 3.58% to 5.00%) per annum and is repayable within five years of the final delivery date of the vessel. The subject loan is secured by:-

i) First priority mortgage on the rig (Note 7)

ii) First priority assignment of all insurances and requisition compensation on the Rig

iii) Negative lien on the shares of the company

iv) Assignment of the bareboat charter agreement between company and the intermediate holding company

v) Charge over the company's operating account to be opened with the Facility Agent for depositing earnings under the bareboat charter

vi) Charge over intermediate holding company's operating account to be opened with the Facility Agent for depositing earnings under the bareboat charter

vii) Corporate guarantee from the intermediate holding company

viii) Corporate guarantee for a period up to commencement of the first well operations under the time charter with Oil & Natural Gas Corporation Limited

Loan II

As at 31 March 2011, the loan is subject to interest rate of 2.66% per annum and is repayable in 12 quarterly instalments commencing from 2 June 2011. The subject loan is secured by:-

i) First priority mortgage on the Rig;

ii) First priority assignment of insurances and requisition compensation of the Rig;

iii) First priority assignment of earnings and assignment of all other rights under the Bareboat Charter.

iv) General assignment of earnings from any subsequent charters entered by the Borrower to be executed in escrow and perfected upon occurrence of Event of Default.

v) First priority pledge of the Borrower's Earnings Account to be held with the Facility Agent and into which all earnings under the Bareboat Charter and any subsequent charters entered by the Borrower shall be paid;

vi) Unconditional and irrevocable on-demand guarantee from the intermediate holding company, the Guarantor.

Credit Sum Limit

i) Second priority mortgage over the rig.

ii) Second priority assignment of the rig's insurance.

13. LOAN FROM IMMEDIATE HOLDING COMPANY

Loan from immediate holding company is non-trade, unsecured, is subject to interest at a rate of Libor + 3% per annum and repayable as per agreed terms.

The carrying amount of loan from immediate holding company is denominated in United States dollars.

14. SHARE CAPITAL

	2011	2010	2011	2011	2010	2010
	Number of shares		US$	Rs.	US$	Rs.
Issued						
At the beginning of the year	**1,077,566**	1,046,316	**68,964,161**	**3,095,801,187**	66,964,161	3,396,422,246
Foreign translation difference	**-**	-	**-**	**(20,689,248)**	-	(390,401,059)
Issuance of ordinary shares	**781,250**	31,250	**50,000,000**	**2,229,500,000**	2,000,000	89,780,000
As at end of year	**1,858,816**	1,077,566	**118,964,161**	**5,304,611,939**	68,964,161	3,095,801,187

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$68,964,161 (Rs 3,075,111,939) to US$118,064,161 (Rs 5,304,611,939) by way of further allotment of 781,250 ordinary shares for cash consideration of US$50,000,000 (Rs 2,229,500,000).

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

15. RESERVES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Hedging reserve				
At the beginning of the year	**(1,710,582)**	**(76,788,026)**	(684,609)	(34,723,368)
De-recognition of fair value gain arising from derivative financial instruments	**1,710,482**	**76,274,851**	684,609	30,732,098
Foreign translation difference	**-**	**513,175**	-	3,991,270
Changes in fair value of interest rate swaps	**(2,792,553)**	**(124,519,938)**	(1,710,582)	(76,788,026)
At the end of the year	**(2,792,553)**	**(124,519,938)**	(1,710,582)	(76,788,026)

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Retained profits/(accumulated losses)				
At the beginning of the year	**5,156,606**	**231,480,043**	(505,460)	(25,636,932)
Profit for the year	**20,883,819**	**931,209,490**	5,662,066	254,170,142
Foreign translation difference	**-**	**(1,546,983)**	-	2,946,833
At the end of the year	**26,040,425**	**1,161,142,550**	5,156,606	231,480,043
Total reserves	**23,247,872**	**1,036,622,612**	3,446,024	154,692,017

16 OTHER INCOME

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Government grant	**819**	**36,519**	11,688	524,674
Interest income	**125**	**5,574**	-	-
Foreign exchange gain	**24,923**	**1,111,317**	-	-
	25,867	**1,153,410**	11,688	524,674

17. OPERATING EXPENSES

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Bank charges	**80,804**	**3,603,050**	78,943	3,543,751
Director's fees	**12,211**	**544,488**	8,937	401,182
General expenses	**4,836**	**215,637**	9,397	421,831
Professional fees	**110,237**	**4,915,468**	81,274	3,648,390
Travelling expenses	**-**	**-**	16,473	739,473
Others	**19,940**	**889,126**	51,012	2,289,930
	228,028	**10,167,769**	246,036	11,044,557

18. FINANCE COSTS

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Interest rate swaps	**2,699,499**	**120,370,660**	4,408,912	197,916,060
Arrangement fee	**574,255**	**25,606,031**	647,012	29,044,369
Interest on bank loan	**5,331,363**	**237,725,476**	2,487,331	111,656,288
Interest on late payment	**-**	**-**	3,322	149,125
Interest on intercompany loan	**-**	**-**	21,334	957,683
	8,605,117	**383,702,167**	7,567,911	339,723,525

19 PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Staff CPF contributions	**-**	**-**	25,252	1,133,562
Directors' remuneration and bonus	**192,300**	**8,574,657**	181,297	8,138,422

20. INCOME TAX EXPENSE

The current year income tax expense varies from the amount of income tax expense determined by applying the applicable Singapore statutory income tax rate 17% (2010: 17%) to profit before income tax as a result of the following differences:

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Accounting profit	**20,883,819**	**931,209,490**	5,662,066	254,170,142
Income tax expense at statutory rate	**3,550,249**	**158,305,613**	962,551	43,208,914
Exempt income	**(3,550,249)**	**(158,305,613)**	(962,551)	(43,208,914)
	-	**-**	-	-

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

Charter hire income of the company is exempt from income tax under section 13A of Singapore income tax Act as income is derived from rigs operating outside the limits of the port of Singapore.

21 IMMEDIATE AND ULTIMATE HOLDING COMPANY

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

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

22 SIGNIFICANT RELATED PARTY TRANSACTIONS

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

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

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

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

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Charter hire income from intermediate holding company	**68,015,925**	**3,032,830,096**	50,874,057	2,283,736,419
Interest paid to intermediate holding company	**-**	**-**	(21,334)	(957,683)

Compensation of key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The company's key management personnel are comprised of a director and heads of departments of the company.

	2011 US$	2011 Rs.	2010 US$	2010 Rs.
Directors' remuneration and bonus	**192,300**	**8,574,657**	181,297	8,138,422

23 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:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Due within one year	**403,750**	**18,003,213**	33,835,500	1,518,875,595
Due within two to five years	**-**	**-**	33,464,700	1,502,230,383
	403,750	**18,003,213**	67,300,200	3,021,105,978

Operating lease expenses recognised for the year as charter hire expenses is US$31,143,351 (Rs 1,388,682,021) (2010: US$33,718,606; Rs 1,513,628,223).

In 2010, operating lease payments represent rentals payable by the company for rig and staff accommodation.

In 2011, operating lease commitments represents rentals payable by the company for rental of a cementing unit on-board a rig. The leases have varying terms and renewal rights.

(ii) Operating lease commitments - where a company is a lessor

The future minimum lease receipts of the company under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as receivables, are as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Due within one year	**66,066,570**	**2,945,908,356**	68,015,925	3,053,234,873
Due within two to five years	**80,158,815**	**3,574,281,561**	147,937,230	6,640,902,255
	146,225,385	**6,520,189,917**	215,953,155	9,694,137,128

24 FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) Market risk

i) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Singapore dollars. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not in the entity functional currency.

The company does not use any hedging instruments to protect against the volatility associated with the foreign currency transactions, except for transaction in Singapore dollars which were used for payment of capital project in progress for the financial year ended 31 March 2010.

The company's currency exposure to Singapore dollars is as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Financial assets				
Cash and cash equivalents	**222,789**	**9,934,162**	268,471	12,051,663
Trade receivables	**116,668**	**5,202,226**	1,847	82,912
Other receivables	**-**	**-**	21,105	947,403
	339,457	**15,136,388**	291,423	13,081,978
Financial liabilities				
Other payables	**(98,115)**	**(4,374,948)**	(89,090)	(3,999,250)
	(98,115)	**(4,374,948)**	(89,090)	(3,999,250)
Net currency exposure	**241,342**	**10,761,440**	202,333	9,082,728

At 31 March 2011, an estimated 2% (31 March 2010: 2%) currency fluctuation in Singapore dollars against the United States dollars, with all other variables including tax rate being held constant, the company's profit/(loss) after tax for the financial year would have been lower/higher by approximately US$5,000 (Rs. 222,950) (31 March 2010: US$4,000; Rs. 179,560) as result of currency translation.

ii) Interest rate risk

The company's policy is to maintain cash equivalents and borrowings in fixed rate instruments. The company sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the company to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the company borrowed at fixed rates directly. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 11 to the financial statements.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period in the case of instruments that have floating rates. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rate had been 50 basis points higher or lower and all other variables were held constant, the company's profit for the year ended March 2011 would increase/decrease by US$51,556 (equivalent to Rs 2,298,882) (2010: US$NIL). As impact of interest rate movement on undelivered rig is capitalised, this is mainly attributable to the company's exposure to interest rates on its variable rate borrowings on delivered rigs.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial asset of the company is trade receivables. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the company comprise 1 debtor (2010: 1 debtor) that individually represented 99% (2010: 99%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
By geographical area				
India	**14,387,175**	**641,524,133**	13,451,165	603,822,797
Singapore	**116,668**	**5,202,226**	1,847	82,912
	14,503,843	**646,726,359**	13,453,012	603,905,709

The ageing analysis for the trade receivables of the company as at year end is as follows:

	2011 US$	**2011 Rs.**	2010 US$	2010 Rs.
Due less than 30 days	**8,769,030**	**391,011,048**	13,453,012	603,905,709
Due more than 90 days	**5,734,813**	**255,715,311**	-	-
	14,503,843	**646,726,359**	13,453,012	603,905,709

(c) Liquidity risk

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the company's operations and mitigate effects of fluctuations in cash flows. The holding company also provides financial support to finance the company's operations as required.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

The table represents interest and principal cash flows.

