

THE GREAT EASTERN SHIPPING COMPANY LIMITED

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

Tel : 022-66613000/24922200, Fax : 022-24925900

E-mail : shares@greatship.com Web : www.greatship.com

CIN No. : L35110MH1948PLC006472

NOTICE

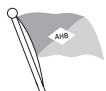
NOTICE is hereby given that the Sixty Sixth Annual General Meeting of THE GREAT EASTERN SHIPPING CO. LTD. will be held at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020 on Thursday, September 25, 2014 at 03.00 p.m. (I.S.T.) to transact the following business :

1. To receive, consider and adopt :
 - a) the audited financial statements of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
 - b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2014.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. K. M. Sheth (DIN: 00022079), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) and the Rules framed thereunder and pursuant to the recommendation of the Audit Committee, M/s. Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W), retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ('AGM') until the conclusion of the third consecutive Annual General Meeting of the Company to be held in the calendar year 2017 (subject to ratification of the appointment by Members at every AGM held after this AGM) at a remuneration to be determined by the Board of Directors."
5. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mr. Cyrus Guzder (DIN: 00080358), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from September 25, 2014."
6. To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mr. Keki Mistry (DIN: 00008886), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the



Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mr. Vineet Nayyar (DIN:00018243), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Mr. Berjis Desai (DIN:00153675), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from September 25, 2014."

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 (including any modification(s) or re-enactment thereof for the time being in force) Dr. Rajiv B. Lall (DIN: 00131782), who has submitted a declaration that he meets the criteria for independence as provided in Section 149 (6) of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Independent Director of the Company under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of five years with effect from September 25, 2014."

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

"RESOLVED THAT Mr. Tapas Icot (DIN: 00905882) who was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on August 12, 2014 and who holds office as such upto the date of this Annual General Meeting and in respect of whom a notice in writing under Section 160 of the Companies Act, 2013 has been received from a member signifying his intention to propose Mr. Tapas Icot as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013, read with and in accordance with the conditions specified in Schedule V to the said Act (including any modification(s) or re-enactment thereof, for the time being in force), the approval of the Company be and is hereby accorded to the appointment of Mr. Tapas Icot (DIN: 00905882) as a Wholtime Director of the Company designated as 'Executive Director' for a period of 5 years with effect from August 12, 2014 on the terms as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the said terms in such manner as may be agreed between Mr. Tapas Icot and the Board."

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

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any modification(s) or re-enactment thereof, for the time being in force) the draft regulations contained in the Articles of Association submitted to this Annual General Meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.”

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

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

“RESOLVED THAT in supersession of the resolution passed at the 62nd Annual General Meeting of the Company held on July 29, 2010, consent of the Company be and is hereby accorded to the Board of Directors, pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 (including any modification(s) or re-enactment thereof, for the time being in force) for borrowing from time to time, any sum or sums of money for the purposes of the Company upon such terms and conditions and with or without security as the Board of Directors may, in its discretion, think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company’s bankers in the ordinary course of business) together with the sums already borrowed may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose, provided however, that the sums so borrowed and remaining outstanding on account of principal shall not, at any time, exceed ₹ 6,000 crore (Rupees Six Thousand Crore only).”

Mumbai, August 20, 2014

By Order of the Board

Registered Office :

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

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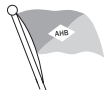
Web : www.greatship.com

CIN No. : L35110MH1948PLC006472

Jayesh M. Trivedi
Company Secretary

Notes :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. The instrument appointing a Proxy must be deposited with the Company at its Registered Office not less than 48 hours before the time of holding the meeting.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. Proxies submitted on behalf of limited companies, societies etc. must be supported by an appropriate resolution / authority as applicable.



4. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, in respect of the business as per Item Nos. 3 and 5 to 13 hereinabove, is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from September 19, 2014 to September 25, 2014 (both days inclusive).
6. The dividend declared at the Meeting will be made payable on or after September 26, 2014, as applicable, in respect of shares held in physical form to those Members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers lodged with the Company on or before the end of business hours on September 18, 2014 and in respect of shares held in the electronic form to those 'Deemed Members' whose names appear in the statement of Beneficial Ownership furnished by the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) as on that date.
7. Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the 40th dividend for the year 1993-94 paid by the Company on October 5, 1994 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed the Dividend Warrants for the said period are requested to claim the amount from the Registrar of Companies, Maharashtra, C/o. Central Government Office Building, A Wing, 2nd Floor, Next to Reserve Bank of India, CBD Belapur 400 614.
8. Consequent to the amendment to Sub-section (5) of Section 205A vide Companies (Amendment) Act, 1999, the Company has transferred the unclaimed dividend for the year 2005-06 (52nd 3rd interim dividend), 2006-07 (53rd 1st interim dividend) and 2006-07 (53rd 2nd interim dividend) to the Investor Education and Protection Fund.

All unclaimed dividend for the year 2006-07 (53rd final dividend) will be due for transfer to the Investor Education and Protection Fund on August 25, 2014. Shareholders who have not encashed the Dividend Warrants are requested to claim the amount from the Company's Share Department at the Registered Office of the Company.
9. The information as required under clause 49 (iv)(g) of the listing agreement in respect of Independent Directors being re-appointed is annexed hereto. The information in respect of Mr. K. M. Sheth and Mr. Tapas Icot is given in the Explanatory Statement.
10. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
11. Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with Stock Exchanges all the business as per Item Nos. 1 to 13 hereinabove, is required to be transacted by electronic means.
12. The Board of Directors of the Company has appointed Ms. Dipti Mehta, Practising Company Secretary as Scrutinizer for conducting the electronic voting process in a fair and transparent manner.
13. Members who have registered their e-mail ids for receipt of documents in electronic mode with the concerned Depository, have been sent link for e-voting by e-mail from National Securities Depository Limited (NSDL).

Members are requested to carefully read the instructions for e-voting mentioned in the e-mail from National Securities Depository Limited (NSDL). The e-voting particulars i.e., User ID, Password, etc. are mentioned in the e-mail from NSDL.

In case of Members receiving physical copy of the notice of Annual General Meeting, the e-voting particulars i.e., User ID, Password, etc. are mentioned at the bottom of the Attendance Slip. Members are requested to carefully read the instructions for e-voting mentioned overleaf the Attendance Slip.

E-voting facility will be available from September 20, 2014 till September 22, 2014.

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14. A Member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the Company as on August 18, 2014.
 15. The Scrutinizer will submit her report addressed to Mr. K. M. Sheth, Executive Chairman after completion of the scrutiny and the results of the e-voting will be announced on or before September 27, 2014.
 16. Members are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically with respective Depository Participant (if holding shares in electronic form) or the Company / Sharepro Services (India) Pvt. Ltd. (if holding shares in physical form). The requests to the Company / Sharepro Services (India) Pvt. Ltd. can either be sent by way of a letter or by sending e-mail to shares@greatship.com / sharepro@shareproservices.com.



EXPLANATORY STATEMENT UNDER SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

Mr. K. M. Sheth joined the Company in 1952 and was inducted on the Board of the Company in 1970. He became the Deputy Chairman and Managing Director in 1975 and rose to become the Chairman and Managing Director in 1992. He has been providing invaluable guidance to the Company in its strategic and decision making policies.

Previously, Mr. K. M. Sheth held the post of President of the Indian National Shipowners Association (INSA) and was the employers' group Chairman in the International Labour Organization (ILO) plenary session in Geneva. He continues to be Chairman of the South Asia Advisory Committee of Lloyds Register of Shipping and also Chairman of the South Asia Committee of Det Norske Veritas. He is also a member of the Indian Committee of Nippon KaijiKyokai, Japan and American Bureau of Shipping. He is also on the board of Britannia Steamship Insurance Association Limited, London.

Mr. K. M. Sheth has decided to reduce his day to day commitments and, therefore, expressed a desire to relinquish the office of the Whole-time Director and accordingly ceases to be the Whole-time Director of the Company with effect from September 01, 2014. He will continue to be the Non-Executive Chairman on the Board of Directors of the Company.

Mr. K. M. Sheth has offered to be treated as Directors liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013. Accordingly, he will retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Your Directors commend the resolution at Item No. 3 of the Notice for your approval.

Mr. K. M. Sheth may be deemed to be interested, financially or otherwise, in the aforesaid resolution to the extent of his shareholding. Mr. Bharat K. Sheth and Mr. Ravi K. Sheth may also be deemed to be interested in the aforesaid resolution. Other relatives of Mr. K. M. Sheth may be deemed to be interested in the aforesaid resolution to the extent of their shareholding interest, if any, in the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the aforesaid resolution.

ITEM NOS. 5 to 9 :

As per Section 149 of the Companies Act, 2013 (Act), an Independent Director shall hold office for a term up to five consecutive years and shall not be liable to retire by rotation. In view of the same, it is proposed to appoint all the Independent Directors, namely, Mr. Cyrus Guzder, Mr. Keki Mistry, Mr. Vineet Nayyar, Mr. Berjis Desai and Dr. Rajiv B. Lall to hold office for a term of five years.

All the aforesaid Independent Directors are not disqualified from being appointed as Director in terms of Section 164 of the Act and have given their consent to act as Directors. The Company has also received declarations from them that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The Company has received notices in writing from members alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidatures of aforesaid Independent Directors for the office of Independent Directors of the Company.

In the opinion of the Board, all the aforesaid Independent Directors are independent of the management and fulfill the conditions for appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement.

Brief resume of all the aforesaid Independent Directors, nature of their expertise in specific functional areas and other details as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are annexed to the Notice. The same may be treated as justification for their appointment as Independent Directors. The Board considers that their continued

association would be of immense benefit to the Company and it is desirable to continue to avail their services as Independent Directors. Accordingly, the Board of Directors commend the resolutions set out at Item No. 5 to 9 of the accompanying Notice for the approval of the members.

Copy of the draft letter for appointment of aforesaid Independent Directors, setting out the terms and conditions, is available for inspection by members at the Registered Office of the Company.

Your Directors commend the resolution at Item Nos. 5 to 9 of the Notice for your approval.

All the aforesaid Independent Directors are interested, financially or otherwise, in the resolutions as set out at Item No. 5 to 9 of the Notice with regard to their respective appointments. Their relatives may also be deemed to be interested in the resolutions set out at Item Nos. 5 to 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the aforesaid resolutions.

Item No. 10 & 11:

Mr. Tapas Icot is a Commerce Graduate with a Post Graduate diploma in Management Studies. He has also completed his Masters in Financial Management from Mumbai University. He is an Associate of the Insurance Institute of India and a Fellow of the Indian Council of Arbitration.

Mr. Tapas Icot started his career with United India Insurance Co. Ltd. before moving into the shipping industry. He has had stints with India Steamship and Essar Shipping before joining the Company.

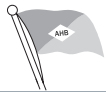
Mr. Tapas Icot joined the Company in 1991 as a Manager in the Claims Department and thereafter has been instrumental in key roles including creating a Strategic Planning Cell and heading the Commercial function of the Company. He is now the Head of Shipping Business as President (Shipping).

The Board of Directors of the Company, at their meeting held on August 12, 2014 appointed Mr. Tapas Icot as an Additional Director of the Company. By virtue of the provisions of Section 161 of the Companies Act, 2013, read with Article 130 of the Articles of Association of the Company, Mr. Tapas Icot will hold office upto the date of the ensuing Annual General Meeting.

The Company has received a notice from a member under Section 160 of the Companies Act, 2013 with requisite deposit, proposing the name of Mr. Tapas Icot as a candidate for the office of Director of the Company.

The Board of Directors also appointed Mr. Tapas Icot as an Executive Director of the Company for a period of 5 years with effect from August 12, 2014 on following terms:

- (a) Salary : Consolidated salary, including Company's contribution to Provident Fund, Superannuation Fund and all other allowances, as may be decided by the Board of Directors of the Company in the scale of Rs. 130 lakh p.a. to Rs. 210 lakh p.a.
- (b) Commission : Payment of commission, calculated with reference to the net profit of the Company for each financial year and subject to the ceiling laid down in Section 197 of the Companies Act, 2013, as may be fixed by the Board of Directors of the Company upto one time the annual consolidated salary referred to at (a) above
- (c) Mr. Tapas Icot will be entitled to following benefits as per the rules of the Company:
 - (i) Transportation/conveyance facilities.
 - (ii) Telecommunication facilities at residence.
 - (iii) Leave encashment.



- (iv) Reimbursement of medical expenses incurred for himself and his family.
- (v) Insurance cover.
- (vi) Housing Loan.
- (vii) Membership fees of Clubs.
- (viii) Gratuity.
- (ix) Other benefits as may be applicable to his grade from time to time.
- (d) Expenses incurred by Mr. Tapas Icot during business trips for travelling, boarding and lodging shall be reimbursed and not be considered as perquisites.
- (e) Though not likely, in the event of absence or inadequacy of profit in any financial year, Mr. Tapas Icot shall be paid aforesaid remuneration as minimum remuneration subject to the approval of the Central Government (if required).
- (f) Mr. Tapas Icot shall be responsible for all such functions as may be delegated to him by the Managing Director and the Board of Directors from time to time.
- (g) The Company or Mr. Tapas Icot shall be entitled to terminate this appointment by giving three months' notice in writing.

Your Directors commend the resolutions at Item Nos. 10 and 11 of the Notice for your approval.

Mr. Tapas Icot may be deemed to be interested, financially or otherwise, in the resolutions as set out at Item Nos. 10 and 11 of the Notice with regard to his appointment. The relatives of Mr. Tapas Icot may also be deemed to be interested in the resolutions set out at Item Nos. 10 and 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the aforesaid resolutions.

ITEM NO. 12 :

The existing Articles of Association of the Company are based on the Companies Act, 1956. The Central Government has promulgated the Companies Act, 2013 in place of the 1956 Act. Most of the sections of the new Act have also been notified by the Central Government.

It is proposed to alter the Articles of Association of the Company to delete references to the provisions of the Companies Act, 1956 as contained in various articles and to modify them suitably in view of the provisions of the Companies Act, 2013. Considering the vast number of alterations required to be done, it is considered expedient to wholly replace the existing Articles by a new set of Articles.

The new Articles are based on Table 'F' of the Companies Act, 2013 which sets out the model articles of association for a company limited by shares. Shareholder's attention is invited to certain salient provisions in the new draft Articles of the Company viz:

- (a) Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- (b) the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- (c) new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized;
- (d) new provisions relating to appointment of chief executive officer and chief financial officer, in addition to manager and company secretary;

- (e) the statutory provisions of the Companies Act, 2013 which permit a company to do some acts "if so authorized by its articles" or provisions which require a company to do acts in a prescribed manner "unless the articles otherwise provide" have been specifically included; and
- (f) provisions of the existing Articles which are already part of statute in the Companies Act, 2013 have not been reproduced in the new draft Articles as they would only lead to duplication.

The articles giving powers to lenders to appoint nominee Directors on the Board of the Company have been deleted as the same are no longer required. The requirement for holding qualification shares by Directors is also proposed to be done away with. Existing Article 117A regarding non-retiring Directors is proposed to be aligned with the requirements of Section 152 of the Companies Act, 2013.

The proposed new draft Articles of Association are being uploaded on the Company's website for perusal by the shareholders. It is also available for inspection by members at the Registered Office of the Company.

Your Directors commend the resolution at Item No. 12 of the Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the aforesaid resolution.

ITEM NO. 13:

Members of the Company had, by the ordinary resolution passed at their Annual General Meeting held on July 29, 2010, authorised the Board of Directors of the Company to borrow upto ₹ 6,000 crore.

As per Section 180 of the Companies Act, 2013 such consent of the company is required by way of a special resolution. Therefore, it is proposed to authorise the Board of Directors to borrow upto ₹ 6,000 crore by way of a special resolution.

As on March 31, 2014 the total borrowing of the Company was ₹ 3312.45 crore.

Your Directors commend the resolution at Item No. 13 of the Notice for your approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in this resolution.

Mumbai, August 20, 2014

By Order of the Board

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

Jayesh M. Trivedi
Company Secretary

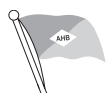
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CIN No. : L35110MH1948PLC006472



ANNEXURE TO NOTICE

INFORMATION AS REQUIRED UNDER CLAUSE 49 (IV)(G) OF THE LISTING AGREEMENT IN RESPECT OF DIRECTORS BEING RE-APPOINTED.

(A) MR. CYRUS GUZDER

Mr. Cyrus Guzder has a Masters Degree (Honours) from Trinity College, Cambridge University, U.K. in Economics & Oriental Studies.

He is the Chairman & Managing Director of AFL Private Ltd. (formerly known as Airfreight Ltd.) founded in 1945. AFL was a pioneer in the Freight Forwarding, Express Courier and Logistics Industry. AFL's Cartridge World division is today the market leader in the business activity of reconditioning and recharging printer cartridges.

Mr. Guzder held leadership positions in the three national associations representing airfreight forwarders, travel agents and express courier companies. He has also chaired CII's National Council of Civil Aviation and National Committee on Logistics.

Mr. Guzder has also served on the Local Advisory Board of Barclays Bank India and recently on the National Transport Development Policy Committee chaired by Dr. Rakesh Mohan. He is currently a Member of the Court of Governors of the Administrative Staff College of India.

As on date Mr. Guzder holds 986 equity shares in the Company.

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

- BP India Limited
- Mahindra Holidays & Resorts India Ltd.

Apart from being a member of the Audit Committee and Chairman of Nomination & Remuneration Committee and Stakeholders Relationship Committee of the Company, Mr. Guzder is also a chairman/member of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Mahindra Holidays & Resorts India Ltd	Audit Remuneration	Chairman Member

(B) MR. KEKI MISTRY

Mr. Keki Mistry is a Chartered Accountant and a Fellow Member of the Institute of Chartered Accountants of India. Mr. Keki Mistry is the Vice Chairman and Chief Executive Officer of Housing Development Finance Corporation Limited (HDFC). HDFC is India's first and largest housing finance company. Mr. Keki Mistry joined HDFC in October 1981. Prior to HDFC, Mr. Keki Mistry worked for Indian Hotels Co. Ltd.

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

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

As on date Mr. Keki Mistry holds 640 Equity Shares in the Company.

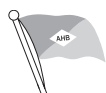
Apart from the Company, Mr. Keki Mistry is also on the Board of Directors of the following public limited companies:

- Greatship (India) Limited
- GRUH Finance Limited

- HCL Technologies Limited
- HDFC Asset Management Company Limited
- HDFC Bank Limited
- Housing Development Finance Corporation Limited
- HDFC Ergo General Insurance Company Limited
- HDFC Standard Life Insurance Company Limited
- NextGen Publishing Limited
- Shrenuj & Company Limited
- Sun Pharmaceuticals Industries Limited
- Torrent Power Limited

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

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
HDFC Bank Ltd	Credit Approval	Member
	Customer Services	Member
	Fraud Monitoring	Member
HDFC Standard Life Insurance Company Limited	Audit	Member
	Investment	Member
	Executive	Chairman
HDFC Ergo General Insurance Company Limited	Audit	Member
	Investment	Member
HDFC Asset Management Company Limited	Audit	Member
	Investment	Member
	Risk Management	Member
	Indemnity	Member
	Oversight	Member
	Share Allotment	Chairman
GRUH Finance Limited	Audit	Member
	Remuneration	Member
Sun Pharmaceuticals Industries Limited	Audit	Chairman
Greatship (India) Limited	Audit	Chairman
	Selection	Chairman
	Remuneration	Member
Shrenuj & Company Limited	Audit	Member
Torrent Power Limited	Audit	Chairman
	Selection	Member
HCL Technologies Limited	Audit	Member
PricewaterhouseCoopers	India Advisory Board	Member



(C) MR. VINEET NAYYAR

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

1970-73: Secretary, Agriculture, State of Haryana.

1973-78: Director, Department of Economic Affairs, Ministry of Finance, Government of India.

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

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

1991-95: Chief and Head of Energy, Finance and Infrastructure Departments, East Asia and Pacific.

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

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

He is currently Executive Vice Chairman of Tech Mahindra Ltd. Mr. Vineet Nayyar holds 23,005 equity shares in the Company. He is also a Director on the Board of following public limited companies:

- Tech Mahindra Limited
- Kotak Mahindra Old Mutual Life Insurance Ltd.
- The Mahindra Holidays and Resorts India Ltd.
- Greatship (India) Limited
- Comviva Technologies Limited

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

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Tech Mahindra Ltd.	Stakeholders Relationship	Member
	Securities Allotment	Chairman
	Executive	Chairman
	Corporate Social Responsibility	Chairman
The Mahindra Holidays and Resorts India Ltd.	Remuneration	Member
Greatship (India) Limited	Remuneration	Chairman

(D) MR. BERJIS DESAI

Mr. Berjis Desai is an eminent Solicitor and is currently the Managing Partner of J. Sagar Associates, a national law firm. Mr. Desai has completed his B.A. (Hons) (First Class), LL.B. (First Class First) both from University of Bombay, LL.B. (now LL.M. - First Class First, starred First) from University of Cambridge, U.K. and Solicitor (First Class First) from Bombay Incorporated Law Society.

Mr. Desai has been practicing law since 1980. He specializes in financial & securities laws, structured finances. He has extensive experience both as an Arbitrator and Counsel in international commercial as well as domestic arbitrations.

Mr. Desai is a frequent speaker and presenter at conferences and seminars. He has been a working journalist with a leading Indian daily and is a columnist in Indian newspapers. He is a member of American Arbitration Association, The Bombay Incorporated Law Society and The London Court of International Arbitration. He is an Arbitrator on the panels of The London Court of International Arbitration and ICC (India).

As on date, Mr. Desai holds 800 equity shares of the Company.

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

- Praj Industries Limited
- Edelweiss Financial Services Limited
- Man Infraconstruction Limited
- Adani Enterprises Limited
- Himatsingka Seide Limited
- Greatship (India) Limited
- Emcure Pharmaceuticals Limited

Apart from being a member of the Audit Committee and Nomination and Remuneration Committee of the Company, Mr. Desai is also a chairman/member of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
Praj Industries Limited	Audit	Chairman
	Compensation and Share Allotment	Member
	Remuneration	Chairman
Edelweiss Financial Services Limited	Shareholders / Investors Grievance	Member
	Audit	Member
	Compensation (ESOP)	Member
Greatship (India) Limited	Audit	Member
	Remuneration	Member
Emcure Pharmaceuticals Limited	Audit	Member
	Remuneration	Member
Man Infraconstruction Limited	Nomination & Remuneration	Chairman
	Stakeholder Relation	Chairman

(E) DR. RAJIV B. LALL

Dr. Rajiv B. Lall is the Executive Chairman of IDFC. Dr. Lall has over three decades of experience with leading global investment banks, multilateral agencies and in academia. Dr. Lall's areas of expertise include project finance, private equity/venture capital, international capital markets, trade, infrastructure and macro-economic policy issues with a focus on emerging markets including India and China in particular.

Dr. Lall straddles the policy making and finance worlds. He chairs the Global Agenda Council on Infrastructure of the World Economic Forum; chairs the Infrastructure Council and is a member of the Economic Policy Council of CII (Confederation of Indian Industry) a leading business chamber in the country. He is a member of the Managing Committee of ASSOCHAM and was President of Bombay Chamber of Commerce and Industry. Dr. Lall was India's representative to the G20 Workgroup on Infrastructure and a member of the City of London's Advisory Council on India. He is also member of the Planning

Commission's Steering Committee on Urban Development Management set up to help formulate the country's 12th Five Year Plan; the Prime Minister's Committees on Infrastructure Finance and Transport Sector Development; Expert Group on Modernization of Indian Railways of Ministry of Railways Government of India, and the Reserve Bank of India's Committee on NBFCs. Dr. Lall has served on several other Government Committees including those focused on Urban Infrastructure, Bond Market Development and Financial Sector Reform.

Prior to joining IDFC, Dr. Lall was variously a Partner with Warburg Pincus in New York; Head of Asian Economic Research with Morgan Stanley in Hong Kong; a senior staff member of the World Bank in Washington D.C. and of the Asian Development Bank in Manila, respectively; and faculty member of the Florida Atlantic University Department of Economics.

Dr. Lall has a number of publications and articles to his credit. He has a B.A. in Politics, Philosophy and Economics from Oxford University and a Ph.D. in Economics from Columbia University.

Dr. Lall holds 500 equity shares of the Company.

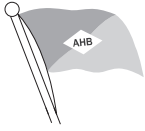
Dr. Lall is also on the Board of Directors of the following public limited companies:

- IDFC Ltd.
- Delhi Integrated Multi-Modal Transit System Limited
- IDFC Asset Management Company Limited
- IDFC Alternatives Limited
- IDFC Trustee Company Limited
- IDFC Housing Finance Company Limited
- IDFC Infra Debt Fund Limited

Dr. Lall is also a member / chairman of the following committees:

NAME OF COMPANY	NAME OF THE COMMITTEE	MEMBER / CHAIRMAN
IDFC Limited	Stakeholders' Relationship	Member
IDFC Asset Management Company Limited	Audit	Member
IDFC Housing Finance Company Limited	Audit	Chairman
IDFC Infra Debt Fund Limited	Audit	Chairman





THE GREAT EASTERN SHIPPING COMPANY LIMITED

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

Tel : 022-66613000/24922200, Fax : 022-24925900

E-mail : shares@greatship.com Web : www.greatship.com

CIN No. : L35110MH1948PLC006472

PROXY FORM

Form No. MGT – 11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): _____

Registered address: _____

E-mail ID: _____

Folio No. / DP ID and Client ID: _____

I / We, being the Member(s) holding _____ shares of the above named Company, hereby appoint

Name: _____ E-mail ID: _____

Address: _____

Signature of First Proxy holder: _____, or failing him/her

Name: _____ E-mail ID: _____

Address: _____

Signature of Second Proxy holder: _____, or failing him/her

Name: _____ E-mail ID: _____

Address: _____

Signature of Third Proxy holder: _____.

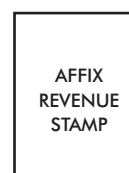
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 66th Annual General Meeting, to be held on Thursday, the 25th September, 2014 at 3.00 p.m at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400 020 and at any adjournment thereof in respect of such resolutions and in such manner as are indicated below:

Resolu- tion No.	Description
1.	Adoption of audited standalone and consolidated financial statements for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon.
2.	Declaration of dividend.
3.	Re-appointment of Mr. K.M. Sheth, as Director of the Company liable to retire by rotation.
4.	Re-appointment of M/s. Kalyaniwalla & Mistry, Chartered Accountants, Mumbai as Auditors of the Company.
5.	Appointment of Mr. Cyrus Guzder as Independent Director of the Company.
6.	Appointment of Mr. Keki Mistry as Independent Director of the Company.
7.	Appointment of Mr. Vineet Nayyar as Independent Director of the Company.



8.	Appointment of Mr. Berjis Desai as Independent Director of the Company.
9.	Appointment of Dr. Rajiv B. Lall as Independent Director of the Company.
10.	Appointment of Mr. Tapas Icot as Director of the Company liable to retire by rotation.
11.	Appointment of Mr. Tapas Icot as Wholetime Director designated as 'Executive Director' for a period of 5 years commencing from August 12, 2014.
12.	Approval and adoption of the revised Articles of Association of the Company.
13.	Consent to Board of Directors of the Company for borrowing money not exceeding ₹ 6000 crore.

Signed this _____ day of _____ 2014.



Signature of Shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

Notes:

This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

A proxy need not be a Member of the Company.

In case the Member appointing proxy is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorised by it and an authenticated copy of such authorisation should be attached to the proxy form.

A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.

Appointing a proxy does not prevent a Member from attending the meeting in person if he/she so wishes.

In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

66th

Annual Report 2013-14



NAVIGATING WITH CARE



CHAIRMAN'S STATEMENT

Dear shareholders,

I am happy to report that at a time when majority of the shipping companies across the world are reporting losses, your Company has declared a consolidated profit of ₹ 573.95 crores. This is its best result in the last 5 years. This performance can substantially be attributed to a well-diversified asset base wherein some investments continue to perform well, even when others underperform.

I am equally happy to report that your Company's balance sheet is one of the strongest of any of the global shipping companies, with a consolidated net debt to equity ratio of 0.38:1. This strength of balance sheet positions your Company strongly in seizing investment opportunities whilst at the same time enabling it to ride out difficult market conditions.

For the financial year 2013-14, and with a view to share the benefits of the improved performance with the shareholders, your Board of Directors has increased the annual dividend to ₹ 9.00 per share as against ₹ 7.50 per share in the previous year.

In terms of the Company's capital allocation during the year 2013-14, your management has opportunistically committed approximately USD 64 Million towards purchase of second-hand ships, while also committing almost USD 150 Million towards investments in new-building fuel efficient vessels. Apart from this, your Company has also focused, in the last few quarters, on upgrading the vessels in the fleet to make them more fuel efficient and hence more competitive in a challenging environment. Your Company also launched an initiative to capitalize on the significant discount of its traded security vis-à-vis both the Company's book value and net asset value. This corporate action, though less successful than hoped, has resulted in a reduction of the Company's share capital by about 15 lakh shares.

The excessive supply in most parts of the shipping business continues to keep freight rates in most segments of the business under pressure. I believe that the industry scenario will continue to remain challenging unless and until there is a significant pick-up in demand, older vessels are scrapped at an accelerated pace, and considerable restraint is placed in ordering newer ships. The same is now increasingly true in the offshore sector as well, where considerable new supply of assets together with an overhang of older assets threatens to out balance possible demand leading to lower, less profitable rates.

With a new government recently sworn in, with the highest electoral mandate of the last 30 years, I look forward to the shipping industry getting many hitherto unresolved issues addressed. If this is done, I believe it will provide Indian shipping a better working environment together with a level playing field vis-à-vis trade and tax concessions available in other maritime jurisdictions.

On a personal note, I would like to inform my fellow shareholders, that after being associated with the Company for more than 60 years, I have now decided to reduce my day to day commitments and have thus requested the Board to relieve me from being a Whole Time Director with effect from September 1, 2014. I will however, continue to serve as the Non Executive Chairman of your Company and bear your interest in mind.

Finally, I would like to thank all my colleagues ashore and floating, and all our other stakeholders, for their valuable support to me and to the Company and request them to continue providing the same going forward.

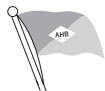
With warm regards,



K.M.Sheth

Executive Chairman





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BOARD OF DIRECTORS

K. M. Sheth	EXECUTIVE CHAIRMAN*
Bharat K. Sheth	DEPUTY CHAIRMAN & MANAGING DIRECTOR
Asha V. Sheth	
Cyrus Guzder	
Keki Mistry	
Vineet Nayyar	
Berjis Desai	
Rajiv B. Lall	
Ravi K. Sheth	EXECUTIVE DIRECTOR
Tapas Icot	EXECUTIVE DIRECTOR

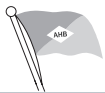
* CHAIRMAN w.e.f. September 01, 2014.

