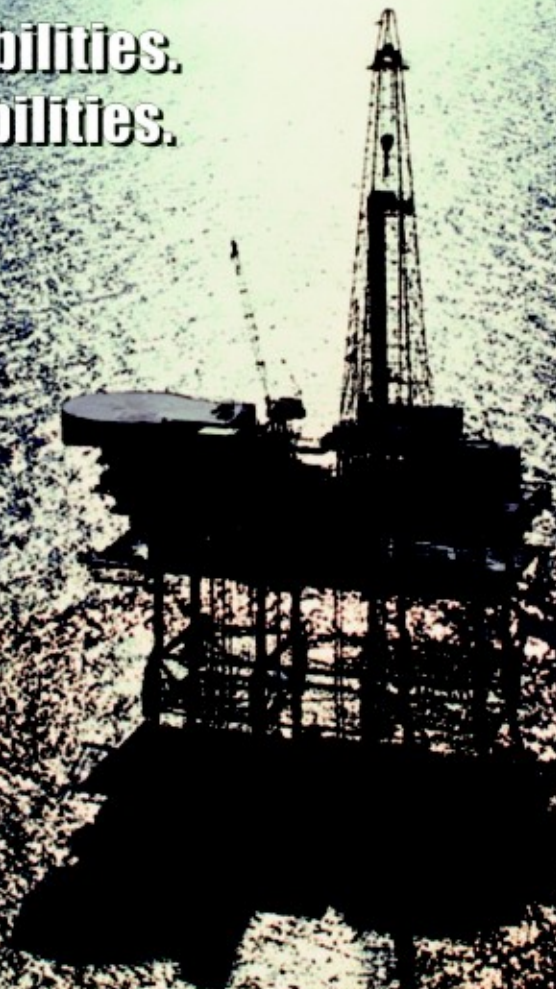


**Offshore capabilities.
Endless possibilities.**



GREAT OFFSHORE

Enterprise • Energy • Endurance



Shri Soli C Engineer of Great Offshore Limited receiving the NMDCC Award of Excellence from Hon'ble Shri K Mohandas, Secretary to the Govt. of India, Ministry of Shipping during the 48th Maritime Day Celebrations held at Mumbai on 5th April 2011.



Capt. Sandeep Kalia receiving the award "Safest & Most Environmentally Conscious Indian Shipping Company", bestowed to Great Offshore Ltd, at the World's Maritime Day, from Shri K. Mohandas, Hon'ble Secretary to Govt. of India, Ministry of Shipping.



GREAT OFFSHORE LIMITED

Annual Report 2010-11

Board of Directors

Shri Keki M. Elavia
Chairman

Shri Kaushal Raj Sachar
Deputy Chairman

Executive Directors

Shri Vijay Kumar
Shri Prakash Chandra Kapoor
Shri Soli C. Engineer

Directors

Dr. Ram Nath Sharma
Shri Vinesh Davda
Shri Chandan Bhattacharya
Lt. Gen. Deepak Summanwar
Shri Kaiwan Kalyaniwalla
Shri Chetan D. Mehra

Company Secretary & Chief Compliance Officer

Shri Suresh Savaliya

Auditors

M/s. Kalyaniwalla & Mistry, Chartered Accountants
Statutory Auditors
M/s. Ashok Kapadia & Co., Chartered Accountants
Internal Auditors

Registered Office

Energy House,
81, Dr. D. N. Road, Mumbai – 400 001
Tel No: + 91 22 6635 2222 Fax no. +91 22 2267 3993
info@greatoffshore.com www.greatoffshore.com

Registrar & Share Transfer Agent

TSR Darashaw Limited
(Unit: Great Offshore Limited)
6-10 Haji Moosa Patrawala Industrial Estate,
20, Dr. E Moses Road, Mahalaxmi, Mumbai – 400 011
Tel No: (022) 6656 8484 Fax No: (022) 6656 8494
csg-unit@tsrdarashaw.com www.tsrdarashaw.com

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GREAT OFFSHORE

NOTICE

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the members of **GREAT OFFSHORE LIMITED** will be held on Friday, September 2, 2011 at 10.00 a.m. at M. C. Ghia Hall, 4th floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 001, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Accounts together with Directors' Report and also the Auditors' Report thereon for the year ended March 31, 2011.
2. To declare Dividend of Rs.2.50/- per equity share for the year ended March 31, 2011.
3. To appoint a Director in place of Dr. Ram Nath Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Lt. Gen. Deepak Summanwar, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Chandan Bhattacharya, who retires by rotation and being eligible, offers himself for re-appointment.
6. To pass with or without modifications, the following Resolution as an Ordinary Resolution but in the event of the provisions of Section 224A of the Companies Act, 1956 becoming applicable to the Company on the date of holding of this meeting, the same will be proposed as a Special Resolution:

"RESOLVED THAT M/s. Kalyaniwalla & Mistry, Chartered Accountants, having Registration No.104607W, be and are hereby reappointed as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting at a remuneration of Rs. 22,00,000/- (Rupees Twenty Two Lakhs only) (including out-of-pocket expenses) plus service tax as applicable."

SPECIAL BUSINESS

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

"RESOLVED THAT pursuant to provision of sections 198, 309 and all other applicable provisions of the Companies Act, 1956 (the "Act"), Listing Agreement with Stock Exchanges, Articles of Association of the Company and subject to applicable statutory approval, if any, the consent of the Company be and is hereby accorded for payment of remuneration by way of commission, not exceeding one percent per annum of the net profits of the Company, computed in the manner as referred to under section 198 of the Act, to the Directors of the Company or some or any of them (other than Managing Directors and Whole-time Directors / Executive Directors) in such amount, ceilings, proportion and in such manner and in all respects as may be decided and directed by the Board of Directors or any committee thereof;

RESOLVED FURTHER THAT this resolution shall remain effective for a period of five years commencing from 1st April, 2011;

RESOLVED FURTHER THAT for giving effect to this Resolution, the Board (including committee thereof) be and is hereby authorised to do all such acts, deeds and actions as it may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental and to settle any question, remove any difficulty or doubt that may arise from time to time and to take such actions or give such directions, as may be necessary or desirable and to obtain any approvals, permissions or sanctions which may be necessary or desirable, as it may think fit."

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

"RESOLVED THAT pursuant to provisions of Section 314 read with Director's Relatives (Office or Place of Profit) Rules, 2011 and all other applicable provisions, if any of the Companies Act, 1956, consent of the Company be and is hereby given to the appointment of Ms. Sukriti Kumar, daughter of Shri Vijay Kumar, Executive Director of the Company, to hold an Office



GREAT OFFSHORE

or Place of Profit as 'General Manager - Materials' on such remuneration, terms and conditions as set out in the Explanatory Statement attached to this Notice;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to amend and decide remuneration from time to time within the limit as set out in the Explanatory Statement, subject to compliance with the applicable provisions of the Companies Act, 1956 and necessary approval as may be necessary;

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to vary, amend and decide about the terms, designation and conditions for employment from time to time, as they may think fit, as per the requirement of the Company;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to the Committee of Directors and generally to do all acts, deeds and steps that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 302 and 317 read with Schedule XIII and all other applicable provisions if any, of the Companies Act, 1956 (the "Act"), Listing Agreement entered into with the Stock Exchanges and any statutory modification(s) or re enactment thereof, and subject to such approvals, if necessary, the consent of the Company be and is hereby accorded for the appointment of Shri Chetan D. Mehra, as a whole-time Director of the Company, designated as "Executive Director" for a period of 5 (five) years with effect from September 2, 2011 on the terms and conditions including the remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting;

RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as the "Board" which terms shall be deemed to include any committee thereof) to increase, augment and / or enhance or vary the remuneration to be paid and provided from time to time to Shri Chetan D. Mehra as may be agreed to between the Board and Shri Chetan D. Mehra in accordance with the provisions of the Act, Schedule XIII and / or any statutory modifications or re-enactment thereto and / or the guidelines issued in this respect as in force and as amended or otherwise permissible from time to time;

RESOLVED FURTHER THAT notwithstanding anything herein above stated, where in any financial year, the Company incurs a loss, or its profits are inadequate, the Company shall pay to Shri Chetan D. Mehra, remuneration by way of salary, commission or perquisites not exceeding the limits as may be prescribed in the Act, Schedule XIII, applicable statutory provisions for the time being in force including any statutory modifications or re-enactment thereof and guidelines issued in this respect or otherwise permissible from time to time;

RESOLVED FURTHER THAT the Agreement to be entered into by the Company and Shri Chetan D. Mehra be and is hereby specifically approved and sanctioned.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised to do all such acts, matters and things as may be considered necessary or desirable to give effect to this Resolution."

June 21, 2011
Mumbai

Registered Office
Energy House,
81, Dr. D. N. Road,
Mumbai – 400 001

By Order of the Board of Directors
For **Great Offshore Limited**

Suresh Savaliya
Company Secretary &
Chief Compliance Officer



GREAT OFFSHORE

:NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of him / herself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.** A Proxy form is appended with the attendance slip.
2. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. **Equity Shares of the Company are under compulsory demat trading by all investors. Considering the advantages of scripless / demat trading, shareholders are advised to get their shares demated so as to avoid inconvenience in future.**
4. The Register of Members and Share Transfer Books of the Company will remain closed from August 22, 2011 to September 2, 2011 (both days inclusive) in connection with the Annual General Meeting and Dividend.

The Dividend as recommended by the Board, if declared at the meeting, will be paid on or after September 6, 2011 to those members whose names appear on the Company's Register of Members on September 2, 2011. In respect of the shares in electronic form, the dividend will be payable on the basis of beneficial ownership as on that date as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
5. The Dividend, if approved, will be paid by crediting into the bank account as provided by NSDL/CDSL through ECS / NECS / electronic transfer, of those shareholders holding shares in electronic form / demat. In respect to those shareholders holding shares in physical form or ECS / NECS / electronic payment rejected, dividend will be paid by dividend warrant.
6. Members are requested to notify immediately any change in their address / bank mandate to their respective Depository Participants (DPs) in respect of their electronic share accounts and in respect to physical shareholding, to the Registrar & Share Transfer Agent of the Company (R&TA), TSR Darashaw Limited at 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011.
7. Shareholders are requested to note that dividends, which are not encashed and remain unpaid / unclaimed for seven years from the date it becomes due for payment, will be transferred to the Investor Education & Protection Fund (IEPF) established by Central Government as per section 205C of the Companies Act, 1956. No claim in respect to the dividend shall lie against the Company or IEPF after transfer of the dividend amount to IEPF. **Members are requested to contact Company or R&TA to encash the unclaimed dividend.**
8. All the documents referred to in the Notice and Explanatory Statement are open for inspection by the members of the Company at its Registered Office between 11.00 a.m. to 2.00 p.m. on any working day of the Company, until the date of the ensuing Annual General Meeting or any adjournment or adjournments thereof.
9. Members / Proxies are requested to bring the attendance slip duly filled in.
10. **Particulars of Directors seeking appointment / re-appointment:** Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, relevant details and profile of Dr. Ram Nath Sharma, Lt. Gen. Deepak Summanwar and Shri Chandan Bhattacharya, proposed to be re-appointed are as under.
- 10.1 **Dr. Ram Nath Sharma**

Dr. Ram Nath Sharma, a graduate in Mining Engineering and Doctorate of Science (Hon. Causa), from Indian School of Mines, has held key positions with Tata Steel, both with operations and Corporate Responsibilities for over 35 years. He was Vice-President of Tata Steel, Chairman and Managing Director of Tinplate Company of India Limited and Chairman of Tata Yodogawa Limited. During his distinguished career, he was Chairman and Managing Director of Public Sector Corporates namely, The Bharat Coking Coal Limited, Central Coalfields Limited, Central Mine Planning and Design Limited and Coal India Limited.