	Less than 1 year		Between 2 and 5 years	
	US$	Rs.	US$	Rs.
AT 31 MARCH 2011				
Trade payable	42,500	1,895,075	-	-
Other payables	1,191,861	53,145,082	-	-
Derivative financial instruments payable	5,025,017	224,065,508	-	-
Borrowings	44,785,975	1,997,006,625	195,166,010	8,702,452,386
Loan from immediate holding company	-	-	40,000,000	1,783,600,000
	51,045,353	2,276,112,290	235,166,010	10,486,052,386
AT 31 MARCH 2010				
Trade payable	2,939,233	131,942,169	-	-
Other payables	2,744,139	123,184,400	-	-
Derivative financial instruments payable	5,267,965	236,478,949	-	-
Borrowings	-	-	134,072,981	6,018,536,117
	10,951,337	4,916,055,518	134,072,981	6,018,536,117

(d) *Fair value of financial assets and financial liabilities*

The carrying amounts of cash and cash equivalents, trade and other receivables, derivative financial instruments receivable and payable, trade and other payables, related parties balances and loan balance on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

25 CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital as well as loan from a bank. The management sets the amount of capital and debt in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The board of directors' monitors its capital based on net debt and total capital. Net debt is calculated as trade payables, other payables, borrowings and loan from a related company less cash and bank balances. Total capital is calculated as equity plus net debt.

	2011	**2011**	2010	2010
	US$	**Rs.**	US$	Rs.
Net debt	**261,120,819**	**11,643,377,319**	133,062,865	5,973,192,010
Total equity	**142,212,033**	**6,341,234,551**	72,410,185	3,250,493,205
Total capital	**403,332,852**	**17,984,611,870**	205,473,050	9,223,685,215
Gearing ratio	**0.65**	**0.65**	0.65	0.65

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

The company is in compliance with all externally imposed capital requirements for the financial years ended 31 March 2011 and 2010 as required in accordance with the covenants in the bank borrowings in Note 12.

GREATSHIP DOF SUBSEA PROJECTS PRIVATE LIMITED

A Subsidiary Company

Directors	Ravi K. Sheth P. R. Naware
Registered Office	Ocean House 134/A, Dr. Annie Besant Road Worli, Mumbai – 400 018
Corporate Identity Number	U 74999 MH 2008 PTC 188103
Auditors	Kalyaniwalla & Mistry Chartered Accountants Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai - 400 023

DIRECTORS' REPORT

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have pleasure in presenting the Second Annual Report for the year ended March 31, 2011.

FINANCIAL RESULTS

Your Company has incurred a loss of Rs. 3,420/- for the financial year ended March 31, 2011.

DIVIDEND

The Directors do not recommend any dividend for the period under review, in view of the loss sustained by the Company.

DIRECTORS

The Board comprises of two Directors – Mr. Ravi K. Sheth and Mr. P. R. Naware.

Mr. Ravi K. Sheth, Director retires by rotation and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

There was no Foreign exchange earnings and expenditure during the period under review.

PARTICULARS OF EMPLOYEES

There is no employee who was in receipt of remuneration exceeding the limits specified in Section 217(2A) of the Companies Act, 1956 (Act), read with the Companies (Particulars of Employees) Rules, 1975.

AUDITORS

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

APPRECIATION

Your Directors wish to place on record their gratitude to the Company's Bankers for their continuous support.

For and on behalf of the
Board of Directors

Ravi K. Sheth
Chairman

Mumbai, April 29, 2011

REPORT OF THE AUDITORS TO THE MEMBERS OF GREATSHIP DOF SUBSEA PROJECTS PRIVATE LIMITED

1) We have audited the attached Balance Sheet of Greatship DOF Subsea Projects Private Limited, as at March 31, 2011 and also the Profit and Loss Account of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

3) This report does not include a statement on the matters specified in paragragh 4 of the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, since in our opinion and according to the explanations given to us, the said order is not applicable to the Company.

4) Further, we report that:

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

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

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

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

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

        i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;

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

5) On the basis of written representations received from the directors of the Company as on March 31, 2011 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, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

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

Viraf R. Mehta
Partner
Membership No: 32083

Mumbai
Dated: April 29, 2011

Balance Sheet as at March 31, 2011

SOURCES OF FUNDS :	Schedule	Current Year Rs.	Previous Year Rs.
Shareholders' Funds :			
Share Capital	1	100,000	100,000
		100,000	100,000
Current Assets, Loans and Advances :			
Cash and Bank Balances	2	95,580	99,000
Miscelleneous Expenditure (to the extent not written off)			
Profit and Loss Account		4,420	1,000
		100,000	100,000
Significant Accounting Policies	3		
Notes on Accounts	4		

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

As per our Report attached hereto

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, April 29, 2011

For and on behalf of the Board

Ravi K. Sheth
Director

P.R.Naware
Director

Profit and Loss Account for the year ended March 31, 2011

Particulars	Current Year Rs.	Previous Year Rs.
INCOME :	Nil	Nil
EXPENDITURE :		
Misc. Administration Expenses	110	-
Filing Fees	3,310	1,000
Loss for the period	3,420	1,000
Loss for the year	(3,420)	(1,000)
Balance brought forward from previous year	(1,000)	-
Balance carried forward	(4,420)	(1,000)
Basic and diluted earnings per share (in Rs.)	**(0.34)**	**(0.10)**

As per our Report attached hereto

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants

Viraf R. Mehta
Partner
Mumbai, April 29, 2011

For and on behalf of the Board

Ravi K. Sheth
Director

P.R.Naware
Director

Schedules Annexed to and forming part of the Balance Sheet as at March 31, 2011

	Current Year Rs.	Previous Year Rs.
SCHEDULE "1"		
SHARE CAPITAL :		
AUTHORISED		
10,000 Equity Shares of Rs.10 each	100,000	100,000
ISSUED, SUBSCRIBED & PAID UP		
10,000 Equity shares of Rs.10 each fully paid up	100,000	100,000
	100,000	100,000
Note:		
The entire share capital is held by Greatship (India) Limited, the holding company.		
SCHEDULE "2"		
CASH AND BANK BALANCES :		
Balance with scheduled bank in current account	95,580	99,000
	95,580	99,000

SCHEDULE "3"

SIGNIFICANT ACCOUNTING POLICIES :

(a) Accounting Convention :

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

(b) Expenses :

Expenses are accounted on accrual basis.

SCHEDULE "4"

NOTES TO ACCOUNTS :

(a) The company was incorporated on November 10, 2008, to focus on subsea project opportunities pursuant to a Joint Venture Agreement with Dof Subsea Pte. Ltd. Singapore. The Joint Venture has been terminated by mutual consent on May 07, 2010.

(b) Earnings Per Share :

Basic and diluted earnings per share

			Current Year	Previous Year
(a)	Loss for the period after tax attributable to equity shareholders	Rs.	**(3,420)**	(1,000)
(b)	Weighted average number of Equity shares outstanding during the year		**10,000**	10,000
(c)	Face value of Equity Share	Rs.	**10.00**	10.00
(d)	Basic and diluted earnings per shares	Rs.	**(0.34)**	(0.10)

GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD.

A Subsidiary Company

DIRECTORS:	Ravi Kanaiyalal Sheth, Chairman (Appointed on 10 March 2011) Venkatraman Sheshashayee, Managing Director (Appointed on 23 August 2010) Alok Mahajan (Appointed on 1 April 2011) David Jamieson (Appointed on 1 April 2011) Christopher Eastwell (Appointed on 1 April 2011) Arangannal s/o Kathamuthu
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER:	201017020C
AUDITORS:	Shanker Iyer & Co. 3 Phillip Street #18-00 Commerce Point, Singapore 048693
COMPANY SECRETARIES:	Cheng Lian Siang Pathima Muneera Azmi

DIRECTORS' REPORT

The directors present their report to the member together with the audited financial statements of the company for the financial period from 12 August 2010 (date of incorporation) to 31 March 2011.