COMMITTEES

AUDIT COMMITTEE	STAKEHOLDERS RELATIONSHIP COMMITTEE	NOMINATION AND REMUNERATION COMMITTEE
Keki Mistry CHAIRMAN	Cyrus Guzder CHAIRMAN	Cyrus Guzder CHAIRMAN
Cyrus Guzder	Bharat K. Sheth	Berjis Desai
Berjis Desai	Asha V. Sheth	Keki Mistry

Jayesh M. Trivedi COMPANY SECRETARY

REGISTERED OFFICE	SHARE TRANSFER AGENT	AUDITORS
Ocean House 134/A, Dr. Annie Besant Road Worli Mumbai 400 018 CIN No. : L35110MH1948PLC006472 Tel : 022-66613000/24922200 Fax : 022-24925900 E-mail* : shares@greatship.com (*Investor Relations) Web : www.greatship.com	Sharepro Services (India) Pvt. Ltd. 13 A/B, Samhita Warehousing Complex 2nd floor, Sakinaka Telephone Exchange Lane Off Andheri-Kurla Road, Sakinaka, Andheri (E) Mumbai 400 072 Tel : 022-67720300/67720400 Fax : 022-28591568 E-mail: sharepro@shareproservices.com	Kalyaniwalla & Mistry Kalpataru Heritage 127, Mahatma Gandhi Road Mumbai 400 001



RISK MANAGEMENT

The shipping business has faced challenging times in the last few years. In this cyclical and highly volatile environment, proper risk management is a critical requirement for continued profitability and sometimes even survival of any shipping company. In the last few years, even as profitability in the industry has trended consistently lower, it is only the strict adherence to its risk management processes that has held the Company in good stead. Every shipping company is exposed to the fluctuations in freight rates, asset values, bunker prices and financial risks on account of interest rate and foreign exchange.

At Great Eastern Shipping, the objective of the risk management is to strike a balance between pursuing appropriate business opportunities and the need to manage the sensitivity to the cyclical conditions in shipping markets.

The Company has identified risks into the following broad categories:

- 1) **Technical or Operational risk:** This is the risk associated with the operation and safe running of the ships. These are managed by having stringent measures for quality and safety of people and cargo on board. Constant training and focused development to upgrade the skills on board is done so that the employees are fully geared to meet all possible challenges.
- 2) **Financial markets and liquidity risk:** This is the risk associated with the financial position and cash flows of the Company. This may arise on account of exchange fluctuations, change in interest rates etc. In a bad environment, liquidity risk may arise out of inability to meet financial obligations including loan repayments and any other capital commitments. This is met by keeping low levels of leverage and adequate liquidity at all points in time. This not only helps to avoid stress on the balance sheet but in fact also helps

in future borrowings, if required. Since the majority of the revenues of the Company are denominated in US dollars, there is a translation risk as the Company has to report its financial performance in INR. These risks are managed by actively hedging the net open FX exposure along with interest rate liability.

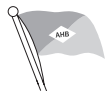
- 3) **Market risk:** This relates to risk due to change in freight markets, bunker prices and counterparty risk. While management of fluctuation in freight rates is possible through long term charters, Contracts of Affreightment, etc; fluctuation in bunker prices can be offset through paper trades or by taking fixed price contracts with suppliers. Counterparty risk can be minimized by dealing with large, well reputed and good credit names.

Risk Management Strategy of Great Eastern Shipping

- The Company has traditionally used a mix of long term time charters, contracts of affreightments and spot charters to de-risk the revenues to some extent. As of March 31, 2014, the Company has 50% of its revenues from time charters and 50% from spot charters.
- As on March 31, 2014, 80% of the Company's debt was on fixed interest rates, and the remaining 20% was on floating rates.
- As on March 31, 2014, the Company's gross debt to equity ratio was 0.69:1 and net debt to equity was 0.10 :1.
- As on March 31, 2014, the Company has sold forwards via range forwards (bought USD put options and sold USD call options) and vanilla forwards for a total of USD 201 million for the FY2014-15.
- As on March 31, 2014, the Company had a total of cash and cash equivalents of ₹ 2836.89 crores.



Directors' Report



DIRECTORS' REPORT

Your Directors are pleased to present the 66th Annual Report on the business operations and the Financial Statements of your Company for the financial year ended March 31, 2014.

FINANCIAL PERFORMANCE

The financial result of the Company (standalone) for the financial year ended March 31, 2014 is presented below:

	₹ in crores	
	2013-14	2012-13
Total Revenue	1780.25	2033.79
Total Expenses	1571.57	1876.53
Profit before tax	208.68	157.26
Less : Tax Expenses	4.00	11.00
Profit for the period	204.68	146.26
Add : Profit as per last Balance Sheet	2904.98	2922.62
Less :		
-Transfer to Tonnage tax reserve	30.00	10.00
-Transfer to General reserve	21.00	15.00
-Transfer to Debenture redemption reserve	25.00	15.00
-Transfer to Capital redemption reserve	1.54	-
-Interim Dividend on Equity Shares	60.32	45.70
-Proposed Dividend on Equity Shares	75.39	68.54
-Dividend Distribution Tax	14.85	9.66
Balance Carried Forward	2881.56	2904.98

DIVIDEND ON EQUITY SHARES

During the year, your Directors declared and paid interim dividend of ₹ 4 per share resulting in an outflow of ₹ 70.57 crore (inclusive of tax on dividend) and recommend a final dividend of ₹ 5 per share resulting in an outflow of ₹ 88.20 crore (inclusive of tax on dividend). 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 ₹ 158.77 crore (inclusive of tax on dividend). This represents a payout ratio of 77.56% (previous year 84.71%).

Your Directors, at their meeting held on August 12, 2014, declared interim dividend of ₹ 4 per share for financial year 2014-15 resulting in an outflow of ₹ 67.31 crore (inclusive of tax on dividend).

BUYBACK OF EQUITY SHARES

During the year under review, your Company announced buyback of its equity shares from the open market through stock exchanges at a price not exceeding ₹ 279 per share for an aggregate amount not exceeding ₹ 279 crores.

The buyback commenced on September 2, 2013 and was completed on February 28, 2014. The Company bought back 15,45,019 equity shares of face value of ₹ 10 each for an aggregate amount of ₹ 41.27 crores. The highest, lowest and average price at which the shares were bought back was ₹ 279.00, ₹ 252.08 and ₹ 266.51 per share respectively.

The Company was unable to achieve the maximum buyback of ₹ 279 crores as the stock price remained above the maximum price of ₹ 279 per share during a substantial part of the buyback period.

Consequent upon the buyback, the paid up share capital of the Company was reduced from ₹ 1,52,32,20,840 comprising of 15,23,22,084 Equity Shares of ₹ 10 each to ₹ 1,50,77,70,650 comprising of 15,07,77,065 Equity Shares of ₹ 10 each.

MANAGEMENT DISCUSSION AND ANALYSIS

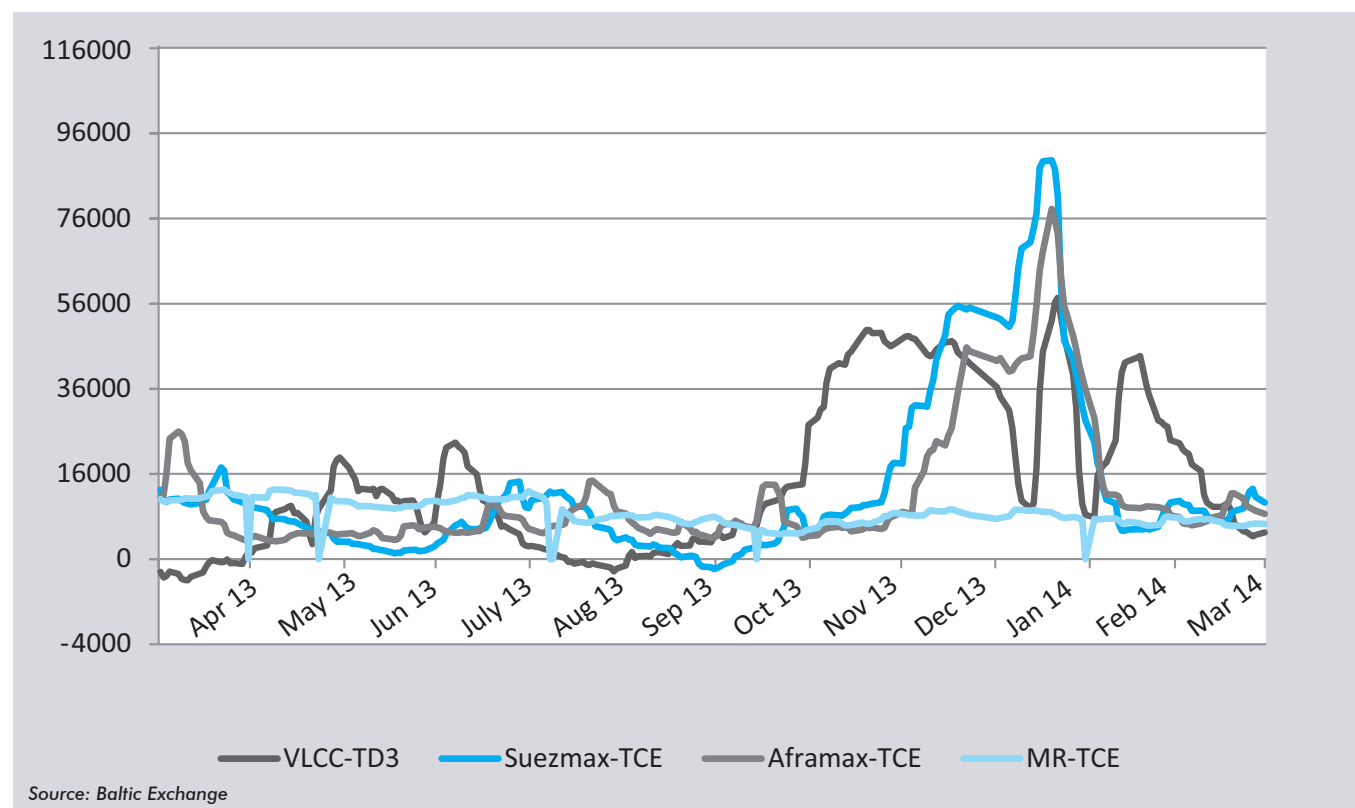
COMPANY PERFORMANCE

In FY 13-14, the Company recorded a total income of ₹ 1780.25 crores (Previous year Rs. 2033.79 crores) and earned a PBITD of ₹ 780.84 crores (previous year ₹ 729.71 crores).

TANKER BUSINESS

MARKET TREND AND ANALYSIS

Tanker average time charter equivalent earnings over the year (\$ per day)



The Crude tanker market began the year with falling freight rates and weak sentiment. Declining US oil imports, lack of demand growth from developed markets, slowing demand growth from the emerging nations were seen as insurmountable hurdles for a market recovery. However, the market underwent a turnaround during Q3 FY14 and rates soared mainly on the back of stronger Chinese oil imports, slowing fleet growth, longer-haul trades for Atlantic barrels, and weather related delays primarily in the Atlantic.

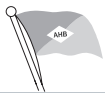
The Product tanker market continued its steady run during the first 9 months of FY14, outperforming the crude market on a relative as well as on an absolute basis. The first nine months of FY14 were well supported by increased refined product exports out of US Gulf and a subdued fleet supply growth. However, in Q4FY14, reduced volatility in underlying commodity prices, refinery turnarounds, and a cold US winter, kept the rates subdued at the end of the year.

At the end of the FY14, the world tanker fleet increased by 1.15% to 485.31 mn dwt as against 479.76 mn dwt at the end of FY13.

COMPANY PERFORMANCE

The tanker business accounted for around 77% of the Company's operating revenues and 74% of the operating profits.

In FY14, around 38% of the tanker earnings were derived from the period market. Crude tankers, inclusive of 'spot' and 'period', earned an average TCY of \$16,700/day (previous year \$17,700/day). Product carriers, inclusive of 'spot' and 'period', earned an average TCY of \$14,900/day (previous year \$15,000/day).



TANKER FLEET CHANGES

As of 31st March 2014, the tanker fleet of your Company stood at 22 tankers aggregating 1.79 mn dwt, with an average age of 10.52 years as against 23 tankers aggregating 1.86 mn with an average age of 10.43 years as on 31st March 2013.

During the year, your Company took delivery of:

- MR Tanker 'Jag Prabha' in August 2013.
- MR Tanker 'Jag Pranav' in September 2013.

During the year, your Company sold & delivered the following tankers:

- GP Tanker 'Jag Parwar' in April 2013.
- GP Tanker 'Jag Preeti' in June 2013.
- Aframax Tanker 'Jag Leela' in July 2013.

Subsequent to the year your Company:

- contracted to sell and delivered its 1996 built MR Tanker 'Jag Padma' in Q1FY15.
- contracted to sell its 1990 built VLGC 'Jag Vidhi'. The ship will be delivered to the buyer in Q3/Q4 FY15.
- took delivery of the 1994 built VLGC 'Jag Vishnu' in Q2FY15.

OUTLOOK FOR THE TANKER MARKET

Crude appetite is expected to remain strong in non – OECD countries. It has also been forecasted that developed economies would also have marginal growth in crude demand which is a more optimistic picture as compared to the last year. Oil demand is expected to grow by 1.2% y-o-y to 91.8 mn bbl per day versus a moderate fleet growth of 1.7%.

Crude sea borne demand is expected to be better than 2013 due to increased longer haul trades. The demand – supply remains well balanced as compared to previous years, where supply growth was greater than sea borne demand. Slowing fleet growth coupled with a positive demand scenario is giving rise to more positive expectations on the crude tanker segment.

On the clean product side, there exists a reasonably good demand scenario, however, there is concern over the substantial order book, wherein majority of new builds are being delivered in FY 2015 and FY 2016.

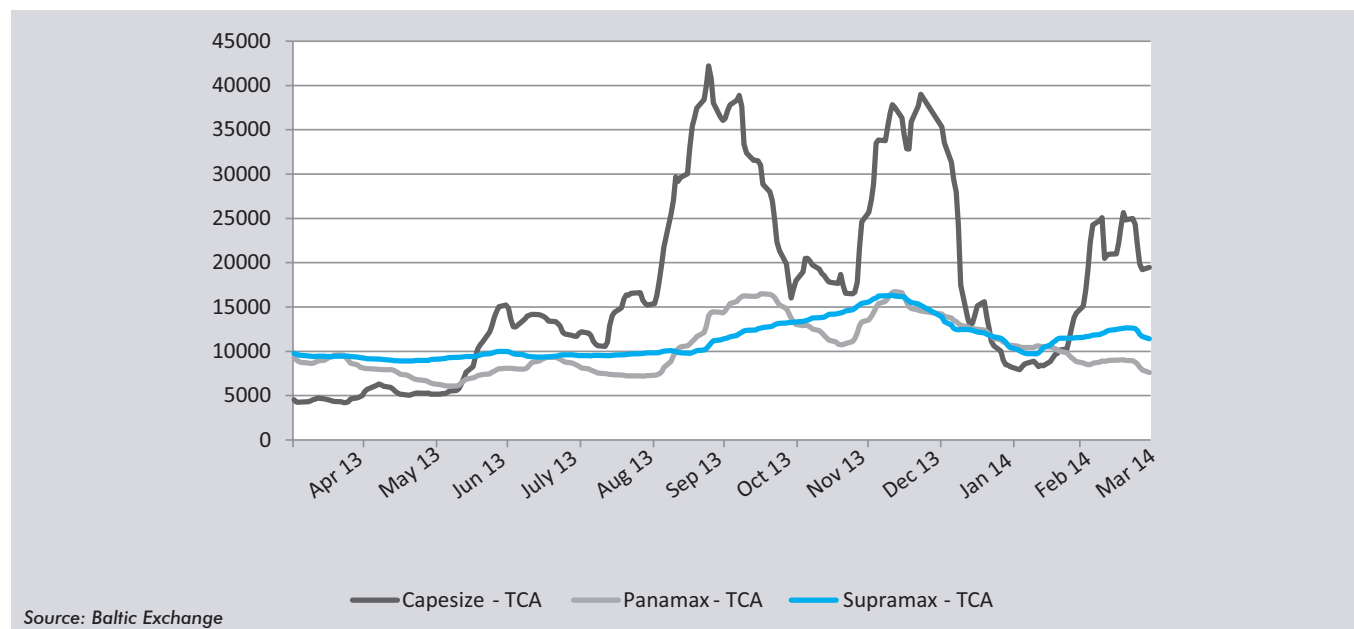
Therefore, it is expected that crude markets will fare better as compared to FY 2014 while the products earnings will be under pressure in FY 2015.

The global tanker orderbook stands at about 62.25 mn dwt or 13.59 % of the fleet at the end of March 2014.

DRY BULK BUSINESS

MARKET TREND AND ANALYSIS

Dry bulk average time charter equivalent earnings over the year (\$ per day)



FY14 was a year of relief for the dry bulk owner as the freight levels steadily climbed from Q1 to Q3FY14. The positive sentiment on the Capesizes was on the back of growing Chinese iron ore imports. China was at the forefront of the recovery of rates as it accounted in excess of 80% share of global dry bulk demand growth during the financial year. Substantial recovery in global grain trade in the latter part of the year supported rates in the Panamax and Supramax categories. Indian coal imports were also higher by 20% during the year. The freight market however gave away most of its gains by the end of the year due to slower Chinese activity around its new year holidays, tonnage build up in the Atlantic and a disappointing South American grain season.

At the end of the FY14, the world dry bulk fleet increased by 7.1% to 740.46 mn dwt as against 691.16 mn dwt at the end of FY13.

COMPANY PERFORMANCE

The dry bulk fleet contributed around 23% of the Company's operating revenues and 26% of the operating profits.

In FY14, around 29% of the bulk carrier earnings were derived from the period market.

In FY14, the average TCY for dry bulk vessels, inclusive of 'spot' and 'period', was approximately \$ 12,100/day as compared to \$9,800/day in the previous year.

DRY BULK FLEET CHANGES

As of 31st March 2014, the dry bulk fleet of your Company stood at 8 vessels aggregating 0.62 mn dwt, with an average age of 8.5 years as compared to 9 vessels aggregating 0.67 mn dwt with an average age of 7.8 years on 31st March 2013.

During the year, your Company sold & delivered:

- Handymax bulk carrier 'Jag Ravi' in June 13.

During the year, your Company placed orders for 2 Kamsarmax Bulk carriers at Tsuneishi Shipbuilding Co. Ltd. The vessels are expected to join the fleet during H1 FY16.

Your Company also placed orders for 3 Kamsarmax Bulk carriers at Jiangsu New Yangzi Shipbuilding Co. Ltd. The vessels are expected to join the fleet during H1 FY17.

OUTLOOK FOR THE DRY BULK MARKET

Concerns on slowing Chinese demand for some dry bulk commodities, coupled with growing fleet supply, resulted in freight markets remaining weak in Q1FY15.

However, the Company expects Chinese import demand for dry bulk to recover once the current imbalances in commodities pricing are corrected favoring Chinese imports over domestic sourcing of raw materials.

On the tonnage supply side, new building deliveries are expected to slow down as we enter into H2 FY14. These will together help improve freight levels as we progress into FY15. Overall, we expect FY15 averages to be around FY 14 levels.

The global bulk carrier orderbook stands at about 158.52 mn dwt or 21.4% of the fleet at the end of March 2014.

ASSET VALUES

During FY14 second-hand values for modern crude tankers witnessed a rise of about 15-20% while product tanker values rose about 20%. Second-hand values of modern dry bulk carriers rose by about 25-30% during the same period. New building prices were up by about 15-20% for crude tankers while those of product tankers had firmed up by about 10% during the financial year. New building prices for dry bulk carriers witnessed a rise of about 10-15% for the same period.

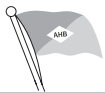
RISKS AND CONCERNS

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

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

Your Company has attempted to hedge some of this risk by entering into time charters for part of its fleet.

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



OPEC action: If the OPEC decides to cut output, it could negatively impact the demand for tankers.

European financial crisis: The on-going European financial crisis can further depress the already subdued demand especially for dry bulk in the Euro zone.

Chinese economy: As we have seen in the recent past China has been the main driving factor of the shipping demand, in case there is a major downward shift in the Chinese economy, it could have negative impact on shipping.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements have been prepared by your Company in accordance with Generally Accepted Accounting Principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable. The audited Consolidated Financial Statements together with Auditors' Report thereon form part of the Annual Report.

The group recorded a consolidated net profit of ₹ 573.95 crores for the year under review as compared to ₹ 537.76 crores for the previous year. The net worth of the group as on March 31, 2014 was ₹ 6772.85 crores as compared to ₹ 6341.76 crores for the previous year.

SUBSIDIARIES

Greatship (India) Limited

Greatship (India) Limited (GIL), 100% wholly owned subsidiary (WOS) of your Company and one of India's largest offshore oilfield services providers, had another rewarding year. GIL recorded a profit after tax of ₹ 228.23 crores on a standalone basis and ₹ 463.78 crores on a consolidated basis for the year ended March 31, 2014 as compared to ₹ 166.33 crores and ₹ 430.72 crores, respectively, for the year ended March 31, 2013. The consolidated net worth of GIL for financial year 2014 was ₹ 3472.32 crores as compared to ₹ 2889.63 crores for financial year 2013.

Subsequent to the year end, GIL redeemed 1.45 crores Preference Shares with the dividend rate of 7.5% p.a. held by your Company.

As on date, the total share capital held by your Company in GIL comprises of 11.13 crores equity shares of ₹ 10 each totalling in value to ₹ 1305.14 crores and 11.96 crores preference shares of ₹ 10 each totalling in value to ₹ 358.87 crores.

GIL, alongwith its subsidiaries, currently owns and operates twenty one vessels and three jack up drilling rigs and has one 350' Jack Up Rig under construction. The operating fleet of twenty one vessels comprises of four Platform Supply Vessels (PSVs), nine Anchor Handling Tug cum Supply Vessels (AHTSVs), two Multipurpose Platform Supply & Support Vessels (MPSSVs) and six ROV (Remotely Operated Vehicle) Support Vessels (ROVSVs).

GIL has the following wholly owned subsidiaries:

- a) Greatship Global Energy Services Pte. Ltd., Singapore
- b) Greatship Global Offshore Services Pte. Ltd., Singapore (GGOS)
- c) Greatship Global Holdings Ltd., Mauritius
- d) Greatship (UK) Limited, United Kingdom
- e) GGOS Labuan Ltd., Malaysia (Incorporated as WOS of GGOS on 25.06.2014)

During the year under review, GIL's wholly owned subsidiary in Australia - Greatship Subsea Solutions Australia Pty. Limited has been voluntarily de-registered with effect from June 30, 2013. GIL's two wholly owned subsidiaries in Singapore - Greatship Subsea Solutions Singapore Pte. Ltd. and Greatship Global Offshore Management Services Pte. Ltd. have amalgamated with their parent company - Greatship Global Offshore Services Pte. Ltd. (w.e.f December 31, 2013).

Other Subsidiaries

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

- a) The Great Eastern Shipping Co. London Ltd.
- b) The Greatship (Singapore) Pte. Ltd.
- c) The Great Eastern Chartering LLC (FZC)
- d) The Great Eastern Chartering (Singapore) Pte. Ltd.

Subsidiaries' Accounts

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, 2014. 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, 2014 is included in the Annual Report.

The annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the Company at any point of time. The annual accounts of the subsidiary companies have been kept for inspection by any shareholder at the registered office of the Company and of the subsidiary companies concerned. The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

DEBT FUND RAISING

During the year, the Company did not raise any funds by way of debt. As on March 31, 2014, the Company's gross debt equity ratio was 0.69:1 and net (of cash) debt : equity ratio was 0.10:1.

QUALITY, SAFETY, HEALTH & ENVIRONMENT

Enhancement of Energy Efficiency of Ships

Your Company has undertaken the following initiatives to enhance energy efficiency of the ships. This effort would reduce the fuel burnt to carry a specific cargo for a specific distance which in turn reduces exhaust gas emission by the ships into the environment:

1. Reducing hull friction through application of ultra-smooth high grade Self Polishing Copolymer (SPC) antifouling paint on ships' hull.
2. Wake equalizing duct "Mewis Duct" has been fitted on Jag Lata, Jag Lalit and Jag Aabha during their dry docking. These ducts increase the ship's speed and hence the power requirement of the ship's propulsion. Based on experience, a reduction of about 5% in fuel consumption for the vessel's propulsion has been observed.
3. Fitting of highly efficient "tipped" propeller on ships to reduce power consumption.

Qualship 21 Program of United States Coast Guard

The United States Coast Guard (USCG) has a system for identifying superior quality ships and to provide incentives to encourage quality operations. They also feel that such quality vessels should be recognized and rewarded for their commitment to safety and quality. This initiative is called Qualship 21 (Quality Ships for the 21st Century).

A ship has to fulfill certain eligibility criteria to qualify i.e. superior Port State Control performance of the vessel, operating company, Flag State and Classification Society etc in US waters. USCG rewards Qualship 21 vessels by waiving annual inspection of non-tank vessels and reduced stringency during annual inspection of tank vessels.

We are proud to state that the USCG has now included the Company and five ships which visited USA in 2013 under their Qualship 21 program.

Training

The effort to increase knowledge of sea farers at all levels is an ongoing process in the Company. The continuous training both mandatory and non-mandatory enhances the level of safety and awareness on board the vessels and in turn reduces lost time due to incidents, injuries and accidents. The Company has decided to provide "on line" training to the ship's staff and also conduct competency assessment at all levels based on a Learning Management System. This system would enable the sea-farer to access various modules on the Learning Management System even while on leave and enhance their knowledge. The platform would also be available on the vessels.

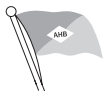
Maritime Labour Convention

The Company has completed certification of all vessels in the fleet to this convention which is adopted by the ILO, which establishes minimum requirements for all aspects of working and living conditions aboard the ship.

GREAT EASTERN INSTITUTE OF MARITIME STUDIES (GEIMS)

During the 8th year of your Company's training Institute in Lonavala, following training facilities along with infrastructure were added in order to enhance the quality of training being imparted:

- Further to the first phase of Transas TECHSIM 5000 Engine Simulator - 5 more student stations (Computer Monitors) has been added for enhancement of training facilities for Cadets.



- Upgradation of Workshop & Shipboard Pollution Prevention Laboratory Equipments for Oily Water Separator (OWS). Equipments like Pressure Vacuum Calibrator, temperature Calibrator with accessories, Autoklean filter with various components have been overhauled and installed with latest electronic/ automatic monitors.
- Safety Equipments and High Voltage Circuit Breaker for Electrical High Voltage (6.6 KV) training has been procured and set up in the Electrical H.V. Laboratory.
- Fire detection & Alarm Systems has been installed at prime locations.

During the year 2 batches of TNOCs with a total of 113 cadets, 3 batches of GMEs with a total of 119 Cadets & 2 batches of ETOs with a total of 79 cadets were trained. The total number of cadets trained so far is 2271.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has instituted internal control systems which are adequate for the nature of its business and the size of its operations. In the beginning of the year, the scope of the audit exercise and the key business processes and selected risk areas to be audited are decided in consultation with the Audit Committee. The Internal Audit is carried out by a firm of external Chartered Accountants and covers all departments. All significant audit observations and follow up actions thereon are reported to the Audit Committee.

IT INITIATIVES

With an objective of making your Company more technology driven and efficient, your Company has continuously striven to introduce new technology, and also to enhance existing technology.

Some highlights of the major initiatives completed in this financial year are:

Connectivity between shore & ship

Direct phone connectivity from the desk to the ship over internet has been implemented in 14 of your Company's vessels. The process of implementing the solution on the remaining ships is in progress. This connectivity is done using latest technology called SIP trunking between two heterogeneous protocols. Besides making it easy to call ships and therefore improving the quality of interaction with the working assets, this will also save significantly on communication costs.

Mobile Apps

In the age of mobile connectivity, your Company is also progressing with pace by implementing quite a few mobile applications for senior and middle management, in order to making operational and MIS data available anywhere at any time. It is intended to develop many more of these in the next financial year.

Data Center Movement

As part of the risk reduction approach, the Company has successfully moved the production (LIVE) data center from Ocean House to a third party professional data centre.

HUMAN RESOURCES

As the business environment in which the organization operate has become more competitive and demanding, the need for a structured approach to developing talent has increased markedly. With this in mind, the Company has initiated a series of measures aimed at improving employee alignment and development summarized below:

- The heads of functions presented the key focus areas for their teams at the beginning of the year. Upon approval, these were converted as goals for individual team members to be achieved during the year.
- Talent genome – a 360 degree feedback targeted at middle and senior management was carried out during the year to identify strengths and improvement areas of critical talent.
- Based on the inputs from talent genome and performance history of key employees a talent review was held by the senior management team to plan medium to long term career deployment options.
- To aid learning and development of floating and shore staff employees, the Company is currently implementing an e-learning project. Modules which are both domain specific and soft skills will be offered on an e-learning platform to the respective audience. This initiative will enable virtual learning and resolve logistical and monitoring challenges in the final delivery of training modules.
- As in the past, training continued to be a key focus area. We held leadership conclaves and training sessions on topics like maritime insurance, interviewing skills and several expert sessions on career development, conflict resolution etc. during the year.
- Four year wage settlement with the staff union was signed in September, 2013.

Employee attrition for shore staff was 6% during the year. Number of shore employees was 190 while floating staff stood at 425.

DIRECTORS

Mr. K. M. Sheth, Whole-time Director and Executive Chairman of the Board of Directors, has decided to reduce his day to day commitments and, therefore, expressed a desire to relinquish the office of the Whole-time Director. He accordingly ceases to be the Whole-time Director of the Company with effect from September 01, 2014. Mr. K. M. Sheth has been associated with the Company since 1952 in various capacities as Managing Director, Deputy Chairman and Executive Chairman and has greatly contributed to the growth and progress of the Company for more than 6 decades.

Mr. K. M. Sheth will continue to be the Non-Executive Chairman on the Board of Directors of the Company.

Mr. K. M. Sheth has offered to be treated as Director liable to retire by rotation pursuant to Section 152 of the Companies Act, 2013. Accordingly, Mr. K. M. Sheth shall retire at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Board of Directors has further decided to appoint Mr. Tapas Icot and Mr G. Shivakumar as Whole-time Directors to be designated as 'Executive Directors' of the Company. Mr. Tapas Icot has been associated with the Company since 1991 and is currently President (Shipping) of the Company. Mr. G. Shivakumar has been associated with the Company since 1990 and is currently Chief Financial Officer of the Group.