He was associated with research establishment of Fuel Research and Mining as Chairman and member of Research Advisory Council, a member of Energy Advisory Board to the Prime Minister. He was also associated as a member with governing bodies of institute of higher learning like India School of Mines and IIM (K).



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Directorships in other public companies (excluding foreign companies): He is a Director in Eastern Synpacks Limited and Eastern Corporate Link Services Private Limited.

Memberships / Chairmanship of committees of other public companies: Dr. Sharma does not hold any Membership or Chairmanship of committees in any other company.

Number of Shares held in the Company: Dr. Ram Nath Sharma does not hold any share in the Company.

10.2 Lt. Gen. Deepak Summanwar

Lieut General (Retired) Deepak Summanwar, an Msc in Defence Studies from Madras University, MBA in Marketing and Finance from Vrije University Brussels, graduate of the Higher Command Course Army War College, Mhow, equated to an M Phil in Defence Management by the Ahillia Devi University, Indore, has held many coveted assignments on Staff and in Combat in his forty years in the Indian Army; these include Director General Of Military Intelligence for the country and Command of the Kargil Division in Operation Parakram in the Indo Pak face off in 2001/02, in the Siachen Glacier the Highest Battlefield in the World, Counter insurgency ops in NE India J&K, Punjab and Sri Lanka. He has been decorated by the President of India and the Army five times for gallantry and extreme devotion to duty.

After retirement he runs a consultancy from Pune and advises companies on Crisis Management, Security and Risk Assessment, Reputational Due Diligence and Opportunities in the Indian market. He has been invited to speak on Leadership and Security related subjects at various international / national seminars by the UN Global Compact, Confederation of Indian Industries (CII), International Security Managers Association (ISMA), the Reserve Bank of India (RBI), Emergency Systems Integrators (ESI) to all the Emergency Managers of the USA as a keynote speaker. He is a Trustee of the Kunzru Institute of Defence Studies and a member of the Institute of Defence and Strategic Analysis.

Directorships in other public companies (excluding foreign companies): He is a Director in The Water Base Limited and Peninsula Land Limited.

Memberships / Chairmanship of committees of other public companies: Lt. General Deepak Summanwar is a Member of Audit Committee of the Water Base Limited.

Number of Shares held in the Company: Lt. General Summanwar does not hold any share in the Company.

10.3 Shri Chandan Bhattacharya

Shri Chandan Bhattacharya did his graduation in Bachelor of Arts (Hons.) from Calcutta University. He had an uninterrupted career spanning 37 years with State Bank of India where he worked in various capacities gaining exposure and experience in diverse matters relating to banking operations - commercial and retail, capital markets, merchant banking, mutual funds and factoring apart from the insurance business and gilts and securities market. He was involved on the operations forefront with regard to banking, trade and commerce. He has held several distinguished positions and served as Director on various Boards during his long tenure with State Bank of India. He retired as Managing Director of State Bank of India after which, he was member of Securities Appellate Tribunal till January 2007. He served as Advisor of Societe Generale Bank in India for 2 years. Currently he is an advisor to leading international consulting firm viz. McKinsey & Co. in India. He is also a group advisor to several industrial groups in India.

Directorships in other public companies (excluding foreign companies): He is a director in JSW Energy Limited, HNG Float Glass Limited, JSW Power Trading Company Limited, Liberty Videocon General Insurance Company Ltd. and Phoenix ARC Private Limited.

Memberships / Chairmanship of committees of other public companies: Shri Chandan Bhattacharya is a Chairman of the following Board Committees.

Audit Committee and Shareholder & Investor Grievance Committee of JSW Energy Limited
Audit Committee of HNG Float Glass Limited.

Number of Shares held in the Company: Shri Chandan Bhattacharya does not hold any share in the Company.

None of the above Directors are inter-se related to each other.



GREAT OFFSHORE

Explanatory Statement as required by Section 173 of the Companies Act, 1956 ("the Act")

Item No. 7

The shareholders in the Annual General Meeting held on December 19, 2006 approved the payment of remuneration to non-executive Directors of the Company not exceeding one percent of the net profits of the Company. The said approval was for the period of five years effective from April 1, 2006.

In view of the efforts put in, contributions made and increased responsibilities shouldered by the non-executive Directors, it is appropriate that they be paid commission for a period of 5 years from April 1, 2011 as set out in the Special Resolution under Item No. 7 of the accompanying Notice.

In accordance with Clause 49 of the Listing Agreement with Stock Exchanges, Sections 198, 309 and all other applicable provisions of the Companies Act, 1956 and all the other applicable statutory provisions, it is proposed that the Directors of the Company (other than Managing Directors and Whole-time Directors / Executive Directors) be remunerated by way of commission in addition to sitting fees and reimbursement of expenses for attending the meetings, within the limit and manners as set out in the said Resolution.

All Directors other than the Whole-time / Executive Directors may be deemed to be concerned or interested in the said Resolution.

The Board proposes the Resolution set out at Item No. 7 of the Notice for your consideration and approval.

Item No. 8

Ms. Sukriti Kumar is an MBA in Entrepreneurial Studies from Fairleigh Dickinson University, U.S.A and has done certificate courses in Financial Management and Marine Technology. She has also worked in lead consultancy roles in the US for companies like Priserve Consulting, Computer Sciences Corporation and Hewitt Associates and was last associated with Bharati Shipyard Limited.

The Company is on the lookout for well qualified managers as per the business requirement and Ms. Sukriti Kumar is well qualified and has demonstrated proven skills.

The terms of appointment of Ms. Sukriti Kumar are as follows.

- (a) **Remuneration:** The appointment is with salary of Rs. 2,50,000/- per month. Salary will be increased as may be permitted from time to time and the Board may decide subject to compliance with applicable statutory provisions, approval etc.
- (b) **Date of appointment:** Appointment would be from the date of approval or as the Board may decide.
- (c) **Period of appointment:** Up to retirement age as per the policy of the Company.
- (d) **Perquisites, benefits etc.:** Ms. Sukriti Kumar will be entitled for usual allowances, bonus, incentives, other benefits, facilities, reimbursements etc., as per the Company's policy and as she opts from time to time.
- (e) **Duties and Responsibilities:** To be a member and key resourceful person in the Corporate Planning and monitoring of various functions relating to material, procurement and as may be assigned by the management time to time.
- (f) **Notice period:** The employment may be terminated by giving three months notice.
- (g) **Other Terms:** Policy, process and rules of the Company from time to time in force shall be applicable to Ms. Sukriti Kumar.

As per provisions of Section 314 (1) and (1B) of the Companies Act, 1956 read with Director's Relatives (Office or Place of Profit) Rules, 2011, when Company proposes to pay to any relative of a Director on monthly remuneration upto Rs. 2,50,000/-, approval of shareholders by way of special resolution is required. If monthly remuneration exceeds Rs. 2,50,000/-, it also requires the approval of the Central Government.

Section 314(1) of the Companies Act, 1956 read with Directors' Relatives (Office of Place of Profit) Rules, 2011, inter-alia provides that except with the consent of the Company in the General Meeting, no relative of a Director shall hold any office or place of profit in the Company carrying monthly remuneration exceeding Rs. 2,50,000/- per month or such sum as may be prescribed, without consent of the members of the Company by way of passing a special resolution. Since presently the monthly remuneration of Ms. Sukriti Kumar as mentioned above, is not exceeding the limit, permission of the Central Government is not required.



GREAT OFFSHORE

The Board, therefore, commends the Special Resolution as set out at the Item No 8 given in the Notice, for the approval by members as to holding office or place of profit by Ms. Sukriti Kumar as General Manager – Materials.

Except Shri Vijay Kumar, none of the Directors of the Company are concerned or interested in the Resolution.

Item No. 9

Shri Chetan D. Mehra, aged 45, who holds a Bachelor degree in Science, is the Managing Director of Weizmann Ltd., the flagship company of Weizmann Group. The Group is engaged in the business of Textile Processing and Exports, Power Generation from Renewable Energy Sources, Money Changers as RBI Registered Authorized Dealer Category-II and Western Union Money Transfer.

Shri Mehra, who has over 25 years of experience in export of textiles, money changing, money transfer businesses, housing & consumer finance and wind farm and hydro power development and has been guiding the Weizmann Group as Managing Director since 1989.

He has organised setting up of over 55 MW capacity wind farms in various parts of the country.

He is actively associated with Industry Bodies like Renewable Energy Developers Association of Maharashtra, Indian Wind Power Association and World Institute of Sustainable Energy.

Presently Shri Chetan D. Mehra is a non-independent Director devoting his considerable time to the Company. Considering his active role and efforts for the Company and his proven skill in finance and business management, the Board of Directors decided in its meeting held on May 12, 2011 the appointment of Shri Mehra as an Executive Director of the Company.

The terms of appointment of Shri Chetan D. Mehra, as Executive Director for a period of 5 years with effect from September 2, 2011 are as under:

- (a) Salary - Rs. 1,00,000 per month in a scale of Rs.1,00,000 – 5,00,000 per month with authority to the Board of Directors of the Company to grant such increments within the said scale as it may determine from time to time.
- (b) Commission: Not more than 1% of the net profit of the Company payable annually, subject to such ceilings as the Board may fix from time to time.
- (c) Perquisites: Perquisites are classified into three categories viz. 'A', 'B' and 'C' as follows:

CATEGORY – A

As per policy / rules of the Company

- (a) Medical Reimbursement Expenses incurred for himself and his family
- (b) Leave Travel Concession for himself and his family once in a year
- (c) Leave
- (d) Insurance Cover
- (e) Club Fees: Fees of clubs, subject to a maximum of two clubs. This will not include admission and life membership fees.
- (f) Any other perquisites as may be determined by the Board of Directors of the Company from time to time.

For the purpose of Category 'A', family means the spouse, the dependent children and dependent parents.

CATEGORY – B

- (a) Contribution to Provident Fund, Superannuation Fund will not be included in the computation of the ceiling on perquisites to the extent that these either singly or put together are not taxable under the Income Tax Act.
- (b) Gratuity payable shall be calculated as per the provisions of The Payment of Gratuity Act, 1972.
- (c) Encashment of leave at the end of tenure will not be included in the computation of the ceiling on perquisites.



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CATEGORY – C

Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company.

Your Directors are of the opinion that the appointment of Shri Chetan D. Mehra as an Executive Director would be beneficial to the Company and accordingly recommend passing the special resolution proposed in the Notice.

Directorships in other companies (excluding foreign companies): He is a Director in the following companies:

Weizmann Limited, Almi Hydro-Electric Projects Limited, Batot Hydro Power Limited, Brahmanvel Energy Limited, Chikmaglur Energy Projects Limited, Dabripada Energy Limited, Karma Energy Limited, Khandesh Energy Projects Limited, Siul-Baroti Hydro Projects Limited, Vedang Tours And Travels Limited, Weizmann Forex Limited, Weizmann Corporate Services Limited, Windia Infrastructure Finance Limited, Advitiya Power Ventures Private Limited, Dahivel Energy Private Limited, Eco-Friendly Energy Projects Private Limited, Greenerth Energy Projects Private Limited, Greenpower Energy Projects Private Limited, Inspeed Power Private Limited, Malgaon Energy Projects Private Limited, Pawanraj Energy Private Limited, Sanchay Properties Private Limited, Samarth Multitrade Private Limited, Sarvodaya Properties Private Limited, Truwind Power Private Limited, Vayuraj Power Ventures Private Limited, Vikalp Urja Private Limited, Vayuputra Urja Projects Private Limited.