DIRECTORS

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

Ravi Kanaiyalal Sheth, Chairman	(Appointed on 10 March 2011)
Venkatraman Sheshashayee, Managing Director	(Appointed on 23 August 2010)
Alok Mahajan	(Appointed on 1 April 2011)
David Jamieson	(Appointed on 1 April 2011)
Christopher Eastwell	(Appointed on 1 April 2011)
Arangannal s/o Kathamuthu	

During the period under review, Mr. Venkatraman Sheshashayee and Mr. Ravi Kanaiyalal Sheth were appointed as the directors of the company with effect from 23 August 2010 and 10 March 2011, respectively. With effect from 1 April 2011, Mr. Ravi Kanaiyalal Sheth was appointed as chairman of the company and Mr. Venkatraman Sheshashayee was appointed as the Managing Director of the company. Mr. David Jamieson, Mr. Christopher Eastwell and Mr. Alok Mahajan were appointed as the directors of the company with effect from 1 April 2011.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 12.08.2010	As at 31.03.2011
Greatship (India) Limited		
(Intermediate holding company)		
Ravi Kanaiyalal Sheth	2,103,500	2,103,500
The Great Eastern Shipping Co. Ltd.		
(Ultimate holding company)		
Ravi Kanaiyalal Sheth	14,462,025	14,462,025
Alok Mahajan	732	732

Mr. Venkatraman Sheshashayee and Mr. Alok Mahajan 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 period had any interest in the debentures of the company or its related corporations.

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

No shares have been issued during the financial period 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 period.

INDEPENDENT AUDITOR

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

On behalf of the Board

Ravi Kanaiyalal Sheth
Chairman

Venkatraman Sheshashayee
Managing Director

22 April 2011

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows for the financial period from 12 August 2010 (date of incorporation) to 31 March 2011; 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 2011.

On behalf of the Board

Ravi Kanaiyalal Sheth
Chairman

Venkatraman Sheshashayee
Managing Director

22 April 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD.

We have audited the accompanying financial statements of GREATSHIP SUBSEA SOLUTIONS SINGAPORE PTE. LTD. (the "company") which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 12 August 2010 (date of incorporation) to 31 March 2011, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 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, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows of the company for the financial period from 12 August 2010 (date of incorporation) to 31 March 2011.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
20 April 2011

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	US$	Rs.
ASSETS			
Current assets			
Cash at bank	4	**2,130,428**	**94,995,785**
Trade receivables	5	**5,476,730**	**244,207,391**
Other receivables	6	**8,593**	**383,162**
Inventories	7	**140,790**	**6,277,826**
		7,756,541	**345,864,164**
Non-current asset			
Loan to a subsidiary	8	**2,000,000**	**89,180,000**
Investment in subsidiary	9	**2,800,050**	**124,854,230**
		4,800,050	**214,034,230**
Total assets		**12,556,591**	**559,898,394**
LIABILITIES			
Current liabilities			
Trade payables	10	**1,736,501**	**77,430,580**
Other payables	11	**1,490,648**	**66,467,994**
Loan from immediate holding company	12	**6,000,000**	**267,540,000**
Income tax payable		**34,460**	**1,536,571**
Total liabilities		**9,261,609**	**412,975,145**
NET ASSETS		**3,294,982**	**146,923,249**
SHAREHOLDER'S EQUITY			
Share capital	**13**	**3,000,100**	**133,774,459**
Retained profits		**294,882**	**13,148,790**
TOTAL EQUITY		**3,294,982**	**146,923,249**

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 12 AUGUST 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

	Note	US$	Rs.
Revenue			
Charter hire income		6,467,189	288,371,958
Interest income		2,959	131,942
Total revenue		6,470,148	288,503,900
Expenses			
Charter hire expenses	14	5,718,518	254,988,718
Employee benefit expenses		265,971	11,859,647
Other operating expenses		156,317	6,970,174
Total expenses		6,140,806	273,818,539
Profit before income tax	15	329,342	14,685,361
Income tax expense	16	(34,460)	(1,536,571)
Total comprehensive income for the period		294,882	13,148,790

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 PERIOD FROM 12 AUGUST 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

	Share capital		Retained profits		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
Issuance of subscriber's share (Note 13)	100	4,559	-	-	100	4,559
Issuance of ordinary shares (Note13)	3,000,000	133,769,900	-	-	3,000,000	133,769,900
Total comprehensive income for the period	-	-	294,882	13,148,790	294,882	13,148,790
Balance as at 31 March 2011	3,000,100	133,774,459	13,148,790	294,882	3,294,982	146,923,249

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

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 12 AUGUST 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

	Note	US$	Rs.
Cash Flows From Operating Activities			
Profit before income tax		329,342	14,685,361
Adjustments for:			
Interest income		(2,959)	(131,942)
Operating cash flows before changes in working capital		326,383	14,553,419
Changes in working capital, excluding changes relating to cash:			
Trade receivables		(5,476,730)	(244,207,391)
Other receivables		(5,634)	(251,220)
Inventories		(140,790)	(6,277,826)
Trade payables		1,736,501	77,430,580
Other payables		1,490,648	66,467,994
Net cash used in operating activities		(2,069,622)	(92,284,444)
Cash Flows From Financing Activities			
Loan to a subsidiary	8	(2,000,000)	(89,180,000)
Loan from immediate holding company	12	6,000,000	267,540,000
Proceeds from issuance of subscriber's shares	13	100	4,559
Proceeds from issuance of ordinary shares	13	3,000,000	133,769,900
Net cash generated from financing activities		7,000,100	312,134,459
Cash Flows From Investing Activity			
Investment in subsidiary	8	(2,800,050)	(124,854,230)
Net cash generated from investing activity		(2,800,050)	(124,854,230)
Net increase in cash at bank		2,130,428	94,995,785
Cash at bank at the beginning of the period		-	-
Cash at bank at the end of the period	4	2,130,428	94,995,785

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 PERIOD FROM 12 AUGUST 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Subsea Solutions Singapore Pte. Ltd. (Company Registration No. 201017020C) is domiciled in Singapore. The company's registered office and principal place of business is at 15 Hoe Chiang Road, #06-03, Singapore 089316.

The principal activities of the company are those of providing offshore oilfield services.

The principal activities of its subsidiary are set out in Note 9 to the financial statements.

The financial statements of the company as at 31 March 2011 and for the financial period from 12 August 2010 (date of incorporation) to 31 March 2011 were authorised and approved by the Board of Directors for issuance on 22 April 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to US$1= Rs. 44.59 and rounded up to the nearest rupee.

In the current financial period, 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.

These financial statements are separate financial statements of Greatship Subsea Solutions Singapore Pte. Ltd. The company avails the exemption as per FRS 27: *Consolidated and Separate Financial Statements* from the preparation of consolidated financial statements as the ultimate holding company, The Great Eastern Shipping Co. Ltd. produces consolidated financial statements available for public use. The registered office of The Great Eastern Shipping Co. Ltd. is at Ocean House 134/A, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

b) Currency translation

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

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

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

c) Financial assets

(i) Classification

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

Loans and receivables

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

(ii) *Effective interest method*

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

(iii) *Recognition and derecognition*

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

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

(iv) *Initial and subsequent measurement*

Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method.

(v) *Impairment*

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

Loans and receivables

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

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

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

d) Investment in subsidiary

Unquoted equity investment in subsidiary is carried at cost less any impairment in net recoverable value that has been recognised in the statement of comprehensive income. On disposal of investment in subsidiary, the difference between the net disposal proceeds and the carrying amount of the investment is taken to the statement of comprehensive income.

e) Inventories

Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises all cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable variable selling expenses. Cost is ascertained on first-in, first-out basis for fuel oil. Stores and spares (other than fuel oil) delivered on board the vessels are charged to statement of comprehensive income.

f) Trade and other payables

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

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

g) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in statement of comprehensive income over the period of the borrowings using the effective interest method, as defined above.

h) Revenue recognition

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

The company recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that the collectability of the related receivables is reasonably assured.

Charter hire income is recognised on an accrual basis over the period of the agreement.

i) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

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

Foreign tax is recognised in the statement of comprehensive income on an accrual basis.

j) Provisions

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

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

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

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

k) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

l) Impairment of non-financial assets

Investment in a subsidiary

Investment in a subsidiary is tested for impairment whenever there is any objective evidence or indication that this asset may be impaired.

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

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

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

A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

m) Employee benefits

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

Defined contribution plans

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

Employee leave entitlement

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

n) Share capital

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at each reporting period. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(b) Income tax

Judgement is involved in determining the company's provision for income taxes. The company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provision in the financial period in which such determination is made. At 31 March 2011, the carrying amount of the company's current income tax payable is disclosed in the statement of financial position.

4. CASH AT BANK

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

	US$	Rs.
Singapore dollars	249,558	11,127,791
United States dollars	1,880,870	83,867,994
	2,130,428	94,995,785

5. TRADE RECEIVABLES

	US$	Rs.
Third party	5,476,730	244,207,391

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

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 United States dollars.