Whilst Mr. Tapas Icot's appointment as an 'Additional Director' and 'Executive Director' is effective from August 12, 2014, keeping in view of the legal provisions relating to the proportion of Independent Directors and Non Independent Directors, appointment of Mr. G. Shivakumar will be held till the Company inducts one more Independent Director on the Board.

Mr. Tapas Icot, being an Additional Director, ceases to be a Director on the date of the 66th Annual General Meeting. Notice under section 160 of the Companies Act, 2013 has been received in respect of his appointment as Director on the Board. Appointment of Mr. Tapas Icot as an 'Executive Director' also requires your approval at the 66th Annual General Meeting.

In view of the provisions of Section 149 of the Companies Act, 2013, all the Independent Directors, namely, Mr. Cyrus Guzder, Mr. Keki Mistry, Mr. Vineet Nayyar, Mr. Berjis Desai and Dr. Rajiv B. Lall, are proposed to be appointed at the ensuing Annual General Meeting upto a term of 5 years. Notices under section 160 of the Companies Act, 2013 have been received in respect of their appointment as Independent Directors on the Board.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

Necessary resolutions for the re-appointment of Mr. K. M. Sheth, Mr. Tapas Icot and all the Independent Directors as aforesaid have been included in the Notice convening the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

Your Company was Corporate Governance compliant much before SEBI stipulated deadline in the year 2005. Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement, relating to Corporate Governance. A separate section on Corporate Governance forms part of the Directors' Report and the certificate from practicing Company Secretary confirming the compliance of conditions on Corporate Governance is included in the Annual Report. Your Company has also complied with the 'Corporate Governance -Voluntary Guidelines 2009' issued by the Ministry of Corporate Affairs, to the extent disclosed in the Annual Report.

RISK MANAGEMENT PROCESS

In accordance with requirements of Clause 49 of the Listing Agreement, your Company has established a Risk Management mechanism to manage significant risks faced by your Company. The programme is built upon the foundation of the risk management process and practices followed by the Company over a period of time. The mechanism has been strengthened from time to time with a view to manage risks in a more structured way as an integral part of decision making process.

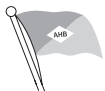
The Risk Management framework and reporting regime enables the Company to assess and demonstrate whether its significant risks are properly identified and controlled, and to potentially eliminate unnecessary control related overheads. The Risk Management framework involves risk identification, assessment, treatment / action plan, review and reporting as a continuous process.

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

DIRECTORS RESPONSIBILITY STATEMENT

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

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



- ii. they have, selected the accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis.

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

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

₹ in crores

(a) Foreign Exchange earned on account of freight, charter hire earnings, etc.	971.75
(b) Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of ships (net of loan), interest payment, etc.	1780.82

PARTICULARS OF EMPLOYEES

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

AUDITORS

Messrs Kalyaniwalla & Mistry, the Auditors of your Company, who hold office until the conclusion of the forthcoming Annual General Meeting being eligible, offer themselves for re-appointment. Since Messrs Kalyaniwalla & Mistry has been functioning as Auditors of your Company for more than 10 years, as per Section 139 of the Companies Act, 2013, they can be appointed for maximum number of 3 years.

Necessary resolution for their re-appointment has been included in the Notice convening the ensuing Annual General Meeting.

APPRECIATION

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

For and on behalf of the
Board of Directors

K.M. Sheth
Executive Chairman

Mumbai, August 12, 2014

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The current policy is to have an appropriate mix of Executive and Independent Directors to maintain the independence of the Board of Directors (hereinafter referred to as 'Board') and to separate the Board functions of governance and management. The Board has an optimum combination of Executive and Non-Executive Directors and comprises of 9 Directors as on March 31, 2014 of which 6 are Non-Executive Directors. As the Company has an Executive Chairman, as per the requirements of Clause 49 of the Listing Agreement, 50% of the Board should comprise of Independent Directors. Accordingly the Company has 5 Independent Directors. The composition of the Board, Number of Directorships, Memberships/Chairmanships in public companies and details of shares of the Company held by the Non-Executive Directors as on March 31, 2014 are as follows:

NAME OF THE DIRECTOR	NO. OF OTHER DIRECTORSHIPS [#]	OTHER COMMITTEE MEMBERSHIP [@]	CHAIRPERSON OF OTHER COMMITTEES [@]	SHARES OF THE COMPANY HELD BY THE NON EXECUTIVE DIRECTORS
<i>Executive Directors (Promoters)</i>				
Mr. K. M. Sheth (DIN: 00022079)	-	-	-	-
Mr. Bharat K. Sheth (DIN: 00022102)	1	-	-	-
Mr. Ravi K. Sheth (DIN: 00022121)	1	1	-	-
<i>Executive Director</i>				
Mr. Tapas Icot* (DIN: 00905882)	-	-	-	-
<i>Non Executive Director (Promoter Group)</i>				
Ms. Asha V. Sheth (DIN: 00040381)	-	-	-	21,24,081
<i>Independent Directors</i>				
Mr. Cyrus Guzder (DIN: 00080358)	2	1	1	986
Mr. Keki Mistry (DIN: 00008886)	13	9	3	640
Mr. Vineet Nayyar (DIN: 00018243)	6	1	-	23,005
Mr. Berjis Desai (DIN: 00153675)	7	5	1	800
Dr. Rajiv B. Lall (DIN: 00131782)	8	4	2	500

* Appointed as Additional Director and Executive Director with effect from August 12, 2014.

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

[@] Includes memberships of Audit and Shareholders' Grievance Committee of other companies. Membership includes Chairmanship of Committees.



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

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

Code of Conduct

All personnel to whom the Code of Conduct is applicable have affirmed compliance with the Code of Conduct for the financial year ended March 31, 2014. A declaration to this effect, duly signed by the Deputy Chairman & Managing Director, is annexed hereto.

Board Meetings

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

During the year ended March 31, 2014, six Board Meetings were held on April 9, 2013, May 06, 2013, August 8, 2013, November 08-10, 2013, February 6, 2014 and March 14, 2014. The attendance of Directors at the Board Meetings held during the year 2013-14 is as follows:

NAME OF THE DIRECTOR	NO. OF MEETINGS ATTENDED
Mr. K. M. Sheth	6
Mr. Bharat K. Sheth	6
Mr. Ravi. K. Sheth	5
Ms. Asha V. Sheth	3
Mr. Cyrus Guzder	5
Mr. Keki Mistry	6
Mr. Vineet Nayyar	4
Mr. Berjis Desai	5
Dr. Rajiv B. Lall	3

3. COMMITTEES

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

A) AUDIT COMMITTEE

The management is primarily responsible for internal controls and financial reporting process. The Board of Directors have entrusted the Audit Committee to supervise these processes and thus ensure accurate and timely disclosures that maintain transparency, integrity and quality of financial controls and reporting. In line with the provisions of the Companies Act, 2013 and the proposed new clause 49 of the listing agreement with the stock exchanges the Committee was reconstituted on April 21, 2014 with revised terms of reference.

Terms of Reference

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices and reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management

- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- 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;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- 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;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
- To review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), 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
 - The financial statements, in particular, the investments made by the unlisted subsidiary company
 - Examination of financial statements and the auditor's report thereon
 - Carrying out any other function as may be required by the Board of Directors of the Company from time to time or under any law for the time being in force.

Composition of Audit Committee

The Committee comprises of 3 Independent Directors, namely, Mr. Keki Mistry (Chairman), Mr. Cyrus Guzder and Mr. Berjis Desai. During the year, the Committee met six times on May 06, 2013, July 4, 2013, August 08, 2013, November 08, 2013, January 24, 2014 and February 06, 2014. Details of attendance of the members at the Committee meetings held during the year 2013-14 is as follows:

	MR. KEKI MISTRY (CHAIRMAN)	MR. CYRUS GUZDER	MR. BERJIS DESAI
Number of meetings attended	6	6	6

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

**B) NOMINATION & REMUNERATION COMMITTEE**

In line with the provisions of the Companies Act, 2013 and the proposed new clause 49 of the listing agreement with the stock exchanges the Committee was reconstituted on April 21, 2014 with revised terms of reference.

Terms of Reference

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
2. Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
3. Formulation of criteria for evaluation of Independent Directors and the Board;
4. Devising a policy on Board diversity;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. Carry out evaluation of every Director's performance;
7. Approval of payment of remuneration to Managing or Wholtime Directors including pension rights;
8. Decide and settle remuneration related matters and issues within the framework of the provisions and enactments governing the same.
9. Carrying out any other function as may be required by the Board of Directors of the Company from time to time or under any law for the time being in force.

Composition of Nomination & Remuneration Committee

The Committee comprises of 3 Independent Directors, namely, Mr. Cyrus Guzder (Chairman), Mr. Berjis Desai and Mr. Keki Mistry. The Committee met once on May 06, 2013. Details of attendance of members at the Committee meeting held during the year 2013-14 is as follows:

	MR. CYRUS GUZDER (CHAIRMAN)	MR. BERJIS DESAI	MR. KEKI MISTRY
Number of meetings attended	1	1	1

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

Remuneration Policy

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

Details of Remuneration paid/to be paid to all Directors for FY 2013-14

NAME OF DIRECTOR	(Amount in ₹)		
	SALARY*	BENEFITS	COMMISSION
Mr. K. M. Sheth	2,51,99,988	19,42,340	1,08,00,000
Mr. Bharat K. Sheth	2,70,00,000	32,86,179	3,33,00,000
Mr. Ravi K. Sheth **	-	-	-
Mr. Cyrus Guzder	-	-	9,70,000
Mr. Keki Mistry	-	-	10,45,000
Mr. Vineet Nayyar	-	-	7,20,000
Ms. Asha V. Sheth	-	-	7,45,000
Mr. Berjis Desai	-	-	8,45,000
Dr. Rajiv B. Lall	-	-	7,20,000
Total	5,21,99,988	52,28,519	4,91,45,000

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

** Considering the time and efforts spent by Mr. Ravi K. Sheth for the business of Greatship (India) Limited (GIL) and its subsidiaries, entire remuneration to Mr. Ravi K. Sheth is paid by GIL.

- Commission to the Executive Directors is paid as determined by the Remuneration Committee based on certain performance parameters and profitability of the Company and is within the overall limit fixed by the members.
- Commission to the Non-Executive Directors is determined after taking into account profitability of the Company, the valuable guidance of the Directors for the various business initiatives and decisions at the Board level, membership/ chairmanship of various committees.
- Presently, the Company does not have a scheme for grant of stock options.
- The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of commission and dividend on equity shares held by them.
- The Remuneration Committee has formulated a Retirement Benefit Scheme for the Wholetime Directors. The Board approved Scheme has been made effective from January 01, 2005. The Scheme provides for provision of pension, medical reimbursements and other benefits to the retiring Wholetime Directors. On the basis of an actuarial valuation, an amount of ₹ 0.28 crores (₹ 0.73 crores was provided during the previous year) has been reversed during the year for pension payable to Wholetime Directors on their retirement.

C) STAKEHOLDERS RELATIONSHIP COMMITTEE

In line with the provisions of the Companies Act, 2013 and the proposed new clause 49 of the listing agreement with the stock exchanges the Committee was reconstituted on April 21, 2014 with revised terms of reference. The Stakeholders Relationship Committee oversees redressal of shareholders' and investors' grievances.

Terms of Reference

- Consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- Carrying out any other function as may be required by the Board of Directors of the Company from time to time or under any law for the time being in force.

Composition of the Committee

As on date the Committee comprises of 2 Non-Executive Directors and 1 Executive Director namely Mr. Cyrus Guzder (Chairman), Ms. Asha V. Sheth and Mr. Bharat K. Sheth. The Committee met twice on May 06, 2013 and November 08, 2013. The details of attendance of the members at the Committee meetings held during the year 2013-14 is as follows:

	MR. CYRUS GUZDER (CHAIRMAN)	MS. ASHA V. SHETH	MR. BHARAT K. SHETH
Number of meetings attended	2	1	2

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

During the year under review, 17 complaints were received from investors which were replied / resolved to the satisfaction of the investors. 10 request for transfer involving 1538 shares and 09 requests for dematerialisation involving 1511 shares were pending for approval as on March 31, 2014. These pending requests were duly approved and dealt with by the Company.

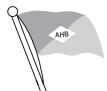
4. RISK MANAGEMENT

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

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

5. GENERAL MEETINGS

Next Annual General Meeting and date of Book Closure	
Date	September 25, 2014
Time	03.00 p.m.
Venue	Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine lines, Mumbai 400 020
Dividend Payment Date	September 26, 2014
Date of Book closure	September 19, 2014 to September 25, 2014 (both days inclusive)



The Company shall provide to its members facility to exercise their right to vote at the ensuing Annual General Meeting by electronic means. Procedure for the same is set out in the Notice of Annual General Meeting.

None of the items to be transacted at the ensuing Annual General Meeting are required to be transacted only by means of voting through Postal Ballot.

General Body Meetings held during previous three financial years

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

MEETING	TIME	LOCATION	SPECIAL RESOLUTIONS PASSED
63 rd Annual General Meeting	August 05, 2011 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020	<input type="checkbox"/> None
64 th Annual General Meeting	August 09, 2012 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020	<input type="checkbox"/> Consent to Ms. Nirja Sheth, relative of a Director of the Company, to hold and continue to hold an office or place of profit in Greatship (India) Limited, a subsidiary of the Company.
65 th Annual General Meeting	August 08, 2013 at 3.00 p.m.	Rama Watumal Auditorium, K. C. College, Churchgate, Mumbai – 400 020	<input type="checkbox"/> None

All resolutions moved at the last Annual General Meeting held on August 08, 2013 were passed by a show of hands by members attending the meeting.

All the Directors of the Company other than Mr. Keki Mistry, Dr. Rajiv B. Lall and Mr. Vineet Nayyar attended the last Annual General Meeting held on August 08, 2013.

Details of resolutions passed through postal ballot in the last year and voting pattern are as follows:

1. Increase in the Foreign Institutional Investors (FIIs) investment limit upto 33% of the paid up equity share capital of the Company.

Resolution: Special Resolution

PROMOTER/PUBLIC	NO. OF SHARES HELD	NO. OF VOTES POLLED	% OF VOTES POLLED	NO. OF VOTES IN FAVOUR	NO. OF VOTES AGAINST	% OF VOTES IN FAVOUR	% OF VOTES AGAINST
Promoter and Promoter group	4,54,80,421	3,72,31,434	81.86	3,72,31,434	0	100	0
Public Institutional holders	6,98,79,730	3,58,58,100	51.31	3,58,58,100	0	100	0
Public-Others	3,54,63,585	25,69,860	7.24	25,48,179	21,681	99.16	0.84
Total	15,08,23,736	7,56,59,394	50.16	7,56,37,713	21,681	99.97	0.03

2. Revision in the remuneration of Ms. Ketaki Sheth, holding an office or place of profit in the Company

Resolution: Special Resolution

PROMOTER/PUBLIC	NO. OF SHARES HELD	NO. OF VOTES POLLED	% OF VOTES POLLED	NO. OF VOTES IN FAVOUR	NO. OF VOTES AGAINST	% OF VOTES IN FAVOUR	% OF VOTES AGAINST
Promoter and Promoter group	4,54,80,421	3,72,31,434	81.86	3,72,31,434	0	100	0
Public Institutional holders	6,98,79,730	3,57,02,482	51.09	3,57,02,482	0	100	0
Public-Others	3,54,63,585	25,38,425	7.16	24,17,842	1,20,583	95.25	4.75
Total	15,08,23,736	7,54,72,341	50.04	7,53,51,758	1,20,583	99.84	0.16

The Postal Ballot process was conducted by Ms. Dipti Mehta, Practising Company Secretary, as Scrutinizer.

6. DISCLOSURES

- a) There were no transactions of material nature with its Promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. However, the Company has annexed to the accounts a list of related parties as per Accounting Standard 18 and the transactions entered into with them.
- b) There were no instances of non-compliances nor have any penalties, strictures been imposed by Stock Exchanges or SEBI or any statutory authority during the last 3 years on any matter related to capital markets.
- c) The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that could result in a conflict with the interest of the Company at large.
- d) The Deputy Chairman & Managing Director and the Chief Financial Officer have issued a certificate to the Board in compliance with Clause 49 (V) of the Listing Agreement for the Financial Year ended March 31, 2014.

7. MEANS OF COMMUNICATION TO SHAREHOLDERS

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

Website of the Company: www.greatship.com

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

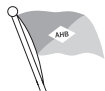
8. SHAREHOLDERS INFORMATION

Financial Calendar

1st Quarterly Result	Second week of August 2014
2nd Quarterly Result	Second week of November 2014
3rd Quarterly Result	First week of February 2015
4th Quarterly Result	April / May 2015

Listing on Stock Exchanges

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



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

Share Transfer System

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

Outstanding GDRs

63,130 GDRs (equivalent to 3,15,651 equity shares) were outstanding as on March 31, 2014.

Outstanding Warrants

No Warrants were outstanding as on March 31, 2014.

Plant Location

The Company has no plants.

Debenture Trustee

IL&FS Trust Company Ltd.
The IL&FS Financial Centre, Plot C- 22, G Block
Bandra Kurla Complex, Bandra(E), Mumbai 400051
Tel : 022 - 26593927
Fax : 022 - 26533297
Web : www.itclindia.com

Address for correspondence

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

9. ADDITIONAL SHAREHOLDERS INFORMATION**Unclaimed Dividends**

Under the Companies Act, 1956, dividends that are unclaimed for a period of seven years are required to be transferred to the Investor Education and Protection Fund administered by the Central Government. An amount of ₹ 44,95,970, ₹ 43,41,992 & ₹ 32,24,601 being unclaimed 52nd (3rd Interim), 53rd (1st Interim) and 53rd (2nd Interim) dividend was transferred on June 14, 2013, December 13, 2013 and March 18, 2014 to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956.

The following table gives the dates of dividend declaration or payment since 2006 and the corresponding dates when unclaimed dividend are due to be transferred to the Investor Education and Protection Fund.

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

YEAR	DIVIDEND NO.	TYPE	DATE OF DECLARATION	DUE DATE OF TRANSFER TO IEPF
2007	53	Final	26.07.2007	25.08.2014
2008	54 (I)	1st Interim	19.10.2007	18.11.2014
2008	54 (I)	2nd Interim	29.01.2008	28.02.2015
2008	54 (I)	3rd Interim	02.05.2008	01.06.2015
2009	55 (I)	1st Interim	24.10.2008	23.11.2015
2009	55 (I)	2nd Interim	30.01.2009	01.03.2016
2009	55 (I)	3rd Interim	08.05.2009	07.06.2016
2009	56	Final	29.07.2010	28.08.2017
2010	57 (I)	1st Interim	29.10.2010	28.11.2017
2011	57	Final	05.08.2011	04.09.2018
2011	58	Interim	10.02.2012	11.03.2019
2011	58	Final	09.08.2012	08.09.2019
2012	59 (I)	1st Interim	07.02.2013	08.03.2020
2012	59	Final	08.08.2013	09.09.2020
2013	60	Interim	06.02.2014	07.03.2021

The following table gives the details of unclaimed dividend amount since 2007.

UNCLAIMED DIVIDEND AS ON 31ST MARCH 2014

YEAR	DIV. NO	TYPE	NO OF WARRANTS ISSUED	NO OF WARRANTS UNCLAIMED	% UNCLAIMED	AMOUNT OF DIVIDEND (₹ LAKHS)	DIVIDEND UNCLAIMED (₹ LAKHS)	% UNCLAIMED
2007	53	FINAL	100167	8612	8.60	6852	42.78	0.62
2008	54	INTERIM	95754	9022	9.42	6090	41.51	0.68
2008	54	2nd INTERIM	99140	9285	9.37	5329	35.96	0.67
2008	54	3rd INTERIM	98740	8830	8.94	11420	69.57	0.61
2009	55	INTERIM	102383	10350	10.11	3807	29.24	0.77
2009	55	2nd INTERIM	102554	10534	10.27	3807	29.43	0.77
2009	55	3rd INTERIM	102736	10017	9.75	4568	32.88	0.72
2010	56	FINAL	103472	9247	8.94	12183	78.35	0.64
2011	57	INTERIM	100936	10398	10.30	5330	40.94	0.77
2011	57	FINAL	95727	9991	10.44	6853	48.92	0.71
2011	58	INTERIM	93791	11237	11.98	4568	38.25	0.84
2012	58	FINAL	91277	10289	11.27	5330	40.97	0.77
2012	59	INTERIM	88563	11311	12.77	4569	38.23	0.84
2012	59	FINAL	85801	10629	12.39	6854	54.23	0.79
2013	60	INTERIM	81768	14110	17.26	6031	71.11	1.18

Unclaimed Shares

As on March 31, 2014, 3,65,078 shares in physical form belonging to 3,629 shareholders remained unclaimed with the Company. The concerned shareholders are requested to claim their shares by writing to the Company / RTA.

As per the requirements of Listing Agreement, the Company has already transferred all such shares into one folio in the name of "Unclaimed Suspense Account" and dematerialized the same with one of the Depository Participants.



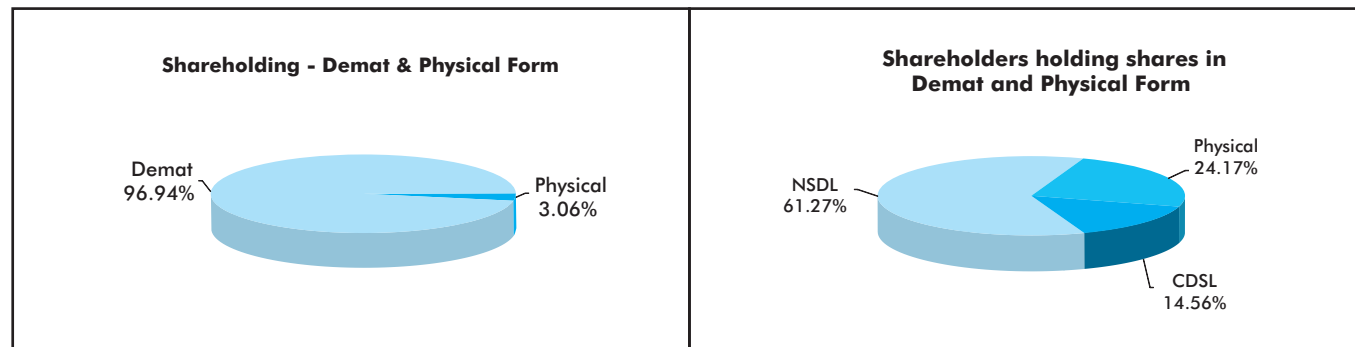
All corporate benefits in terms of securities accruing on such shares viz. bonus shares, split etc. shall be credited to such Unclaimed Suspense Account. The voting rights on such shares shall remain frozen till the rightful owner claims the shares. As and when such owners approach the Company, their shares shall be transferred to them after proper verification.

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

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

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

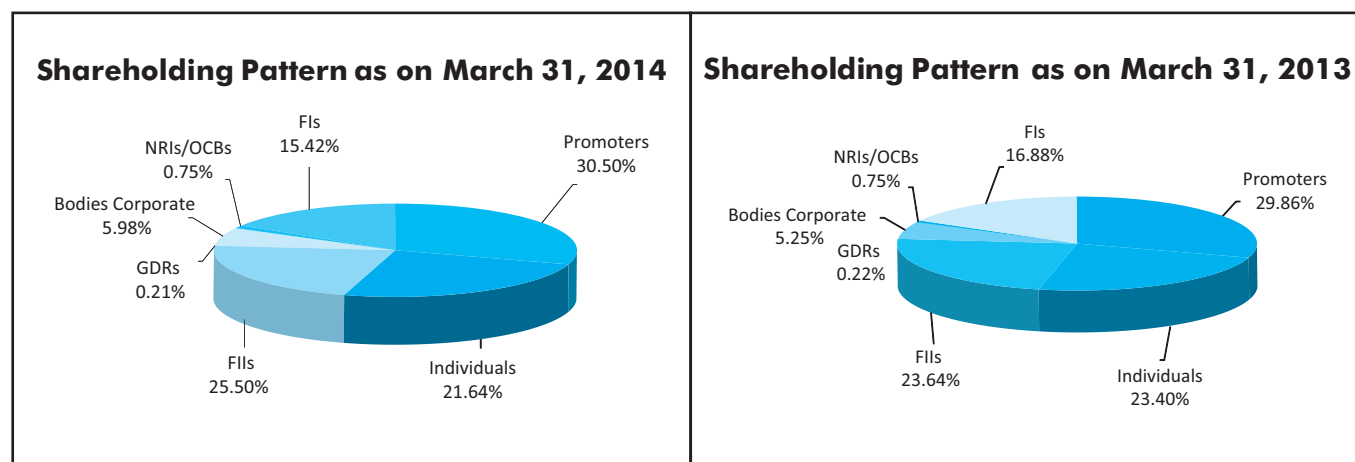
Shares held in Dematerialised Form and Physical Form as on March 31, 2014



Shareholders holding shares in dematerialised form may note that:

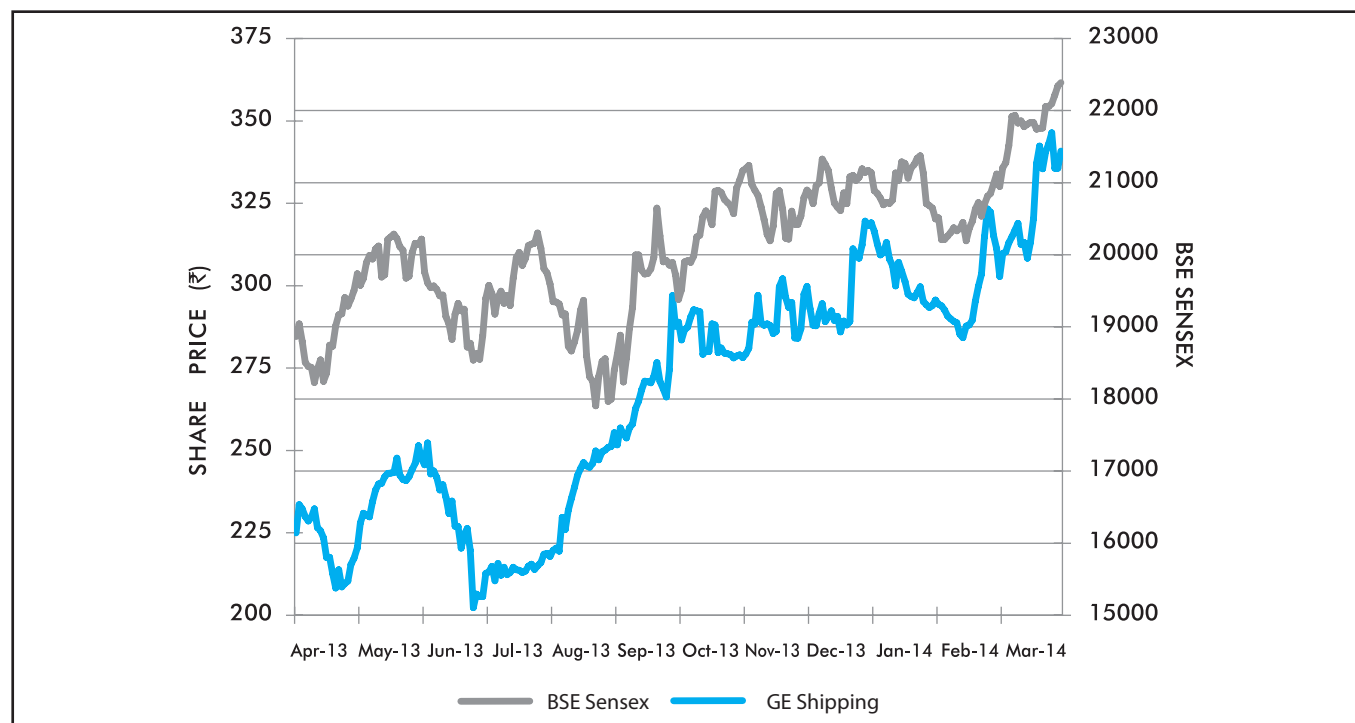
- Instructions regarding bank details which they wish to have incorporated on their dividend warrants must be submitted to their depository participants. As per the regulations of NSDL and CDSL, the Company is obliged to print the bank details on the dividend warrants, as furnished by these depositories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

Shareholding Pattern



Distribution of Holdings as on March 31, 2014

NO. OF SHARES HELD		SHARE HOLDERS		SHARES	
FROM	TO	NUMBER	% TO TOTAL	NUMBER	% TO TOTAL
1	500	65,397	85.834	7,659,800	5.080
501	1000	5,141	6.748	3,731,445	2.475
1001	2000	2,758	3.620	3,925,040	2.603
2001	3000	939	1.232	2,318,499	1.538
3001	4000	505	0.663	1,768,957	1.173
4001	5000	293	0.385	1,334,300	0.885
5001	10000	576	0.756	4,087,652	2.711
10001 AND ABOVE		581	0.763	125,951,372	83.535
TOTAL		76,190	100.00	150,777,065	100.00

Company's Share price compared to BSE Sensex

**Market Price Data - High / Low During Each Month in the Year 2013- 14**

MONTH	MARKET PRICE (₹)		VOLUME
	HIGHEST	LOWEST	SHARES
Apr 13	252.00	204.10	1,37,863
May 13	255.00	215.00	3,02,741
Jun 13	255.00	199.25	97,220
Jul 13	223.50	208.00	1,33,489
Aug 13	257.00	215.00	3,40,020
Sep 13	325.00	251.50	14,99,333
Oct 13	299.00	272.00	4,56,269
Nov 13	314.75	272.00	3,78,175
Dec 13	324.50	285.00	4,31,250
Jan 14	329.20	284.95	3,98,316
Feb 14	325.00	282.70	2,58,726
Mar 14	353.00	301.25	9,53,193

10. STATUS OF COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

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

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

The Company has no specific tenure specified for Independent Directors. The tenure of Mr. Cyrus Guzder, Mr. Keki Mistry and Mr. Vineet Nayyar exceeds period of 9 years.

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

Shareholders' rights to receive financial results

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

Audit qualifications

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

Training of Board members

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

Mechanism for evaluating performance of Non-Executive Board members

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

Whistle Blower Policy

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

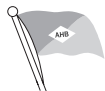
Nonetheless, the Company has established a Whistle Blower Policy with a view to provide a mechanism for employees and Directors to report to the management concerns about unethical behaviour, fraud, etc. The Policy also provides for adequate safeguards against victimization of persons who avail of the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

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

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

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

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



DECLARATION BY THE DEPUTY CHAIRMAN & MANAGING DIRECTOR UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE COMPANY'S CODE OF CONDUCT

In accordance with Clause 49 sub-clause 2 (E) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all Directors and Senior Management personnel of the Company have affirmed compliance with the Code of Conduct laid down by the Company, as applicable to them for the Financial Year ended March 31, 2014.