Memberships / Chairmanship of committees of other companies: Shri Chetan D. Mehra is a Member of the following Board Committees.

Audit Committee of Batot Hydro Power Limited, Audit Committee of Windia Infrastructure Finance Limited and Shareholders and Investors Grievances Committee of Weizmann Forex Limited

At present Shri Chetan D. Mehra holds 2 equity shares in the Company.

None of the Directors of the Company other than Shri Prakash Chandra Kapoor and Shri Chetan D. Mehra are concerned or interested in this resolution. Shri Chetan D. Mehra is the son-in-law of Shri Prakash Chandra Kapoor.

This Explanatory Statement along with accompanying Notice should be treated as an abstract of the terms and memorandum of interest of Directors pursuant to Section 302 of the Companies Act, 1956.

June 21, 2011
Mumbai

Registered Office

Energy House,
81, Dr. D. N. Road,
Mumbai – 400 001

By Order of the Board of Directors
For **Great Offshore Limited**

Suresh Savaliya
Company Secretary &
Chief Compliance Officer



GREAT OFFSHORE

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting herewith the Sixth Annual Report and Audited Accounts of the Company for the financial year ended **March 31, 2011**.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	Year 2010-11	Year 2009-10
Total Income	86,267	1,01,349
Total Expenditure	80,926	82,127
Profit before tax exceptional item	5,341	19,222
Add: exceptional item	5,580	-
Profit before tax and after exceptional item	10,921	19,222
Less / Add: Provision for Tax		
i. Current	95	760
ii. Deferred	656	940
iii. Prior years	-	60
Profit for the year after tax	10,170	17,462
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income Tax Act, 1961	2,500	4,000
Add: Surplus brought forward from previous year	24,291	13,760
Amount available for appropriation	31,961	27,222
Appropriation:		
i. Transfer to General Reserve	1,100	2,000
ii. Proposed Dividend on Equity Shares	931	931
Balance Carried Forward	29,930	24,291

During the financial year 2010-11, the Company (on a standalone basis) recorded a total income of Rs. 86,267 lakhs, and earned a PBIDT of Rs. 42,350 lakhs.

The financial year has been extremely challenging with two major assets - the rigs being non operational for part of the financial year under review. Apart from this few older vessels in the offshore logistic fleet suffered reduced utilisation coupled with soft freight rates of the spot markets.

While Kedarnath was under refurbishment prior to its commencement of the new charter, Badrinath worked for a part of Q3 FY 2010-11 on completion of its earlier charter. Few of the offshore logistics fleet witnessed a soft spot market due to global overhang in vessel supply. However, though there was a comparative increase in revenues from execution of Engineering Projects, it was unable to supplement the drop in charter revenues from asset deployments.



GREAT OFFSHORE

This led to a decline in total income of around 15% apart from a decline in Profit After Tax by around 42%. While the Operating Profit at Rs. 35,056 lakhs showed a decline of around 18% from the earlier levels of Rs. 42,719 lakhs, the operating margin declined partially from around 42% in previous year to around 41% in the year under review.

With increase in fleet size, in the year under review employee cost increased around 10% but subdued charter rates did not reflect in rise in earnings. This has also reflected in increase in depreciation by around 39% and also rise in interest costs due to increase in the outstanding loans availed for financing capex, investments as well as drydocking expenses and for routine capex.

APPROPRIATIONS

Your Company has transferred Rs. 1,100 lakhs to the General Reserve during the year under review. An amount of Rs. 29,930 lakhs is proposed to be retained in the Profit & Loss Account

DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 2.50/- per equity share of face value of Rs. 10 each for the financial year 2010-11 aggregating to an outflow of Rs. 931 lakhs, subject to the approval of the shareholders at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE REPORT

Your Company has vigorously striven to follow and maintain high standards of corporate governance practices aimed at building trust among all stakeholders, shareholders, employees, customers, suppliers and vendors on four key areas viz. – transparency, fairness of dealings, disclosures and accountability. A detailed report on Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Bombay Stock Exchange and National Stock Exchange of India (“Stock Exchanges”) are annexed and forms a part of this Annual Report.

The requisite Certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49, is annexed to this Report.

MANAGEMENT DISCUSSIONS AND ANALYSIS

Management Discussion and Analysis Report is presented in a separate section forming a part of this Annual Report.

SUBSIDIARIES' OPERATIONS

In accordance with the general circular issued by the Ministry of Corporate Affairs, Government of India, Annual Accounts viz. Balance Sheet, Profit and Loss Account and other related detailed information of all subsidiary companies are not being attached with the Balance Sheet of your Company. Your Company will make available the Annual Accounts of all its subsidiary companies and related detailed information to any member of your Company who may be interested in obtaining the same. The Annual Accounts of all subsidiary companies will also be open for inspection at the Registered Office of your Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by your Company include the financial results and necessary details of all its subsidiary companies including statement containing the list of all subsidiaries alongwith their brief financial details.

Your Company has after active consideration and due deliberation decided to evaluate growing Great Offshore (International) Limited, Cayman Islands. The objective of being able to operate in international territories with immense flexibility are few of the criterias which led to this informed decision. Apart from the above, manning, and funding flexibility have been also prime considerations.

The financial performance highlights of major subsidiaries of your Company are enumerated below.

Domestic Subsidiaries

Deep Water Services (India) Limited

During the financial year 2010-11, Rig 'Badrinath' owned by your company was chartered out to ONGC and is under



GREAT OFFSHORE

completion of its earlier 3 year charter operating on the west coast of India. During the financial year 2010-11, the Company earned a total income of Rs.11,252.49 lakhs (previous year: Rs.14,079.53 lakhs) and profit after tax Rs.2,732.76 lakhs (previous year: Rs.5,409.47 lakhs).

KEI-RSOS Maritime Limited

The Company owns diverse assets and has been serving customers primarily on the East coast of India. The financial year 2010-11 has been a challenging year with respect to restricted oil cargo movement and hence reduced SPM/Terminal calls impacting the revenues. The Company took a conscious decision to critically focus on operational aspects while evaluating opportunities. During the financial year new service offerings commenced viz. Offshore security, survey support and FPSO offtake. During the financial year 2010-11, the Company earned a total revenue of Rs.5,668.17 lakhs (previous year: Rs.6,367.04 lakhs) but incurred a loss of Rs.3,497.44 lakhs (previous year: Loss Rs.1,645.50 lakhs).

Rajamahendri Shipping & Oil Field Services Limited

Tug Josh operated for RIL FPSO operations assisting the pull back Tug. During the financial year 2010-11, the Company earned a total revenue of Rs. 79.04 lakhs (previous year: Rs.235.61 lakhs) and incurred a loss of Rs. 135.25 lakhs (previous year profit: Rs.58.82 lakhs).

Great Offshore Ship Repairs Limited

The Company was incorporated on June 10, 2010 with the objective of carrying out in-house repairs and to support the operations of Great Offshore Limited. This being the first financial year since incorporation, it has incurred a loss of Rs. 73.57 lakhs for the period ended March 31, 2011.

Foreign Subsidiaries

Great Offshore (International) Limited

During the year, Great Offshore (International) Limited, a wholly owned subsidiary of your Company, acquired 100% equity interest in Glory Shipping Private Limited, UAE through a cash out deal at par. This company was acquired with the purpose of carrying out business operations in the Middle East region as also with the idea of investing in assets / companies globally.

Glory Shipping Private Limited, UAE incorporated a wholly owned subsidiary, Great Offshore Germany GmbH, Germany to carry out business and invest in operating companies for pursuing growth opportunities in the maritime business through joint ventures and partnerships in Germany as domestic presence criteria is preferred by charterers. Great Offshore Germany GmbH entered into 3 limited liability partnerships during the year viz SGB Emssun GmbH & Co. KG, SGB Emssky GmbH & Co. KG, and SGB Emsstar GmbH & Co. KG.

Your Company has been evaluating various business opportunities in the South East Asia region and accordingly had active dialogue with prospective charters in the region. With a view to have a presence in the region, it is necessary to have a domestic corporate entity and for this reason, during the year under review, Great Offshore (International) Limited incorporated two wholly owned subsidiaries viz Great Offshore International (Malaysia) Limited and Great Offshore International Manning & Ship Management (Labuan) Limited.

During the financial year 2010-11, the Company incurred a loss of USD 1,959,706 against loss of USD 2,691,148 of previous year. The loss was mainly due to the administration and other expenses.

Great Offshore Fujairah LLC - FZC

During the financial year 2010-11, the Company incurred a loss of USD 14,123 against loss of USD 13,440 of previous year. The loss was mainly due to the administration and other expenses.



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CONSOLIDATED FINANCIAL STATEMENTS

In compliance with Accounting Standards 21, 23 and 27 of Companies (Accounting Standards) Rules, 2006 and pursuant to the Listing Agreement with Stock Exchanges, your Directors present herewith the Consolidated Financial Statements for the financial year 2010-11 which forms a part of this Annual Report.

Consolidated income from operations was Rs. 94,683 lakhs as compared to Rs. 1,16,564 lakhs in the previous year. The financial year ended March 31, 2011 registered a consolidated profit after tax of Rs. 2,625 lakhs (previous year Rs. 20,103 lakhs) on a total income of Rs. 95,599 lakhs. (Previous year Rs.1,17,265 lakhs).

DIRECTORS

Dr. Ram Nath Sharma, Lt. Gen. Deepak Summanwar and Shri Chandan Bhattacharya are due to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Shri Prakash Chandra Kapoor and Shri Vijay Kumar were appointed as Executive Directors of the Company with effect from May 1, 2010 pursuant to Special Resolution passed by the members through Postal Ballot, the result of which was declared by the Chairman on April 29, 2010.

ACCOLADES, AWARDS AND RECOGNITION

The year marked your Company's accomplishments in various fields which has been encouraging and possible only with the support of all stakeholders.

Your Company has been bestowed with the Seatrade Award for a **highly commended contribution to "Investment in People"**. Guest of honour, Her Royal Highness, The Princess Royal presented the Award at a ceremonial Dinner at Guildhall, City of London on April 4, 2011, in the presence of IMO Secretary General, Efthimios Mitropoulos, Chairman of the panel of judges of the Seatrade Awards.

On April 5, 2011, during the 48th Maritime Day Celebrations at Mumbai, Shri Soli C. Engineer, Executive Director of your Company received the **NMDCC Award of Excellence** from Hon'ble Shri K Mohandas, Secretary to the Govt. of India, Ministry of Shipping.

Your Company has been bestowed with the Award & Citation of **"Safest & Most Environmentally Conscious Indian Shipping Company"**, by Shri K. Mohandas, Hon'able Secretary to Govt. of India, Ministry of Shipping at the World Maritime Day Celebrations, held on 21st September 2010.

Your Company has been a proud recipient of **EPC Award** for "Outstanding Contribution in Oil & Gas sector" at the EPC World Awards 2010 ceremony instituted jointly by EPC World and PWC on December 22, 2010 at Mumbai.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance with Section 217(2AA), as incorporated by the Companies (Amendment) Act, 2008 in the Companies Act, 1956, your Directors confirm that:-

- (a) In preparation of the annual accounts for the financial year ended March 31, 2011, the applicable accounting standards have been followed and there is no material departure from the same.
- (b) The Directors have selected such 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 the aforesaid period.
- (c) The Directors have taken proper and sufficient care for 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.



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(d) The Directors have prepared the annual accounts on a going concern basis.

STATUTORY INFORMATION

1. Particulars of Employees

As required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, particulars of employees shall be provided as an annexure to Directors' Report. However, having regard to the provisions of section 219(1) (b) (iv) of the Companies Act, 1956, the Annual Report, excluding the aforesaid particulars, is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars shall be provided on receipt of written request to the Secretarial Department addressed to the Company Secretary at the registered office of the Company.