6. OTHER RECEIVABLES

	US$	Rs.
Interest receivable	2,959	131,942
Prepayment	5,634	251,220
	8,593	383,162

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

7. INVENTORIES

	US$	Rs.
Bunker at cost	140,790	6,277,826

8. LOAN TO A SUBSIDIARY

Loan to a subsidiary is non-trade in nature, unsecured, bears interest at 6% per annum and payable within the two years.

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

9. INVESTMENT IN SUBSIDIARY

	US$	Rs.
Unquoted equity shares – at cost	**2,800,050**	**124,854,230**

The details of the subsidiary are as follows:

Name of company	Country of incorporation	Principal activities	Percentage of equity held
Greatship Subsea Solutions Australia Pty Limited	Australia	Providing services related to subsea operation	100%

During the current financial period, the company incorporated a wholly-owned subsidiary, Greatship Subsea Solutions Australia Pty Limited with an issued and paid up capital of US$2,800,050 (Rs.124,854,230).

10. TRADE PAYABLES

	US$	Rs.
Third parties	**715,523**	**31,905,171**
Related company	**357,644**	**15,947,346**
Intermediate holding company	**663,334**	**29,578,063**
	1,736,501	**77,430,580**

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

11. OTHER PAYABLES

	US$	Rs.
Accruals	**1,490,648**	**66,467,994**

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

The carrying amounts of other payables approximate their fair value and are denominated as follows.

	US$	Rs.
Singapore dollars	**24,300**	**1,083,537**
United States dollars	**1,466,348**	**65,384,457**
	1,490,648	**66,467,994**

12. LOAN FROM IMMEDIATE HOLDING COMPANY

Loan from immediate holding company is unsecured, interest-free and repayable on demand.

The carrying amount of loan from immediate holding company approximates its fair value and is denominated in United States dollars.

13. SHARE CAPITAL

	Number of ordinary shares	US$	Rs.
Issued			
Issue of subscriber's share	**100**	**100**	**4,559**
Issuance of ordinary shares	**3,000,000**	**3,000,000**	**133,769,900**
As at end of the financial period	**3,000,100**	**3,000,100**	**133,774,459**

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

During the financial period, the company increased its subscriber's shares paid up share capital from US$100 (Rs.4,559) to US$3,000,100 (Rs.133,774,459) by way of further allotment of 3,000,000 ordinary shares for cash consideration of US$3,000,000 (Rs.133,769,900).

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

14. CHARTER HIRE EXPENSES

	US$	Rs.
Charter hire	**3,176,851**	**141,655,786**
Crew salary	**730,873**	**32,589,627**
Fuel and fresh water	**118,099**	**5,266,034**
Technical management fees	**928,850**	**41,417,422**
Repairs and maintenance	**661,697**	**29,505,069**
Others	**102,148**	**4,554,780**
	5,718,518	**254,988,718**

15. PROFIT BEFORE INCOME TAX

Profit before income tax for the period is arrived after charging:

	US$	Rs.
Director's fee	**2,362**	**105,322**
Staff – CPF contribution	**186**	**8,294**

16. INCOME TAX EXPENSE

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

	US$	Rs.
Accounting profit	**329,342**	14,685,361
Income tax expense at statutory rate	**55,988**	2,496,511
Exempt income	**(21,528)**	(959,940)
	34,460	1,536,571

The company's permanent establishment in Australia has no provision for income tax in view of the loss during the current financial period.

17. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Greatship Global Offshore Services Pte. Ltd., a company incorporated in Singapore, which is a subsidiary of Greatship Global Holdings Ltd, a company incorporated in the Republic of Mauritius.

Greatship Global Holdings Ltd. is wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India, both are intermediate holding companies.

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

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18. SIGNIFICANT RELATED PARTIES TRANSACTIONS

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

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

(ii) it is subject to common control or common significant influence.
During the financial period, the company had transactions with its related companies on terms agreed between them with respect to the following:

	US$	Rs.
Charter hire income from a subsidiary	**1,888,460**	**84,206,431**
Charter hire expense paid to intermediate holding company	**510,851**	**22,778,846**
Charter hire expense paid to immediate holding company	**2,666,000**	**118,876,940**
Interest on loan to be received from a subsidiary	**2,959**	**131,942**
Fuel consumption payable to intermediate holding company	**197,248**	**8,795,288**
Debit notes raised by related company for recovery of expenses	**495,695**	**22,103,040**
Apportionment of administrative expenses paid to a subsidiary	**60,671**	**2,705,320**
Apportionment of administrative expenses paid to immediate holding company	**25,991**	**1,158,939**

19. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) *Market risk*

(i) Foreign currency risk

The company is subject to currency exposure 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 to Singapore dollars is as follows:

	US$	Rs.
Financial asset		
Cash at bank	**249,558**	**11,127,791**
Financial liability		
Other payables	**(24,300)**	**(1,083,537)**
	(24,300)	**(1,083,537)**
Net currency exposure	**225,258**	**10,044,254**

At 31 March 2011, an estimated 10% 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 period would have been lower/higher by approximately US$22,500 (Rs.1,004,425) as result of currency translation.

(ii) Interest rate risks

The company's exposure to interest rate risk arises from its loan receivable from its subsidiary. The company's policy is to obtain the most favourable interest rates available. The company constantly reviews its debt portfolio and monitors changes in interest rate environment to ensure that interest payments are within acceptable levels.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major classes of financial assets of the company are bank balances and trade receivables. For banks and financial institutions, deposits are placed with regulated banks. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The significant trade receivables of the company comprise 1 debtor that represents 100% of the total receivables.

Financial assets that are neither past due nor impaired

The company's trade receivables are neither past due nor impaired.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

The ageing analysis for the trade receivables of the company as at period end is as follows:

	US$	Rs.
Due less than 30 days	**5,476,730**	**244,207,391**

(c) *Liquidity risk*

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash at bank deemed adequate by the management to finance the company's operations and mitigate effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table represents interest and principal cash flows.

On demand or within 1 year

	US$	Rs.
Trade payables	**1,736,501**	**77,430,580**
Other payables	**1,490,648**	**66,467,994**
Loan from immediate holding company	**6,000,000**	**267,540,000**
	9,227,149	**411,438,574**

(d) *Fair value measurement*

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and loan from immediate holding company on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

20. CAPITAL RISK MANAGEMENT

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 shareholder and benefits for other stakeholders, and to provide an adequate return to shareholder 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 company is not subject to externally imposed capital requirements.

21. COMPARATIVE FIGURES

There are no comparative figures available as this is the company's first set of financial statements.

GREATSHIP SUBSEA SOLUTIONS AUSTRALIA PTY LIMITED

A Subsidiary Company

DIRECTORS:	Christopher Eastwell (Appointed on 17 August 2010) Alok Mahajan (Appointed on 15 November 2010) Venkatraman Sheshashayee (Appointed and Resigned on 15 November 2010 and 1 April 2011 respectively) P. V. Suresh (Appointed on 1 April 2011)
REGISTERED OFFICE:	40 Churchill Avenue Subiaco, WA 6008
CORPORATE OFFICE:	Level 6, 41-43 St Georges Terrace Perth WA6000
REGISTRATION NUMBER:	ABN 74 145 824 835
AUDITORS:	William Buck Audit (WA) Pty Ltd Level 3, South Shore Centre, 83 South Perth Esplanade, South Perth WA 6151

DIRECTOR'S REPORT

Your directors have pleasure in presenting the first report on the company for the period from date of incorporation on 17 August 2010 to 31 March 2011.

The Board of Directors at any time during, or since the end of, the year are:

Mr Christopher Eastwell	(appointed on 17/8/10)
Mr Alok Mahajan	(appointed on 15/11/10)
Mr Venkatraman Sheshashayee	(appointed and resigned on 15/11/10 and 1/4/11 respectively)
Mr P. V. Suresh	(appointed on 1/4/11)

Review of Operations

The Company was incorporated as a wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte Ltd with the intention of commencing the offshore construction/ subsea services business. The loss of the Company for the period since incorporation to 31 March 2011 after providing for income tax amounted to US$2,480,697.

Significant Changes in the State of Affairs

No significant changes in the Company's state of affairs occurred during the period.

Principal Activities

The principal activity of the Company during the period was the provision of subsea services to offshore oil and gas industry in Western Australia. No significant change in the nature of the activities of the Company occurred during the period.

Events Subsequent to the End of the Reporting Period

No matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the Company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Company.

Environmental Regulation

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividends

No dividends were paid during the period and no recommendation is made as to the dividends.

Options

No options over issued shares or interests in the Company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial period, for any person who is or has been an officer or auditor of the Company.