For The Great Eastern Shipping Co. Ltd.

Bharat K. Sheth

Deputy Chairman & Managing Director

Date: May 07, 2014

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
The Great Eastern Shipping Company Limited

We have examined all relevant records of The Great Eastern Shipping Company Limited ("The Company") for the purposes of certifying compliances of the conditions of Corporate Governance under the revised Clause 49 of the Listing Agreement entered into with the BSE Limited and National Stock Exchange of India Limited (Stock Exchanges) for the year ended March 31, 2014.

The compliances of conditions of Corporate Governance are the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring compliances of the conditions of the Corporate Governance. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

For Mehta & Mehta

Company Secretaries

Atul Mehta

Partner

FCS: 5782

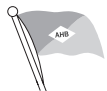
CP No: 2486

Place: Mumbai

Date: 12th August 2014



Asset Profile



FLEET AS ON MARCH 31, 2014

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YR. BUILT	AV. AGE (YRS)
CRUDE OIL CARRIERS					
	SUEZMAX				
	1	JAG LALIT	158,344	2005	
	2	JAG LOK	158,280	2005	
	3	JAG LATEEF	147,080	2000	
	4	JAG LAKSHITA	147,093	2000	
	4		610,797		11.41
	AFRAMAX				
	1	JAG LYALL	110,531	2006	
	2	JAG LATA	105,716	2003	
	3	JAG LAXMI	105,051	1999	
	4	JAG LAVANYA	105,010	2004	
	4		426,308		10.96
Total Tonnage (dwt)	1,037,105				
No.of Ships	8				
Average Age (yrs)	11.2				
% of Total Tonnage	42.8				
PRODUCT CARRIERS					
	LONG RANGE ONE				
	1	JAG AABHA	74,841	2008	
	2	JAG AANCHAL	74,811	2008	
	3	JAG AMISHA	74,500	2009	
	4	JAG APARNA	74,859	2009	
	4		299,011		5.50
	MEDIUM RANGE				
	1	JAG PAHEL	46,319	2004	
	2	JAG PANKHI	46,273	2003	
	3	JAG PADMA	47,172	1996	
	4	JAG PRAKASH	47,848	2007	
	5	JAG PUSHPA	47,848	2007	
	6	JAG PRERANA	47,824	2007	
	7	JAG PRABHA	47,999	2004	
	8	JAG PRANAV	51,383	2005	
	8		382,666		9.85
	GENERAL PURPOSE				
	1	JAG PRACHI	28,610	1991	
	1		28,610		23.00
Total Tonnage (dwt)	710,287				
No.of Ships	13				
Average Age (yrs)	8.5				
% of Total Tonnage	29.3				

FLEET AS ON MARCH 31, 2014

CATEGORY	TYPE	VESSEL NAME	DWT (MT)	YR. BUILT	AV. AGE (YRS)
GAS CARRIERS	LPG CARRIERS				
		1 JAG VIDHI	49,701	1990	
		1	49,701		24.00
Total Tonnage (dwt)	49,701				
No.of Ships	1				
Average Age (yrs)	24.0				
% of Total Tonnage	2.1				
DRY BULK CARRIERS	CAPE SIZE	1 JAG ARJUN	164,796	1996	
		1	164,796		18.00
	KAMSARMAX	1 JAG AARATI	80,325	2011	
		2 JAG ADITI	80,325	2011	
		3 JAG ARYA	80,480	2011	
		3	241,130		3.00
	SUPRAMAX	1 JAG RATAN	52,179	2001	
		2 JAG RAHUL	52,364	2003	
		3 JAG RISHI	56,719	2011	
		4 JAG RANI	56,719	2011	
		4	217,981		7.32
Total Tonnage (dwt)	623,907				
No.of Ships	8				
Average Age (yrs)	8.5				
% of Total Tonnage	25.8				
FLEET TOTAL					
Total Tonnage (dwt)	2,421,000				
No.of Ships	30				
Average Age (yrs)	10.0				



ACQUISITIONS AND SALES DURING FY 2013-14

Acquisitions

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF ACQUISITION
Product Tankers					
	Medium Range	Jag Prabha	47,999	2004	Aug-13
	Medium Range	Jag Pranav	51,383	2005	Sep-13

Sales

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF SALE
Crude Tankers					
	Aframax	Jag Leela	105,148	1999	Jul-13
Product Tankers					
	General Purpose	Jag Preeti	29,139	1981	Jun-13
	General Purpose	Jag Parwar	29,998	1988	Apr-13
Dry Bulk Carriers					
	Handymax	Jag Ravi	45,342	1997	Jun-13

TRANSCATIONS BETWEEN APRIL 01, 2014 TO AUGUST 12, 2014

Sale

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF SALE
Product Carrier					
	Medium Range	Jag Padma	47,172	1996	May-14

Contracted for Sale

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	EXPECTED DELIVERY
Gas Carrier					
	Very Large Gas Carrier	Jag Vidhi	49,701	1990	H2 14-15

Acquisition

CATEGORY	TYPE	VESSEL NAME	DWT(MT)	YEAR BUILT	MONTH OF DELIVERY
Gas Carrier					
	Very Large Gas Carrier	Jag Vishnu	49,300	1994	Jul-14

VESSELS ON ORDER AS ON AUGUST 12, 2014

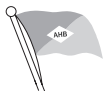
CATEGORY	TYPE	NO. OF ADDITIONS	SHIPYARD	DWT(MT)	MONTH OF CONTRACTING	EXPECTED DELIVERY
Dry Bulk Carriers						
	Kamsarmax	2	Tsuneishi Shipbuilding Co. Ltd., Cebu	81,600	Jul-13	Q1 & Q2 FY16
	Kamsarmax	3	Jiangsu New Yangzi Shipbuilding Co.Ltd., China	82,000	Dec-13	Q1 & Q2 FY17
Product Carriers						
	Medium Range	1	STX Offshore & Shipbuilding Co.Ltd., Korea	50,000	Dec-12	Q4 FY16

SUBSIDIARY FLEET AS ON MARCH 31, 2014

Greatship (India) Limited and its Subsidiaries

CATEGORY	VESSEL NAME		COMPANY#	DWT (MT)	YEAR BUILT	AV. AGE (YRS)
OFFSHORE SUPPORT VESSELS	Platform Supply Vessels					
	1	m.v. Greatship Disha	GIL	3,096	1999	
	2	m.v. Greatship Dipti	GIL	3,228	2005	
	3	m.v. Greatship Dhriti	GIL	3,330	2008	
	4	m.v. Greatship Dhvani	GIL	3,330	2008	
	4			12,984		9.00
	Anchor Handling Tug cum Supply Vessels					
	1	m.v. Greatship Anjali	GIL	2,188	2008	
	2	m.v. Greatship Amrita	GIL	2,045	2008	
	3	m.v. Greatship Akhila	GIL	1,639	2009	
	4	m.v. Greatship Asmi	GIL	1,634	2009	
	5	m.v. Greatship Ahalya	GIL	1,643	2009	
	6	m.v. Greatship Aarti	GIL	1,650	2009	
	7	m.v. Greatship Vidya	GIL	3,289	2012	
	8	m.v. Greatship Vimla	GIL	3,310	2012	
	9	m.v. Greatship Aditi	GGOS	2,045	2009	
	9			19,443		4.56
	Multi-purpose Platform Supply and Support Vessels					
	1	m.v. Greatship Maya	GGOS	4,350	2009	
	2	m.v. Greatship Manisha	GGOS	4,221	2010	
	2			8,571		4.50
	ROV Support Vessels					
	1	m.v. Greatship Ramya	GIL	3,676	2010	
	2	m.v. Greatship Rohini	GIL	3,700	2010	
	3	m.v. Greatship Rashi	GIL	3,700	2011	
	4	m.v. Greatship Roopa	GIL	3,600	2012	
	5	m.v. Greatship Rachna	GIL	3,600	2012	
	6	m.v. Greatship Ragini	GGOS	3,600	2013	
	6			21,876		2.67
TOTAL OFFSHORE SUPPORT VESSELS						
Number	21					
Total Tonnage (dwt)	62,874					
Average Age (years)	4.86					
DRILLING UNITS						
	350' Jack Up Rig					
	1	Greatdrill Chitra	GGES	N.A.	2009	
	2	Greatdrill Chetna	GGES	N.A.	2009	
	3	Greatdrill Chaaya	GGES	N.A.	2013	
	3					3.67
TOTAL DRILLING UNITS						
Number	3					
Average Age (years)	3.67					

GIL stands for 'Greatship (India) Limited';
GGOS stands for 'Greatship Global Offshore Services Pte. Ltd.' and
GGES stands for 'Greatship Global Energy Services Pte. Ltd.'



SUBSIDIARY ORDER BOOK AS ON AUGUST 12, 2014

Greatship (India) Limited and its Subsidiaries

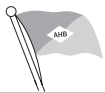
CATEGORY	TYPE	SHIPYARD	MONTH OF CONTRACTING	EXPECTED DELIVERY
NEW BUILDING ORDER BOOK POSITION				
Drilling units in Greatship Global Energy Services Pte. Ltd., Singapore				
	1 Jack Up Rig	Lamprell Energy Ltd., Dubai	Mar-13	Q4 FY15

THE YEAR AT A GLANCE (STANDALONE)

	March 31, 2014		March 31, 2013	
	₹ (in crores)	US\$ (in millions)	₹ (in crores)	US\$ (in millions)
(except for Earnings & Cash earnings per share)				
For the year				
Total Revenue	1780.25	295	2033.79	376
Operating Profit (PBITD)	780.84	129	729.71	135
Net Profit	204.68	34	146.26	27
Cash Profit	563.85	94	509.59	94
PBITD as a percentage of total revenue	43.86	43.86	35.88	35.88
Return on Equity (percentage)	4.17	4.17	2.89	2.89
Earnings per share (₹/US\$)	13.50	0.22	9.60	0.18
Cash earnings per share (₹/US\$)	37.20	0.62	33.46	0.62
Dividend amount	158.77	26	129.86	24
(Including tax on dividend)				
Capital Investment	558.39	93	551.66	102
At the end of the year				
Total assets	9389.99	1567	9745.32	1795
Fixed assets	4583.13	765	4508.81	831
Total debt	3312.45	553	3625.72	668
Net worth	4806.32	802	5000.79	921
Equity Capital	150.78	25	152.32	28

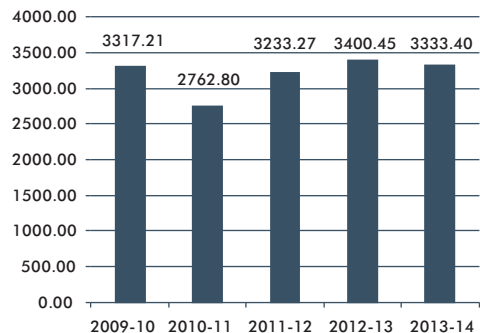
Figures in US\$ are arrived at by converting Rupee figures at the average conversion rate for all for the year items and at closing rate for all year end items, as given below, to facilitate comparison

₹ / US\$		
Exchange Rate	2013-14	2012-13
- Average	60.30	54.12
- Closing	59.92	54.29

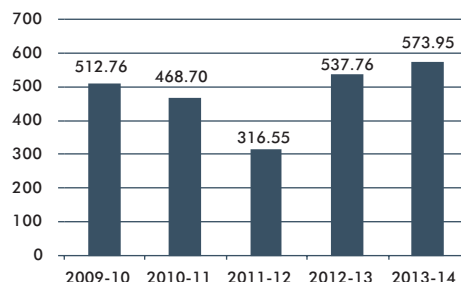


FINANCIAL HIGHLIGHTS (CONSOLIDATED)

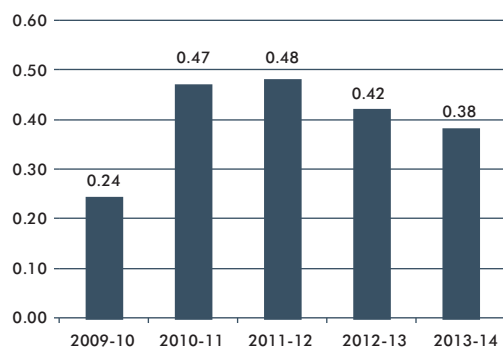
REVENUES ₹ in crores



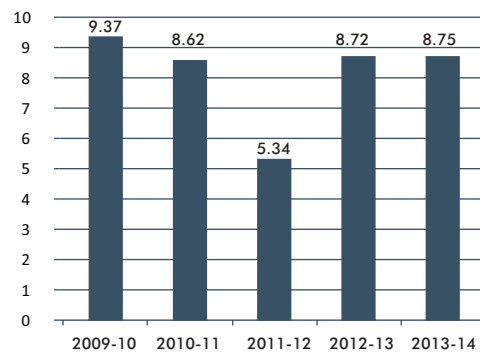
NET PROFIT FOR THE YEAR ₹ in crores



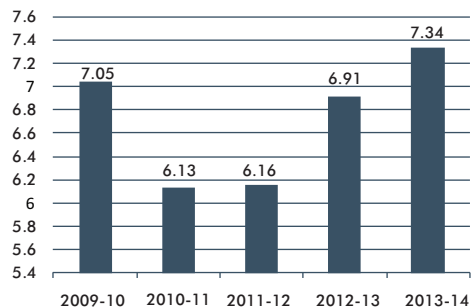
NET DEBT EQUITY RATIO



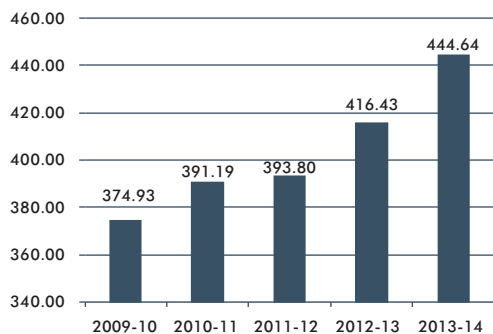
RETURN ON NETWORTH percent



RETURN ON CAPITAL EMPLOYED percent



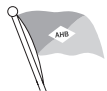
BOOK VALUE PER SHARE ₹



5 YEARS AT A GLANCE (CONSOLIDATED)

(₹ in crores)

	2009-10	2010-11	2011-12	2012-13	2013-14
PROFIT AND LOSS A/C					
Total Revenues	3317.21	2762.80	3233.27	3400.45	3333.40
Operating profit (PBIDT)	1191.42	1274.95	1363.79	1553.26	1677.25
Net Profit (PAT)	512.76	468.70	316.55	537.76	573.95
BALANCE SHEET					
What the Company owned					
Fixed Assets	7503.46	9084.31	9475.79	9703.89	10200.42
Investments, net current assets and long term portion of current liabilities and provisions	3575.77	2940.52	2969.75	3376.01	2689.91
Deferred Taxation (Net)	0.70	0.88	1.31	1.18	1.95
TOTAL	11079.93	12025.71	12446.85	13081.08	12892.28
What the Company owed					
Loans (including current portion)	5370.16	5957.43	6407.15	6739.32	6119.43
Minority Interest	-	37.62	43.77	-	-
TOTAL	5370.16	5995.05	6450.92	6739.32	6119.43
Shareholders' Funds					
Equity Share Capital	152.29	152.29	152.29	152.32	150.78
Application Money - Equity Warrants	5.91	-	-	-	-
Reserves & surplus	5551.57	5878.37	5843.64	6189.44	6622.07
TOTAL	5709.77	6030.66	5995.93	6341.76	6772.85
Gross Debt-Equity ratio	0.93:1	0.99:1	1.07:1	1.06:1	0.90:1
Net Debt-Equity ratio	0.24:1	0.47:1	0.48:1	0.42:1	0.38:1
Return on Networth (%)	9.37	8.62	5.34	8.72	8.75
Earning per share (in ₹)	33.67	30.78	20.79	35.31	37.87



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GREAT EASTERN SHIPPING COMPANY LIMITED

We have audited the accompanying financial statements of THE GREAT EASTERN SHIPPING COMPANY LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 judgment, 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 Company'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 the 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 and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013, of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - (e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

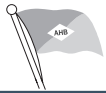
Firm Regn. No.: 104607W

Daraius Z. Fraser

Partner

M. No.: 42454

Mumbai: May 07, 2014.



Annexure to the Independent Auditor's Report

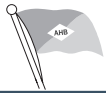
Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirements' of our report of even date:

1. Fixed Assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification are not material and have been properly dealt with in the books of account.
 - c) In our opinion, there have been no significant disposals of fixed assets during the year which affect the going concern assumption.
2. Inventory:
 - a) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
 - b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business. In view of the nature of the Company's business and scale of operations, quantities of fuel oil and diesel oil on board vessels are determined by physical count by the Master of the vessel.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on verification between the physical stocks and the book records and the same have been properly dealt with in the books of account.
3. The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets. During the course of our audit, we have not observed any major weaknesses in the internal control system.
5. Transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956:
 - a) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs. 500,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed thereunder. No order has been passed by the Company Law Board, or National Company Law Tribunal, or Reserve Bank of India, or any Court, or any other Tribunal.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
8. According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, in respect of any of the activities of the Company.
9. Statutory Dues
 - a) According to the information and explanation given to us, except for the provident fund dues of floating staff, the Company is generally regular in depositing undisputed statutory dues, including dues pertaining to Investor Education and Protection Fund, Shore Staff Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Cess and any other statutory dues with the appropriate authorities. We have been informed that in respect of floating staff it is not possible to accurately ascertain the provident fund dues in view

of the nature of Company's activities. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination, the balance, if any, is paid. We have been informed that there are no undisputed dues which have remained outstanding as at the end of the financial year, for a period of more than six months from the date they became payable.

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

Name of the Statute	Nature of Dues	Amount (₹ in crores)	Period to which the amount relates	Forum where dispute is pending
The Tamilnadu General Sales Tax Act, 1959	Lease Tax	5.48	1995-96	The High Court at Madras
		9.25	1996-97	
		2.67	1997-98	
The Bombay Sales Tax Act, 1959	Sales Tax	0.071	1995-96	The High Court at Bombay
		0.073	1996-97	
		0.085	1997-98	
The Central Sales Tax Act, 1956		0.798	1998-99	The Sales Tax Appellate Tribunal
		0.870		
The Bombay Sales Tax Act, 1959		3.860		
		0.702		
The Bombay Sales Tax Act, 1959		0.995	2001-02	The Commissioner of Sales Tax (Appeal)
The Maharashtra VAT Act, 2005		0.001	2009-10	Sales Tax Officer
		0.002	2010-11	
The Maharashtra Land Revenue Code, 1966	Transfer charges for office premises under the scheme of demerger	1.24	2002-03	The High Court at Bombay
	Transfer Charges for office Premises	3.10	2003-04	The High Court at Bombay
The Finance Act, 1994	Service Tax	4.75	2005-06	Commissioner of Service Tax
Custom Act, 1962	Custom Duty regarding vessels at different ports	0.042	2009-10	Commissioner of Customs (Appeals), Jamnagar
		0.444	2010-11	CESTAT, Ahmedabad
		0.065	2011-12	
		0.020	2011-12	Commissioner of Customs (Appeals), Bhubaneswar
		5.556	2012-13	The High Court at Ahmedabad, Chennai and Bhubaneswar
		0.370	2012-13	Commissioner of Customs (Appeals), Jamnagar
		0.007	2013-14	Commissioner of Customs (Appeals), Kolkata
		0.787	2013-14	Commissioner of Customs (Appeals), Paradip



10. The Company does not have accumulated losses as at the end of the financial year, nor has it incurred cash losses in the current financial year, or in the immediately preceding financial year.
11. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to banks or debenture holders. There are no dues to financial institutions.
12. According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
14. The Company does not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the terms and conditions of guarantees given by the Company for loans taken by its subsidiaries from banks are not prima facie prejudicial to the interest of the Company.
16. In our opinion and according to the information and explanations given to us, the term loans availed by the Company were applied for the purpose for which the loans were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet, the Cash Flow Statement and other records examined by us, the Company has not used funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
19. According to the information and explanations given to us, the Company has created security in respect of the secured redeemable non-convertible debentures issued.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed by us, to the best of our knowledge and belief and according to the information and explanations given to us by the Management, no fraud on, or by the company, has been noticed or reported during the year.

For and on behalf of

Kalyaniwalla & Mistry

Chartered Accountants

Firm Regn. No.: 104607W

Daraius Z. Fraser

Partner

M. No.: 42454

Mumbai: May 07, 2014.



Financial Statements

**BALANCE SHEET** AS AT MARCH 31, 2014

			(₹ in crores)
Particulars	Note No.	Current Year	Previous Year
EQUITIES AND LIABILITIES :			
I. Shareholders' Funds :			
(a) Share Capital	3	150.78	152.32
(b) Reserves and Surplus	4	4655.54	4848.47
		4806.32	5000.79
II. Non-Current Liabilities :			
(a) Long-Term Borrowings	5	2804.96	3160.96
(b) Long-Term Provisions	6	14.66	15.47
		2819.62	3176.43
III. Current Liabilities :			
(a) Trade Payables	7	128.03	169.37
(b) Other Current Liabilities	8	621.57	599.55
(c) Short-Term Provisions	6	1014.45	799.18
		1764.05	1568.10
TOTAL		9389.99	9745.32
ASSETS :			
I. Non-Current Assets :			
(a) Fixed Assets	9		
(i) Tangible Assets		4441.90	4489.30
(ii) Intangible Assets		0.03	-
(ii) Capital Work-in-progress		141.20	19.51
		4583.13	4508.81
(b) Non-Current Investments	10	1739.11	1752.61
(c) Long-Term Loans and Advances	11	22.59	9.82
		6344.83	6271.24
II. Current Assets :			
(a) Current Investments	12	1051.91	1939.32
(b) Inventories	13	71.43	73.97
(c) Trade Receivables	14	42.80	113.70
(d) Cash and Bank Balances	15	1754.98	1260.45
(e) Short-Term Loans and Advances	11	114.23	82.12
(f) Other Current Assets	16	9.81	4.52
		3045.16	3474.08
TOTAL		9389.99	9745.32
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No. : 104607W
Daraius Z. Fraser

Partner
M. No. : 42454

Mumbai : May 7, 2014.

Jayesh M. Trivedi
Company Secretary
G. Shivakumar
Chief Financial Officer

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

Particulars	Note No.	Current Year	Previous Year
Income :			
I. Revenue from Operations	17	1492.58	1735.19
II. Other Income	18	287.67	298.60
III. Total Revenue (I + II)		1780.25	2033.79
IV. Expenses :			
Employee Benefit Expenses	19	205.79	199.10
Other Expenses	20	793.62	1104.98
Total Expenses		999.41	1304.08
V. Earnings Before Depreciation, Impairment Loss, Finance Costs and Tax (III - IV)		780.84	729.71
VI. Depreciation		360.01	363.33
VII. Reversal of Impairment		(0.84)	-
VIII. Finance Costs	21	212.99	209.12
IX. Profit Before Tax (V - VI - VII - VIII)		208.68	157.26
X. Tax Expenses : Current Tax		4.00	11.00
XI. Profit for the Year (IX - X)		204.68	146.26
XII. Earnings per Equity Share:	23		
(Face value per share ₹ 10)			
- Basic		₹ 13.50	₹ 9.60
- Diluted		₹ 13.48	₹ 9.58
Summary of Significant Accounting Policies	2		

The accompanying notes are an integral part of the financial statements

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No. : 104607W
Daraius Z. Fraser
Partner
M. No. : 42454

Jayesh M. Trivedi
Company Secretary
G. Shivakumar
Chief Financial Officer

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director

Mumbai : May 7, 2014.

**CASH FLOW STATEMENT** FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

	Current Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit Before Tax	208.68	157.26
Adjustments For :		
Depreciation	360.01	363.33
Reversal of Impairment	(0.84)	-
Interest Earned	(40.91)	(68.14)
Interest and Finance Charges	212.99	209.12
Dividend Income	(110.71)	(103.74)
Diminution in Value of Investments	11.01	1.76
Profit on Sale of Investments	(60.73)	(61.46)
Profit on Sale of Ships and Other Assets	(9.03)	(55.34)
Bad Debts and Advances Written Off	0.10	2.10
Provision for Doubtful Debts and Advances (net)	10.11	2.33
Equity Shares Buy back Expenses	0.98	-
Revaluation of Foreign Currency Balances	(111.68)	(9.53)
Operating Profit Before Working Capital Changes	469.98	437.69
Adjustments For :		
Trade & Other Receivables	28.15	28.65
Inventories	2.54	(3.47)
Trade Payables	(54.10)	48.27
Cash Generated from Operations	446.57	511.14
Tax Paid	(17.12)	(10.39)
Net Cash From Operating Activities	429.45	500.75
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(367.98)	(424.30)
Sale Proceeds of Fixed Assets	133.93	702.42
Investment in Subsidiary	-	(36.59)
Redemption proceeds of Investment in Preference shares in Subsidiary	59.31	-
Purchase of Current Investments	(3456.37)	(5342.95)
Sale of Current Investments	4347.69	4711.12
Placement of Deposits - maturity period more than three months	(888.76)	-
Withdrawal of Deposits - maturity period more than three months	-	659.19
Placement of Deposits with Bank towards acquisition of ships	(16.00)	-
Margin Money Deposit placed	(88.85)	(62.46)
Interest Received	35.62	83.34
Dividend Received	110.71	103.74
Net Cash From/(Used in) Investing Activities	(130.70)	393.51

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014 (CONTD.)

(₹ in crores)

	Current Year	Previous Year
C. Cash Flow From Financing Activities		
Proceeds from Issue of Equity Shares from Abeyance Quota	-	0.03
Buy back of Equity Share Capital	(41.27)	-
Equity Shares Buy back Expenses	(0.98)	-
Repayments of Long-Term Borrowings	(512.41)	(392.77)
Dividend Paid	(128.59)	(98.50)
Dividend Distribution Tax Paid	(10.25)	(9.02)
Interest and Finance Charges Paid	(215.66)	(210.15)
Net Cash From/(Used in) Financing Activities	(909.16)	(710.41)
Net increase/(decrease) in Cash and Cash Equivalents	(610.41)	183.85
Cash and Cash Equivalents as at April 1, 2013 (refer note below)	807.75	623.90
Cash and Cash Equivalents as at March 31, 2014 (refer note below)	197.34	807.75
Note :		
Cash and Cash Equivalents	As at	As at
	March 31, 2014	March 31, 2013
Cash and Cash Equivalents (note 15)	337.72	836.53
Revaluation of Foreign Currency Balances [(Gain)/Loss]	(140.38)	(28.78)
Cash and Cash Equivalents as restated	197.34	807.75

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

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

Daraius Z. Fraser

Partner
M. No. : 42454

Mumbai : May 7, 2014.

Jayesh M. Trivedi
Company Secretary

G. Shivakumar
Chief Financial Officer

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.

Note 1 : Corporate Information

The Great Eastern Shipping Company Ltd. (the Company) is a public limited company registered in India under the provision of the Companies Act, 1913. Its shares are listed at Bombay Stock Exchange and National Stock Exchange in India and at the Luxembourg Stock Exchange. The Company is a major player in the Indian Shipping industry.

Note 2 : Significant Accounting Policies

(a) Basis of Preparation :

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 notified under Section 211 (3c) of the Companies Act, 1956 and specified in the Companies (Accounting standards) Rules, 2006 (as amended) read with General Circular No. 15/2013 dated September 12, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncement of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

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

(c) Tangible Fixed Assets :

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and installation of the concerned assets, borrowings cost during construction period, exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of assets are adjusted to the carrying cost of the assets; and excludes any duties/taxes recoverable and capital subsidy/grant received. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on maintaining fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(d) Intangible Fixed Assets :

Intangible fixed assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful lives.

(e) Investments :

- (i) Investments are classified into Current and Non-current Investments.
- (ii) Investments intended to be held for a period less than twelve months or those maturing within twelve months from the Balance Sheet Date are classified as 'Current Investments'. Investments which are classified as current investments are stated at lower of cost and net realisable value and the resultant decline, if any, is charged to the Statement of Profit and Loss.
- (iii) Investments other than Current Investments are classified as 'Non-current Investments'. Non-current Investments are carried at cost. Provision for diminution, if any, in the value of each Non-current Investment is made to recognise a decline, other than of a temporary nature.

(f) Inventories :

Inventories of fuel oil are carried at lower of cost and net realisable value. Cost is ascertained on first-in-first out basis. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

(g) Incomplete Voyages :

Incomplete voyages represent freight received and direct operating expenses in respect of voyages which were not complete as at the Balance Sheet date. The freight received for incomplete voyages is shown under 'Income Received in Advance' and the direct operating expenses incurred for incomplete voyages are shown under 'Other Advances'.

(h) Borrowing Costs :

Borrowing costs include interest and ancillary cost incurred in connection with the arrangement of borrowings. Borrowing costs that are directly attributable to the acquisition/construction of the qualifying assets are capitalised as part of the cost of the asset, upto the date of acquisition/completion of construction. All other borrowing costs are expensed in the period they occur.

(i) Revenue Recognition :

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

Interest : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends : Dividend income is recognised when the Company's right to receive dividend is established by the Balance Sheet date.

(ii) Operating Expenses :

- (i) Fleet direct operating expenses are charged to the Statement of Profit and Loss on completed voyage basis.
- (ii) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss.
- (iii) Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred. Claims against the underwriters are accounted for on acceptance of average adjustment by the adjusters.
- (iv) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on completed voyage basis. In case, the vessel is not fixed for next voyage as on the period-end date, the consumption cost is charged to the Statement of Profit and Loss as period cost from the date of previous voyage till the period-end date. If the vessel is fixed for next voyage by the period-end date, the bunker consumption cost for the period from the date of previous voyage till the period-end date is carried forward as incomplete voyage expenses as per the accounting policy on "Incomplete Voyages".
- (v) Dry-dock expenditure is recognised in the Statement of Profit and Loss to the extent of material supplied and services rendered in case of non yard expenses. Yard material and service expenses are recognised in the Statement of Profit and Loss on completion of Dry-dock.

(k) Employee Benefits :

- (i) Short-term Employee benefits :

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

- (ii) Post Employment Benefits :

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

- a) 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 Statement of Profit and Loss of the period when the contributions to the respective funds are due.