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

Information as per Notification No. GSR 1029 dated 31.12.1988 regarding conservation of energy and technology absorption is not required to be furnished as the Offshore Oilfield services industry is not covered by the schedule to the said rules.

The details of Foreign Exchange Earnings and Outgo are as under:

Particulars	FY 2010-11 (Rs. In Lakhs)	FY 2009-10 (Rs. In Lakhs)
Foreign Exchange earned and saved (on account of freight, charter hire earnings).	65,592	81,359
Foreign Exchange used including operating expenses, capital repayment, down payments for acquisition of vessels, and interest payment.	40,081	52,973

3. The Company has been exempted by the Central Government vide their letter F.No.46/45/2011-CL-III dated January 24, 2011, under Section 211(4) of the Companies Act, 1956, from disclosing quantitative details in compliance with paras 4D (a), (b), (c) and (e) of Part-II, Schedule – VI to the Companies Act, 1956 as amended vide Notification No.GSR 494(E), dated 30th October, 1973.

AUDITORS' REPORT

As per the Auditors' Report there has been noting with regard to maintenance of inventory records and its frequency of physical verification. Your Company will take necessary steps to institute proper procedures in this regard.

AUDITORS

Kalyaniwalla & Mistry, Chartered Accountants (Registration No. 104607W), Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting and have confirmed their eligibility and willingness to accept office, if re-appointed. The Company has received requisite certificate from Kalyaniwalla & Mistry to the effect that their re-appointment, if made, would be within the limits specified under section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of section 226 of the said Act. Your Board recommends their re-appointment.

AUDIT COMMITTEE

Audit Committee of the Board has been constituted in terms of Listing Agreement with the Stock Exchanges and Section 292A of the Companies Act, 1956. Constitution and other details of the Audit Committee are given in "Report on Corporate Governance" in this Annual Report.

RISK MANAGEMENT

Your Company recognises that Management of Risks and its Analysis is a key managerial tool available for informed decision making. The Company has an Enterprise Risk Management framework in place, commensurate to its size and operations.



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In line with the same, your Company has a well documented Enterprise Risk Management Policy highlighting the framework, policies and procedures of accessing risks. The risk identification and assessment process is comprehensive, dynamic and pro-active. As per the Policy every quarter all the functional heads report to the Risk Committee, enumerating risks associated with their functions and the strategies and actions taken to deal with and mitigate the same in future.

The report post audit and verification is periodically presented to the Board of Directors for their noting and necessary action.

ACKNOWLEDGEMENTS

Your Directors would like to acknowledge and place on record their sincere appreciation for the guidance and continued support received from the Government of India and its various agencies, including Ministry of Petroleum and Natural Gas, Ministry of Shipping, Directorate General of Shipping, Mercantile Marine Department, Directorate General of Hydrocarbons, Directorate General of Civil Aviation, Port Trusts and Port authorities, Ministry of Finance, RBI, SEBI, Ministry of Corporate Affairs, Registrar of Companies, the Stock Exchanges and the Depositories.

Your Directors recognize and appreciate the efforts and hard work of all the employees of your Company and value the continued support received from all stakeholders and counterparties of your Company viz., charterers, shareholders, business associates and partners, consultants and advisors, agents, insurance companies and protection and indemnity clubs, surveyors, lawyers and solicitors, banks and financial institutions.

For and on behalf of the Board of Directors

June 21, 2011
Mumbai

Keki M. Elavia
Chairman



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MANAGEMENT DISCUSSION & ANALYSIS

In CY 2010 global oil demand grew by 3.4% registering highest growth over 3 decades. Of this, around 40% was attributable to Asian economies of China and India. Growing domestic demand in developing countries is the prime influencer attracting investments in emerging markets. Net international equity and bond flows rose sharply to around 42% and 30% respectively during CY 2010. Foreign Direct Investment registered a 16% rise in CY 2010 reaching US\$ 410 billion after falling 40% in CY 2009. Thus the twin force of domestic demand coupled with capital inflows is catalyzing consumption resulting in global economic growth.

Global Hydrocarbon Scenario

Oil and Gas being fossil fuels with finite source; consistency of future supply depends on the level of exploitation and future replenishment of potential reserves. Reserve accretion is an intrinsic business objective of every sovereign which gets translated to the level of individual exploration and production (E & P) Companies. With demand for twin hydrocarbon on the rise, search for hydrocarbon in unexplored areas and tapping of unconventional energy has taken centre stage.

World is reconciled to the fact that new hydrocarbon discoveries will not be easily accessible, as they would be further from shore and deeper as well, thereby challenging. This would result in huge costs of exploration and hence production. Thus use of sophisticated technology, high end vessels and more capital commitment is imperative for the sector.

High commodity prices and a perpetually increasing global demand for energy have created conducive environment for oil & gas exploration and production sector to consider capital expenditure followed by spending on operations. Though, historically, the E & P market has experienced relative underinvestment, comparative to momentum in oil price and demand, growing global energy demand continues to exert pressure on hydrocarbon supply. New capital is expected to fund newer oil and gas finds, and hence is expected to boost production.

Exploration & Production (E & P) Sector

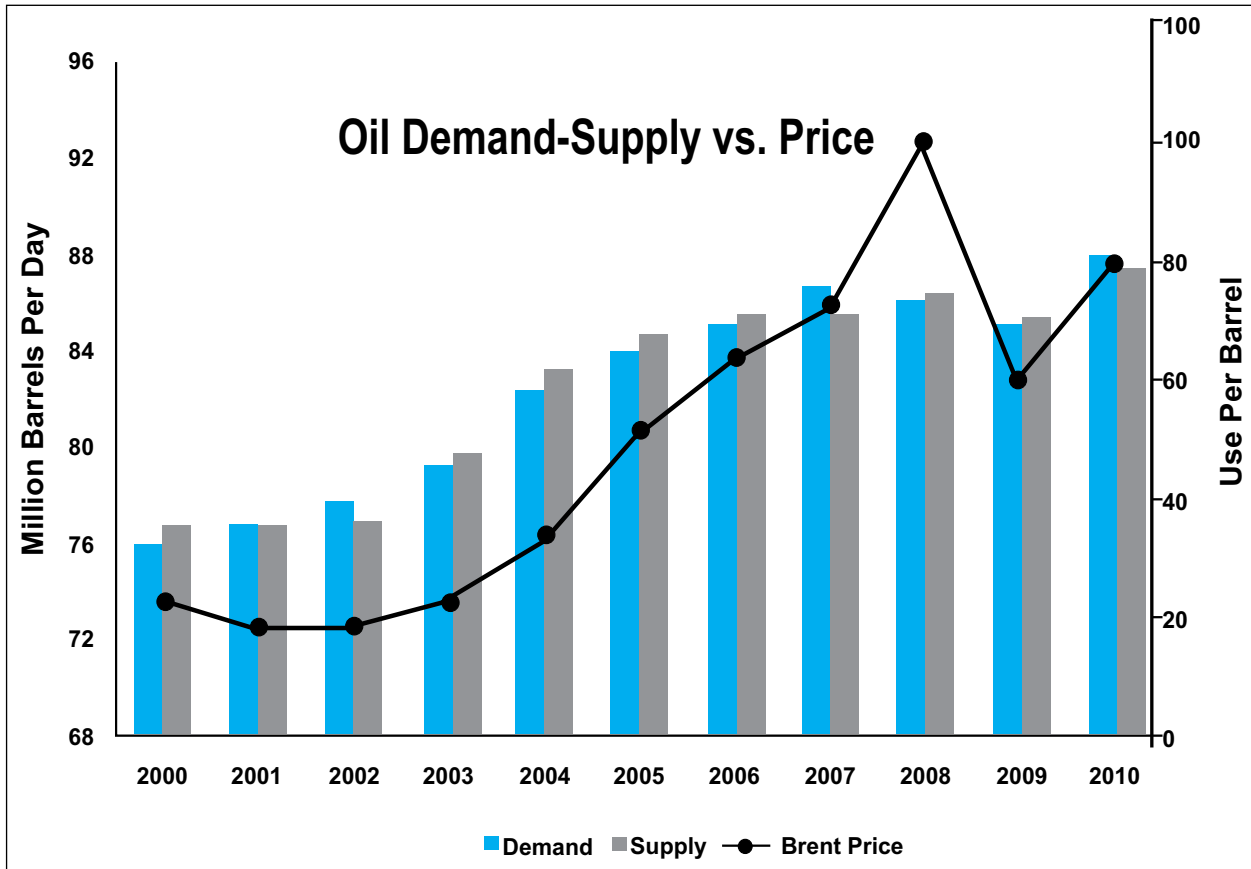
The economic debacle of 2008 coupled with Global political developments have resulted in continuing rise in oil prices exerting pressure on economic growth. Academically, consistent rise in oil prices and increasing demand reflects a mismatch situation of supply over demand; hence conducive for E&P activities – budgets, revamping up of activity etc. However, in October 2010, ban on certain drilling activities in the GOM by the US Government called for the need to institutionalise safety requirements relating to work place safety and safety of environment. Adherence of the same by OEMs, yards, suppliers, contractors, asset operators and all other stakeholders under regulatory supervision will pose additional challenges in future both operationally for existing assets as well as for future new builds.

However with geo political uncertainties still around there has been restrictive declaration of E&P budgets and hence comparative subdued activity witnessed by the offshore sector. While on one hand non declaration of E&P budget / plans by exploration companies globally have failed to provide market for vessel deployment, increase in supply from yard deliveries together with presence of existing assets have created a situation of supply overhang thereby resulting in soft spot charter rates.

Cost of extracting hydrocarbon in the offshore segment is getting expensive as oil exploration and extraction is moving to deeper oceans and in harsher environment, OIL SECURITY is getting crucial for every sovereign and a burning issue for energy intensive economies of the eastern hemisphere. Shift in oil consumption pattern, future trade requirements from demand growth areas viz. Non OECD countries have been few of the main factors influencing the supply demand dynamics. These developments triggered the oil price increase and its volatility and sustenance over a longer period of time.



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Source: IEA

As per World Bank Report, global economy is on a growth track albeit slower but certainly sustainable. Global GDP growth which was around 3.9% in CY 2010 is expected to be around 3.3% in CY 2011 and expected to rise to around 3.6% in CY 2012.

Global energy consumption is expected to grow at around 1.7% per annum over the next few decades. Though the growth percentage has tapered down in absolute terms the consumption is expected to rise with Non OECD economies expected to grow at around 2.5% per annum accounting for over 90% of global energy growth.

According to the Energy Information Administration (EIA), oil supplies have been higher during the early part of CY 2011 than the corresponding period in the previous year. The demand scenario too, has been more or less imitating the supply curve. The rise in demand during CY 2010 was driven mostly by the Non-OECD countries; increasing by 5.8% from 39.5 mbpd in the CY 2009 to 41.8 mbpd. Among the non-OECD regions, China has been in the driving seat. China's demand grew by nearly 11% from 8.4 mbpd in the CY 2009 to 9.3 mbpd.

OECD demand, despite contributing close to 52% to the total oil demand, rose to 46.1 mbpd during CY 2010 from 45.4 mbpd the year earlier; a marginal increase of 1.5%. The OECD demand contributed more than half to the global oil demand during CY 2010, with a share of 46.1 mbpd against the non-OECD demand of 41.6 mbpd.