Proceedings on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.The Company was not a party to any such proceedings during the period.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

Signed in accordance with a resolution of the Board of Directors:

Mr. Christopher Eastwell
Director

Mr. Alok Mahajan
Director

Dated this 22nd April 2011

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTOR OF GREATSHIP SUBSEA SOLUTIONS AUSTRALIA PTY LTD

I declare that, to the best of my knowledge and belief, during the financial period ended 31 March 2011 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck Audit (WA) Pty Ltd
ABN 67 125 012 124
Registered Company Auditor No. 339150

Stephen K. Breihl
Director

Dated this 27th April 2011

STATEMENT OF COMPREHENSIVE INCOME FROM 17 AUGUST 2010 (DATE OF INCORPORATION)TO 31 MARCH 2011

	Note	Period from 17/8/10 to 31/3/11 US$	Rs.
Revenue		2,903,535	129,468,626
Cost of sales		(4,788,954)	(213,539,459)
Gross profit		(1,885,419)	(84,070,833)
Other income	2	126,677	5,648,527
Marketing expenses		(27,991)	(1,248,119)
Administrative expenses		(691,005)	(30,811,913)
Finance costs – interest on loan from immediate holding company		(2,959)	(131,942)
Loss before income tax	3	(2,480,697)	(110,614,279)
Income tax expense	4	-	-
Loss for the period		(2,480,697)	(110,614,279)
Other comprehensive income for the period		-	-
Total comprehensive income for the period, attributable to members of the Company		(2,480,697)	(110,614,279)

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	As at 31 MARCH 2011 US$	Rs.
ASSETS			
CURRENT ASSETS			
Cash at bank and on hand		1,566,246	69,838,909
Trade and other receivables	6	1,920,850	85,650,702
Other current assets	7	157,009	7,001,031
TOTAL CURRENT ASSETS		3,644,105	162,490,642
NON-CURRENT ASSETS			
Plant and equipment	8	36,681	1,635,606
TOTAL NON-CURRENT ASSETS		36,681	1,635,606
TOTAL ASSETS		3,680,786	164,126,248
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,361,433	60,706,297
TOTAL CURRENT LIABILITIES		1,361,433	60,706,297
NON-CURRENT LIABILITIES			
Borrowing	10	2,000,000	89,180,000
TOTAL NON-CURRENT LIABILITIES		2,000,000	89,180,000
TOTAL LIABILITIES		3,361,433	149,886,297
NET ASSETS		319,353	14,239,950
EQUITY			
Issued capital	11	2,800,050	124,854,230
Accumulated losses		(2,480,697)	(110,614,279)
TOTAL EQUITY		319,353	14,239,950

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY FROM 17 AUGUST 2010 (DATE OF INCORPORATION)TO 31 MARCH 2011

	Ordinary Share Capital		Accumulated Losses		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
Shares issued to incorporate the Company	50	2,230	-	-	50	2,230
Shares issued during the period	2,800,000	124,852,000	-	-	2,800,000	124,852,000
Total comprehensive income for the period, attributable to members of the Company			(2,480,697)	(110,614,279)	(2,480,697)	(110,614,279)
Balance at 31 March 2011	2,800,050	124,854,230	(2,480,697)	(110,614,279)	319,353	14,239,950

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS FROM 17 AUGUST 2010 (DATE OF INCORPORATION)TO 31 MARCH 2011

	Period from 17/8/10 to 31/3/11	
	US$	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	1,226,290	54,680,271
Payments to suppliers and employees	(4,422,295)	(197,190,134)
Interest received	6,203	276,592
Net cash used in operating activities	(3,189,802)	(142,233,271)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(44,002)	(1,962,049)
Net cash used in investing activities	(44,002)	(1,962,049)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issuance	2,800,050	124,854,230
Proceeds from borrowing	2,000,000	89,180,000
Net cash provided by financing activities	4,800,050	214,034,230
Net increase in cash held	1,566,246	69,838,909
Cash at bank and on hand at beginning of - period	-	-
Cash at bank and on hand at end of financial period	1,566,246	69,838,909

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

Greatship Subsea Solutions Australia Pty Ltd ('the Company') is a Company limited by shares, incorporated and domiciled in Australia. This financial report covers the Company as an individual entity.

Note 1: Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities

(b) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in United States dollars (US$), which is the Company's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are translated at foreign exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income. Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

(c) Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the director to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight line basis over the asset's useful life. The useful lives for each class of depreciable assets are:

Class of Fixed Asset

Computers	3 years
Furniture and fittings	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(d) Impairment of Assets

At the end of each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(e) Financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Company's contractual rights to the cash flows from the financial assets expire or if the Company transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

(f) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(g) Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(h) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability

(i) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

(k) Income Tax

The income tax expense (revenue) for the period would comprise of current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority,

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss. Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated 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 enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are off-set where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(l) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(m) Comparative Figures

The financial statements cover the period from 17 August 2010 (date of incorporation) to 31 March 2011. This being the first set of financial statements presented since incorporation, there are no comparative figures.

(n) Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company. The directors are of the opinion that any instances of application of judgments are not expected to have a significant effect on the amounts recognised in the financial statements.

(o) Going Concern

The financial statements have been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company incurred a net loss after tax of US$2,480,697(Rs.110,614,279). However, the Company had cash on hand and at bank of US$1,566,246 (Rs.69,838,909) and is in a positive net equity position of US$319,353 (Rs.14,239,950) as at period end.

The ability of the Company to continue as a going concern is dependent upon the immediate holding company, Greatship Subsea Solutions Singapore Pte Ltd providing continuous financial support to the Company. The Company has received confirmation that the immediate holding company has agreed to provide further capital funding at a time and amount necessary to enable the company to pay its debts as and when they become due and payable for a period of at least 12 months from the date of the financial report.

The Directors and senior management have prepared a cash flow forecast for the foreseeable future reflecting the above mentioned expectations and their effect upon the Company. The achievement of the forecast is dependent on the results of tenders submitted by the Company and future capital funding, the timing and amounts of which are uncertain.

The Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 31 March 2011. Accordingly, the accompanying financial statements do not include any adjustments relating to the recoverability and classification of the asset carrying amount or the amount and classification of liabilities that might be necessary if the Company is unable to continue as a going concern.

(p) New Accounting Standards for Application in Future Periods

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company is as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12] (applicable for annual reporting periods commencing on or after 1 January 2013.)

  These standards are applicable retrospectively and amend the classification and measurement of financial assets. The company has not yet determined any potential impact on the financial statements.

  The changes made to accounting requirements include:

  o simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair values;

  o simplifying the requirements for embedded derivatives;

  o removing the tainting rules associated with held-to-maturity assets;

  o removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

  o allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;

  o requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows.

- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.

No changes are expected to materially affect the company.

- AASB 2009-12: Amendments to the Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the company.

- AASB 2009-14: Amendments to the Australian Interpretation – Prepayments of Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

  This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

  The Company does not anticipate early adoption of any of the above Australian Accounting Standards.

	2011	
	US$	**Rs.**
Note 2: Other Income		
Foreign exchange gain	120,474	53,71,936
Interest income on cash at bank	6,203	2,76,592
	126,677	5,648,527
Note 3: Loss before Income Tax		
Loss before income tax includes the following specific expenses:		
Auditor's remuneration for auditing the financial statements	7,521	335,361
Depreciation charges of plant and equipment	7,321	326,443
Employee benefits expenses		
– contributions to defined contribution superannuation funds	36,801	1,640,957
Rental expenses on operating leases	35,057	1,563,192

Note 4: Income Tax

The Company does not have any current income tax liabilities for the current financial period. The prima facie tax on loss before income tax is reconciled to income tax as follows:

Prima facie tax benefit on loss before income tax at 30%	(744,209)	(33,184,279)
Tax effect of non-deductible items	3,026	134,929
Tax effect of non-taxable items	(18,386)	(819,832)
Tax effect of unutilised losses not recognised	759,569	33,869,182
Income tax expense	-	-

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in the accounting policy of Note 1(j), are unutilised tax losses of US$ 2,531,897 (Rs. 112,897,287).

Note 5: Key Management Personnel Compensation

The total remuneration entitlement to key management personnel of the Company are as follows:

Short-term employee benefits	175,190	7,811,722

Note 6: Trade and Other Receivables

Trade receivables – third party	1,733,478	77,295,784
Other receivables	22,607	1,008,046
GST receivable	164,765	7,346,871
	1,920,850	85,650,702

Credit risk

The Company has a significant concentration of credit risk as its entire trade receivable is with one customer. The following table details the Company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the Company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Company.The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount		Past Due but Not Impaired (Days Overdue)				Within Initial Trade Terms	
			< 30		31 – 60			
	US$	Rs.	US$	Rs.	US$	Rs.	US$	Rs.
Trade	1,733,478	77,295,784	1,260,610	56,210,600	-	-	472,868	21,085,184
Other	187,372	8,354,917	-	-	-	-	187,372	8,354,917
Total	1,920,850	85,650,702	1,260,610	56,210,600	-	-	660,240	29,440,102

The Company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

	2011	
	US$	Rs.
Note 7: Other Current Assets		
Deposits	144,363	6,437,146
Prepayments	12,646	563,885
	157,009	7,001,031

Note 8: Plant and Equipment

Movement in the carrying amounts of each class of plant and equipment between the beginning and end of the current financial period is as follows:

	Computers		Furniture		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
Cost						
Additions during the period	33,899	1,511,556	10,103	450,492	44,002	1,962,049
Balance at end of the period	33,899	1,511,556	10,103	450,492	44,002	1,962,049
Accumulated Depreciation						
Depreciation charge for the period	6,479	288,899	842	37,545	7,321	326,443
Balance at end of the period	6,479	288,899	842	37,545	7,321	326,443
Carrying amount at 31 March 2011	27,420	1,222,658	9,261	412,948	36,681	1,635,606

	2011	
	US$	Rs.
Note 9: Trade and Other Payables		
Trade payables – Entity subject to common control	1,068,342	47,637,370
Other accruals for operating expenses	290,132	12,936,986
Accrued interest payable on borrowing	2,959	131,942
	1,361,433	60,706,297

	2011 US$	2011 Rs.
Note 10: Borrowing		
Non-current loan from immediate holding company	2,000,000	89,180,000

During the current period, a loan of US$2,000,000 (Rs.89,180,000) was advanced to the Company by its immediate holding company, Greatship Subsea Solutions Singapore Pte Ltd. This loan is repayable at the end of two years from the date of drawdown. It is unsecured but bears interest at 6% per annum.