- b) Defined Benefit Plan

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

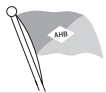
- c) Other Long Term Benefits

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

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

(l) Depreciation :

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



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

- (ii) Depreciation on fleet is provided on prorata basis and on Other Assets depreciation is provided for the full year on additions and no depreciation is provided in the year of disposal.
- (iii) In case of assets depreciated under the straight line method, 95% of the original cost is written off over the estimated useful life. However, if an asset continues in operation beyond the useful life, as estimated by the management, the balance cost is depreciated in the subsequent year.

(m) Asset Impairment :

The carrying amounts of the Company's tangible and intangible assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amounts are estimated in order to determine the extent of impairment loss, if any. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The impairment loss, if any, is recognised in the Statement of Profit and Loss in the period in which impairment takes place. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cashflows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

(n) Foreign Exchange Transactions :

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/liability, but not beyond March 31, 2020 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 Statement of Profit and Loss.
- (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 Statement of Profit and Loss, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Currency swaps which form an integral part of the loans are translated at closing rates and the resultant gains and losses are dealt with in the same manner as the translation differences of long term monetary assets and liabilities.

(o) Derivative Financial Instruments and Hedging :

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

Cash Flow Hedge :

Commodity future contracts, forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, interest rate swaps and currency swaps which do not form an integral part of the loans, that qualify as cash flow hedges, are recorded in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments : Recognition and Measurement. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects the Statement of Profit and Loss or is transferred to the cost of the hedged non-monetary asset upon acquisition. Gains or losses on the ineffective transactions are immediately recognised in the Statement of Profit and 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 Profit and Loss immediately.

Fair Value Hedge :

Foreign exchange forward and option contracts outstanding at the Balance Sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the Statement of Profit and Loss.

(p) 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.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period.

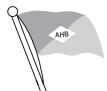
(q) Provisions and Contingent Liabilities :

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

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

Note 3 : Share Capital

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
Authorised :				
Equity Shares of ₹ 10 each	30,00,00,000	300.00	30,00,00,000	300.00
Preference Shares of ₹ 10 each	20,00,00,000	200.00	20,00,00,000	200.00
	50,00,00,000	500.00	50,00,00,000	500.00
Issued :				
Equity Shares of ₹ 10 each	15,11,63,426	151.16	15,27,08,445	152.70
	15,11,63,426	151.16	15,27,08,445	152.70
Subscribed and Fully Paid :				
Equity Shares of ₹ 10 each	15,07,77,065	150.78	15,23,22,084	152.32
Add : Forfeited shares (Amount : ₹ 30,358, Previous Year amount : ₹ 30,358)	2,518	-	2,518	-
	15,07,79,583	150.78	15,23,24,602	152.32

**Reconciliation of the shares outstanding at the beginning and at the end of the financial year:**

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
Equity Shares:				
Issued:				
Balance as per the last financial statement	15,27,08,445	152.70	15,27,08,445	152.70
Less : Shares bought back during the year [See note (b) below]	15,45,019	1.54	-	-
Closing balance	15,11,63,426	151.16	15,27,08,445	152.70
Subscribed and fully paid:				
Balance as per the last financial statement	15,23,22,084	152.32	15,22,89,684	152.29
Add : Shares held in abeyance allotted during the year	-	-	32,400	0.03
Less : Shares bought back during the year [See note (b) below]	15,45,019	1.54	-	-
Closing balance	15,07,77,065	150.78	15,23,22,084	152.32

(a) Terms/Rights attached to Equity Shares :

The Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Interim dividend is paid as recommended by the Board of Directors.

During the year ended March 31, 2014, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 9.00 (Previous Year ₹ 7.50 per share).

In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

(b) Pursuant to the approval of the Board of Directors for buyback of equity shares, the Company has bought back 15,45,019 equity shares of ₹ 10 each at an average price of ₹ 267.14 per share aggregating to ₹ 41.27 crores and has extinguished the said shares as at March 31, 2014.

The nominal value of the equity shares bought back and extinguished has been reduced from the paid-up share capital. Consequently, the Issued, Subscribed and Paid-up Capital of the Company has been reduced by ₹ 1.54 crores. The premium paid on buyback of the equity shares has been appropriated from Securities Premium Account.

(c) Details of Shareholders holding more than 5% equity shares in the Company :

	As on 31/03/2014		As on 31/03/2013	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid				
Mr. Bharat Kanaiyalal Sheth	1,63,37,490	10.84%	1,58,37,490	10.40%
Mr. Ravi Kanaiyalal Sheth	1,43,62,504	9.53%	1,43,62,504	9.43%
Nalanda India Equity Fund Limited	1,05,24,139	6.98%	1,05,24,139	6.91%

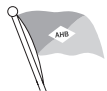
(d) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

- No shares were allotted pursuant to contracts without payment being received in cash.
- No bonus shares have been issued.
- 15,45,019 equity shares have been bought back.

(e) There are no securities convertible into equity/preference shares.**(f) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,53,522 (Previous Year 2,53,522) rights equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956 till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 (Previous Year 40,608) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.**

Note 4 : Reserves and Surplus

		(₹ in crores)	
		Current Year	Previous Year
(a) Capital Reserve :			
Balance as per last Financial Statement		15.98	15.98
(b) Capital Redemption Reserve :			
Balance as per last Financial Statement	238.54		238.54
Add : Amount Transferred from Surplus	1.54		-
		240.08	238.54
(c) Securities Premium Account :			
Balance as per last Financial Statement	126.31		126.31
Less : Amount utilised for buyback of equity shares during the year	39.72		-
		86.59	126.31
(d) Debenture Redemption Reserve :			
Balance as per last Financial Statement	92.50		77.50
Add : Amount Transferred from Surplus	25.00		15.00
		117.50	92.50
(e) Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961 :			
Balance as per last Financial Statement	340.00		555.00
Add : Amount Transferred from Surplus	30.00		10.00
	370.00		565.00
Less : Amount Transferred to General Reserve	270.00		225.00
		100.00	340.00
(f) Hedging Reserve Account (note 29) :			
Balance as per last Financial Statement	(712.17)		(575.19)
Add : Decrease/(Increase) during the year (net)	(199.27)		(136.98)
		(911.44)	(712.17)
(g) Foreign Currency Monetary Item Translation Difference Account :			
Balance as per last Financial Statement	(15.13)		-
Adjustment during the year	(12.01)		(17.25)
Less : Transferred to Statement of Profit and Loss during the year	3.95		2.12
		(23.19)	(15.13)
(h) General Reserve :			
Balance as per last Financial Statement	1857.46		1617.46
Add : Amount Transferred from Surplus	21.00		15.00
Add : Transfer from Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961	270.00		225.00
		2148.46	1857.46
(i) Surplus :			
Balance as per last Financial Statement	2904.98		2922.62
Add : Profit for the Year	204.68		146.26
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961	30.00		10.00
	3079.66		3058.88
Less : Appropriations :			
Transfer to General Reserve	21.00		15.00
Transfer to Debenture Redemption Reserve	25.00		15.00



(₹ in crores)			
		Current Year	Previous Year
Transfer to Capital Redemption Reserve	1.54		-
Interim Dividend on Equity Shares	60.32		45.70
Proposed Dividend on Equity Shares	75.39		68.54
Dividend Distribution Tax	14.85		9.66
	198.10		153.90
		2881.56	2904.98
		4655.54	4848.47

Note 5 : Long-Term Borrowings

(₹ in crores)				
	Non-current portion		Current maturities	
	Current Year	Previous Year	Current Year	Previous Year
(a) Bonds/Debentures :				
Secured :				
9.80% 2500 Redeemable Non-Convertible debentures of ₹ 10,00,000 each redeemable on July 03, 2019 [note (i) and (v) below]	250.00	250.00	-	-
Unsecured :				
Redeemable Non-Convertible Debentures of ₹ 10,00,000 each -				
(i) 9.70 % 1000 Debentures redeemable on January 18, 2023	100.00	100.00	-	-
(ii) 9.70 % 1000 Debentures redeemable on January 07, 2023	100.00	100.00	-	-
(iii) 9.70 % 500 Debentures redeemable on April 25, 2021	50.00	50.00	-	-
(iv) 9.70 % 1500 Debentures redeemable on April 15, 2021	150.00	150.00	-	-
(v) 9.70 % 1000 Debentures redeemable on February 02, 2021	100.00	100.00	-	-
(vi) 9.60 % 2000 Debentures redeemable on November 10, 2019	200.00	200.00	-	-
(vii) 9.75 % 2500 Debentures redeemable on August 20, 2019	250.00	250.00	-	-
(viii) 9.35 % 1000 Debentures redeemable on February 08, 2019	100.00	100.00	-	-
(ix) 9.40 % 1000 Debentures redeemable on January 06, 2019	100.00	100.00	-	-
(x) 9.19 % 1000 Debentures redeemable on December 24, 2018	100.00	100.00	-	-
(xi) 9.35 % 1000 Debentures redeemable on February 08, 2018	100.00	100.00	-	-
(xii) 9.40 % 1000 Debentures redeemable on January 06, 2018	100.00	100.00	-	-
[note (ii) and (v) below]				

(₹ in crores)

	Non-current portion		Current maturities	
	Current Year	Previous Year	Current Year	Previous Year
(b) Term Loans from Banks [notes (iii) to (v) below] :				
Foreign Currency Loans from Banks (secured)	1136.82	1529.61	518.75	512.04
Swap Adjustments (unsecured)	(31.86)	(68.65)	(11.26)	(47.28)
	1104.96	1460.96	507.49	464.76
Total (a + b)	2804.96	3160.96	507.49	464.76
Amount disclosed under the head "other current liabilities" (note 8)	-	-	507.49	464.76
	2804.96	3160.96	-	-

Notes :

- (i) 9.80% 2500 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000 each, redeemable on July 03, 2019, are secured by exclusive charge on specified ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the Company.
- (ii) The Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the Unsecured Debentures.
- (iii) Foreign currency loans availed from banks carry interest rates of LIBOR plus 62 to 179 bps for USD loans and LIBOR plus 62 to 70 bps for JPY loans. Some loans are on fixed rates basis. The principal re-payments are due half yearly.
These loans are secured by mortgage of specified ships and a financial covenant to maintain unencumbered assets.
- (iv) The Company has swapped the loans taken in JPY currency into USD currency as a condition precedent to the loan agreements. Consequent thereto, the swap balances outstanding at the year end are shown as an adjustment to the borrowings.
- (v) The repayments are as under :

(₹ in crores)

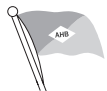
	Current Year	Previous Year
Period of repayment		
- between one to three years	634.10	861.76
- between three to five years	847.35	583.09
- over five years	1323.51	1716.11
	2804.96	3160.96

- (vi) The Company does not have any continuing default in repayment of loans and interest as at the reporting date.

Note 6 : Provisions

(₹ in crores)

	Long-term Provisions		Short-term Provisions	
	Current Year	Previous Year	Current Year	Previous Year
(i) Provision for Employee Benefits	14.66	15.47	7.44	5.13
(ii) Vessel Performance/Offhire Claims (see note below)	-	-	7.74	5.06
(iii) Provision for Mark to Market Losses on Derivative Contracts	-	-	911.07	712.24
(iv) Proposed Equity Dividend	-	-	75.39	68.54
(v) Provision for Dividend Distribution Tax	-	-	12.81	8.21
	14.66	15.47	1014.45	799.18

**Note:**

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

	(₹ in crores)	
	Current Year	Previous Year
Vessel performance/offhire claims -		
Provision have been recognised for the estimated liability for under-performance of certain vessels and offhire claims under dispute		
Opening balance	5.06	10.18
Additions during the year	3.89	1.68
Reversed/paid during the year	(1.21)	(6.80)
Closing balance	7.74	5.06

Note 7 : Trade Payables

	(₹ in crores)	
	Current Year	Previous Year
(a) Dues to Micro, Small and Medium enterprises	-	-
(b) Due to Subsidiary Companies	0.64	0.42
(c) Others	127.39	168.95
	128.03	169.37

Notes :

- (i) According to the information available with the Company regarding the status of the suppliers as defined under the 'Micro, Small and Medium Enterprises Development Act, 2006', no amount is overdue as on the reporting date, to Micro, Medium and Small Enterprises on account of principal or interest.
- (ii) Trade payables are subject to confirmation, reconciliation and adjustments, if any.

Note 8 : Other Current Liabilities

	(₹ in crores)	
	Current Year	Previous Year
(a) Current Maturities of Long-Term Borrowings (See Note 5)	507.49	464.76
(b) Income Received in Advance	23.30	36.07
(c) Liabilities towards Investor Education and Protection Fund, not due - Unclaimed dividend	6.92	7.19
(d) Other Liabilities	33.24	41.52
(e) Interest Accrued but not due on Borrowings	50.62	50.01
	621.57	599.55

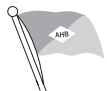
Note 9 : Fixed Assets

(₹ in crores)

Particulars	Cost				Depreciation			Impairment			Net Block	
	As at April 1, 2013	Additions for the Year	Deductions for the Year	Other Adjustments [Note (d)]	As at March 31, 2014	Upto March 31, 2013	Adjustments/ Deductions for Assets Sold/ Discarded	For the Year/ Transfer from Ships under construction	Upto March 31, 2014	Upto March 31, 2013	As at March 31, 2014	As at March 31, 2013
Tangible Assets :												
Fleet	6468.36	227.77	466.51	185.53	6415.15	1955.18	342.63	-	127.05	127.05	4323.25	4386.13
Land (Freehold and Perpetual Lease)	59.80	-	-	-	59.80	-	-	-	-	-	59.80	59.80
Ownership Flats and Buildings [Note (a)]	51.69	2.96	-	-	54.65	19.15	(0.51)	1.35	21.44	1.35	33.21	31.19
Plant and Equipment	11.83	15.69	1.67	-	25.85	4.81	0.79	-	6.47	-	19.38	7.02
Furniture, Fixtures and Office Equipment	30.78	2.86	1.06	-	32.58	28.23	1.04	-	28.97	-	3.61	2.55
Vehicles	11.68	1.85	1.61	-	11.92	9.07	1.49	-	9.27	-	2.65	2.61
SUB - TOTAL (A)	6634.14	251.13	470.85	185.53	6599.95	2016.44	345.44	1.35	2031.00	128.40	4441.90	4489.30
Intangible Assets :												
Software	-	0.04	-	-	0.04	-	-	-	0.01	-	0.03	-
SUB - TOTAL (B)	-	0.04	-	-	0.04	-	-	-	0.01	-	0.03	-
GRAND - TOTAL (A + B)	6634.14	251.17	470.85	185.53	6599.99	2016.44	345.44	1.35	2031.01	128.40	4441.93	
Previous Year Figures	6750.37	637.81	878.93	124.89	6634.14	1884.96	231.85	27.57	2016.44	128.40		4489.30
Ships Under Construction/Capital Work-in-progress											141.20	19.51
											4583.13	4508.81

Notes :

- (a) The ownership flats & buildings include ₹ 11,760 (Previous Year ₹ 11,760) being value of shares held in various co-operative societies.
- (b) The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- (c) Impairment loss amounting to ₹ 1.35 crores relating to a property recognised in an earlier year was reversed in view of appreciation in the market value of the property.
- (d) Other Adjustments include exchange loss/(gain) amounting to ₹ 185.53 crores (previous year : ₹ 124.89 crores) on account of fluctuation of the rupee against foreign currencies and losses/(gains) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets and losses/(gains) on forward contracts for hedging capital commitments for acquisition of depreciable assets.



Note 10 : Non-current Investments

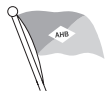
	Face Value ₹	Current Year		Previous Year	
		No. of shares	₹ in crores	No. of shares	₹ in crores
Trade Investments (valued at cost, fully paid unless stated otherwise)					
Equity Shares : Unquoted					
Subsidiaries :					
- The Great Eastern Shipping Co. London Ltd. of Stg. Pound 10 each		16,000	0.26	16,000	0.26
- The Greatship (Singapore) Pte. Ltd. of S\$ 1 each		500,000	1.15	500,000	1.15
- The Great Eastern Chartering L.L.C.(FZC) of AED 100 each		1,500	0.19	1,500	0.19
- Greatship (India) Ltd.	10	11,13,45,500	1305.14	11,13,45,500	1305.14
			1306.74		1306.74
Preference Shares : Unquoted					
Subsidiaries :					
- Greatship (India) Ltd.					
7.50% Cumulative Redeemable Preference Shares	10	7,35,00,000	220.50	8,80,00,000	264.00
22.50% Cumulative Redeemable Preference Shares	10	6,06,24,000	181.87	6,06,24,000	181.87
			402.37		445.87
Investment in Structured Gold Linked Non-Convertible					
Debentures : Unquoted					
- Debentures redeemable on April 22, 2015	100000	1,500	15.00	-	-
- Debentures redeemable on May 22, 2015	100000	1,500	15.00	-	-
The debentures have a Commodity Linked Variable component payable on the redemption date alongwith the redemption amount, being the face value of the debentures, which is the only interest dues payable on the debentures					
			1739.11		1752.61
Aggregate amount of quoted investments			-		-
Aggregate amount of unquoted investments			1739.11		1752.61
Aggregate provision for diminution in value of investments			-		-

Note 11 : Loans and Advances**(Unsecured - Considered Good, unless otherwise stated)****(₹ in crores)**

	Long-term Loans and Advances		Short-term Loans and Advances	
	Current Year	Previous Year	Current Year	Previous Year
(a) Security Deposits (Net of provision for doubtful long-term deposits ₹ 0.44 crores, Previous Year ₹ 0.44 crores)	1.00	0.81	6.78	12.98
(b) Advance Payment of Income-tax and Tax Deducted at Source (Net of provision for tax ₹ 80.33 crores, Previous Year ₹ 191.14 crores)	20.20	7.08	-	-
(c) Other Advances	1.39	1.93	107.45	69.14
	22.59	9.82	114.23	82.12

Note 12 : Current Investments**(At lower of cost and fair value - fully paid)****Mutual Funds :**

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Quoted					
JPM Fixed Maturity Plan Series 6 Growth Plan	10	-	-	88,17,000	8.82
Unquoted					
Axis Banking Debt Fund - Direct Plan - Daily Dividend Reinvestment	1000	-	-	1,75,793	17.60
Baroda Pioneer PSU Bond Fund - Plan B Growth	10	1,25,64,114	17.00	1,54,08,163	19.28
Birla Sunlife Short Term Fund - Monthly Dividend - Direct Plan	10	-	-	11,22,31,468	130.87
Birla Sunlife Short Term Fund - Monthly Dividend	10	5,69,77,078	66.58	-	-
Birla Sunlife Income Plus - Quarterly Dividend - Direct Plan	10	4,81,92,605	60.49	4,71,91,448	59.65
BNP Paribas Short Term Income Fund Direct Plan - Growth Option	10	-	-	3,82,57,893	50.38
BNP Paribas Short Term Income Fund Direct Plan - Monthly Dividend Reinvestment	10	3,14,35,572	31.85	-	-
BNP Paribas Government Securities Fund Monthly Dividend Reinvestment	10	1,78,54,952	17.80	-	-
BNP Paribas Medium Term Income Fund - Direct Plan - Growth Option	10	2,50,00,000	25.00	-	-
Canara Robeco Indigo Fund - Regular Quarterly Dividend	10	-	-	1,68,53,757	17.07
DSP BlackRock Government Securities Fund - Direct Plan - Growth	10	-	-	2,76,38,315	105.29
DSP BlackRock Government Securities Fund - Direct Plan - Monthly Dividend	10	-	-	95,74,841	10.24



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
DSP BlackRock Treasury Bill Fund - Direct Plan - Daily Dividend	10	1,39,66,969	14.02	-	-
DWS Banking & PSU Debt Fund - Direct Plan - Growth	1000	-	-	1,55,13,000	15.51
Goldman Sachs Mutual Fund - Gold Benchmark Exchange Traded Scheme Units	1000	1,53,607	37.41	1,95,334	45.81
HDFC Liquid Fund Direct Plan Daily Dividend	10	39,26,839	4.00	-	-
ICICI Prudential Blended Plan B Direct Plan - Daily Dividend Option-I	10	4,90,63,054	49.58	12,67,66,298	127.91
ICICI Prudential Blended Plan B - Direct Plan - Growth Option - I	10	4,09,48,395	74.95	4,51,20,504	78.23
ICICI Prudential Long Term Gilt Fund Investment - Direct Plan - Dividend	10	1,86,45,698	22.57	1,79,36,428	24.00
ICICI Prudential Long Term Gilt Fund Investment - Direct Plan - Growth	10	2,23,57,622	89.07	-	-
ICICI Prudential Ultra Short Term - Direct Plan - Growth	10	-	-	2,33,49,881	27.52
IDFC Super Saver Income Fund - Short Term Plan - Growth - (Direct Plan)	10	2,53,18,824	63.73	1,13,98,011	26.91
IDFC Dynamic Bond Fund Plan B Growth	10	-	-	3,62,82,405	50.18
IDFC Dynamic Bond Fund - Quarterly Dividend- (Direct Plan)	10	-	-	15,60,57,952	160.46
IDFC Money Manager Fund Investment Plan - Growth -(Direct Plan)	10	-	-	1,65,91,911	30.00
IDFC Money Manager Fund Investment Plan B Direct Plan Monthly Dividend Reinvestment	10	-	-	98,44,264	10.00
IDFC Banking Debt Fund - Direct Plan - Daily - Dividend	10	2,41,01,755	24.13	-	-
IDFC Government Securities Fund - Investment Plan - Growth - (Direct Plan)	10	1,49,96,130	20.94	-	-
Kotak Gilt (Investment Regular) - Direct Plan - Quarterly Dividend	10	5,43,29,910	63.98	5,03,30,429	65.47
Kotak Gilt (Savings) - Direct Plan - Monthly Dividend	10	-	-	6,40,41,377	67.21
Kotak Gilt (Investment Regular) - Direct Plan - Growth	10	1,46,02,561	59.53	76,15,063	30.70
Kotak Gold ETF	1000	4,597	1.23	-	-
L&T Gilt Fund Direct Plan Quarterly Dividend	10	91,98,185	11.15	-	-
PineBridge India Short Term Fund Direct Growth	1000	1,22,711	18.13	1,72,129	24.07
Reliance Dynamic Bond Fund - Direct Quarterly Dividend Plan	10	1,45,47,732	14.83	1,07,43,765	14.28
Reliance Medium Term Fund - Daily Direct Dividend Plan	10	-	-	3,43,61,085	58.74

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	10	1,07,50,994	28.22	4,23,16,638	102.52
Reliance Short Term Fund - Direct Dividend Plan	10	-	-	5,34,99,413	58.12
Reliance Short Term Fund - Direct Plan - Monthly Dividend Plan	10	2,48,81,557	26.73	-	-
Reliance Short Term Fund - Quarterly Dividend Plan	10	-	-	59,08,461	8.15
Religare Gilt Fund Short Duration Plan - Direct Plan Growth	10	-	-	4,16,65,914	53.34
Religare Short Term Fund - Direct Plan Growth	10	-	-	2,17,99,404	34.22
Religare Ultra Short Term Fund - Direct Plan Growth	1000	-	-	3,40,579	55.00
SBI Gold Fund Dividend	10	-	-	1,00,00,000	10.00
SBI Magnum Gilt Fund - Long Term - Direct Plan - Growth	10	1,38,84,709	34.87	2,91,58,231	68.88
SBI Magnum Gilt Fund - Short Term - Direct Plan - Dividend	10	4,02,01,603	46.68	-	-
SBI Magnum Gilt Short Term Fund Direct Plan Growth	10	-	-	3,14,62,278	72.20
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Daily Dividend Reinvestment	1000	2,48,449	25.09	39,766	4.02
SBI Premier Liquid Fund - Direct Plan - Daily Dividend Reinvestment	1000	92,299	9.26	49,897	5.01
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth	1000	28,820	6.32	95,534	19.16
SBI Short Term Debt Fund - Direct Plan - Growth	10	-	-	6,02,18,704	80.50
SBI Short Term Debt Fund - Direct Plan -Weekly Dividend	10	8,23,61,989	86.77	8,71,51,409	92.00
Total Quoted and Unquoted Investments			1051.91		1939.32
Aggregate amount of Quoted Investments			-		8.82
Aggregate amount of Unquoted Investments			1051.91		1930.50
			1051.91		1939.32
Market Value of Quoted Investments			-		9.77
Aggregate Diminution in Value of Investments considered above			11.01		1.76

Note 13 : Inventories**(Valued at lower of cost and net realisable value)**

	(₹ in crores)	
	Current Year	Previous Year
Fuel Oils	71.43	73.97
	71.43	73.97



**Note 14 : Trade Receivables
(Unsecured)**

	(₹ in crores)	
	Current Year	Previous Year
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	0.71	35.62
- Considered Doubtful	9.33	5.58
Others		
- Considered Good	42.09	78.08
- Considered Doubtful	5.52	1.04
	57.65	120.32
Less : Provision for Doubtful Receivables	14.85	6.62
	42.80	113.70

Trade receivables are subject to confirmation, reconciliation and adjustments, if any.

Note 15 : Cash and Bank Balances

	(₹ in crores)	
	Current Year	Previous Year
Cash and Cash Equivalents :		
(a) Balances with Banks in Current Accounts	337.70	836.34
(b) Cheques/Drafts on Hand	-	0.18
(c) Cash on Hand	0.02	0.01
	337.72	836.53
Other Bank Balances :		
(a) Deposits having Original Maturity period of more than 3 months but less than 12 months	1189.92	301.16
(b) Balances with Banks - Unclaimed Dividend	6.92	7.19
(c) Balances with Banks committed towards acquisition of ships	16.00	-
(d) Margin Money Deposits (include deposits placed with banks under a lien against facilities given by the banks.)	204.42	115.57
	1417.26	423.92
	1754.98	1260.45

**Note 16 : Other Current Assets
(Unsecured - considered good, unless otherwise stated)**

	(₹ in crores)	
	Current Year	Previous Year
Interest Accrued	9.81	4.52
	9.81	4.52

Note 17 : Revenue from Operations

	(₹ in crores)	
	Current Year	Previous Year
(a) Revenue from -		
- Freight and Demurrage	925.72	1234.50
- Charter Hire	524.00	477.00
	1449.72	1711.50
(b) Other Operating Revenue	42.86	23.69
	1492.58	1735.19

Note 18 : Other Income

	(₹ in crores)	
	Current Year	Previous Year
(a) Profit on Sale of Ships/Other Assets (net)	9.03	55.34
(b) Gain on Foreign Currency Transactions (net)	77.25	10.22
(c) Dividend -		
- from Subsidiary Companies	70.78	43.37
- from Units in Mutual Funds	39.93	60.37
	110.71	103.74
(d) Interest Income -		
- on Bank Deposits	40.89	59.73
- on Inter-Corporate Deposits	-	8.37
- on Others	0.02	0.04
	40.91	68.14
(e) Profit on Sale of Current Investments	49.72	59.70
[Net of Diminution in Value of Current Investments ₹ 11.01 crores (Previous Year ₹ 1.76 crores)]		
(f) Miscellaneous Income	0.05	1.46
	287.67	298.60

Note 19 : Employee Benefit Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Salaries, Wages and Bonus	183.23	180.19
(b) Contribution to Provident and Other funds	7.72	6.75
(c) Staff Welfare Expenses	14.84	12.16
	205.79	199.10



Note 20 : Other Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Fuel Oil and Water	364.40	403.08
(b) Port, Light and Canal Dues	102.96	89.15
(c) Stevedoring, Despatch and Cargo Expenses	5.11	3.22
(d) Hire of Chartered Ships	11.40	291.58
(e) Brokerage and Commission	12.60	17.06
(f) Agency Fees	6.18	5.39
(g) Consumption of Spares and Stores	107.34	107.15
(h) Repairs and Maintenance -		
- Fleet	87.31	105.05
- Building	1.79	0.66
- Others	6.99	5.47
	96.09	111.18
(i) Insurance -		
- Fleet Insurance and Protection Club Fees	29.94	26.13
- Others	0.95	0.43
	30.89	26.56
(j) Rent	0.08	0.28
(k) Rates and Taxes	0.75	0.28
(l) Bad Debts and Advances Written off	0.10	2.10
(m) Provision for Doubtful Debts and Advances (net)	10.11	2.33
(n) Travelling Expenses	25.13	22.62
(o) Payment to Auditor (see note below)	1.08	1.08
(p) Miscellaneous Expenses	19.40	21.92
	793.62	1104.98
Note :		
Payment to Auditor as -		
- Auditor	0.62	0.62
- For Taxation Matters	0.44	0.41
- For Company Law Matters	-	0.01
- For Management Services	-	0.02
- For Other Services	0.02	0.02
- For Reimbursement of Expenses (amount less than ₹ One Lakh)	-	-
	1.08	1.08

Note 21 : Finance Costs

	(₹ in crores)	
	Current Year	Previous Year
Interest	215.95	209.30
Other Borrowing Costs	0.32	0.37
	216.27	209.67
Less : Pre-delivery Finance Costs Capitalised	3.28	0.55
	212.99	209.12

Note 22 : Tax Expenses

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Company has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus, income from the business of operating ships is assessed on the basis of the deemed Tonnage Income of the Company and no deferred tax is applicable to such income as there are no timing differences. The timing difference in respect of the non-tonnage activities of the Company are not material, in view of which provision for deferred taxation is not considered necessary.