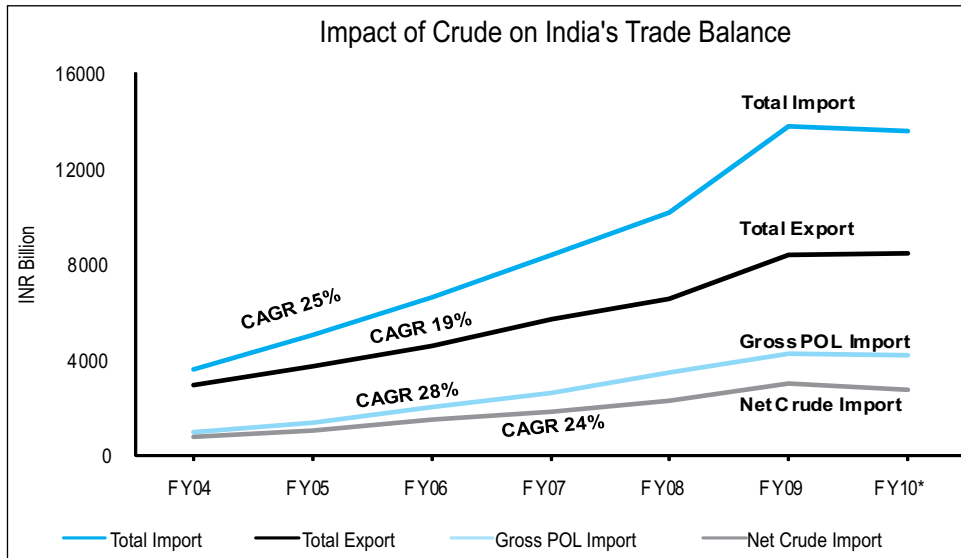
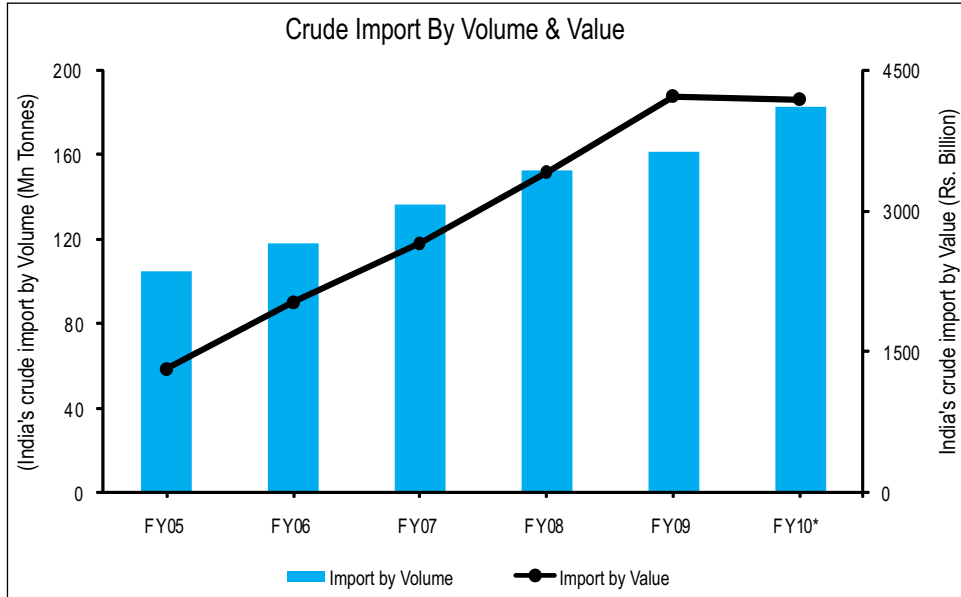
Sustained demand is likely to keep oil prices high in the longer term, which could facilitate investment commitments in the offshore E&P sector and thereby generate opportunities to service providers.

IEA estimates upstream spending at around USD 450 billion with global offshore capex expected to be around US \$ 150 billion.



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India E&P Sector Outlook



Source: Ministry of Petroleum

Oil and Natural Gas Commission (ONGC) the state owned Company and other private sector companies both domestic and international are participants in the offshore exploration and production business. ONGC has projected a 15% increase in its oil production to 29 million tones by 2012-13 (from 25.4 million tones in 2008-09). ONGC has also announced an investment of around US\$30 billion over the period of next decade and plans of accumulating oil and gas to the tune of 20 MMT only through overseas assets. ONGC is envisaging an investment of around Rs.6800 crores in northern part of the Mumbai High by September 2012 for an additional 17.35 MMT of oil and around Rs.3100 crores by 2012 in the development of C-Series fields off the Mumbai coast. Other private sector players have their distinct strategy of investments to be made in the future in the exploration and production opportunities that they are pursuing under the NELP allocations.



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Business Overview

Your Company is India's premier integrated offshore oil field services Company owning and operating its assets under the Indian flag. The diverse fleet of marine assets provide the entire gamut of offshore oilfield services - offshore drilling, offshore logistics, and marine engineering construction.

While the primary focus of your Company has been servicing the needs of a growing Indian offshore E&P sector, few of its assets have been deployed in international waters as well. This has helped not only enhance global visibility but also mitigate the risks of single market exposure. The primary driver of your Company's business is E& P activity as the same translates into business opportunities for service providers in the offshore sector hence asset deployment. The current fleet of your Company enables to undertake following business activities:

- Offshore Drilling
- Offshore logistics
- Support Offshore Engineering and Marine Construction
- Provide Port and Terminal support
- Repair & maintenance of vessels

Your Company's earnings depend on the level of offshore activity in the oil and gas exploration, development and production areas. Thus demand for assets is a function of activity in the oil and gas industry & expenditure levels that are directly reflected by the oil prices. Demand for vessels is further dependent on the level of exploration, development and production activity and corresponding capex by oil and gas companies both national oil companies and companies in the private sector. Sustenance of hydrocarbon prices and concern over oil security also plays a vital role in determining the charter earnings.

Fleet Profile

As on March 31, 2011 your Company's fleet of 47 assets comprised 3 drilling units, 29 Offshore Support Vessels, 12 Harbour Tugs, 2 Construction and Accommodation Barges and 1 Floating Dry Dock.

During Q1 FY 2011-12, your Company sold its Jack Up Drilling Rig Amaranth and hence the current fleet comprises 46 diverse assets.

Competition

Your Company operates in a globally competitive environment wherein aggregate Indian owned fleet is inadequate to meet the requirements of E& P activity in India. The sector has over the last decade witnessed surge in activity especially due to the formulation of NELP recognising the criticality of oil security. During the last decade, global competition in the Indian offshore services sector has grown and in spite of increase in fleet owned by Indian operators, there continues to be a significant presence of international service providers. Indian operators have also been plying their assets in foreign territorial waters of North Sea, Middle East, S Africa, Brazil and even in West Africa. This enables Indian Companies including your Company to adopt high standards of safety and achieve operational experience and also meet the demands of international clients. The experience of deploying assets in international waters has been rewarding and enables your Company to leverage the track record and experience while serving the foreign customers in Indian territory as well.

Fleet Acquisition

Your Company has on order two new buildings - a 350 feet 116 Super E Le Tourneau (V351) Jackup Rig and a Multi Support Vessel (V339). These are being built by Bharati Shipyard Ltd and are due for delivery during December 2011 and December 2012 respectively. As on March 31, 2011 the work in progress amounted to Rs. 1,20,882 lakhs which has been shown towards capitalized cost of the assets under construction.

Company Performance

Drilling

Your Company owned 3 drilling units – 2 Jack Ups - Kedarnath & Amarnath while a drill barge – Badrinath. Kedarnath post completion of its earlier charter with ONGC underwent dry docking, special survey and refurbishment to meet charterers requirements. The rig commenced its 5 year charter with ONGC on the west coast of India during Q3 FY 2010-11. Badrinath on completion of its 3 year charter during Q3 FY 2010-11 was deployed under a single well extension and commenced operations during the same quarter. Badrinath has been awarded a 3 year firm charter post its dry dock and refurbishment which is expected during Q2 FY 2011-12. Amarnath was acquired during March 2010 and subsequently sold during Q1 FY 2011-12.



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Globally, the market has currently seen a rise in demand for high-specification Jack-up rigs, and its demand is expected to increase further. Production of oil through Enhanced Oil Recovery and Increased Oil Recovery enables exploitation of the hydrocarbons more cost effectively. The drive for intensifying exploration of India's sedimentary reserves would generate opportunities not only for drilling assets but also for offshore logistic support service providers as well.

Offshore logistics

The offshore logistics fleet is relatively old. Further soft spot markets have impacted the earnings and utilisations were as low as 70% in some cases as compared to 76% in the previous year. Your Company's dry dock facility, Floating dry dock Great Offshore FD-1 enabled in shortening the dry dock slot waiting period as also in cost reduction which had been an impediment in the earlier years.

The offshore sector has a long activity life span commencing from seismic activity to exploration, marine construction, development, production and maintenance and finally upgradation thereby providing opportunities for asset employment throughout the activity chain. The assets used for each of these distinctive activities vary and hence there lies ample opportunities with asset deployment potential. Moreover with oil getting further from the shore the increased turnaround time enables in absorbing excess tonnage.

Inspection, Maintenance & Repairs

Your Company's designated assets work tirelessly recording utilisation as high as 85% to meet the requirements of their clients. The two Fire Fighting Support Vessel as well as the Multi Support Vessel continued to work under their respective charters with ONGC.

Repair and Maintenance is an ongoing activity and is far beyond preventive maintenance of well head platform, process platforms and production platforms. The activity involves carrying out inspection, repairs and maintenance at regular intervals ensuring total upkeep with the objective of virtual zero downtime. The assets which cater to ONGC's requirements are tuned to work 24x7 on a 365 day services module.

Engineering Services

Your Company completed the Barge Bumper Riser Protector-II Project ahead of schedule and was further awarded the job of fabrication and installation of 4 Riser Protectors. Your Company also bagged the Topside Modification on Wellheads Platforms contract which entailed carrying out structural modification on 13 well head platforms. The project completion, spread over two financial years and has been completed ahead of the schedule during Q1 FY 2011-12. During the year, the Condensate Spiking System Project at Neelam Complex was also awarded to your Company. The project spread over 15 months has also been completed within the stipulated time during Q1 FY 2011-12.

In India increased exploration and production is carried out in shallow waters. Apart from this there is continuous requirement for repairs, maintenance, refurbishment and up gradation of existing well head platforms, process and production platforms and diverse sub sea work. ONGC floats global tenders for lumpsum turnkey jobs under Engineering Procurement Installation Commissioning (EPIC) contracts. The assignment involves design and engineering, precision fabrication, installation and commissioning on offshore platforms.

Your Company undertakes lump sum turnkey contracts with the scope of work including pre-engineering survey, detailed design & engineering, procurement, onshore fabrication, transportation and offshore installation. This is expected to be a growth area with high potential.

Port & Terminal Support

Great Offshore's current fleet of 12 harbour tugs cater to the requirements of private sector and public sector ports in India both on the East and West coast. The average utilisation of the fleet has been 96% as against 93% in the previous year.

India's Ports have been witnessing a surge in traffic. In the early part of 2011, India's cumulative port capacity had crossed 1 billion tonnes capacity milestone. Port traffic in the country is expected to rise at a CAGR of 11.32% to reach traffic of nearly 2.5 billion by 2019-20 from the current level of approximately 850 million tonnes. Indian ports have also put in action an ambitious plan to develop the new ports, by bringing about an overhaul in infrastructure and handling equipment for catering to the growing maritime trade at an investment outlay of around Rs.2,770 billion over the course of next ten years.



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Insurance

Your Company has continuously evaluated the asset market value and taken corrective actions, if any, on an ongoing basis in maintaining adequate insurance coverage at commensurate premium ensuring safety of the asset and people on board. Your Company follows a process of operational risk analysis and secures a comprehensive range of insurances to protect against such risks.