	2011 US$	2011 Rs.
Note 11: Share Capital		
(a) Issued capital		
50 fully paid ordinary shares to incorporate the Company	50	2230
2,800,000 fully paid ordinary shares issued during the period	2,800,000	124,852,000
At end of the financial period	2,800,050	124,854,230

The Company was incorporated on 17 August 2010 with 50 fully paid ordinary shares at US$1 (Rs. 44.59) each. A further 2.8milion ordinary shares was issued during the financial period at US$1 (Rs. 44.59) each.

(b) Capital Management

Management controls the capital of the Company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the Company can fund its operations and continue as a going concern. The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.There have been no changes in the strategy adopted by management to control the capital of the Company since incorporation. The gearing ratio for the period ended 31 March 2011 is as follows:

	2011 US$	2011 Rs.
Total borrowings	2,000,000	89,180,000
Trade and other payables	1,361,433	60,706,297
Less cash at bank and on hand	(1,566,246)	(69,838,909)
Net debt	1,795,187	80,047,388
Total equity	319,353	14,239,950
Total capital	2,114,540	94,287,339
Gearing ratio		85%

Note 12: Operating Lease Commitments

- Non Cancellable Operating lease contracted for but not capitalised in the financial statements

Payable – minimum lease payments:

-	within 12 months	253,479	11,302,629
-	between 1 to 5 years	84,493	3,767,543
		337,972	15,070,171

The property lease is a non cancellable lease with a five-year term, with rent payable monthly. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be reviewed based on a market rent review at 1 August 2011.

	2011	
	US$	Rs.
Note 13: Cash Flow Information		
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(2,480,697)	(110,614,279)
Non-cash flows in loss - Depreciation	7,321	326,443
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,920,850)	(85,650,702)
(Increase)/decrease in other current assets	(157,009)	(7,001,031)
Increase/(decrease) in trade creditors	1,361,433	60,706,297
Net cash used in operating activities	(3,189,802)	(142,233,271)

Note 14: Events After Balance Sheet Date

At the date of this report, the directors are not aware of any material events not disclosed elsewhere in this report.

Note 15: Related Party Transactions

The Company's main related parties are as follows:

(a) Entities exercising control over the Company

The immediate holding entity, which exercises control over the Company is Greatship Subsea Solutions Singapore Pte Ltd..

(b) Entity Subject to Common Control :

The entity subject to common control is Greatship Global Offshore Management Services Pte Ltd. which is a subsidiary of Greatship Global Offshore Services Pte, the Parent Company of Greatship Subsea Solutions Singapore Pte Ltd.

(c) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that Company is considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 5: KeyManagement Personnel Compensation.

(d) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. The following transactions occurred with related parties:

	2011	
	US$	Rs.
Sale of goods and services		
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	(86,566)	(3,859,978)
Reimbursement of Costs		
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	321,340	14,328,551
Purchase of goods and services		
- Entity subject to common control (Greatship Global Offshore Management Services Pte Ltd)	2,108,927	94,037,055
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	1,888,460	84,206,431
Loan advanced to the Company (including interest expense)		
- Immediate holding company (Greatship Subsea Solutions Singapore Pte Ltd)	2,002,959	89,311,942

Note 16: Financial Risk Management

The Company's financial instruments consist primarily of deposits with banks, accounts receivable and payable and loans from immediate holding company. The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2011 US$	2011 Rs.
Financial assets		
Cash at bank and on hand	1,566,246	69,838,909
Loans and receivables	1,920,850	85,650,702
Total financial assets	3,487,096	155,489,611
Financial liabilities		
Financial liabilities at amortised cost:		
- trade and other payables	1,361,433	60,706,297
- borrowing	2,000,000	89,180,000
Total financial liabilities	3,361,433	149,886,297

Financial Risk Management Policies

The director's overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and foreign currency risk.

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Company. Credit risk is managed through maintaining procedures ensuring, to the extent possible, that customers and counterparties to transactions are of sound credit worthiness and includes the utilisation of systems for the approval, granting and renewal of credit limits, the regular monitoring of exposures against such limits and the monitoring of the financial stability of significant customers and counterparties. Such monitoring is used in assessing receivables for impairment. Credit terms are generally 30 days from the date of invoice.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Details with respect to credit risk of trade and other receivables are provided in Note 6. Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

Liquidity risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Company manages this risk by obtaining financial support from its immediate holding company and by preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities.The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

	Within 1 year		1 to 5 years		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
Financial liabilities due for payment						
Trade and other payables	1,361,433	60,706,297	-	-	1,361,433	60,706,297
Loan from immediate holding company	-	-	2,000,000	89,180,000	2,000,000	89,180,000
Total expected outflows	1,361,433	60,706,297	2,000,000	89,180,000	3,361,433	149,886,297
Financial assets- cash flows realisable						
Cash at bank and on hand	1,566,246	69,838,909	-	-	1,566,246	69,838,909
Trade and other receivables	1,920,850	85,650,702	-	-	1,920,850	85,650,702
Total anticipated inflows	3,487,096	155,489,611	-	-	3,487,096	155,489,611
Net (outflow)/inflow on financial instruments	2,125,663	94,783,313	(2,000,000)	(89,180,000)	125,663	5,603,313

Market risk

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. As the Company does not have significant interest-bearing assets and its borrowings are at a fixed interest rate, the Company's income and expenses are independent of changes in market interest rates.

(ii) *Foreign currency risk*

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Company holds financial instruments which are other than the US$ functional currency of the Company. To manage the currency risk, management closely monitors the movement in foreign exchange rates.The following table shows the foreign currency risk on the financial assets and financial liabilities of the Company's operations denominated in currencies other than the functional currency of the operations.

	Net Financial Assets/(Liabilities) in US$					
	AUD	Rs.	USD	Rs.	Total	Rs.
Financial assets						
Cash at bank and on hand	140,266	6,254,461	1,425,980	63,584,448	1,566,246	69,838,909
Trade and other receivables	1,920,850	85,650,702	-	-	1,920,850	85,650,702
	2,061,116	91,905,163	1,425,980	63,584,448	3,487,096	155,489,611
Financial liabilities						
Trade and other payables	1,361,433	60,706,297	-	-	1,361,433	60,706,297
Borrowing	-	-	2,000,000	89,180,000	2,000,000	89,180,000
	1,361,433	60,706,297	2,000,000	89,180,000	3,361,433	149,886,297
Net financial assets/(liabilities)	699,683	31,198,865	(574,020)	(25,595,552)	125,663	5,603,313
Add: Net non-financial assets	193,690	8,636,637	-	-	193,690	8,636,637
Net assets	893,373	39,835,502	(574,020)	(25,595,552)	319,353	14,239,950

Sensitivity Analysis

The following table illustrates sensitivity to the Company's exposure to changes in exchange rates and it indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the exchange rate that management considers to be reasonably possible. This sensitivity assumes that the movement in a particular variable is independent of other variables.

	Profit		Equity	
	US$	Rs.	US$	Rs.
2% in AUD/USD	+/- 17,868	+/- 796,734	+/- 17,868	+/- 796,734

Net Fair Values

The fair values of financial assets and financial liabilities approximate their carrying values as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Note 17: Company Details

The registered office of the Company is:
40 Churchill Avenue
Subiaco, WA 6008

The principal place of business is:
Level 6, 41-43
St Georges Terrace
Perth, WA6000

DIRECTOR'S DECLARATION

The directors of the company declares that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001 and:

    (a) comply with Australian Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    (b) give a true and fair view of the financial position as at 31 March 2011 and of the performance for the period ended on that date of the company.

2. In the director's opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, in view of the continuing financial support provided by its immediate holding company.

This declaration is made in accordance with a resolution of the Board of Directors.