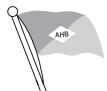
Note 23 : Basic and Diluted Earnings per Share

	Current Year	Previous Year
(a) Net Profit After Tax (₹ in crores)	204.68	146.26
(b) Number of Equity Shares		
(i) Basic Earning per Share		
Number of Equity Shares as at the beginning of the year	15,23,22,084	15,22,89,684
Add : Allotment of shares held in abeyance	-	32,400
Less : Shares bought back during the year	15,45,019	-
Number of Equity Shares as at the end of the year	15,07,77,065	15,23,22,084
Weighted Average Number of Equity Shares	15,15,70,512	15,22,99,981
(ii) Diluted Earning per Share		
Weighted Average Number of Equity Shares	15,15,70,512	15,22,99,981
Add : Rights Shares kept in abeyance	2,94,130	3,16,233
Weighted Average Number of Equity Shares	15,18,64,642	15,26,16,214
(c) Face Value of Equity Share	₹ 10	₹ 10
(d) Earnings per Share		
- Basic	₹ 13.50	₹ 9.60
- Diluted	₹ 13.48	₹ 9.58

Note 24 : Disclosure pursuant to Accounting Standard (AS) 15 (Revised) "Employee Benefits"**A) Defined Contribution Plans :**

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

	Current Year	Previous Year
	(₹ in crores)	
Contribution to Employees Provident Fund	2.77	1.58
Contribution to Employees Superannuation Fund	3.15	2.99
Contribution to Employees Pension Scheme 1995	0.27	0.27
Contribution to Employees Gratuity Fund	0.52	0.59
Contribution to Seamen's Provident Fund	0.38	0.41
Contribution to Seamen's Annuity Fund	0.58	0.65
Contribution to Seamen's Rehabilitation Fund	0.49	0.52
Contribution to Seamen's Gratuity Fund	0.09	0.25



B) Defined Benefit Plans and Other Long Term Benefits :

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

Actuarial Assumptions for the year	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
(a) Discount Rate (p.a.)	8.50%	8.00%	8.50%	8.00%	8.50%	8.00%
(b) Rate of Return on Plan Assets	8.00%	8.00%	-	-	-	-
(c) Salary Escalation rate	4.00%-6.00%	4.00%-6.00%	-	-	6.00%	6.00%
(d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 96-98	LIC-Ultimate 96-98	LIC-Ultimate 94-96	LIC-Ultimate 94-96
(e) Withdrawal rate	0.50%-7.33%	0.50%-7.50%	-	-	2.00%-7.33%	2.00%-7.50%
(f) Expected average remaining service (in years)	16.55	16.63	-	-	8.12	8.49

(i) Changes in present value of obligations :

(₹ in crores)

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Liability at the beginning of the year	14.17	13.42	13.79	16.36	1.93	2.32
Interest Cost	11.20	1.07	1.09	1.25	0.15	0.17
Current Service Cost	2.10	1.81	-	-	1.14	1.26
Benefits Paid	(0.88)	(1.56)	(0.20)	(0.10)	(0.03)	(0.07)
Benefits Transferred in	0.11	-	-	-	0.01	-
Benefits Transferred out	(0.01)	-	-	(3.32)	-	(0.67)
Actuarial (gain)/loss on obligations	(11.33)	(0.57)	(1.27)	(0.40)	(1.67)	(1.08)
Liability at the end of the year	15.36	14.17	13.41	13.79	1.53	1.93

(ii) Changes in Fair value of Plan Assets :

(₹ in crores)

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Fair Value of Plan Assets at the beginning of the year	16.97	16.92	-	-	-	-
Adjustment to Opening Balance	(4.55)	(3.38)	-	-	-	-
Expected Return on Plan Assets	0.96	1.02	-	-	-	-
Employer's Contribution	-	-	0.20	0.10	0.03	0.07
Benefits Paid	(0.88)	(1.56)	(0.20)	(0.10)	(0.03)	(0.07)
Actuarial gain/(loss) on Plan Assets	5.08	3.97	-	-	-	-
Fair Value of Plan Assets at the end of the year	17.58	16.97	-	-	-	-

(iii) Actuarial Experience Adjustment :**(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
(Gain)/loss on obligation due to change in assumption	(0.57)	0.60	-	-	(0.04)	0.05
Experience (gain)/loss on obligation	(10.77)	(1.16)	-	-	(1.63)	(1.14)
Actuarial gain/(loss) on Plan Assets	5.08	3.97	-	-	-	-

(iv) Actual Return on Plan Assets :**(₹ in crores)**

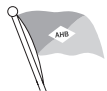
	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Expected Return on Plan Assets	0.96	1.02	-	-	-	-
Actuarial gain/(loss) on Plan Assets	5.08	3.97	-	-	-	-
Actual Return on Plan Assets	6.04	4.99	-	-	-	-

(v) Amount Recognised in the Balance Sheet :**(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Liability at the end of the year	15.36	14.17	13.41	13.79	1.53	1.93
Fair Value of Plan Assets at the end of the year	17.58	16.97	-	-	-	-
Unrecognised past service cost	-	-	-	-	-	-
Amount recognised in the Balance Sheet	(2.22)	(2.80)	13.41	13.79	1.53	1.93

(vi) Expenses recognised in the Statement of Profit and Loss :**(₹ in crores)**

	Gratuity		Pension Plan		Leave Encashment	
	Current Year	Previous year	Current Year	Previous year	Current Year	Previous year
Current Service Cost	2.10	1.81	-	-	1.14	1.26
Interest Cost	11.20	1.07	1.09	1.25	0.15	0.17
Expected Return on Plan Assets	(0.96)	(1.02)	-	-	-	-
Net Actuarial (gain)/loss to be recognised	(16.41)	(4.54)	(1.27)	(0.40)	(1.67)	(1.08)
Expenses recognised in Statement of Profit and Loss	(4.07)	(2.68)	(0.18)	0.85	(0.38)	0.35

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

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

(viii) General Description of Significant Defined Benefit Plans :**Gratuity Plan :**

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

Retirement Benefit Scheme including Pension Plan :

Under the Company's Retirement Benefit Scheme for the Whole-time Directors, all the eligible Whole-time Directors are entitled to the benefits of the scheme only after attaining the age of 62 years, except for retirement due to physical disability or death while in office, in which case, the benefits shall start on his retirement due to such physical disability or death. The benefits are in the form of monthly pension @ 50% of his last drawn monthly salary subject to maximum of ₹ 75 lakhs p.a. during his lifetime. If he predeceases the spouse, she will be paid monthly pension @ 50% of his last drawn pension during her lifetime. Benefits include reimbursement of medical expense for self and spouse, overseas medical treatment upto ₹ 50 lakhs for self/spouse, office space including telephone in the Company's office premises. Benefits also include use of Company's car including reimbursement of driver's salary and other related expenses during his lifetime and in the event of his demise, his spouse will be entitled to avail the said benefit during her lifetime.

Leave Encashment

All eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement or resignation subject to maximum accumulation allowed upto 15 days. The leave over and above 15 days is encashed and paid to employees on June 30th every year as per the last drawn basic salary, except for union category employees who had exercised an option to freeze the accumulated leave balance as on June 30, 2008 (over and above 15 days). This frozen accumulated leave balance will be encashed as per the last drawn basic salary at the time of superannuation, death, permanent disablement, resignation or promotion to the non-union category.

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

	Current Year	Previous Year
Government of India securities	6.00%	6.00%
State Government securities	1.00%	2.00%
Bonds	12.00%	13.00%
HDFC Defensive Managed Fund	81.00%	79.00%
Total	100.00%	100.00%

Note 25 : Segment information

The Company is considered to be a single segment company engaged in shipping business. Consequently, the Company has in its primary segment only one reportable business segment. As per AS-17 'Segment Reporting' if a single financial report contains both consolidated financial statements and the separate financial statement of the parent, segment information need be presented only on the basis of the consolidated financial statements. Accordingly, information required to be presented under AS-17 'Segment Reporting' has been given in the consolidated financial statements.

Note 26 : Related Party Transactions**(I) List of Related Parties****(a) Parties where control exists :**

Subsidiary Companies :

The Great Eastern Shipping Co. (London) Ltd.

The Greatship (Singapore) Pte. Ltd.

The Great Eastern Chartering L.L.C. (FZC) and its subsidiary :

- The Great Eastern Chartering (Singapore) Pte. Ltd., Singapore (incorporated on 17/04/2013)

Greatship (India) Ltd. and its subsidiaries :

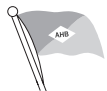
- Greatship Global Holdings Ltd., Mauritius.
- Greatship Global Energy Services Pte. Ltd., Singapore.
- Greatship Global Offshore Services Pte. Ltd., Singapore.
- Greatship Subsea Solutions Singapore Pte. Ltd., Singapore.
(amalgamated with Greatship Global Offshore Services Pte. Ltd. with effect from 31/12/2013)
- Greatship Subsea Solutions Australia Pty. Ltd., Australia. (deregistered with effect from 30/06/2013)
- Greatship (UK) Ltd., UK.
- Greatship Global Offshore Management Services Pte. Ltd., Singapore.
(amalgamated with Greatship Global Offshore Services Pte. Ltd. with effect from 31/12/2013)

(b) Other related parties :**(i) Key Management Personnel :**

- Mr. K. M. Sheth - Executive Chairman
- Mr. Bharat K. Sheth - Deputy Chairman and Managing Director
- Mr. Ravi K. Sheth - Executive Director

(II) Transactions with Related Parties :**(₹ in crores)**

Nature of Transaction	Subsidiary Companies		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year
Services received from	5.35	5.77	-	-
- The Greatship (Singapore) Pte. Ltd.				
Dividend income	70.78	43.37	-	-
- Greatship (India) Ltd.				
₹ 64.78 crores (Previous Year : ₹ 43.37 crores)				
- The Greatship (Singapore) Pte. Ltd.				
₹ 6.00 crores (Previous Year : ₹ 'NIL')				
Services rendered to	0.60	0.62	-	-
- Greatship (India) Ltd.				
Reimbursement of expenses from	0.53	1.06	-	-
- Greatship (India) Ltd.				
Finance	59.31	-	-	-
Part redemption of preference shares				
- Greatship (India) Ltd.				
Purchase of fixed assets from	0.17	0.02	-	-
- Greatship (India) Ltd.				



(₹ in crores)

Nature of Transaction	Subsidiary Companies		Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year
Sale of fixed assets to	0.06	0.25	-	-
- Greatship (India) Ltd.				
Remuneration	-	-	9.87	10.38
- Mr. K. M. Sheth				
₹ 3.45 crores (Previous Year : ₹ 3.73 crores)				
- Mr. Bharat K. Sheth				
₹ 6.42 crores (Previous Year : ₹ 6.65 crores)				
Transfer of liability towards retirement benefits of employees to	0.01	3.99	-	-
- Greatship (India) Ltd.				
Transfer of liability towards retirement benefits of employees from	0.12	-	-	-
- Greatship (India) Ltd.				
Purchase of investments from	-	-	-	36.59
- Mr. Ravi K. Sheth				
Performance Guarantee given	-	129.30	-	-
- Greatship (India) Ltd.				
Outstanding balance as on 31-03-2014 :				
Receivables	0.36	-	-	-
- Greatship (India) Ltd.				
Payables	0.64	0.42	-	-
- The Greatship (Singapore) Pte. Ltd.				
₹ 0.42 crores (Previous Year : ₹ 0.22 crores)				
- The Great Eastern Chartering L.L.C. (FZC)				
₹ 0.22 crores (Previous Year : ₹ 0.20 crores)				
Financial Guarantee given	97.58	108.80	-	-
- Greatship (India) Ltd.				
Performance Guarantee given	1523.53	1685.68	-	-
- Greatship (India) Ltd.				

Note : Dividend payments to Key Management Personnel have not been considered in the above disclosure.

Note 27 : Capital and Other Commitment

Estimated amount of contracts, net of advances paid thereon amounting to ₹ 135.23 crores (Previous Year ₹ 18.99 crores), remaining to be executed on capital account and not provided for - ₹ 1103.64 crores (Previous Year ₹ 158.40 crores).

Note 28 : Contingent Liabilities

		(₹ in crores)	
Sr. No.	Particulars	Current Year	Previous Year
Claims against the Company, not acknowledged as debts :			
(a)	Sales Tax demands under BST Act, CST Act and VAT Act against which the Company has preferred appeals.	7.46	7.46
(b)	Lease Tax liability in respect of a matter decided against the Company, against which the Company has filed a revision petition in the Madras High Court.	17.40	17.40
(c)	Demand from the Office of the Collector & District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by the Company.	4.34	4.34
(d)	Demand for Custom Duty disputed by the Company [The Company has given bank guarantees amounting to ₹ 3.63 crores (Previous Year ₹ 2.71 crores) against the said Custom Duty demand which are included under 'Guarantees' below]	7.29	6.50
(e)	Service Tax Demands disputed by the Company	4.75	4.75
(f)	Income Tax Demands for various Assessment Years disputed by the Company	5.47	11.98
Guarantees :			
(a)	Guarantees given by banks counter guaranteed by the Company.	75.20	3.24
(b)	Guarantees given to banks on behalf of subsidiaries.	97.58	108.80

The Company has also provided performance guarantees in favour of parties which have contracted with its subsidiaries which would require it to assume the benefits and costs of these contracts in the event the subsidiaries are not able to fulfill the same, in which event, the Company does not expect any net liability or outflow of resources.

Note 29 : Hedging Contracts

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

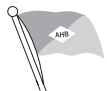
The Company also uses commodity futures contracts for hedging the exposure to bunker price risk.

1 Derivative Instruments/Forward Contracts Outstanding :**i) Cash Flow Hedges :****(a) Commodity Futures Contracts for Import of Bunker :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	2	-	6	-
No. of units in MT under above contracts	7500	-	19500	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	0.41	-	0.73	-
Maturity Period	Upto 1 Year	-	Upto 1 Year	-

(b) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	-	12
Foreign Currency Value (USD in million)	-	-	-	31.000
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	-	-	0.83
Maturity Period	-	-	-	Upto 1 Year

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

Details	Current Year	Previous Year
Total No. of contracts outstanding	7	7
Principal Notional Amount (USD in million)	95.260	110.391
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(17.74)	(34.21)
Maturity Period	Upto 5 Years	Upto 6 Years

(d) Interest portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		3	6
Principal Notional Amount (JPY in million)	JPY/USD	6587.291	11094.165
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(21.46)	(28.12)
Maturity Period		Upto 4 Years	Upto 5 Years

(e) Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		13	13
Principal Notional Amount (₹ in crores)	INR/USD	1700.00	1700.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(872.65)	(651.47)
Maturity Period		Upto 9 Years	Upto 10 Years

ii) Fair Value Hedges :**(a) Forward Exchange Option Contracts :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	8	-	-
Foreign Currency Value (USD in million)	-	81.000	-	-
Gain/(loss) recognised in the Statement of Profit and Loss during the year (₹ in crores)	-	0.36	-	-
Maturity Period	-	Upto 1 Year	-	-

iii) (a) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	2	11
Foreign Currency Value (USD in million)	-	-	5.830	26.000
Maturity Period	-	-	Upto 1 Month	Upto 9 Months

(b) Spot Currency Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	1	-	1	1
Foreign Currency Value (USD in million)	2.043	-	2.100	3.000
Maturity Period	Upto 1 Month	-	Upto 1 Month	Upto 1 Month

(c) Principal portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		3	6
Principal Notional Amount (JPY in million)	JPY/USD	6587.291	11094.165
Maturity Period		Upto 4 Years	Upto 5 Years

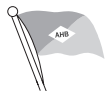
The derivative/forward contracts mentioned under (i) above, having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions and the interest rate risk, have been designated as hedge instruments that qualify as effective cash flow hedges. The mark-to-market loss/(gain) on these foreign exchange derivative/forward contracts outstanding as on March 31, 2014 amounting to loss of ₹ 911.44 crores (Previous Year : loss of ₹ 712.24 crores) has been recorded in the Hedging Reserve Account.

In addition to above, the balance in Hedging Reserve Account also includes gain on cancellation of forward contracts amounting to ₹ 'NIL' (Previous Year : gain of ₹ 0.07 crores) which will be recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition in accordance with the principles of hedge accounting enunciated in Accounting Standard '(AS) 30 – Financial Instruments : Recognition and Measurement' as issued by the Institute of Chartered Accountants of India.

The derivative contracts mentioned under (ii) above, having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions, have been designated as hedge instruments that qualify as effective fair value hedges. The mark-to-market loss/(gain) on these foreign exchange derivative contracts outstanding as on March 31, 2014 amounting to gain of ₹ 0.36 crores (Previous Year : gain of ₹ 'NIL') has been recorded in the Statement of Profit and Loss.

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

Details	Currency	Current Year in millions	Previous Year in millions
Loan Liabilities and Payables	AED	1.509	0.997
	AUD	0.001	0.006
	CAD	0.005	-
	CHF	0.024	0.006
	DKK	0.710	0.591
	EUR	0.798	0.902
	GBP	0.028	0.035
	JPY	54.369	39.157
	NOK	0.385	0.248
	SEK	0.004	0.220
	SGD	1.352	0.455
	USD	655.809	742.994
	ZAR	-	0.060
Receivables	AED	0.207	-
	AUD	-	0.003
	EUR	0.694	0.626
	GBP	0.005	0.016
	JPY	1.867	2.665
	NOK	0.018	-
	SEK	-	0.213
	SGD	0.062	0.041
	USD	12.085	13.872
Bank Balances	AED	0.880	1.267
	DKK	0.127	0.333
	EUR	0.104	0.335
	GBP	0.086	0.158
	NOK	0.108	0.276
	SGD	0.037	0.148
	USD	172.421	178.351

**Note 30**

- (a) As a result of the peculiarities of the trading pattern, it is not possible to identify the heads of expenses based on the locus of consumption. Therefore it would not be feasible to provide the information relating to imports calculated on C.I.F. basis as prescribed by revised Schedule VI.

	Current Year	(₹ in crore) Previous Year
(b) Expenditure in foreign currency :		
Fuel	333.83	398.94
Stores and Spares	70.25	65.62
Repairs and Maintenance	74.79	83.31
Other Operating Expenses	200.78	181.52
Finance Costs	209.04	206.26
(c) Earnings in Foreign Exchange :		
Freight and Charter Hire	782.79	702.70
Profit on Sale of Ships	8.79	53.19
Interest and Dividends	24.40	21.89
Other Operating Income	30.90	2.64

- (d) The Company has not remitted any amount in foreign currencies on account of dividend during the year.

Note 31: General

Other Information required by Schedule VI (Revised) of the Companies Act, 1956, has been given only to the extent applicable. Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	The Great Eastern Chartering (Singapore) Pte. Ltd. \$	Greatship (India) Limited	Greatship Global Holdings Ltd. +	Greatship Global Offshore Services Pte. Ltd. \$*	Greatship Global Energy Services Pte. Ltd. #	Greatship (UK) Limited +
Financial Year ended	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014	March 31, 2014
Date from which it became a Subsidiary	July 3, 1985	March 28, 1994	November 1, 2004	April 17, 2013	June 26, 2002	May 30, 2007	May 8, 2007	October 23, 2006	October 29, 2010
Extent of interest of the Holding Company in the Capital of the Subsidiary	100%	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	₹ 4,944,697	₹ 4,211,823	₹ (55,245,701)	₹ (7,826,173)	₹ 2,282,294,286	₹ 492,582,367	₹ 476,017,423	₹ 2,160,543,469	₹ 15,261,444
(ii) Previous Year since it became Subsidiary	₹ 52,774,245	₹ 68,973,938	₹ 1,241,511,537	-	₹ 2,416,843,695	(₹ 9,476,428)	₹ 1,185,691,627 **	₹ 5,402,736,506	(₹ 21,224,730)
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	-	-	-	-	-	-	-	-	-

Pursuant to General Circular No. 2/2011 dated February 8, 2011 issued by Ministry of Corporate Affairs, the Board of Directors of the Company has given consent for not attaching the balance sheet of the subsidiaries with the balance sheet of the Company as required under Section 212 of the Companies Act, 1956 by passing a resolution at its meeting held on May 07, 2014.

+ Greatship Global Holdings Ltd. and Greatship (UK) Limited are wholly owned subsidiaries of Greatship (India) Limited.

\$ Greatship Global Offshore Services Pte. Ltd. (GGOS) 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., which were wholly owned subsidiaries of GGOS were amalgamated with GGOS w.e.f December 31, 2013.

** Restated based on the merger accounting used for the aforesaid amalgamation.

\$\$ The Company's subsidiary in Australia - Greatship Subsea Solutions Australia Pty Limited was voluntarily de-registered with the Australian Securities & Investments Commission w.e.f June 30, 2013.

For and on behalf of the Board

K. M. Sheth
Bharat K. Sheth
Keki Mistry
 Mumbai, May 07, 2014

Executive Chairman
 Deputy Chairman & Managing Director
 Director

Jayesh M. Trivedi
 Company Secretary
G. Shivakumar
 Chief Financial Officer

STATEMENT PURSUANT TO GENERAL CIRCULAR NO. 2/2011 DATED FEBRUARY 8, 2011 ISSUED BY MINISTRY OF CORPORATE AFFAIRS

THE GREAT EASTERN SHIPPING COMPANY LIMITED

Name of Subsidiary	The Great Eastern Shipping Co. London Ltd.	The Greatship (Singapore) Pte. Ltd.	The Great Eastern Chartering LLC (FZC)	The Great Eastern Chartering (Singapore) Pte. Ltd.	Greatship (India) Limited	Greatship Global Holdings Ltd.	Greatship Global Offshore Services Pte. Ltd.	Greatship Global Energy Services Pte. Ltd.	Greatship (UK) Limited
Capital	1.32	1.31	0.24	11.98	245.47	1,331.43	425.79	1,012.43	3.00
Reserves*	5.77	2.09	129.68	(0.78)	1,978.50	0.28	110.78	806.66	(3.87)
Total Assets	7.12	3.79	134.71	11.23	3,528.61	1,411.18	875.00	3,351.83	58.23
Total Liabilities	7.12	3.79	134.71	11.23	3,528.61	1,411.18	875.00	3,351.83	58.23
Investments (except in case of investment in subsidiaries)	-	-	-	-	-	-	-	-	-
Turnover	0.09	5.59	49.15	(0.50)	1,384.17	53.86	228.59	448.59	136.62
Profit/(Loss) before taxation*	0.49	0.45	5.52	(0.78)	281.38	50.75	49.08	216.05	(2.49)
Provision for taxation	-	(0.03)	-	-	53.15	1.50	1.48	-	(0.97)
Profit/(Loss) after taxation*	0.49	0.42	5.52	(0.78)	228.23	49.26	47.60	216.05	(1.53)
Dividend Paid	-	-	-	-	22.41@	47.94	50.93	-	-
Dividend Proposed	-	-	-	-	52.11 #	-	-	-	-

* Figures includes foreign currency translation adjustment.

@ Preference dividend including dividend distribution tax.

Equity dividend including dividend distribution tax.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE GREAT EASTERN SHIPPING COMPANY LIMITED

We have audited the accompanying Consolidated Financial Statements of **THE GREAT EASTERN SHIPPING COMPANY LIMITED** ("the Company"), and its subsidiaries (collectively referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the Consolidated 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 the accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated 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 and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries as noted below, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of certain subsidiaries whose financial statements reflect the Group's share of total assets of ₹ 4352.59 crore as at March 31, 2014, the Group's share of total revenues of ₹ 380.27 crore and net cash outflows amounting to ₹ 115.40 crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by Management and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

For and on behalf of
Kalyaniwalla & Mistry
 Chartered Accountants
 Firm Regn. No.: 104607W
Daraius Z. Fraser
 Partner
 M. No.: 42454
 Mumbai: May 7, 2014.

**CONSOLIDATED BALANCE SHEET** AS AT MARCH 31, 2014.

		(₹ in crores)	
Particulars	Note No.	Current Year	Previous Year
EQUITIES AND LIABILITIES :			
I. Shareholders' Funds :			
(a) Share Capital	5	150.78	152.32
(b) Reserves and Surplus	6	6622.07	6189.44
		6772.85	6341.76
II. Non-Current Liabilities :			
(a) Long-Term Borrowings	7	4975.98	5689.37
(b) Long-Term Provisions	8	29.21	23.22
		5005.19	5712.59
III. Current Liabilities :			
(a) Trade Payables	9	212.49	247.86
(b) Other Current Liabilities	10	1313.24	1257.11
(c) Short-Term Provisions	8	1072.96	889.72
		2598.69	2394.69
TOTAL		14376.73	14449.04
ASSETS :			
I. Non-Current assets :			
(a) Fixed Assets	11		
(i) Tangible Assets		9840.58	9681.56
(ii) Intangible assets		1.60	2.82
(iii) Capital Work-in-progress		358.24	19.51
		10200.42	9703.89
(b) Non-current investments	12	30.00	-
(c) Deferred Tax Assets (net)		1.95	1.18
(d) Long-Term Loans and Advances	13	26.02	15.99
(e) Other Non-Current Assets	14	109.45	97.85
		10367.84	9818.91
II. Current Assets :			
(a) Current Investments	15	1111.55	2025.83
(b) Inventories	16	139.68	132.90
(c) Trade Receivables	17	274.97	371.33
(d) Cash and Bank Balances	18	2323.28	1986.97
(e) Short-Term Loans and Advances	13	143.17	98.54
(f) Other Current Assets	14	16.24	14.56
		4008.89	4630.13
TOTAL		14376.73	14449.04
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our Report attached hereto

For and on behalf of

Kalyaniwalla & Mistry
Chartered Accountants
Firm Regn. No. : 104607W
Daraius Z. Fraser
Partner
M. No. : 42454
Mumbai : May 7, 2014.

Jayesh M. Trivedi
Company Secretary
G. Shivakumar
Chief Financial Officer

For and on behalf of the Board

K. M. Sheth
Bharat K. Sheth
Keki Mistry
Executive Chairman
Deputy Chairman & Managing Director
Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014.

		(₹ in crores)	
Particulars	Note No.	Current Year	Previous Year
Income :			
I. Revenue from Operations	19	3091.86	3006.69
II. Other Income	20	241.54	393.76
III. Total Revenue (I + II)		3333.40	3400.45
IV. Expenses :			
Employee Benefit Expenses	21	506.86	449.35
Other Expenses	22	1149.29	1397.84
Total Expenses		1656.15	1847.19
V. Earnings Before Depreciation, Impairment Loss, Finance Costs and Tax (III - IV)		1677.25	1553.26
VI. Depreciation		658.03	592.39
VII. Impairment		7.28	31.78
VIII. Finance Costs	23	378.79	344.71
IX. Profit Before Tax (V - VI - VII - VIII)		633.15	584.38
X. Tax Expenses:			
- Current Tax		54.52	44.97
- Deferred Tax		(0.77)	0.13
- Tax for Prior Years		5.45	1.52
		59.20	46.62
XI. Profit After Tax (IX - X)		573.95	537.76
XII. Earnings per Equity Share :	25		
(Face value per share ₹ 10)			
- Basic		₹ 37.87	₹ 35.31
- Diluted		₹ 37.79	₹ 35.24
Summary of Significant Accounting Policies	1		

The accompanying notes are an integral part of the financial statements.

As per our Report attached hereto

For and on behalf of the Board

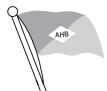
For and on behalf of

Kalyaniwalla & Mistry
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Firm Regn. No. : 104607W
Daraius Z. Fraser
Partner
M. No. : 42454
Mumbai : May 7, 2014.

Jayesh M. Trivedi
Company Secretary
G. Shivakumar
Chief Financial Officer

K. M. Sheth
Bharat K. Sheth
Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014.

(₹ in crores)

	Current Year	Previous Year
A. Cash Flow From Operating Activities		
Net Profit Before Tax :	633.15	584.38
Adjustments For :		
Depreciation	658.03	592.39
Impairment	7.28	31.78
Interest Earned	(48.32)	(74.94)
Interest and Finance Charges	378.79	344.71
Dividend Income	(40.98)	(64.26)
Diminution in Value of Investments	11.01	1.76
Profit on Sale of Investments	(45.40)	(61.47)
Profit on Sale of Ships and Other Assets	(10.75)	(134.65)
Bad Debts and Advances Written Off	0.10	8.51
Provision/(Reversal of Provision) for Doubtful Debts and Advances (net)	10.97	(2.94)
Provision for Incharter Hire Contracts Written Back	(0.15)	-
Equity Shares Buy back Expenses	0.98	-
Revaluation of Foreign Currency Balances	(114.14)	(11.32)
Operating Profit Before Working Capital Changes	1440.57	1213.95
Adjustments For :		
Trade and Other Receivables	(64.27)	56.69
Inventories	(6.58)	(19.31)
Trade and Other Payables	57.39	49.21
Cash Generated From Operations	1427.11	1300.54
Tax Paid	(69.52)	(44.72)
Net Cash From Operating Activities	1357.59	1255.82
B. Cash Flow From Investing Activities		
Purchase of Fixed Assets	(622.79)	(1436.80)
Sale Proceeds of Fixed Assets	136.21	1065.54
Purchase of Current Investments	(3653.66)	(5771.26)
Sale of Current Investments	4567.54	5120.54
Investment in Subsidiaries	-	(36.59)
Placement of Deposits - maturity period more than three months	(757.75)	-
Withdrawal of Deposits - maturity period more than three months	-	550.48
Placement of Deposits with Bank towards acquisition of ships	(16.00)	-
Margin Money Deposit placed	(86.23)	(70.19)
Interest Received	43.55	105.18
Dividend Received	40.98	64.26
Net Cash From/(Used in) Investing Activities	(348.15)	(408.84)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014. (CONTD.)

(₹ in crores)

	Current Year	Previous Year
C. Cash Flow From Financing Activities		
Proceeds from Issue of Equity Shares from Abeyance Quota	-	0.03
Buy back of Equity Share Capital	(41.27)	-
Equity Shares Buy back Expenses	(0.98)	-
Proceeds from Long-Term Borrowings	250.21	1130.92
Repayments of Long-Term Borrowings	(1391.77)	(1031.87)
Repayment of Finance Lease Obligations	-	(81.64)
Dividend Paid	(128.59)	(105.53)
Dividend Distribution Tax Paid	(13.53)	(9.02)
Interest and Finance Charges Paid	(371.15)	(344.99)
Net Cash From/(Used In) in Financing Activities	(1697.08)	(442.10)
Net increase/(decrease) in Cash and Cash Equivalents	(687.64)	404.88
Cash and Cash Equivalents as at April 1, 2013 (refer note below)	1339.56	934.68
Cash and Cash Equivalents as at March 31, 2014 (refer note below)	651.92	1339.56
Note :		
Cash and Cash Equivalents	As at March 31, 2014	As at March 31, 2013
Cash and Cash Equivalents (note 18)	838.21	1376.36
Revaluation of Foreign Currency Balances [(Gain)/Loss]	(186.29)	(36.80)
Cash and Cash Equivalents as restated	651.92	1339.56

As per our Report attached hereto

For and on behalf of the Board

For and on behalf of

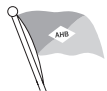
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Company Secretary

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Chief Financial Officer

K. M. Sheth
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Keki Mistry

Executive Chairman
Deputy Chairman & Managing Director
Director



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014.

Note 1 : Significant Accounting Policies

(a) Basis of Preparation :

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 notified under Section 211 (3c) of the Companies Act, 1956 and specified in the Companies (Accounting standards) Rules, 2006 (as amended) read with General Circular No. 15/2013 dated September 12, 2013 issued by the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013, pronouncement of the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 to the extent applicable.

(b) Use of Estimates :

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

(c) Tangible Fixed Assets :

Tangible fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost includes expenses related to acquisition and installation of the concerned assets, borrowings cost during construction period, exchange differences on repayment and year end translation of foreign currency liabilities relating to acquisition of assets are adjusted to the carrying cost of the assets; and excludes any duties/taxes recoverable and capital subsidy/grant received. Subsequent expenditure related to an item of fixed assets is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on maintaining fixed assets, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

(d) Intangible Fixed Assets :

Intangible fixed assets are stated at acquisition cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight line basis over the estimated useful lives.