Business Risks

1. Ageing Asset Profile

The average age of your Company's owned assets is high, however they are well within the tradeable life and as per existing statutes applicable to maritime asset in their respective area of operations.

Your Company has on order two new building assets, a Jack Up Rig (V 351) as well as a Multi Support Vessel (V 339) which on delivery would enable to reduce the average age of the fleet. Your Company is ceased of the situation and is considering effective steps to address the same.

2. Earnings Volatility

Volatility in spot charter rates is a function of demand supply dynamics. To a considerable extent the earnings volatility of your Company has been diluted with drilling services contracts that have been entered into for longer term (providing revenue visibility for period above three to five years). Most of your Company's offshore services contracts are relatively short term in nature i.e. Offshore Support Vessels (providing revenue visibility for periods between one and three years) . While, during the year under review, the spot market has been soft, your Company's immunity to earnings volatility has been restricted to the extent of earlier long term charters.

3. Competition

While Indian E & P companies unfurl their E & P budgets, new territories and area of operations as per respective NELP allocations would attract global fleet due to paucity of Indian owned fleet. Global competitive bidding is opening doors to new offshore players while Indian owners continue to expand their fleet. The next few years could witness a technological transition phase for the sector and as in the past this will result in rejuvenation of global fleet with India being no exception to the same. Your Company is evaluating asset fleet modernization proposals with a view to target newer markets, niche business segments and new territories.

4. Shipboard Personnel

Indian crew and officers being a scarce resource, continue to be in great demand globally. Shortage of skilled seafarers and declining competency standards is a cause of concern to the offshore sector. Your Company has identified this as a major challenge and accordingly has been continuing to train their crew and officers on the Simulator. It is a matter of pride to note that your Company's Simulator is the only one of its kind in India, wherein your Company is able to impart all aspects of offshore vessel related training such as anchor handling, cargo handling, towing etc., in addition to normal safe navigation.

5. Foreign exchange risk

Your Company transacts a significant portion of its business in US Dollar which is the acceptable currency globally for the sector. The exchange rate between Rupee and US Dollar has seen substantial movement in the recent years.

Your Company's earnings being US Dollar denominated provide your Company adequate natural hedge against liabilities and expenses for debt servicing and meeting operating costs. Your Company has adopted AS 30 for recognising forex transactions in line with acceptable accounting standards and practices.

6. Accident & incidents

Your Company operates its vessels in challenging environment of Exclusive Economic Zone (EEZ) and while traversing across high seas during mobilization / demobilization the assets are prone to the risk of inclement weather. With intense training of personnel your Company is able to curb the occurrences of incidents and record safe operations. Your Company also reviews the insurance policies on a periodic basis to ensure that the risks are adequately covered.

7. Developments towards safe operation

With ban on drilling activities post the Macondo incident in the Gulf of Mexico, the sector has attracted attention towards



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formulating norms and implementing procedures with regard to not only safe operations but also designing equipments to cater to highest safety norms. While these efforts partly resulted in dehire of few assets in Gulf of Mexico creating short term business opportunity for few asset owners but the undisputed fact remains that regulations would get stricter by the day and owners would need to abide by them in true earnest.

8. Global economic developments

Your Company's vessels operate in a global environment. Geo political developments impact the charter markets and hence the earnings of the vessels especially operating in spot markets. This in turn could also impact access to funds availability for future expansion especially in a high capital intensive business. Your company endeavours to follow a judicious mix of term and spot charters with an effort to edge the volatility in earnings.

9. Global warming & climate change

Your Company operates in the hydro carbon sector where the role and intensity of oil consumption is under great debate. Reduction of CO₂ emission has been on top of sovereign agenda. Your Company is in the process of evaluating various options to address the same in case of its future acquisitions / expansions.

Quality, Health, Safety & Environment

During the year under review, Interim certification and Internal ISM and ISPS audits were carried out on your Company's assets, wherever applicable. External ISM / ISPS audits were also successfully carried out in line with existing statutes.

Training

Your Company has complied with statutory training requirements on board your Company's vessels. Furthermore, your Company has initiated steps for providing non-mandatory and value addition training programmes both in-house as well as with additional assistance from C-MAR, YAK Marine, Tolani Maritime Institute, Naval Maritime Academy, and SETRAC. These include among others Dynamic Positioning Training, Helicopter Underwater Escape Training, H2S Training, Operation and Handling of Fast Rescue Craft, Upgradation of Technical Skills, Training the Trainer etc.

Human Resource (HR)

Your Company's key HR focus during the year under review had been the creation of a more positive employee workforce. The emphasis clearly had been on execution of an unilateral and transparent set of policies which are performance driven and goal oriented. Feedback mechanisms instituted have helped in soliciting stakeholder opinions on variety of issues such as, the Company's success in communicating its mission to employees, as also in enhancing the quality of working environment.

Your Company had a work force of around 1900 employees as on March 31, 2011 (corresponding year end around 1800).

Your Company's HR initiative had been directed towards creation of a work environment in which employees are empowered, productive, contributing and happy.

Internal Control System

Your Company has in place adequate systems of Internal Control to ensure compliance with policies and procedures relating to operations, accounting and financial reporting. Internal Audits are regularly carried out to review the internal control systems. The Internal Audit Report along with recommendations contained therein are constantly reviewed by the Audit Committee of the Board of Directors. However audit of inventory is presently not within the scope of internal audit.

Information Technology

Your Company has been working towards alignment of its core business process and introduction of new technology solutions to enhance efficiency and reduce operational costs. Various projects / initiatives are underway which relate to SAP and setting up of rugged Backup system for vessels.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis stating the Company's business, outlook, estimations and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include unavailability of finance at competitive rates, charter rates at which assets are deployed, their utilisation, significant changes in geo political environment, tax laws, litigation, exchange rate fluctuations, interest rate scenario and other costs.



GREAT OFFSHORE

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-11

INTRODUCTION

The Principles of Corporate Governance are based essentially on the existing legal and regulatory arrangements as well as the best prevailing practices followed by the Corporate Sector. The framework of Corporate Governance was imbibed into the business since it emphasised on two important components, namely, long term prosperity of the Company and Governance of National, Human, Societal, Economic and Political genus. Since the Corporate Governance principles alongwith the global standards have become an important constituent for corporate success, the practice of good Corporate Governance has also become a necessary pre-requisite for any corporation to manage effectively in the globalised market scenario.

The detailed report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with Bombay Stock Exchange and National Stock Exchange of India ("Stock Exchanges") is set out below.

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company has always believed in adopting the best practices of Corporate Governance with an aim to maximize the interest of the shareholders with those of the other stakeholders, customers, employees, investors, vendors, dealers, financiers, State and Central Government and society at large in order to achieve long-term sustained value while ensuring accountability in the exercise of corporates' financial, legal and contractual obligations.

The key to good Corporate Governance is in ensuring that the Company takes into account the interests of a wide range of constituencies as well as the communities within which the Company operates.

Today, even in the fiercely competitive business environment, the management and employees of your Company are committed to uphold the core values of transparency, integrity, honesty and accountability which are the fundamentals of Corporate Governance.

Your Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance contained in the Listing Agreements.

Ministry of Corporate Affairs (MCA) released in December 2009 the "Corporate Governance Voluntary Guidelines 2009". The Guidelines are recommendatory and voluntary in nature. However considering the importance of corporate governance, the Company has adopted some part of the Guidelines and will consider adopting more provisions of the Guidelines to the extent feasible and within competency domain of the management.

Corporate Ethics

The Company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings.

Code of Conduct for Board Members and Senior Management

The Code of Conduct highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code is applicable to all Directors and specified senior management executives. The Code impresses upon Directors and senior management executives to uphold the interest of the Company and its stakeholders and to endeavour to fulfill all the fiduciary obligations towards them. Another important principle on which the Code is based is that the Directors and senior management executives shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Code is available on the Company's website 'www.greatoffshore.com'.

The Company has received a declaration of compliance with the Code of Conduct from Directors and Senior Management Personnel. The declaration by the Executive Director affirming compliance of the Board of Directors and Senior Management Personnel to the Code of Conduct is given in this Report.



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Code of Conduct for Prevention of Insider Trading

The Company has adopted a 'Code of Conduct for Prevention of Insider Trading' (the Code) pursuant to SEBI (Prohibition of Insider Trading) Regulations, 1992. The Code is applicable to all Directors and the designated persons as defined in the Code.

Mr. Suresh Savaliya, Company Secretary & Chief Compliance Officer has been appointed as the Compliance Officer for monitoring the adherence to Regulations.

BOARD PROCEDURE

The Board meets atleast once in a quarter to review the quarterly performance and the financial results of the Company. The Board Meetings are generally scheduled well in advance and the notice of every Board Meeting is given in writing to every Director. All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans, financial results, detailed presentations are made. The Agenda and the relevant notes are sent in advance separately to every Director. The Board is also free to recommend the inclusion of any matter for discussion in consultation with the Chairman.

Information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting on the overall performance of the Company. Senior Management is also invited to attend the Board Meetings to provide additional inputs to the items being discussed by the Board.

The Boards' role, functions, responsibility and accountability are mutually defined. In addition to matters statutorily requiring Boards' approval, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, details of joint ventures, compliance with statutory / regulatory requirements, major accounting provisions and write-offs are considered by the Board.

The Minutes of the Board Meetings are circulated in advance to all Directors and confirmed at the subsequent meeting. The Minutes of Audit Committee and other Committees of the Board are noted on regular basis by the Board at its meeting.

Attention of the members is invited to the relevant items of the Notice of the Annual General Meeting seeking their approval for re-appointment of Directors. Relevant information as required under Clause 49 of the Listing Agreements is given in the Notice of the Annual General Meeting.

BOARD OF DIRECTORS

As on March 31, 2011, the Company had eleven Directors. Of the eleven Directors, eight were Non-Executive Directors and among them, six were Independent Directors. The Chairman of the Board is a Non-Executive Director. The composition of the Board is in conformity with Clause 49 of the Listing Agreements. Shri Chetan D. Mehra and Shri Prakash Chandra Kapoor are related to each other. None of the Directors except them are related to each other.

None of the Directors on the Board are Members of more than ten Committees or Chairman of more than five Committees across all the companies in which they are Directors. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2011 have been made by the Directors.

During the year under review, eight Board Meetings were held on the following dates.

April 20, 2010, June 23, 2010, August 10, 2010, September 21, 2010, October 5, 2010, November 10, 2010, February 1, 2011, and March 22, 2011.



GREAT OFFSHORE

The composition of the Board; number of directorships in other companies; memberships / chairmanships of the Committees in public limited companies other than your Company, private limited companies, foreign companies and attendance at Board Meetings held during the financial year under review and at the last Annual General Meeting (AGM) are as follows.