Mr. Christopher Eastwell
Director

Mr. Alok Mahajan
Director

Dated this 22nd April 2011

GREATSHIP (UK) LIMITED
A Subsidiary Company

DIRECTORS:	M J Brace A A Mahajan D C M Jamieson
REGISTERED OFFICE:	The Galleries Charters Road Sunningdale Ascot Berkshire SL5 9QJ
REGISTERED NUMBER:	07423610 (England and Wales)
AUDITORS:	Davis Burton Sellek Chartered Accountants Statutory Auditors The Galleries Charters Road Sunningdale Berkshire SL5 9QJ

REPORT OF THE DIRECTORS

FOR THE PERIOD 29 OCTOBER 2010 TO 31 MARCH 2011

The directors present their report with the financial statements of the company for the period 29 October 2010 to 31 March 2011.

INCORPORATION

The company was incorporated on 29 October 2010 and commenced trading on 13 January 2011.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of owning, chartering and operating of offshore supply and support vessels.

DIRECTORS

The directors who have held office at the date of this report are as follows:

M J Brace - appointed on 29th October 2010

A A Mahajan - appointed on 25th February 2011

D C M Jamieson was appointed as a director effective from 1 April 2011.

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

M J Brace - Director

Date : 20 April 2011

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF GREATSHIP (UK) LIMITED

We have audited the financial statements of Greatship (UK) Limited for the period ended 31 March 2011. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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

Dawn O'Leary CA (Senior Statutory Auditor)
for and on behalf of Davis Burton Sellek
Chartered Accountants
Statutory Auditors
The Galleries
Charters Road
Sunningdale
Berkshire
SL5 9QJ

Date : 30 April 2011

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD 29 OCTOBER 2010 TO 31 MARCH 2011

	Notes	US$	Rs.
TURNOVER		—	—
Cost of sales		595,000	26,531,050
GROSS LOSS		(595,000)	(26,531,050)
Administrative expenses		9,892	441,084
OPERATING LOSS	2	(604,892)	(26,972,134)
Interest payable and similar charges		1,446	64,477
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(606,338)	(27,036,611)
Tax on loss on ordinary activities	3	—	—
LOSS FOR THE FINANCIAL PERIOD		(606,338)	(27,036,611)

BALANCE SHEET
31 MARCH 2011

	Notes	US$	Rs.
CURRENT ASSETS			
Cash at bank		1,499,965	66,883,439
CREDITORS			
Amounts falling due within one year	4	606,303	27,035,050
NET CURRENT ASSETS		893,662	39,848,389
TOTAL ASSETS LESS CURRENT LIABILTIES		893,662	39,848,389
CREDITORS			
Amounts falling due after more than one year	5	1,000,000	44,590,000
NET LIABILITIES		(106,338)	(4,741,611)
CAPITAL AND RESERVES			
Called up share capital	6	500,000	22,295,000
Profit and loss account	7	(606,338)	(27,036,611)
SHAREHOLDERS' FUNDS		(106,338)	(4,741,611)

The financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Board of Directors on 20 April 2011 and were signed on its behalf by:

M J Brace - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 29 OCTOBER 2010 TO 31 MARCH 2011

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Deferred tax

No provision for deferred tax is required.

Foreign currencies

The financial statements are stated in U.S. dollars.

Assets and liabilities in foreign currencies are translated into dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into dollars at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

2. OPERATING LOSS

The operating loss is stated after charging:

	US$	Rs.
Directors' remuneration and other benefits etc	—	—

3. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the period.

4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	US$	Rs.
Trade creditors	596,857	26,613,853
Other creditors	9,446	421,197
	606,303	27,035,050

5. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	US$	Rs.
Amounts owed to Parent Company	1,000,000	44,590,000

6. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	US$	Rs.
500,000	Ordinary	US$: 1 (Rs.: 44.59)	500,000	22,295,000

7. **RESERVES**

PROFIT AND LOSS ACCOUNT

	US$	Rs.
Deficit for the period	(606,338)	(27,036,611)
At 31 March 2011	(606,338)	(27,036,611)

8. **RELATED PARTY DISCLOSURES**

There is a financial transaction with the Parent Company "Greatship (India) Limited" towards the loan of US $1,000,000 (Rs. 44,590,000) and interest on the same of US $1,446.22 (Rs. 64,486.95).

9. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is The Great Eastern Shipping Company Limited, a company incorporated in India.

10. **PARENT COMPANY**

The parent company is Greatship (India) Limited, a company incorporated in India.

GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD.

A Subsidiary Company

DIRECTORS:	Pinnamaneni Venkata Suresh (appointed on 9 December 2010) Venkatraman Sheshashayee (appointed on 9 December 2010) (resigned on 1 April 2011) KSS Kowshik (appointed on 1 April 2011) Arangannal s/o Kathamuthu (appointed on 9 December 2010)
REGISTERED OFFICE:	15 Hoe Chiang Road Tower Fifteen #06-03 Singapore 089316
REGISTRATION NUMBER:	201026128E
AUDITORS:	Shanker Iyer & Co. 3 Phillip Street #18-00 Commerce Point, Singapore 048693
COMPANY SECRETARIES:	Cheng Lian Siang Pathima Muneera Azmi

DIRECTORS' REPORT

The directors present their report to the member together with the audited financial statements of the company for the financial period from 9 December 2010 (date of incorporation) to 31 March 2011.

DIRECTORS

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

Pinnamaneni Venkata Suresh	(appointed on 9 December 2010)
KSS Kowshik	(appointed on 1 April 2011)
Arangannal s/o Kathamuthu	(appointed on 9 December 2010)

Mr Venkatraman Sheshashayee resigned as the director of the company with effect from 1 April 2011.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

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

	No. of ordinary shares	
	As at 09.12.2010	As at 31.03 2011
The Great Eastern Shipping Co.Ltd.		
(Ultimate holding company)		
Pinnamaneni Venkata Suresh	500	500

Mr. Pinnamaneni Venkata Suresh and Mr. KSS Kowshik 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 period had any interest in the debentures of the company or its related corporations.

DIRECTORS' CONTRACTUAL BENEFITS

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

SHARE OPTIONS

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

No shares have been issued during the financial period 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 period.

INDEPENDENT AUDITOR

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

On behalf of the Board

Pinnamaneni Venkata Suresh
Director

Arangannal s/o Kathamuthu
Director

20 April 2011

STATEMENT BY DIRECTORS

In the opinion of the directors,

(a) the accompanying financial statements of the company are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows for the financial period from 9 December 2010 (date of incorporation) to 31 March 2011; 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 20 April 2011.

On behalf of the Board

Pinnamaneni Venkata Suresh
Director

Arangannal s/o Kathamuthu
Director

20 April 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD.

We have audited the accompanying financial statements of GREATSHIP GLOBAL OFFSHORE MANAGEMENT SERVICES PTE. LTD. (the "company") which comprise the statement of financial position as at 31 March 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the financial period from 9 December 2010 (date of incorporation) to 31 March 2011, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of comprehensive income and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 control relevant to the entity's preparation of financial statements that give a true and fair view 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 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, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and of its results, changes in equity and cash flows of the company for the financial period from 9 December 2010 (date of incorporation) to 31 March 2011.

Report on Other Legal and Regulatory Requirements

In our opinion, 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
20 April 2011

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

	Note	US$	Rs.
ASSETS			
Current assets			
Cash at bank	4	1,073,794	47,880,474
Trade receivables	5	1,425,986	63,584,716
Other receivables	6	1,000	44,590
		2,500,780	111,509,780
Total assets		2,500,780	111,509,780
LIABILITIES			
Current liabilities			
Trade payables	7	1,139,441	50,807,674
Other payables	8	69,831	3,113,764
Loan from immediate holding company	9	1,000,000	44,590,000
Income tax payable		11,237	501,058
		2,220,509	99,012,496
Total liabilities		2,220,509	99,012,496
NET ASSETS		280,271	12,497,284
SHAREHOLDER'S EQUITY			
Share capital	10	110,000	4,904,900
Retained profits		170,271	7,592,384
TOTAL EQUITY		280,271	12,497,284

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD FROM 9 DECEMBER 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

	Note	US$	Rs.
Revenue			
Management income		2,589,206	115,452,695
Total revenue		2,589,206	115,452,695
Expenses			
Cost of service	11	2,354,083	104,968,560
Other operating expenses		53,615	2,390,693
Total expenses		2,407,698	107,359,253
Profit before income tax	12	181,508	8,093,442
Income tax expense	13	(11,237)	(501,058)
Total comprehensive income for the period		170,271	7,592,384

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 PERIOD FROM 9 DECEMBER 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

	Share capital		Retained profits		Total	
	US$	Rs.	US$	Rs.	US$	Rs.
Issuance of subscriber's share (Note 10)	1	45	-	-	1	45
Issuance of ordinary shares (Note 10)	109,999	4,904,855	-	-	109,999	4,904,855
Total comprehensive income for the period	-	-	170,271	7,592,384	170,271	7,592,384
Balance as at 31 March 2011	110,000	4,904,900	170,271	7,592,384	280,271	12,497,284

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

STATEMENT OF CASH FLOWS FOR THE PERIOD FROM 9 DECEMBER 2010 (DATE OF INCORPORATION) TO 31 MARCH 2011

	Note	US$	Rs.
Cash Flows From Operating Activities			
Profit before income tax		181,508	8,093,442
Cash flows before changes in working capital		181,508	8,093,442
Working capital changes, excluding changes relating to cash:			
Amounts due from related companies		(1,425,986)	(63,584,716)
Trade payables		1,139,441	50,807,674
Other receivables		(1,000)	(44,590)
Other payables		69,831	3,113,764
Net cash used in operating activities		(36,206)	(1,614,426)
Cash Flows From Financing Activities			
Proceed from issuance of subscriber's share	10	1	45
Proceeds from issuance of ordinary shares	10	109,999	4,904,855
Loan from immediate holding company	9	1,000,000	44,590,000
Net cash generated from financing activities		1,110,000	49,494,900
Net increase in cash and cash equivalents		1,073,794	47,880,474
Cash at bank at the beginning of the period		-	-
Cash at bank at the end of the period	4	1,073,794	47,880,474

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

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Greatship Global Offshore Management Services Pte. Ltd. (Company Registration No. 201026128E) is domiciled in Singapore with its registered office and principal place of business at 15 Hoe Chiang Road, #06-03, Singapore 089316.