(e) Investments :

- (i) Investments are classified into Current and Non-current Investments.
- (ii) Investments intended to be held for a period less than twelve months or those maturing within twelve months from the Balance Sheet Date are classified as 'Current Investments'. Investments which are classified as current investments are stated at lower of cost and net realisable value and the resultant decline, if any, is charged to the Statement of Profit and Loss.
- (iii) Investments other than Current Investments are classified as 'Non-current Investments'. Non-current Investments are carried at cost. Provision for diminution, if any, in the value of each Non-current Investment is made to recognise a decline, other than of a temporary nature.

(f) Inventories :

Inventories of fuel oil and stores & spares on rigs are carried at lower of cost and net realisable value. Cost is ascertained on first-in-first out basis for fuel oil and on weighted average basis for stores & spares on rigs. The cost includes all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

(g) Incomplete Voyages :

Incomplete voyages comprise of freight received and direct operating expenses in respect of voyages which are not complete as at the Balance Sheet date. The freight received for incomplete voyages is shown under 'Income Received in Advance' and the direct operating expenses incurred for incomplete voyages are shown under 'Other Advances'.

(h) Borrowing Costs :

Borrowing costs include interest and ancillary cost incurred in connection with the arrangement of borrowings. Borrowing costs that are directly attributable to the acquisition/construction of the qualifying assets are capitalized as part of the cost of the asset, upto the date of acquisition/completion of construction. All other borrowing costs are expensed in the period they occur.

(i) Revenue recognition :

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

is recognised on provisional basis.

Interest : Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends : Dividend income is recognised when the company's right to receive dividend is established by the balance sheet date.

(i) Operating expenses :

- (i) Fleet direct operating expenses are charged to the Statement of Profit and Loss on completed voyage basis.
- (ii) Stores and spares delivered on board the ships are charged to the Statement of Profit and Loss. Spares on board Rigs are charged to the Statement of Profit and Loss on consumption basis.
- (iii) Expenses on account of general average claims/damages to ships are written off in the year in which they are incurred. Claims against the underwriters are accounted for on acceptance of average adjustment by the adjusters.
- (iv) Bunker consumption cost, which is part of direct operating expenses, is charged to the Statement of Profit and Loss on completed voyage basis. In case, the vessel is not fixed for next voyage as on the period-end date, the consumption cost is charged to the Statement of Profit and Loss as period cost from the date of previous voyage till the period-end date. If the vessel is fixed for next voyage by the period-end date, the bunker consumption cost for the period from the date of previous voyage till the period-end date is carried forward as incomplete voyage expenses as per the accounting policy on "Incomplete Voyages".
- (v) Dry-dock expenditure is recognised in the Statement of Profit and Loss to the extent of material supplied and services rendered in case of non yard expenses. Yard material and service expenses are recognised in the Statement of Profit and Loss on completion of Dry-dock.

(k) Leases :

(i) Finance lease

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

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

(ii) Operating lease

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

Rentals payables under operating leases are charged to Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

(l) Employee Benefits :

(i) Short-term Employee benefits :

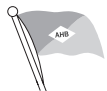
All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, performance incentives, etc., are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the employee renders the related service.

(ii) Post Employment Benefits :

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

a) 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 Statement of Profit and Loss of the period when the contributions to the respective funds are due.



b) Defined Benefit Plan

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

c) Other Long Term Benefits

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

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

(m) Employee Share based payments :

Equity settled stock options granted under the Company's Employee stock option (ESOP) schemes are accounted as per the accounting treatment prescribed by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Guidance Note on Accounting for Employee Share based payments issued by ICAI. The intrinsic value of the option is recognised as employee compensation with a credit to employee stock option outstanding account. The employee compensation is charged to the Statement of Profit and Loss over the vesting period of the option.

(n) Depreciation :

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

		Estimated Useful life/ depreciation rate
Tangible Assets :		
Fleet		
-Single Hull Tankers	Straight line over balance useful	20 to 23 years
-Double Hull Tankers	life or 5%, whichever is higher	20 to 25 years
-Dry Bulk Carriers		23 to 30 years
-Gas Carriers		27 to 30 years
-Offshore Supply Vessels		20 years
Modern Rig	Straight line	30 years
Leasehold Land	Straight line	Lease period
Ownership Flats and Buildings	Written down value	5%
Leasehold Improvements	Straight line	5 years
Furniture & Fixtures, Office Equipment, etc.	Straight line	5 years
Computers	Straight line	3 years
Vehicles	Straight line	4 years
Plant & Equipment – Others	Straight line	3 to 10 years
Intangible Assets :		
Software	Straight line	5 years

- (ii) Depreciation on fleet is provided on prorata basis and on Other Assets depreciation is provided for the full year on additions and no depreciation is provided in the year of disposal.
- (iii) In case of assets depreciated under the straight line method, 95% of the original cost is written off over the estimated useful life. However, if an asset continues in operation beyond the useful life, as estimated by the Management, the balance cost is depreciated in the subsequent year.

(o) 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. Recoverable amount is higher of an asset's net selling price and its value in use. Value in use is the present value of estimated future cashflows

expected to arise from the continuing use of an asset and from its disposal at the end of its useful life.

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

(p) Foreign Exchange Transactions :

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of long term monetary assets and liabilities and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance life of the asset and in other cases accumulated in a Foreign Currency Monetary Item Translation Difference Account and amortised over the balance period of such long term asset/liability, but not beyond March 31, 2020 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 Statement of Profit and Loss.
- (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 Statement of Profit and Loss, except in case of contracts relating to the acquisition of depreciable capital assets, in which case they are added to or deducted from the cost of the assets. Premium or discount on such forward exchange contracts is amortised as income or expense over the life of the contract.
- (iii) Currency swaps which form an integral part of the loans are translated at closing rates and the resultant gains and losses are dealt with in the same manner as the translation differences of long term monetary assets and liabilities.

(q) Derivative Financial Instruments and Hedging :

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

Cash Flow Hedge :

Commodity future contracts, forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, interest rate swaps and currency swaps which do not form an integral part of the loans, 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' as issued by the Institute of Chartered Accountants of India. The gains or losses on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve account and is recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects Statement of Profit and Loss or is transferred to the cost of the hedged non-monetary asset upon acquisition. Gains or losses on the ineffective transactions are immediately recognised in the Statement of Profit and 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 Profit and Loss immediately.

Fair Value Hedge :

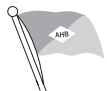
Foreign exchange forward and option contracts outstanding at the Balance Sheet date, other than designated cash flow hedges, are stated at fair values and any gains or losses are recognised in the Statement of Profit and Loss.

(r) Provision for Taxation :

Tax expense comprises both current and deferred tax.

- (i) Current income tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws enacted or substantially enacted as at the Balance Sheet date. Income from shipping activities in India is assessed on the basis of deemed tonnage income of the Company. Foreign tax is recognised on accrual basis in accordance with the respective laws.
- (ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the Balance Sheet date.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period.

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

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

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

Note 2 : Basis of Consolidation

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

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

In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investment in the subsidiaries over its share of equity, at the respective dates on which the investments are made. Alternatively, where the share of equity as on the date of investment is in excess of cost of investment, it is recognised as 'Capital Reserve' in the consolidated financial statements.

Note 3 :

The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Holding Company i.e. March 31, 2014.

Note 4 :

The subsidiary companies considered in these consolidated financial statements are :

Sr. No.	Name of the Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1	The Great Eastern Shipping Co. London Ltd.	U.K.	100%	100%
2	The Greatship (Singapore) Pte. Ltd.	Singapore	100%	100%
3	The Great Eastern Chartering L.L.C. (FZC)	U.A.E.	100%	100%
4	Greatship (India) Ltd.	India	100%	100%
5	Greatship Global Holdings Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	Mauritius		
6	Greatship Global Energy Services Pte. Ltd. (89.31% Equity shares are owned by Greatship Global Holdings Ltd., Mauritius and 10.69% Equity shares are owned by Greatship (India) Ltd.)	Singapore		
7	Greatship Global Offshore Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Holdings Ltd.)	Singapore		
8	Greatship Subsea Solutions Singapore Pte. Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd.) (amalgamated with Greatship Global Offshore Services Pte. Ltd. with effect from 31/12/2013)	Singapore		
9	Greatship Subsea Solutions Australia Pty. Ltd. (wholly owned subsidiary of Greatship Subsea Solutions Singapore Pte. Ltd.) (deregistered with effect from 30/06/2013)	Australia		
10	Greatship (UK) Ltd. (wholly owned subsidiary of Greatship (India) Ltd.)	U.K.		
11	Greatship Global Offshore Management Services Pte. Ltd. (wholly owned subsidiary of Greatship Global Offshore Services Pte. Ltd.) (amalgamated with Greatship Global Offshore Services Pte. Ltd. with effect from 31/12/2013)	Singapore		
12	The Great Eastern Chartering (Singapore) Pte. Ltd. [wholly owned subsidiary of The Great Eastern Chartering L.L.C. (FZC)] (Incorporated on 17/04/2013)	Singapore		

Note 5 : Share Capital

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
Authorised :				
Equity Shares of ₹ 10 each	30,00,00,000	300.00	30,00,00,000	300.00
Preference Shares of ₹ 10 each	20,00,00,000	200.00	20,00,00,000	200.00
	50,00,00,000	500.00	50,00,00,000	500.00
Issued :				
Equity Shares of ₹ 10 each	15,11,63,426	151.16	15,27,08,445	152.70
	15,11,63,426	151.16	15,27,08,445	152.70
Subscribed and Fully Paid :				
Equity Shares of ₹ 10 each	15,07,77,065	150.78	15,23,22,084	152.32
Add : Forfeited shares (Amount : ₹ 30,358, Previous Year amount : ₹ 30,358)	2,518	-	2,518	-
	15,07,79,583	150.78	15,23,24,602	152.32

Reconciliation of the shares outstanding at the beginning and at the end of the financial year:

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
Equity Shares:				
Issued:				
Balance as per the last financial statement	15,27,08,445	152.70	15,27,08,445	152.70
Less : Shares bought back during the year [See note (b) below]	15,45,019	1.54	-	-
Closing balance	15,11,63,426	151.16	15,27,08,445	152.70

	Current Year		Previous Year	
	Nos.	₹ in crores	Nos.	₹ in crores
Subscribed and fully paid:				
Balance as per the last financial statement	15,23,22,084	152.32	15,22,89,684	152.29
Add : Shares held in abeyance allotted during the year	-	-	32,400	0.03
Less : Shares bought back during the year [See note (b) below]	15,45,019	1.54	-	-
Closing balance	15,07,77,065	150.78	15,23,22,084	152.32

(a) Terms/Rights attached to Equity Shares :

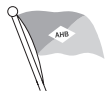
The Holding Company has only one class of equity shares having a face value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting. Interim dividend is paid as recommended by the Board of Directors.

During the year ended March 31, 2014, the dividend per share (including interim dividend) recognised as distribution to equity shareholders was ₹ 9.00 (Previous Year ₹ 7.50 per share).

In the event of liquidation, the equity shareholders are eligible to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

(b) "Pursuant to the approval of the Board of Directors for buyback of equity shares, the Holding Company has bought back 15,45,019 equity shares of ₹ 10 each at an average price of ₹ 267.14 per share aggregating to ₹ 41.27 crores and has extinguished the said shares as at March 31, 2014.

The nominal value of the equity shares bought back and extinguished has been reduced from the paid-up share capital. Consequently, the Issued, Subscribed and Paid-up Capital of the Holding Company has been reduced by ₹ 1.54 crores. The premium paid on buyback of the equity shares has been appropriated from Securities Premium account.



(c) Details of Shareholders holding more than 5% equity shares in the Company :

	As on 31/03/2014		As on 31/03/2013	
	Nos.	% holding	Nos.	% holding
Equity shares of ₹ 10 each fully paid				
Mr. Bharat Kanaiyalal Sheth	1,63,37,490	10.84%	1,58,37,490	10.40%
Mr. Ravi Kanaiyalal Sheth	1,43,62,504	9.53%	1,43,62,504	9.43%
Nalanda India Equity Fund Limited	1,05,24,139	6.98%	1,05,24,139	6.91%

(d) For the period of five years immediately preceding the date as at which the Balance Sheet is prepared :

- (i) No shares were allotted pursuant to contracts without payment being received in cash.
- (ii) No bonus shares have been issued.
- (iii) 15,45,019 equity shares have been bought back.

(e) There are no securities convertible into equity/preference shares.

(f) Under orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992, the allotment of 2,53,522 (Previous Year 2,53,522) rights equity shares of the Company have been kept in abeyance in accordance with section 206A of the Companies Act, 1956 till such time as the title of the bonafide owner is certified by the concerned Stock Exchanges. An additional 40,608 (Previous Year 40,608) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

(g) Employee Stock Option Scheme :

The employee stock options of Greatship (India) Limited (GIL) were granted under five different Employee Stock Option Schemes ('Scheme/s') to the employees of GIL, the Holding Company and the subsidiaries. ESOP 2008 - I Scheme was closed on March 31, 2013 with the encashment of all the options under the scheme. All the ESOPs are in respect of GIL's shares where each stock option is equivalent to one equity share.

In the year 2012, GIL had introduced an encashment scheme granting an opportunity to the option grantees under all Schemes to encash all or part of their stock options vested upto March 31, 2012. The encashment scheme also provides for another window to be opened to encash stock options that would have vested as on March 31, 2015, if there is no IPO by that date.

During the year under review, no grant of stock options were made under any of the Employee Stock Option Schemes ('Scheme/s') to the employees of GIL, the Holding Company and the subsidiaries, in line with GIL's decision not to make any further grants under the existing Schemes. A total of 1,18,180 options were forfeited and 6,960 options were exercised during the year under review on resignation of employees, resulting in the total options outstanding as on March 31, 2014 being 8,44,420 options.

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

SR. NO.	PARTICULARS	ESOP 2007	ESOP 2007 - II	ESOP 2008 - II	ESOP 2010
1	Date of Grant	10/08/07	28/01/08	23/10/08	23/09/10
		28/01/08		19/03/09	30/04/11
		05/05/09		05/05/09	24/10/11
				24/07/09	27/04/12
				23/10/09	
				28/12/09	
				18/03/10	
				30/04/10	
2	Date of Board Approval	23/01/07	20/11/07	28/01/08	18/03/10
3	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	23/04/10
4	Options approved*	10,00,000	2,00,000	17,10,000	10,28,900
5	Options outstanding at the beginning of the year	96,420	25,600	4,30,260	4,17,280
6	Options granted during the year	-	-	-	-
7	Options cancelled/forfeited during the year	-	-	-	1,18,180
8	Options exercised during the year	-	-	6,960 *	-

SR. NO.	PARTICULARS	ESOP 2007	ESOP 2007 - II	ESOP 2008 - II	ESOP 2010
9	Options encashed during the year	-	-	-	-
10	Options outstanding at the end of the year	96,420	25,600	4,23,300	2,99,100
11	Exercise Price/Weighted Average Exercise Price	100	100	135	135
12	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
13	Exercisable at end of the year	-	-	-	-
14	Method of Settlement	Equity/Cash	Equity	Equity/Cash	Equity
15	Vesting period from the date of grant	20% equally over a period of five years	One year	20% equally over a period of five years	20% equally over a period of five years
16	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 Company or subsidiaries (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within group companies)

* upon resignation of an employee, 6,960 stock options were settled by payment of cash in accordance with the Scheme.

The Employee Stock Options Schemes had been accounted on the intrinsic value method upto the year ended March 31, 2012. The compensation expense amount which is the difference between the exercise price of the option and the intrinsic value of the shares was amortised over the vesting period. Pursuant to the encashment scheme for Employee Stock Options (ESOPs) introduced by GIL during 2012, 7,65,940 options were encashed at the fair value determined under the Scheme. Since the encashment scheme also provides for another window to be opened in March 2015 to encash stock options that have vested till such date, the liability in respect of the outstanding options has also been measured at the fair value determined in accordance with the encashment scheme and the difference in the fair value and the exercise price is amortised over vesting period.

The cumulative amount of employee stock option expense amortised upto March 31, 2014 amounting to Rs. 9.30 crores is included in long term provisions (Previous year Rs. 2.43 crores).

Note 6 : Reserves and Surplus

				(₹ in crores)
		Current Year	Previous Year	
(a) Capital Reserve :				
Balance as per last Financial Statement	21.04		18.93	
Add : Addition during the year	-		2.11	
		21.04	21.04	
(b) Capital Redemption Reserve :				
Balance as per last Financial Statement	238.54		238.54	
Add : Amount Transferred from Surplus	1.54		-	
		240.08	238.54	



		(₹ in crores)	
		Current Year	Previous Year
(c) Securities Premium Account :			
Balance as per last Financial Statement	153.74		153.74
Less : Amount utilised for buyback of equity shares during the year	39.72		-
		114.02	153.74
(d) Debenture Redemption Reserve :			
Balance as per last Financial Statement	92.50		77.50
Add : Amount Transferred from Surplus	25.00		15.00
		117.50	92.50
(e) Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961 :			
Balance as per last Financial Statement	436.85		621.85
Add : Amount Transferred from Surplus	65.00		40.00
	501.85		661.85
Less : Amount Transferred to General Reserve	294.85		225.00
		207.00	436.85
(f) Statutory Reserves :			
Balance as per last Financial Statement		0.12	0.11
(g) Foreign Currency Translation Reserve :			
Balance as per last Financial Statement	353.15		266.74
Add : Gain/(Loss) on Foreign Currency Translation	221.58		86.41
		574.73	353.15
(h) Hedging Reserve Account (note 31) :			
Balance as per last Financial Statement	(775.22)		(641.24)
Add : Decrease/(Increase) during the Year (net)	(161.32)		(133.98)
		(936.54)	(775.22)
(i) Foreign Currency Monetary Item Translation Difference Account:			
Balance as per last Financial Statement	(15.13)		-
Adjustment during the year	(12.01)		(17.25)
Less : Transferred to Statement of Profit and Loss during the year	3.95		2.12
		(23.19)	(15.13)
(j) Employee Stock Options Outstanding :			
Balance as per last Financial Statement	-		2.12
Less : Reversal on account of Lapsed Stock Options	-		2.12
		-	-
(k) General Reserve :			
Balance as per last Financial Statement	1867.54		1610.54
Add : Amount Transferred from Surplus	44.00		32.00
Add : Transfer from Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961	294.85		225.00
		2206.39	1867.54

(₹ in crores)			
		Current Year	Previous Year
(I) Surplus :			
Balance as per last Financial Statement	3816.32		3527.69
Add : Profit for the Year	573.95		537.76
Less : Adjustment on cessation of Minority Interest in Subsidiary Company	-		27.38
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income tax Act, 1961	65.00		40.00
	4325.27		3998.07
Less : Appropriations :			
Transfer to General Reserve	44.00		32.00
Transfer to Debenture Redemption Reserve	25.00		15.00
Transfer to Capital Redemption Reserve	1.54		-
Interim Dividend on Equity Shares	60.32		45.70
Proposed Dividend on Equity Shares	75.39		68.54
Dividend Distribution Tax	18.10		20.51
	224.35		181.75
		4100.92	3816.32
		6622.07	6189.44

Note 7 : Long-Term Borrowings

(₹ in crores)				
	Non-current portion		Current maturities	
	Current Year	Previous Year	Current Year	Previous Year
(a) Bonds/Debentures :				
Secured :				
9.80% 2500 Redeemable Non-Convertible debentures of ₹ 10,00,000 each redeemable on July 03, 2019 [note (i) and (v) below]	250.00	250.00	-	-
Unsecured :				
Redeemable Non-Convertible Debentures of ₹ 10,00,000 each -				
(i) 9.70 % 1000 Debentures redeemable on January 18, 2023	100.00	100.00	-	-
(ii) 9.70 % 1000 Debentures redeemable on January 07, 2023	100.00	100.00	-	-
(iii) 9.70 % 500 Debentures redeemable on April 25, 2021	50.00	50.00	-	-
(iv) 9.70 % 1500 Debentures redeemable on April 15, 2021	150.00	150.00	-	-
(v) 9.70 % 1000 Debentures redeemable on February 02, 2021	100.00	100.00	-	-
(vi) 9.60 % 2000 Debentures redeemable on November 10, 2019	200.00	200.00	-	-
(vii) 9.75 % 2500 Debentures redeemable on August 20, 2019	250.00	250.00	-	-



(₹ in crores)

	Non-current portion		Current maturities	
	Current Year	Previous Year	Current Year	Previous Year
(viii) 9.35 % 1000 Debentures redeemable on February 08, 2019	100.00	100.00	-	-
(ix) 9.40 % 1000 Debentures redeemable on January 06, 2019	100.00	100.00	-	-
(x) 9.19 % 1000 Debentures redeemable on December 24, 2018	100.00	100.00	-	-
(xi) 9.35 % 1000 Debentures redeemable on February 08, 2018	100.00	100.00	-	-
(xii) 9.40 % 1000 Debentures redeemable on January 06, 2018	100.00	100.00	-	-
[note (ii) and (v) below]				
(b) Term Loans from Banks				
Foreign Currency Loans from Banks (secured)	3307.84	4058.02	1154.71	1097.23
Swap Adjustments (unsecured) [notes (iii) to (v) below]	(31.86)	(68.65)	(11.26)	(47.28)
	3275.98	3989.37	1143.45	1049.95
Total (a + b)	4975.98	5689.37	1143.45	1049.95
Amount disclosed under the head "other current liabilities" (note 10)	-	-	1143.45	1049.95
	4975.98	5689.37	-	-

Notes :

- 9.80% 2500 Secured Redeemable Non-Convertible Debentures of ₹ 10,00,000 each, redeemable on July 03, 2019, are secured by exclusive charge on specified ships with 1.25 times cover on the book value of ships and additional security by way of mortgage on immovable property of the Company.
- The Holding Company maintains unencumbered assets (including cash and cash equivalents) of market value not less than outstanding face value amount of the Unsecured Debentures.
- Foreign currency loans availed from banks carry interest rates of LIBOR plus 62 to 500 bps for USD loans and LIBOR plus 62 to 70 bps for JPY loans. Some loans are on fixed rates basis. The principal re-payments are due quarterly/half yearly.
These loans are secured by mortgage of specified ships, a financial covenant to maintain unencumbered assets, assignment of shipbuilding contracts, assignment of earning, charge on earning account, assignment of swap contracts and insurance contracts/policies of specified vessels. The Holding Company has issued guarantees as securities for some loans.
- The Holding Company has swapped the loans taken in JPY currency into USD currency as a condition precedent to the loan agreements. Consequent thereto, the swap balances outstanding at the year end are shown as an adjustment to the borrowings.
- The repayments of Bonds/Debentures and Term Loans from Banks are as under :

(₹ in crores)

	Current Year	Previous Year
Period of repayment		
- between one to three years	1696.04	2093.44
- between three to five years	1658.72	1486.55
- over five years	1621.22	2109.38
	4975.98	5689.37

- (vi) In 2009, the Group entered into lease agreement whereby a motor vessel with net book value of ₹ 'NIL' (previous year ₹ 100.98 crores) was sold and leased back. The loss arising from this sale and lease back transaction is deferred and amortised over the lease period of 8 years commencing from 10 September 2009. During the current financial year, the remaining finance lease liabilities relating to the said motor vessel were repaid in full and the deferred loss balance charged to the Statement of Profit and Loss as under :

	(₹ in crores)	
	Current Year	Previous Year
Details		
Deferred (loss)	-	(1.51)
Transfer to Statement of Profit and Loss	-	1.51
	-	-

- (vii) The Group does not have any continuing default in repayment of loans and interest as at the reporting date.

Note 8 : Provisions

	(₹ in crores)			
	Long-term Provisions		Short-term Provisions	
	Current Year	Previous Year	Current Year	Previous Year
(i) Provision for Employee Benefits	29.21	23.22	20.78	17.87
(ii) Vessel Performance/Offhire Claims [See note below]	-	-	7.74	5.06
(iii) Provision for Mark to Market Losses on Derivative Contracts	-	-	945.42	779.19
(iv) Proposed Equity Dividend	-	-	75.39	68.54
(v) Provision for Dividend Distribution Tax	-	-	23.63	19.06
	29.21	23.22	1072.96	889.72

Note:

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

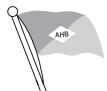
	(₹ in crores)	
	Current Year	Previous Year
Vessel performance/offhire claims -		
Provision have been recognised for the estimated liability for under-performance of certain vessels and offhire claims under dispute		
Opening balance	5.06	10.18
Additions during the year	3.89	1.68
Reversed/paid during the year	(1.21)	(6.80)
Closing balance	7.74	5.06

Note 9 : Trade Payables

	(₹ in crores)	
	Current Year	Previous Year
(a) Sundry Creditors	212.49	247.86
	212.49	247.86

Notes :

- (i) Trade payables are subject to confirmation, reconciliation and adjustments, if any.

**Note 10 : Other Current Liabilities**

	(₹ in crores)	
	Current Year	Previous Year
(a) Current Maturities of Long Term Borrowings [See Note 7] *	1143.45	1049.95
(b) Income Received in Advance	23.30	37.73
(c) Liabilities towards Investor Education and Protection Fund, not due - Unclaimed dividend	6.92	7.19
(d) Deposits Received	3.62	10.86
(e) Other Liabilities	68.81	85.77
(f) Interest Accrued but not due on Borrowings	67.14	65.61
	1313.24	1257.11

*Note: Current Maturities of Long-Term Borrowings includes ₹ 270.55 crores (previous year ₹ 111.97 crores) relating to a long-term borrowing reclassified as current as on the Balance Sheet date due to proposed refinancing arrangement.

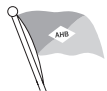
Note 11 : Fixed Assets

(₹ in crores)

Particulars	Cost					Depreciation			Impairment			Net Block			
	As at April 1, 2013	Additions for the Year	Adjustments/Deductions for the Year	Other Adjustments [Note (e)]	As at March 31, 2014	Upto March 31, 2013	Adjustments/Deductions for Assets Sold/ Discarded	For the Year	Upto March 31, 2014	Upto March 31, 2013	Adjustments/Deductions for Assets Sold/ Discarded [Note (d)]	For the Year/ Transfer from Ships under construction	Upto March 31, 2014	As at March 31, 2014	As at March 31, 2013
Tangible Assets :															
Fleet	9276.26	228.17	473.67	395.97	9426.73	2340.50	337.24	512.22	2515.48	133.00	-	-	133.00	6778.25	6802.76
Plant and Equipment															
- Rigs	2852.92	-	2.23	295.86	3146.55	191.29	(21.45)	108.02	320.76	-	-	4.30	4.30	2821.49	2661.63
- Others	155.07	42.61	1.72	13.63	209.59	45.04	(0.20)	27.79	73.03	-	-	3.82	3.82	132.74	110.03
Land (Freehold and Perpetual Lease)	59.80	-	-	-	59.80	-	-	-	-	-	-	-	-	59.80	59.80
Ownership Flats and Buildings [Note (a)]	51.69	2.96	-	-	54.65	19.15	(0.51)	1.78	21.44	1.35	1.35	-	-	33.21	31.19
Furniture, Fixtures and Office Equipment	44.23	3.28	1.97	0.18	45.72	33.17	1.51	4.18	35.84	-	-	-	-	9.88	11.06
Vehicles	16.17	3.36	2.57	-	16.96	11.08	2.06	2.73	11.75	-	-	-	-	5.21	5.09
SUB - TOTAL (A)	12456.14	280.38	482.16	705.64	12960.00	2640.23	318.65	656.72	2978.30	134.35	1.35	8.12	141.12	9840.58	9681.56
Intangible Assets :															
Software	6.31	0.26	0.52	0.01	6.06	3.49	0.34	1.31	4.46	-	-	-	-	1.60	2.82
SUB - TOTAL (B)	6.31	0.26	0.52	0.01	6.06	3.49	0.34	1.31	4.46	-	-	-	-	1.60	2.82
GRAND - TOTAL (A + B)	12462.45	280.64	482.68	705.65	12966.06	2643.72	318.99	658.03	2982.76	134.35	1.35	8.12	141.12	9842.18	9684.38
Previous Year Figures	11226.63	2151.71	1297.45	381.56	12462.45	2314.93	263.60	592.39	2643.72	128.40	27.57	33.52	134.35	358.24	9684.38
Ships Under Construction/Capital Work-in-progress														10200.42	9703.89

Notes :

- a) The ownership flats and buildings include ₹ 11,760 (Previous Year ₹ 11,760) being value of shares held in various co-operative societies.
- b) The deed of assignment in respect of the Company's leasehold property at Worli is yet to be transferred in the name of the Company.
- c) During the current year, the Group has changed the estimated useful life of certain Plant and Equipment items between 3 to 10 years. The depreciation charge for the year is higher by ₹ 5.25 crores consequent to change.
- d) Impairment loss amounting to ₹ 1.35 crores relating to a property recognised in an earlier year was reversed in view of appreciation in the market value of the property.
- e) Other Adjustments include amount of exchange loss/(gain) on account of fluctuation of the rupee against foreign currencies and losses/(gains) on hedging contracts (including on cancellation of forward covers), relating to long term monetary items for acquisition of depreciable capital assets, losses/(gains) on forward contracts for hedging capital commitments for acquisition of depreciable assets and exchange difference on translation of foreign currency balances of the foreign subsidiaries.