Name of the Director	Category	Attendance of meeting during 2010-11		No of Directorship	No of Membership(s) / Chairmanship(s) of Board Committee in other Companies	Shareholding as on March 31, 2011
		Board Meetings	Last AGM			
Shri Keki M. Elavia DIN : 00003940	Chairman Non-Independent Non-Executive	7	Yes	9	7 (including 3 as Chairman)	Nil
Shri Kaushal Raj Sachar DIN : 01421823	Deputy Chairman Independent Non-Executive	8	Yes	Nil	Nil	Nil
Shri Prakash Chandra Kapoor DIN : 00786682	Executive Director	8	Yes	11	2	Nil
Shri Vijay Kumar DIN : 00726561	Executive Director	5	Yes	8	Nil	Nil
Shri Soli C. Engineer DIN: 00149510	Executive Director	7	Yes	4	Nil	418
Shri Chandan Bhattacharya DIN : 01341570	Independent Non-Executive	8	Yes	6	3 (As Chairman)	Nil
Lt. Gen. Deepak Summanwar DIN : 02017830	Independent Non-Executive	6	Yes	2	1	Nil
Dr. Ram Nath Sharma DIN : 00054480	Independent Non-Executive	6	Yes	1	Nil	Nil
Shri Vinesh Davda DIN : 00050175	Independent, Non-Executive	6	Yes	6	Nil	Nil
Shri Kaiwan Kalyaniwalla DIN : 00060776	Independent, Non-Executive	7	Yes	4	3	100
Shri Chetan D. Mehra DIN : 00022021	Non-Executive Non-Independent	8	Yes	13	3	2

In accordance with Clause 49, of the Listing Agreements Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Great Offshore Limited) have been considered.



GREAT OFFSHORE

COMMITTEES

A) AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

During the year under review, five Audit Committee meetings were held. The dates on which the said meetings were held are as follows:

April 20, 2010, June 23, 2010, August 9, 2010, November 10, 2010, and February 1, 2011.

The composition of the Audit Committee and the details of meetings attended by its members are given below. All the members of the Company have adequate knowledge of Accounts, Audit, Finance etc.

Name of Member	Category	Number of Meetings attended
Shri Keki M. Elavia	Non-Executive, Non-Independent	3
Dr. Ram Nath Sharma	Independent, Non-Executive	5
Shri Chandan Bhattacharya	Independent, Non-Executive	5
Shri Vinesh Davda	Independent, Non-Executive	4
Shri Chetan D. Mehra	Non-Executive, Non-Independent	3

Audit Committee meetings are also attended by Executive Directors, Company Secretary & Chief Compliance Officer, General Manager – Corporate Accounts, Taxation & IT, General Manager – Corporate Finance & Corporate Affairs, representatives of the Statutory and Internal Auditors and other executives as invited. The Company Secretary acts as the Secretary to the Audit Committee.

Terms of Reference

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
2. Review the financial statements before submission to the Board.
3. Review reports of the Statutory Auditors and Internal Auditors including the weaknesses in internal controls reported by Internal and Statutory Auditors.
4. Recommending the appointment, re-appointment and fixing the remuneration of Internal Auditors and Statutory Auditors.

In addition, the powers and role of the Audit Committee are as laid down under Clause 49 of the Listing Agreement with Stock Exchanges and Section 292A of the Companies Act, 1956.

INTERNAL AUDITORS

The Company has appointed M/s. Ashok Kapadia & Co., Chartered Accountants, as Internal Auditors to review the internal control systems of the Company and to report thereon. The report of the Internal Auditors is reviewed by the Audit Committee.

B) REMUNERATION COMMITTEE

The remuneration committee is comprised of following Directors.

Shri Kaushal Raj Sachar, Shri Vijay Kumar, Shri Prakash Chandra Kapoor, Shri Soli C. Engineer and Shri Chetan D. Mehra

The remuneration committee meets as and when necessary and deals with issues within its terms of reference and other issues as assigned to it. The members shall elect Chairman of the Committee from amongst themselves.



GREAT OFFSHORE

General Manager – Human Resource & Administration assist the Committee in formulating the policy on remuneration packages.

Remuneration Policy

The Company's remuneration strategy aims at attracting and retaining high caliber talent. The remuneration policy, therefore, is market led and takes into account the competitive circumstances of each business so as to attract and retain quality talent and leverage performance significantly.

The remuneration of the Managing / Whole-time / Executive Director(s) is decided by the Board of Directors on the recommendation of the Remuneration Committee. The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and / or commission, performance incentive (variable component) to its Executive Directors.

The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their contribution and involvement.

The Non-Executive Directors are paid sitting fees of Rs. 20,000/- for attending each meeting of the Board and its Committees. In addition, the Company also reimburses travelling expenses to outstation Directors for attending meetings.

Details of Remuneration for the financial year 2010-11 are as given below.

Non-Executive Directors

(Rs. in Lakhs)

Name of Director	Commission	Sitting Fees
Shri Chandan Bhattacharya	6.00	3.40
Dr. Ram Nath Sharma	6.00	2.20
Lt. Gen. Deepak Sumanwar	6.00	1.80
Shri Vinesh N. Davda	6.00	2.60
Shri Keki M. Elavia	6.00	2.00
Shri Kaiwan Kalyaniwalla	6.00	2.20
Shri Kaushal Raj Sachar	6.00	1.80
Shri Chetan D. Mehra	6.00	3.00

Executive / Whole-time Directors

(Rs. in Lakhs)

Name of Director (period of Appointment)	Salary & Performance Incentive (as applicable)	Perquisites & Allowances	Commission	Contribution to Provident Fund and Superannuation Fund
Shri Vijay Kumar (5 years from 01.05.2010)	11.00	0.32	110.00	2.97
Shri Prakash Chandra Kapoor (5 years from 01.05.2010)	11.00	0.32	110.00	2.97
Shri Soli C. Engineer (5 years from 29.07.2009)	165.99	6.56	--	12.15

Note: Perquisites include provision of cars, telecommunication facilities, leave encashment, reimbursement of medical expenses for self and family, insurance cover, pension scheme subject to Company rules.

None of the Directors hold any instrument convertible into shares of the Company.



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C) SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The composition of the Shareholders' / Investors' Grievance Committee and details of the meetings attended by its members are given below.

Name of Member	Category	Number of Meetings attended
Lt. Gen. Deepak Summanwar (Chairman)	Independent, Non-Executive	3
Shri Chandan Bhattacharya	Independent, Non-Executive	4
Shri Vinesh Davda	Independent, Non-Executive	3

Terms of Reference

- Review the reports prepared & submitted by the Registrar & Share Transfer Agent of the Company.
- To look into and ensure the quality of the Company's Shareholders / investors grievance redressal system and to review the report on the functioning of the said investor grievances redressal system.
- Follow-up on the implementation of suggestions for improvement.
- Periodically report to the Board about serious concerns, if any.

During the year under review, four meetings of Shareholders' / Investors' Grievance Committee were held on April 20, 2010, August 10, 2010, November 10, 2010 and February 4, 2011.

During the year under review, 14 complaints were received from the shareholders and all of them were replied / resolved to the satisfaction of the shareholders. There are no pending complaints as on March 31, 2011.

Mr. Suresh Savaliya, Company Secretary & Chief Compliance Officer is the Compliance Officer. His address and contact details are as given below:

Address : Great Offshore Limited
Energy House,
81, Dr. D. N. Road,
Mumbai - 400 001
Phone : 022- 6635 2222
Fax : 022- 2267 3993
Email : suresh_savaliya@greatoffshore.com

In compliance with Listing Agreements, the Company has designated the email address as investor_services@greatoffshore.com for registering the complaints and communication by the investors / shareholders.

GENERAL MEETINGS

Location and Time of previous Annual General Meetings

General Meeting	Date	Time	Venue
5 th Annual General Meeting	August 10, 2010	11.30 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg,
4 th Annual General Meeting	September 24, 2009	10.00 a.m.	Rama Watumull Auditorium, Kishinchand Chellaram College, Dinshaw Wacha Road, Churchgate, Mumbai – 400 020
3 rd Annual General Meeting	July 10, 2008	4.00 p.m.	



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The following are the special resolutions passed at the previous Annual General Meetings.

Date of Annual General Meeting	Summary of Resolution
August 10, 2010	Approval for re-setting of conversion price of USD 42,000,000, 7.25% unsecured foreign currency convertible bonds (FCCBs).
September 24, 2009	N.A.
July 10, 2008	N.A.

Resolution passed through postal ballot

Following resolutions were passed through postal ballot as provided under Section 192 A of the Companies Act, 1956 (“the Act”), through postal ballot notice dated March 15, 2010.

1. Special Resolution under Section 81(1A) of the Act, to authorise the Board for further issue of securities upto an amount not exceeding Rs.1,750 crores in the form of equity shares, bonds or debentures or other securities.
2. Reclassification of the Authorised Share Capital of the Company and amendment of the Capital Clause of the Memorandum of Association of the Company.
3. Special Resolution for appointment of Shri Prakash Chandra Kapoor as Director and as Executive Director of the Company.
4. Special Resolution for appointment of Shri Vijay Kumar as Director and as Executive Director of the Company.

Shri Ashish C. Bhatt, Practising Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner and also to receive and scrutinize the completed Postal Ballot Forms from the members. On submission of the report on the voting through postal ballot by scrutinizer, all the above resolutions were declared by the Chairman of the Board on April 29, 2010 as duly passed by the requisite majority of the members of the Company voting by Postal Ballot.

DISCLOSURES

- a) There are no materially significant related party transactions i.e. transactions of the Company of material nature with its Promoters, Directors or the Management, subsidiaries or relatives etc. that would have potential conflict with the interest of the Company at large.
- b) There has not been any non-compliance by the Company nor any penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets since the date of incorporation of the Company.
- c) The senior management has made disclosures to the Board of Directors relating to all material financial and commercial transactions stating that they had no personal interest that could result in a conflict with the interest of the Company at large.
- d) The Company has complied with the mandatory requirements of the Clause 49 of the Listing Agreements pertaining to Corporate Governance.
- e) The Company has also fulfilled the following non-mandatory requirements as prescribed in the Clause 49 of the Listing Agreement with the Stock Exchanges.
 - i. The Company has adopted the Whistle Blower Policy with a view to provide a mechanism for employees of the Company in order to approach the Management to safeguard themselves against victimization. It is affirmed that no personnel has been denied access to the Audit Committee.
 - ii. The Company has in place the Remuneration Committee, details of which have been given in this Report.



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MEANS OF COMMUNICATION

- (a) The Board of Directors of the Company approves and takes on record the quarterly, half yearly and annual financial results in the proforma prescribed under Clause 41 of the Listing Agreements.
- (b) The approved financial results are forthwith sent to the Stock Exchanges along with the Press Release issued in connection with the results. The financial results are published in the newspaper namely, Free Press Journal. In addition, the same are published in local language (Marathi) newspaper namely, Navashakti.
- (c) The financial results, press releases and other updated news are also displayed on the Company's website, 'www.greatoffshore.com'.
- (d) The above website of the Company contains a separate dedicated section 'Investors' where the shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.
- (e) Management Discussion and Analysis Report forms a part of the Annual Report.

GENERAL SHAREHOLDERS INFORMATION

- a) **Annual General Meeting** is scheduled to be held on **September 2, 2011, at 10.00 a.m. at M. C. Ghia Hall**, Bhogilal Hargovindas Building, 4th Floor, 18/20, Kaikhusru Dubash Marg, Mumbai 400 001.
- b) **Financial Year:** The Company follows April to March as its financial year. The results for every quarter beginning from April are declared tentatively in the month following the quarter or within the time as stipulated under the Listing Agreements.
- c) **Date of Book Closure:** August 22, 2011 to September 2, 2011 (both days inclusive)
- d) **Dividend Payment Date:** Dividend will be paid within the stipulated period, after its declaration by the members at the Annual General Meeting.
- e) **Listing on Stock Exchanges:** The Company's equity shares are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid listing fees to the Stock Exchanges for the financial year 2011-12.
Stock Code/Symbol: Bombay Stock Exchange Limited – 532786. National Stock Exchange of India Limited – GTOFFSHORE. Demat ISIN No. - INE892H01017
- f) **Listing on overseas Stock Exchange:** The Company's Foreign Currency Convertible Bonds (FCCBs) are listed on Singapore Exchange Securities Trading Limited (SGX-ST) with ISIN XS0320616997.
- i) **Share Transfer System**

The transfer of shares in physical form is processed and completed by Registrar & Share Transfer Agent within a period of 10 days from the date of receipt thereof, provided all the documents are in order. Shares under objection are returned within two weeks. In case of shares in electronic form, the transfers are processed by NSDL / CDSL through respective Depository Participants. In compliance with the Listing Agreement with the Stock Exchanges, a Practising Company Secretary carries out the audit of transfers, transmissions etc of shares and a certificate to that effect is issued and submitted to the Stock Exchanges.