The company is providing ship management services to its holding and related companies.

The financial statements of the company as at 31 March 2011 and for the period from 9 December 2010 (date of incorporation) to 31 March 2011 were authorised and approved by the Board of Directors for issuance on 20 April 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") as required by the Singapore Companies Act. The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

The audited financial statements of the company, prepared in accordance with the laws of Singapore, the country of incorporation, do not include the Indian Rupee equivalent figures, which have been arrived at by applying the year end interbank exchange rate approximating to USD 1 = Rs. 44.59 and rounded up to the nearest rupee.

In the current financial period, 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 FRSs and INT FRSs that have been issued but are effective only in next financial period. The company expects the adoption of the standards will have no financial effect on the financial statements in the period of initial application.

b) Currency translation

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

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

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

c) Financial instruments

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

Effective interest method

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

d) Financial assets

(i) *Classification*

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

Loans and receivables

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

(ii) *Recognition and derecognition*

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is transferred to the statement of comprehensive income.

(iii) *Initial and subsequent measurement*

Financial assets are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method, as defined above.

(iv) *Impairment*

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

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

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

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

e) Trade and other payables

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

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled and expired.

f) Provisions

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

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

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

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

g) Borrowings

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

h) Income tax

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

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

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

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

Deferred income tax is measured:

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

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

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

i) Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

j) Revenue recognition

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

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

(i) Management income is recognised upon completion of the services rendered.

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

k) Share capital

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

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

Income tax

Judgement is involved in determining the company's provision for income taxes. The company recognised liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provision in the financial period in which such determination is made. At 31 March 2011, the carrying amount of the company's current income tax payable is disclosed in the statement of financial position.

4. CASH AT BANK

The carrying amount of cash at bank approximates its fair values and is denominated in the following currencies:

	US$	Rs.
Singapore dollar	6,247	278,554
United States dollar	1,067,547	47,601,920
	1,073,794	47,880,474

5. TRADE RECEIVABLES

	US$	Rs.
Related companies	1,425,986	63,584,716

The amounts due from related companies are unsecured, interest-free and are repayable within the next twelve months.

The carrying values of amounts due from related companies approximate their fair values and are denominated in the following currencies:

	US$	Rs.
Australian dollars	1,171,234	52,225,324
United States dollars	254,752	11,359,392
	1,425,986	63,584,716

6. OTHER RECEIVABLES

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

7. TRADE PAYABLES

	US$	Rs.
Third parties	1,133,521	50,543,701
GST payables	5,920	263,973
	1,139,441	50,807,674

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

	US$	Rs.
Singapore dollars	6,152	274,318
Australian dollars	1,065,501	47,510,690
United States dollars	67,788	3,022,666
	1,139,441	50,807,674

8. OTHER PAYABLES

	US$	Rs.
Amount owing to holding company	44,304	1,975,515
Accruals for operating expenses	2,360	105,232
Other creditors	23,167	1,033,017
	69,831	3,113,764

The amount due to holding company is unsecured, interest-free and is repayable within the next twelve months.

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

	US$	Rs.
Australian dollars	8,471	377,721
Singapore dollars	8,780	391,500
United States dollars	52,580	2,344,543
	69,831	3,113,764

9. LOAN FROM IMMEDIATE HOLDING COMPANY

Loan from immediate holding company is unsecured, interest-free and repayable within the next twelve months.

The carrying amount of the loan from immediate holding company approximates its fair value due to its short-term in nature and is denominated in United States dollars.

10. SHARE CAPITAL

	Number of ordinary shares	US$	Rs.
Issued			
Issue of subscribers share	1	1	45
Issuance of ordinary shares	109,999	109,999	4,904,855
As at end of the financial period	110,000	110,000	4,904,900

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

During the financial period, the company increased its paid up share capital from US$1 (Rs. 45) to US$110,000 (Rs. 4,904,900) by way of further allotment of 109,999 ordinary shares for cash consideration of US$109,999 (Rs. 4,904,855).

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

11. COST OF SERVICE

	US$	Rs.
Crew salary	154,701	6,898,118
Repairs and maintenance	254,017	11,326,618
Contract staff expenses	1,716,663	76,546,003
Operation expenses	98,210	4,379,184
Others	130,492	5,818,637
	2,354,083	104,968,560

12. PROFIT BEFORE INCOME TAX

Profit before income tax for the period is arrived after charging:

	US$	Rs.
Director's fee	2,360	105,232
Management fee	26,060	1,162,015

13. INCOME TAX EXPENSE

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

	US$	Rs.
Accounting profit	181,508	8,093,442
Income tax expense at statutory rate	30,856	1,375,869
Exempt income	(15,593)	(695,292)
Non-allowable items	433	19,307
Others	(4,459)	(198,826)
	11,237	501,058

14. IMMEDIATE AND ULTIMATE HOLDING COMPANY

The company's immediate holding company is Greatship Global Offshore Services Pte. Ltd., a company incorporated in Singapore, which is a subsidiary of Greatship Global Holdings Ltd, a company incorporated in the Republic of Mauritius.

Greatship Global Holdings Ltd. is wholly owned subsidiary of Greatship (India) Limited, a company incorporated in India.

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

15. SIGNIFICANT RELATED PARTIES TRANSACTIONS

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

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

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

During the financial period, the company had transactions with its related companies on terms agreed between them with respect to the following:

	US$	Rs.
Management income received/receivable from related companies	2,589,206	115,452,696
Reimbursement of expenses paid/payable to immediate holding company	26,060	1,162,015
Operating expenses paid on behalf by immediate holding company	18,244	813,500

16. FINANCIAL RISK MANAGEMENT

Financial risk factors

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

(a) *Market risk*

(i) Foreign currency risk

The company is subject to various currency exposures, primarily with respect to the Australian 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 to Australian dollars is as follows:

	US$	Rs.
Financial assets		
Trade receivables	1,171,234	52,225,324
Financial liabilities		
Trade payables	(1,065,501)	(47,510,690)
Other payables	(8,471)	(377,721)
	(1,073,972)	(47,888,411)
Currency exposure	97,262	4,336,913

At 31 March 2011, an estimated 11% currency fluctuation in Australian dollar against the United States dollar, with all other variables including tax rate being held constant, the company's loss after tax for the financial period would have been lower/higher by approximately US$10,700 (Rs. 477,113) as result of currency translation.

ii) Interest rate risk

The company has no significant exposure to market risk for changes in interest rates.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The major class of financial asset of the company is trade receivables. For credit exposures to customer, management assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The trade receivables of the company comprise 1 debtor that individually represents 82% of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	US$	Rs.
By geographical areas		
Singapore	254,752	11,359,392
Australia	1,171,234	52,225,324
	1,425,986	63,584,716
By types of customers		
Related companies	1,425,986	63,584,716

The ageing analysis for the trade receivables of the company as at the end of the reporting period are all due less than 30 days.

(c) *Liquidity risk*

Liquidity risk refers to the risk in which the company may not be able to meet its short-term obligations. In the management of liquidity risk, the company monitors and maintains a level of cash at bank deemed adequate by the management to finance the company's operations and mitigate effects of fluctuations in cash flows.

Non-derivative financial liabilities

The following table details the remaining contractual maturity for non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay. The table represents interest and principal cash flows.

On demand or within 1 year

	US$	Rs.
Trade payables	1,139,441	50,807,674
Other payables	69,831	3,113,764
Loan from holding company	1,000,000	44,590,000
	2,209,272	98,511,438

(d) *Fair value of financial assets and financial liabilities*

The carrying amounts of cash at bank, trade and other receivables and trade and other payables on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

17. CAPITAL RISK MANAGEMENT

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The capital structure of the company consists of company issued capital. The company has no external borrowings. The management sets the amount of capital in proportion to risk.

The management manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

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

The company is not subject to externally imposed capital requirements

18. COMPARATIVE FIGURES

There are no comparative figures available as this is company's first set of financial statements.

Notes

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Notes

A PRISM solution(www.prism.net.in)

The Great Eastern Shipping Company Limited
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Mumbai-400018, India