Note 12 : Non-current Investments

	Current Year		Previous Year	
	No. of shares	₹ in crores	No. of shares	₹ in crores
Trade Investments (valued at cost, fully paid unless stated otherwise)				
Equity Shares : Unquoted				
Seachange Maritime L.L.C.	11,04,000	71.90	11,04,000	65.15
Less : Provision for Diminution in Value of Investment		71.90		65.15
		-		-
Investment in Structured Gold Linked				
Non-Convertible Debentures : Unquoted				
- Debentures redeemable on April 22, 2015	1,500	15.00		-
- Debentures redeemable on May 22, 2015	1,500	15.00		-
The debentures have a Commodity Linked Variable component payable on the redemption date alongwith the redemption amount, being the face value of the debentures, which is the only interest dues payable on the debentures				
		30.00		-

Note 13 : Loans and Advances

(Unsecured - Considered Good, unless otherwise stated)

(₹ in crores)

	Long-term Loans and Advances		Short-term Loans and Advances	
	Current Year	Previous Year	Current Year	Previous Year
(a) Security Deposits	2.49	2.28	6.92	13.23
(Net of provision for doubtful long-term deposits ₹ 0.44 crores, Previous Year ₹ 0.44 crores)				
(b) Advance Payment of Income-tax and Tax Deducted at Source				
(net of provision for tax ₹ 244.10 crores, Previous Year ₹ 301.42 crores)	10.75	0.77	-	-
(c) Capital Advances	11.39	11.01	-	-
(d) Other Advances	1.39	1.93	136.25	85.31
(Net of Provision for Doubtful Short-Term Advances ₹ 2.23 crores, Previous Year ₹ 2.02 crores)				
	26.02	15.99	143.17	98.54

Note 14 : Other Assets

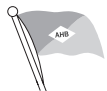
(Unsecured - considered good)

(₹ in crores)

	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
(a) Non-current Bank Balances (note 18)	77.98	70.66	-	-
(b) Unamortised Ancilliary Cost of arranging Borrowings	26.36	25.54	6.06	9.22
(c) Interest Accrued	5.11	1.65	10.18	5.34
	109.45	97.85	16.24	14.56

Note 15 : Current Investments (At lower of cost and fair value - fully paid)**Mutual Funds :**

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
Quoted					
JPM Fixed Maturity Plan Series 6 Growth Plan	10	-	-	88,17,000	8.82
UTI Fixed Income Interval Fund Quaterly Plan Series III DDP	10	-	-	30,22,346	3.03
UTI Fixed Term Income Fund Series XIV VI (366 days)	10	-	-	51,32,712	5.13
Unquoted					
Axis Banking Debt Fund - Direct Plan - Daily Dividend Reinvestment	1000	-	-	1,75,793	17.60
Baroda Pioneer PSU Bond Fund Growth	10	1,25,64,114	17.00	1,54,08,163	19.28
Birla Sun Life Cash Plus Growth - Regular Plan	100	21,90,945	45.00	-	-
Birla Sun Life Floating Rate Fund-STP-IP-Daily Dividend	100	2,50,547	2.51	-	-
Birla Sunlife Cash Plus DD Regular Plan Reinvestment	100	-	-	11,14,160	11.16
Birla Sunlife Cash Plus DD Regular Plan Reinvestment	10	40,06,570	4.02	-	-
Birla Sunlife Cash Plus DD Regular Plan Reinvestment	100	5,08,889	5.10	-	-
Birla Sunlife Floating Rate Fund LTP DD Regular Plan Reinvestment	100	-	-	20,65,695	20.69
Birla Sunlife Income Plus - Quarterly Dividend - Direct Plan	10	4,81,92,605	60.49	4,71,91,448	59.65
Birla Sunlife Short Term Fund - Monthly Dividend	10	5,69,77,078	66.58	-	-
Birla Sunlife Short Term Fund - Monthly Dividend - Direct Plan	10	-	-	11,22,31,468	130.87
BNP Paribas Government Securities Fund Monthly Dividend Reinvestment	10	1,78,54,952	17.80	-	-
BNP Paribas Medium Term Income Fund - Direct Plan - Growth Option	10	2,50,00,000	25.00	-	-
BNP Paribas Short Term Income Fund Direct Plan - Growth Option	10	-	-	3,82,57,893	50.38
BNP Paribas Short Term Income Fund Direct Plan - Monthly Dividend Reinvestment	10	3,14,35,572	31.85	-	-
Canara Robeco Indigo Fund - Regular Quarterly Dividend	10	-	-	1,68,53,757	17.07
Canara Robeco Liquid Fund regular Daily Dividend Reinvestment Fund	1000	-	-	18,282	1.84
DSP BlackRock Government Securities Fund - Direct Plan - Growth	10	-	-	2,76,38,315	105.29
DSP BlackRock Government Securities Fund - Direct Plan - Monthly Dividend	10	-	-	95,74,841	10.24
DSP BlackRock Treasury Bill Fund - Direct Plan - Daily Dividend	10	1,39,66,969	14.02	-	-
DWS Banking & PSU Debt Fund - Direct Plan - Growth	1000	-	-	1,55,13,000	15.51
Goldman Sachs Mutual Fund - Gold Benchmark Exchange Traded Scheme units	1000	1,53,607	37.41	1,95,334	45.81
HDFC Liquid Fund Direct Plan Daily Dividend	10	39,26,839	4.00	-	-
ICICI Prudential Blended Plan B Direct Plan - Daily Dividend Option-I	10	4,90,63,054	49.58	12,67,66,298	127.91



	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
ICICI Prudential Blended Plan B - Direct Plan - Growth Option - I	10	4,09,48,395	74.95	4,51,20,504	78.23
ICICI Prudential Liquid Regular Plan Daily Dividend	100	3,00,659	3.01	-	-
ICICI Prudential Long Term Gilt Fund Investment - Direct Plan - Dividend	10	1,86,45,698	22.57	1,79,36,428	24.00
ICICI Prudential Long Term Gilt Fund Investment - Direct Plan - Growth	10	2,23,57,622	89.07	-	-
ICICI Prudential Ultra Short Term - Direct Plan - Growth	10	-	-	2,33,49,881	27.52
ICICI Prudential Ultra Short Term Regular Plan DDR	10	-	-	1,49,71,823	15.06
IDFC Banking Debt Fund - Direct Plan - Daily Dividend	10	2,41,01,755	24.13	-	-
IDFC Cash Fund Daily Dividend Regular Plan	1000	-	-	60,216	6.01
IDFC Dynamic Bond Fund - Quarterly Dividend- (Direct Plan)	10	-	-	15,60,57,952	160.46
IDFC Dynamic Bond Fund Plan B Growth	10	-	-	3,62,82,405	50.18
IDFC Government Securities Fund - Investment Plan - Growth - (Direct Plan)	10	1,49,96,130	20.94	-	-
IDFC Money Manager Fund Investment Plan - Growth - (Direct Plan)	10	-	-	1,65,91,911	30.00
IDFC Money Manager Fund Investment Plan B Direct Plan Monthly Dividend Reinvestment	10	-	-	98,44,264	10.00
IDFC Super Saver Income Fund - Short Term Plan - Growth - (Direct Plan)	10	2,53,18,824	63.73	1,13,98,011	26.91
Kotak Gilt (Investment Regular) - Direct Plan - Growth	10	1,46,02,561	59.53	76,15,063	30.70
Kotak Gilt (Investment Regular) - Direct Plan - Quarterly Dividend	10	5,43,29,910	63.98	5,03,30,429	65.47
Kotak Gilt (Savings) - Direct Plan - Monthly Dividend	10	-	-	6,40,41,377	67.21
Kotak Gold ETF	1000	4,597	1.23	-	-
Kotak Liquid Scheme Plan A Daily Dividend	1000	-	-	16,513	2.02
L&T Gilt Fund Direct Plan Quarterly Dividend	10	91,98,185	11.15	-	-
PineBridge India Short Term Fund Direct Growth	1000	1,22,711	18.13	1,72,129	24.07
Reliance - Treasury Plan - Institutional Option - Daily Dividend Option	1000	-	-	46,954	7.18
Reliance Dynamic Bond Fund - Direct Quarterly Dividend Plan	10	1,45,47,732	14.83	1,07,43,765	14.28
Reliance Medium Term Fund - Daily Direct Dividend Plan	10	-	-	3,43,61,085	58.74
Reliance Medium Term Fund - Direct Growth Plan - Growth Option	10	1,07,50,994	28.22	4,23,16,638	102.52
Reliance Short Term Fund - Direct Dividend Plan	10	-	-	5,34,99,413	58.12
Reliance Short Term Fund - Direct Plan - Monthly Dividend Plan	10	2,48,81,557	26.73	-	-
Reliance Short Term Fund - Quarterly Dividend Plan	10	-	-	59,08,461	8.15
Religare Gilt Fund Short Duration Plan - Direct Plan Growth	10	-	-	4,16,65,914	53.34
Religare Short Term Fund - Direct Plan Growth	10	-	-	2,17,99,404	34.22
Religare Ultra Short Term Fund - Direct Plan Growth	1000	-	-	3,40,579	55.00
SBI Gold Fund Dividend	10	-	-	1,00,00,000	10.00

	Face Value ₹	Current Year		Previous Year	
		No. of Units	₹ in crores	No. of Units	₹ in crores
SBI Magnum Gilt Fund - Long Term - Direct Plan - Growth	10	1,38,84,709	34.87	2,91,58,231	68.88
SBI Magnum Gilt Fund - Short Term - Direct Plan - Dividend	10	4,02,01,603	46.68	-	-
SBI Magnum Gilt Short Term Fund Direct Plan Growth	10	-	-	3,14,62,278	72.20
SBI Magnum Insta Cash Fund	1000	-	-	59,683	6.03
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Daily Dividend Reinvestment	1000	2,48,449	25.09	39,766	4.02
SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - Growth	1000	28,820	6.32	95,534	19.16
SBI Premier Liquid Fund - Direct Plan - Daily Dividend Reinvestment	1000	92,299	9.26	49,897	5.01
SBI Short Term Debt Fund - Direct Plan - Growth	10	-	-	6,02,18,704	80.50
SBI Short Term Debt Fund - Direct Plan - Weekly Dividend	10	8,23,61,989	86.77	8,71,51,409	92.00
Sundaram Money Fund Regular Daily Dividend Reinvestment	10	-	-	82,76,577	8.36
Total Quoted and Unquoted Investments			1111.55		2025.83
Aggregate amount of Quoted Investments			-		16.98
Aggregate amount of Unquoted Investments			1111.55		2008.85
			1111.55		2025.83
Market value of Quoted Investments			-		17.93
Aggregate Diminution in Value of Investments considered above			11.01		1.76

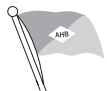
Note 16 : Inventories**(Valued at lower of cost and net realisable value)**

	(₹ in crores)	
	Current Year	Previous Year
(a) Stores and Spares on Board Rig	55.67	47.47
(b) Fuel Oils	84.01	85.43
	139.68	132.90

Note 17 : Trade Receivables**(Unsecured)**

	(₹ in crores)	
	Current Year	Previous Year
Outstanding for a period exceeding six months from the date they are due for payment		
- Considered Good	2.51	14.99
- Considered Doubtful	29.41	24.65
Others		
- Considered Good	272.46	356.34
- Considered Doubtful	5.52	2.60
	309.90	398.58
Less : Provision for Doubtful Receivables	34.93	27.25
	274.97	371.33

Trade receivables are subject to confirmation, reconciliation and adjustments, if any.



Note 18 : Cash and Bank Balances

(₹ in crores)

	Non-current		Current	
	Current Year	Previous Year	Current Year	Previous Year
Cash and Cash Equivalents :				
(a) Balances with Banks :				
- On Current Accounts	-	-	612.52	1281.72
- Deposits having Original Maturity period of less than 3 months	-	-	225.60	94.39
(b) Cheques/Drafts on Hand	-	-	-	0.18
(c) Cash on Hand	-	-	0.09	0.07
Sub Total (A)	-	-	838.21	1376.36
Other Bank Balances :				
(a) Deposits with Original Maturity period of more than 12 months	77.98	70.66	-	-
(b) Deposits having Original Maturity period of more than 3 months but less than 12 months	-	-	1221.95	451.85
(c) Balances with Banks on Unpaid Dividend Account	-	-	6.92	7.19
(d) Balances with Banks committed towards acquisition of ships	-	-	16.00	-
(e) Margin Money Deposits	-	-	240.20	151.57
Sub Total (B)	77.98	70.66	1485.07	610.61
TOTAL (A+B)	77.98	70.66	2323.28	1986.97
Less : Amount disclosed under non-current assets [note 14 (a)]	77.98	70.66	-	-
	-	-	2323.28	1986.97
Margin Money given as security :				
Margin Money Deposits comprise of -				
(i) deposits placed with banks under a lien against facilities given by the banks.	-	-	204.42	115.57
(ii) deposit with banks in margin/reserve accounts	-	-	35.78	36.00

Note 19 : Revenue from Operations

(₹ in crores)

	Current Year	Previous Year
(a) Revenue from -		
- Freight and Demurrage	944.59	1234.38
- Charter Hire	2104.59	1747.67
	3049.18	2982.05
(b) Other Operating Revenue	42.68	24.64
	3091.86	3006.69

Note 20 : Other Income

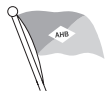
	(₹ in crores)	
	Current Year	Previous Year
(a) Profit on Sale of Ships/Other Assets (net)	10.75	134.65
(b) Gain on Foreign Currency Transactions (net)	99.46	53.35
(c) Dividend from Units in Mutual Funds	40.98	64.26
(d) Interest Income -		
- on Bank Deposits	48.30	66.18
- on Inter-Corporate Deposits	-	8.37
- on Others	0.02	0.39
	48.32	74.94
(e) Profit on Sale of Current Investments	34.39	59.71
[Net of Diminution in Value of Current Investments ₹ 11.01 crores (Previous Year ₹ 1.76 crores)]		
(f) Provision for Doubtful Debts and Advances Written Back (net)	-	2.94
(g) Miscellaneous Income	7.64	3.91
	241.54	393.76

Note 21 : Employee Benefit Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Salaries, Wages and Bonus	449.95	401.01
(b) Contribution to Provident and Other funds	12.51	12.42
(c) Employee Stock Option Scheme	6.88	4.93
(d) Staff Welfare Expenses	37.52	30.99
	506.86	449.35

Note 22 : Other Expenses

	(₹ in crores)	
	Current Year	Previous Year
(a) Fuel Oil and Water	395.66	430.91
(b) Port, Light and Canal Dues	108.20	90.91
(c) Stevedoring, Despatch and Cargo Expenses	5.11	3.22
(d) Hire of Chartered Ships	79.22	346.07
(e) Brokerage and Commission	17.67	18.47
(f) Agency Fees	8.44	7.99
(g) Consumption of Spares and Stores	200.95	166.29
(h) Repairs and Maintenance -		
- Fleet	123.53	129.19
- Building	1.95	0.75
- Others	9.05	7.14
	134.53	137.08



	(₹ in crores)	
	Current Year	Previous Year
(i) Insurance -		
- Fleet Insurance and Protection Club Fees	63.11	55.31
- Others	2.31	1.61
	65.42	56.92
(j) Rent	6.30	7.99
(k) Rates and Taxes	0.77	0.31
(l) Bad Debts and Advances Written off	0.10	8.51
(m) Provision for Doubtful Debts and Advances (net)	10.97	-
(n) Travelling Expenses	40.72	37.52
(o) Miscellaneous Expenses	75.23	85.65
	1149.29	1397.84

Note 23 : Finance Costs

	(₹ in crores)	
	Current Year	Previous Year
Interest	350.44	348.58
Other Borrowing Costs	31.63	16.46
	382.07	365.04
Less : Pre-delivery Finance Costs Capitalised	3.28	20.33
	378.79	344.71

Note 24 : Tax Expenses

Pursuant to the introduction of Section 115VA under the Income-tax Act, 1961, the Group has opted for computation of its income from Indian shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships is assessed on the basis of the deemed Tonnage Income 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 Group for the period is comprised of :

	(₹ in crores)	
Particulars	Current Year	Previous Year
Difference in depreciation as per books and tax depreciation	0.88	1.12
Losses for set off	0.97	-
Expenditure allowable for tax purposes on payment basis	0.10	0.06
	1.95	1.18

Charter hire income of the Singapore subsidiaries is exempt from income tax under section 13A of Singapore Income Tax Act as income is derived from rigs/vessels operating outside the limits of the port of Singapore. Future tax benefits arising from excess of tax written down value over book value of assets have not been recognised since there is no reasonable certainty of their recovery in future years.

No deferred tax asset has been recognised for Mauritian subsidiary as it is not probable that future taxable profit will be available against which the unused tax losses can be utilised.

Note 25 : Basic and Diluted Earnings per Share

	Current Year	Previous Year
(a) Net Profit After Tax (₹ in crores)	573.95	537.76
(b) Number of Equity Shares		
(i) Basic Earning per Share :		
Number of Equity Shares as at the beginning of the year	15,23,22,084	15,22,89,684
Add : Allotment of shares held in abeyance	-	32,400
Less : Shares bought back during the period	15,45,019	-
Number of Equity Shares as at the end of the year	15,07,77,065	15,23,22,084
Weighted Average Number of Equity Shares	15,15,70,512	15,22,99,981
(ii) Diluted Earning per Share :		
Weighted Average Number of Equity Shares	15,15,70,512	15,22,99,981
Add : Rights Shares kept in abeyance	2,94,130	3,16,233
Weighted Average Number of Equity Shares	15,18,64,642	15,26,16,214
(c) Face Value of Equity Share	₹ 10	₹ 10
(d) Earnings per Share :		
- Basic	₹ 37.87	₹ 35.31
- Diluted	₹ 37.79	₹ 35.24

Note 26 : Segment Reporting**a) Primary segment reporting by business segment :**

(₹ in crores)

	Shipping		Offshore		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Revenue :						
Total Revenue	1810.34	2044.03	1604.43	1400.59	3414.77	3444.62
Less : Inter Segment Revenue					81.37	44.17
Net Revenue					3333.40	3400.45
Results :						
Profit before tax and interest	327.19	327.21	684.75	601.88	1011.94	929.09
Less : Interest					378.79	344.71
Total Profit before tax					633.15	584.38
Provision for taxation :						
- Current tax					54.52	44.97
- Deferred Tax					(0.77)	0.13
- Tax for Prior Years					5.45	1.52
Net Profit					573.95	537.76
Other Information :						
Assets	7804.55	8129.07	6561.43	6319.20	14365.98	14448.27
Liabilities	1211.72	1058.26	272.73	309.70	1484.45	1367.96
Capital Expenditure	558.39	551.66	766.63	1156.28	1325.02	1707.94
Depreciation	360.01	363.33	298.02	229.06	658.03	592.39



b) Secondary segment reporting by geographical segment :

(i) Segment-wise Revenue :

(₹ in crores)

	Current Year	Previous Year
Revenue - outside India	1399.41	1270.38
Revenue - within India	1933.99	2130.07
	3333.40	3400.45

(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, geographical segment-wise is not ascertainable.

Note 27 : Operating Lease

Operating Lease Commitments – where the Group is a lessee

The Group has taken premises and equipments on leave and license basis which is similar in substance to an operating lease. The lease has varying terms and renewal rights. The particulars of leasing arrangement are as under :

(₹ in crores)

Details	Current Year	Previous Year
(a) Total Future Minimum Lease payments		
- Not later than 1 year	5.25	6.32
- Later than 1 year and not later than 5 years	8.43	13.64
- Later than 5 years	-	-

(b) Lease payments recognised in the Statement of Profit and Loss for the year ₹ 6.30 crores (Previous Year ₹ 7.99 crores)

(c) Vessels taken/given on time charter hire are considered as operating lease.

Note 28 : Related Party Transactions

(I) List of Related Parties

(a) Key Management Personnel :

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

(II) Transactions with Related Parties :

(₹ in crores)

Nature of Transaction	Key Management Personnel	
	Current Year	Previous Year
Remuneration	17.96	18.09
- Mr. K. M. Sheth ₹ 3.45 crores (Previous Year : ₹ 3.73 crores)		
- Mr. Bharat K. Sheth ₹ 6.42 crores (Previous Year : ₹ 6.65 crores)		
- Mr. Ravi K. Sheth ₹ 5.61 crores (Previous Year : ₹ 5.14 crores)		
- Mr. P. R. Naware ₹ 2.33 crores (Previous Year : ₹ 2.43 crores)		
- Ms. Nirja B. Sheth ₹ 0.15 crores (Previous Year : ₹ 0.14 crores)		
Purchase of investments by Holding Company from	-	36.59
- Mr. Ravi K. Sheth ₹ 'NIL' (Previous Year : ₹ 36.59 crores)		

Note : Dividend payments to Key Management Personnel have not been considered in the above disclosure.

Note 29 : Capital and Other Commitment

Estimated amount of contracts, net of advances paid thereon amounting to ₹ 138.92 crores (Previous Year ₹ 22.33 crores), remaining to be executed on capital account and not provided for - ₹ 1946.14 crores (Previous Year ₹ 173.40 crores).

Note 30 : Contingent liabilities

		(₹ in crores)	
Sr. No.	Particulars	Current Year	Previous Year
Claims against the Group, not acknowledged as debts :			
(a)	Sales Tax demands under BST Act, CST Act and VAT Act	90.98	7.46
(b)	Lease Tax liability in respect of a matter decided against a Company in the Group, against which the respective Company has filed a revision petition in the Madras High Court.	17.40	17.40
(c)	Demand from the Office of the Collector and District Magistrate, Mumbai City and from Brihanmumbai Mahanagarpalika towards transfer charges for transfer of premises not acknowledged by a Company in the Group.	4.34	4.34
(d)	Service Tax Demands disputed by the respective Companies	205.95	32.21
(e)	Income Tax Demands for various Assessment Years disputed by the respective Companies	15.10	14.56
(f)	Demand for Custom Duty disputed by the respective Companies [The Holding Company has given bank guarantees amounting to ₹3.63 crores (Previous Year ₹2.71 crores) against the said Custom Duty demand which are included under 'Guarantees' below]	8.25	7.22
Guarantees :			
(a)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the respective Companies in the Group.	254.37	113.17
(b)	Guarantees given to banks on behalf of subsidiaries.	97.58	108.80
(c)	Letter of credit issued by banks	8.60	-

The Holding Company has also provided performance guarantees in favour of parties which have contracted with its subsidiaries which would require it to assume the benefits and costs of these contracts in the event the subsidiaries are not able to fulfill the same, in which event, the Holding Company does not expect any net liability or outflow of resources.

Note 31 : Hedging Contracts

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

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

1 Derivative Instruments/Forward Contracts Outstanding :**i) Cash Flow Hedges :****a) Commodity Futures Contracts for Import of Bunker :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	2	-	6	-
No. of units in MT under above contracts	7500	-	19500	-
Amount recognised in Hedging Reserve (loss)/ gain (₹ in crores)	0.41	-	0.73	-
Maturity Period	Upto 1 Year	-	Upto 1 Year	-



(b) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	-	36
Foreign Currency Value (USD in million)	-	-	-	49.000
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	-	-	(2.87)
Maturity Period	-	-	-	Upto 1 Year

(c) Forward Exchange Option Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	25	-	-
Foreign Currency Value (USD in million)	-	17.000	-	-
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	-	0.63	-	-
Maturity Period	-	Upto 1 Year	-	-

(d) Interest Rate Swap Contracts :

Details	Current Year	Previous Year
Total No. of contracts outstanding	25	22
Principal Notional Amount (USD in million)	415.260	417.391
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)	(34.97)	(88.60)
Maturity Period	Upto 7 Years	Upto 8 Years

(e) Interest portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		8	11
Principal Notional Amount (JPY in million)	JPY/USD	10473.291	15893.228
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(29.96)	(36.98)
Maturity Period		Upto 5 Years	Upto 6 Years

(f) Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		13	13
Principal Notional Amount (₹ in crores)	INR/USD	1700.00	1700.00
Amount recognised in Hedging Reserve (loss)/gain (₹ in crores)		(872.65)	(651.47)
Maturity Period		Upto 9 Years	Upto 10 Years

ii) Fair Value Hedges :**(a) Forward Exchange Option Contracts :**

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	8	-	-
Foreign Currency Value (USD in million)	-	81.000	-	-
Gain/(loss) recognised in the Statement of Profit and Loss during the year (₹ in crores)	-	0.36	-	-
Maturity Period	-	Upto 1 Year	-	-

iii) (a) Forward Exchange Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	-	-	2	11
Foreign Currency Value (USD in million)	-	-	5.830	26.000
Maturity Period	-	-	Upto 1 Month	Upto 9 Months

(b) Spot Currency Contracts :

Details	Current Year		Previous Year	
	Purchase	Sale	Purchase	Sale
Total No. of contracts outstanding	1	-	1	1
Foreign Currency Value (USD in million)	2.043	-	2.100	3.000
Maturity Period	Upto 1 Month	-	Upto 1 Month	Upto 1 Month

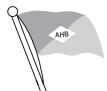
(c) Principal portion of Currency Swap Contracts :

Details	Currency	Current Year	Previous Year
Total No. of contracts outstanding		8	11
Principal Notional Amount (JPY in million)	JPY/USD	10473.291	15893.228
Maturity Period		Upto 5 Years	Upto 6 Years

The derivative/forward contracts mentioned under (i) above, 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 these foreign exchange derivative/forward contracts outstanding as on March 31, 2014 amounting to loss of ₹ 936.54 crores (Previous Year : loss of ₹ 779.19 crores) has been recorded in the Hedging Reserve Account.

In addition to above, the balance in Hedging Reserve Account also includes gain on cancellation of forward contracts amounting to ₹ 'NIL' (Previous Year : gain of ₹ 3.97 crores) which will be recognised in the Statement of Profit and Loss in the same period or periods during which the hedged transaction affects profit and loss or is transferred to the cost of the hedged non-monetary asset upon acquisition in accordance with the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – Financial Instruments : Recognition and Measurement' as issued by the Institute of Chartered Accountants of India.

The derivative contracts mentioned under (ii) above, having been entered into to hedge foreign currency risk of firm commitments and highly probable forecast transactions, have been designated as hedge instruments that qualify as effective fair value hedges. The mark-to-market loss/(gain) on these foreign exchange derivative contracts outstanding as on March 31, 2014 amounting to gain of ₹ 0.36 crores (Previous Year : ₹ 'NIL') has been recorded in the Statement of Profit and Loss.



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

Details	Currency	Current Year in millions	Previous Year in millions
Loan Liabilities and Payables	AED	1.509	0.997
	AUD	0.001	0.428
	BRL	33.000	20.620
	CAD	0.005	-
	CHF	0.024	0.006
	DKK	0.710	0.591
	EUR	0.798	0.902
	GBP	0.028	0.187
	JPY	60.369	39.672
	NOK	0.385	0.248
	SEK	0.004	0.220
	SGD	2.352	2.360
	USD	1120.809	1327.533
	ZAR	1.000	0.060
Receivables	AED	0.207	-
	AUD	-	0.012
	BRL	22.000	14.113
	EUR	0.694	0.626
	GBP	0.005	0.016
	JPY	1.867	2.665
	NOK	0.018	-
	SEK	-	0.213
	SGD	0.062	0.041
	USD	39.085	29.514
Bank Balances	AED	0.880	1.267
	AUD	-	0.760
	DKK	0.127	0.333
	EUR	0.104	0.335
	GBP	0.086	0.158
	NOK	0.108	0.276
	SGD	1.037	0.874
	USD	256.421	294.664

Note 32 : General

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements. Previous year's figures have been regrouped/restated wherever necessary to conform to current year's classification.

NOTES

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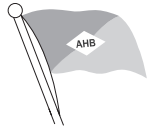
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THE GREAT EASTERN SHIPPING COMPANY LIMITED
Registered Office : Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018
Tel : 022-66613000/24922200, Fax : 022-24925900
E-mail : shares@greatship.com Web : www.greatship.com
CIN No. : L35110MH1948PLC006472

ATTENDANCE SLIP

PLEASE FILL THE ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
JOINT SHAREHOLDERS MAY OBTAIN ADDITIONAL SLIP ON REQUEST

Folio No. / DP ID* and Client ID* :

Name of the shareholder :

Address of the shareholder :

No. of share(s) held :

I hereby record my presence at the 66th Annual General Meeting of the Company held on Thursday, September 25, 2014 at 3.00 p.m. at Patkar Hall, S.N.D.T. Women's University, 1, Nathibai Thackersey Road, New Marine Lines, Mumbai 400020.

Signature of the shareholder or proxy _____

*Applicable for investors holding shares in electronic form.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	USER ID	PASSWORD / PIN

Note : The Company is pleased to offer the option of e-voting facility to the Members. All the business, as set out in the Notice of the Annual General Meeting (AGM), may be transacted by e-voting. The voting period will commence on Saturday, September 20, 2014 and will end on Monday, September 22, 2014. The voting module shall be disabled by the National Securities Depository Limited (NSDL) for voting thereafter. **Members desiring to exercise e-voting option may refer to the detailed procedure on electronic voting as provided over leaf.**

INSTRUCTIONS FOR VOTING

1. Process and manner for Members opting for e-voting is as under:

(A) In case of Members receiving e-mail from NSDL :

- (i) Open the attached PDF file " GESCO.e-voting.pdf" with your DPID/Client ID (for shares held in demat mode) or Folio No. (for shares held in physical mode) as default password. The said file contains your "User ID" and " Password" for e-voting.
- (ii) Open internet browser by typing [https ://www.evoting.nsdl.com](https://www.evoting.nsdl.com).
- (iii) Click on "Shareholders Login".
- (iv) Put User ID and Password as initial password as mentioned in step (i) above and login.
- (v) Password Change Menu appears. Change the password with the new password of your choice with minimum 8 digits/characters or combination thereof.
- (vi) Please note your new password. We strongly recommend that you do not share your new password and take utmost care to keep your password confidential.
- (vii) Home page of "e-voting" opens. Click on "e-voting-Active Voting Cycles".
- (viii) Select "EVEN" (E-voting Event Number) of The Great Eastern Shipping Company Limited for casting your votes. For an EVEN, you can login any number of times on e-voting platform of NSDL till you have voted on the resolution during the e-voting period.
- (ix) Now you are ready for "e-voting" as "Cast Vote" page opens.
- (x) Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted. Upon confirmation, the message, "Vote cast successfully" will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xi) Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter, etc. together with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at dipti@mehta-mehta.com with a copy marked to evoting@nsdl.co.in.
- (xii) The e-voting period commences on September 20, 2014 and ends on September 22, 2014. The e-voting module will be disabled by NSDL for voting thereafter.

(B) In case of Members not receiving e-mail from NSDL:

Please refer to the User ID and Password printed at the bottom of the Attendance Slip.

Please follow all steps from Sl.No. A(ii) to A(xii) above, to cast vote.

(C) In case you are already registered with NSDL, you can use your existing User ID and Password for casting your vote.

(D) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and E-voting User Manual for Shareholders available at the "Downloads" section of www.evoting.nsdl.com

2. The results of the e-voting will be declared at the Registered Office of the Company as mentioned in the Notice as also uploaded on the website and published in the newspapers.

**THE GREAT EASTERN
SHIPPING COMPANY LIMITED**

CIN: L35110MH1948PLC006472



OCEAN HOUSE, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018, INDIA. Tel.: +91(22) 6661 3000 / 2492 2100 Fax : +91(22) 2492 5900

FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	The Great Eastern Shipping Company Limited.
2.	Annual financial statements for the year Ended	31 st March 2014.
3.	Type of Audit observation	Un-qualified.
4.	Frequency of observation	-
5.	To be signed by- <ul style="list-style-type: none">• Managing Director• CFO• Auditor of the company• Audit Committee Chairman	 The right column of row 5 contains four handwritten signatures. The first is in black ink, the second is in black ink, the third is in blue ink and reads 'D. Fraser', and the fourth is in black ink.