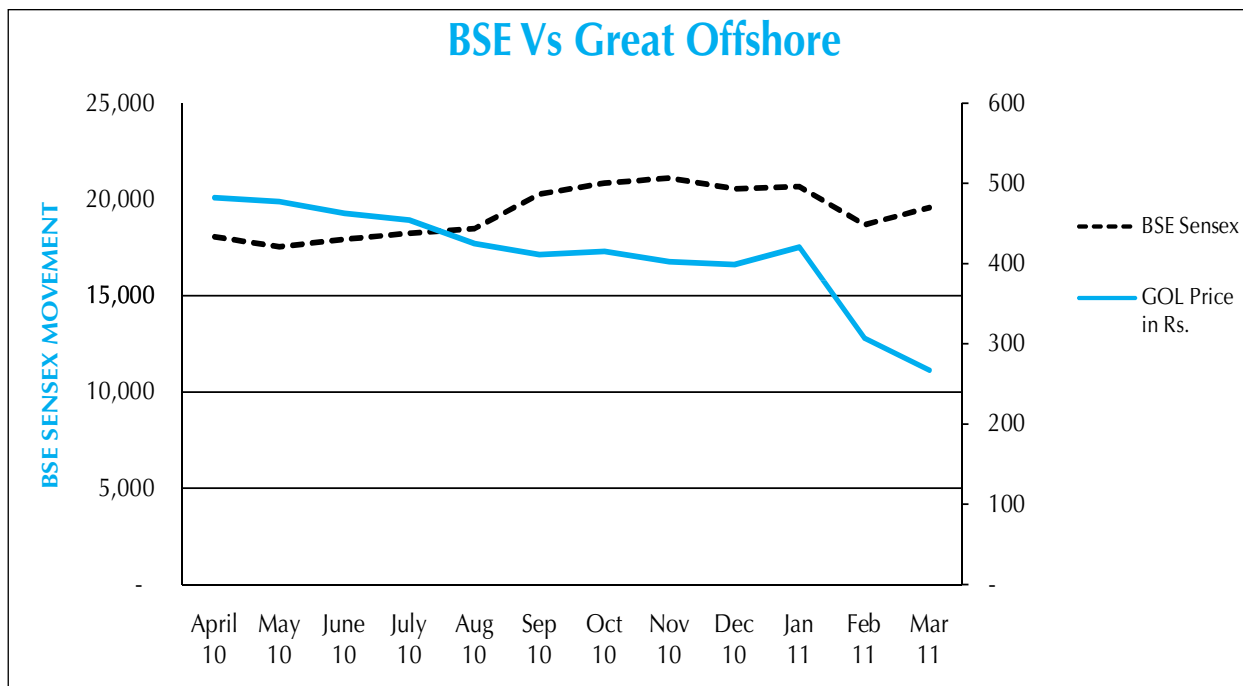


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g) **Market Price Data:** The monthly high and low price of equity shares traded on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited are as follows.

Month	NSE (In Rs)		BSE (In Rs)	
	High	Low	high	Low
April, 10	481.40	361.00	482.00	407.00
May, 10	476.90	421.00	476.95	420.00
June, 10	462.50	433.80	462.50	434.00
July, 10	452.65	405.00	453.90	405.20
August, 10	425.00	368.70	425.00	365.00
September, 10	410.75	362.20	411.05	364.10
October, 10	414.50	355.00	415.00	369.20
November, 10	402.90	348.10	402.30	348.00
December, 10	399.75	348.00	398.80	346.15
January, 11	420.00	294.50	420.30	294.15
February, 11	308.00	217.10	307.00	220.00
March, 11	267.15	206.55	267.15	225.95

h) **Performance of share price of the Company in comparison to BSE Sensex**



GOL: Great Offshore Limited

BSE: Bombay Stock Exchange Limited



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j) Distribution of shareholding as on March 31, 2011

No. of shares (range)	No. of Shareholders	% of total shareholders	No. of Shares (holding)	% to Total Shares
1 to 500	91,643	96.61	51,39,182	13.80
501 to 1000	1,776	1.87	12,83,665	3.45
1001 to 2000	778	0.82	11,02,894	2.96
2001 to 3000	251	0.27	6,15,592	1.66
3001 to 4000	95	0.10	3,32,552	0.89
4001 to 5000	77	0.08	3,47,315	0.93
5001 to 10000	109	0.11	7,69,911	2.07
10001 and above	130	0.14	2,76,40,850	74.24
Total	94,859	100.00	3,72,31,961	100.00

k) Categories of shareholders as on March 31, 2011

Category	No. of shares held	Percentage (%) of holding
Promoters	1,85,14,352	49.73
Mutual Funds / UTI	10,72,373	2.88
Financial Institutions / Banks	1,51,607	0.41
Insurance Companies	5,60,836	1.50
Foreign Institutional Investors	38,68,255	10.39
Bodies Corporate	28,20,912	7.58
Indian Public	1,02,29,133	27.48
Trust	4,197	0.00
Overseas Corporate Bodies	306	0.00
Shares held by Custodians and against which Depository Receipts have been issued	9,990	0.03
Total	3,72,31,961	100.00

l) Dematerialisation of Shares and Liquidity

The Company's shares are compulsorily traded in dematerialised form on both Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

96.39 % of the total paid-up equity share capital of the Company is in dematerialised form as on March 31, 2011. The Company has entered into agreement with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), whereby shareholders have an option to dematerialise their shares with either of the depositories.



GREAT OFFSHORE

Status of Dematerialisation of equity shares as on March 31, 2011

Particulars	No. of equity shares	% to Paid-up Capital	No. of Accounts
National Securities Depository Limited	2,91,81,496	78.38	55,461
Central Depository Services (India) Limited	67,05,245	18.01	14,830
Total Dematerialised	3,58,86,741	96.39	70,291
Shares held in Physical	13,45,220	3.61	24,568
Grand Total	3,72,31,961	100.00	94,859

m) Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, conversion date and likely impact on equity

1,890 GDRs of the Company are outstanding as on March 31, 2011 and 9,990 equity shares are underlying the said GDRs.

USD 40,000,000 7.25% Unsecured Foreign Currency Convertible Bonds (FCCBs) due 2012 are outstanding as on March 31, 2011. The due date of maturity of the bonds is October 12, 2012. 31,85,840 equity shares of Rs. 10 each representing 8.56 % of the present paid-up equity share capital as on March 31, 2011 will be allotted on conversion of said outstanding FCCBs, if converted.

n) Plant Location: The Company has no plants.

o) Address for Correspondence by Shareholders / Investors

Company	Registrar & Share Transfer Agent
Great Offshore Limited Secretarial Department Energy House, 81, Dr. D. N. Road, Mumbai – 400 001 Ph. No. : (022) 6635 2222 Fax No.: (022) 2267 3993 E-mail : investor_services@greatoffshore.com Website : www.greatoffshore.com	TSR Darashaw Limited (Unit : Great Offshore Limited) 6-10, Haji Moosa Patrawala Indl. Estate, 20, Dr. E. Moses Road, Mahalaxmi, Mumbai – 400 011 Ph. No.: (022) 6656 8484 Fax No.: (022) 6656 8496 E-mail : csg-unit@tsrdarashaw.com Website: www.tsrdarashaw.com

AUDIT FOR RECONCILIATION OF SHARE CAPITAL

As stipulated by SEBI, Practising Company Secretary carries out the audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital of the Company. The audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges. The audit confirms that the total listed capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

COMPLIANCE CERTIFICATE FROM THE AUDITORS

Certificate from the Statutory Auditors of the Company confirming the compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Indian Stock Exchanges, is annexed to the Directors' Report forming a part of the Annual Report.

This Certificate is also being forwarded to the Stock Exchanges along with the Annual Report of the Company.



GREAT OFFSHORE

DECLARATION UNDER CLAUSE 49 OF THE LISTING AGREEMENTS IN RESPECT TO CODE OF CONDUCT

I, Soli C. Engineer, Executive Director, do hereby declare that, to the best of my knowledge and belief, all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for the year ended March 31, 2011.

June 21, 2011
Mumbai

Soli C. Engineer
Executive Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members,
Great Offshore Limited,
Mumbai

We have examined the compliance of conditions of Corporate Governance by Great Offshore Limited (the Company) for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

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

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

For and on behalf of

KALYANIWALLA & MISTRY
Chartered Accountants
Firm Registration No: 104607W

VINAYAK M. PADWAL
Partner
Membership No: F 49639
Mumbai, June 21, 2011



GREAT OFFSHORE

CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,
The Board of Directors
Great Offshore Limited
Energy House, 81, Dr. D. N. Road
Mumbai – 400 001

We, Soli C. Engineer, Executive Director and Shrirang Khadilkar, General Manager – Corporate Accounts, Taxation & IT of Great Offshore Limited, do hereby certify that:

- a. We have reviewed financial statements and the cash flow statement of the Company for the year 2010 - 2011 and that to the best of our knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee in this respect and aspects which could have impact on internal control and we have taken necessary steps to strengthen the financial reporting and internal control system.
- d. We have indicated wherever applicable to the Auditors and the Audit committee:
 - i. That significant changes in internal control over financial reporting, if any, during the year;
 - ii. That significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. That there is no instance of significant fraud of which we have become aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Soli C. Engineer
Executive Director

Shrirang Khadilkar
General Manager – Corporate Accounts,
Taxation & IT

Mumbai. June 21, 2011



GREAT OFFSHORE

FLEET

Offshore Fleet as on June 21, 2011

Category	Total	Type	Vessel Name	Year Built
DRILLING VESSELS	2		1 Badrinath 2 Kedarnath	1973 1975
OFFSHORE SUPPORT VESSELS	29	Platform Supply Vessels	1 Malaviya Sixteen 2 Malaviya Eighteen 3 Malaviya Nineteen 4 Malaviya Twenty 5 Malaviya Twenty Four 6 Malaviya Twenty Nine 7 Malaviya Thirty 8 Malaviya Seven	2002 2002 2004 2004 2005 2006 2006 1994
		Anchor Handling Tug Supply Vessels	1 Malaviya One 2 Malaviya Two 3 Malaviya Three 4 Malaviya Four 5 Malaviya Five 6 Malaviya Six 7 Malaviya Ten 8 Malaviya Twenty One 9 Malaviya Twenty Three 10 Malaviya Twenty Eight 11 Malaviya Thirty Three 12 Malaviya Thirty Four 13 Malaviya Nine	1983 1983 1984 1984 1982 1981 1999 2005 2007 2006 1978 1984 2008
		Fire Fighting Supply Vessels	1 Malaviya Twenty Five 2 Malaviya Twenty Seven	2006 2006
		Multi Support Vessel	1 Malaviya Thirty Six	1987
		Anchor Handling Tugs	1 Gal Beaufort Sea 2 Gal Ross Sea 3 Sangita 4 Bharati-S	1982 1982 1994 1982
		Supply Vessel	1 Malaviya Twelve	1989
HARBOUR TUGS	12		1 Anasuya 2 Rishabh 3 Malini 4 Jyotsna S. 5 Kanti 6 Kumari Tarini 7 Sudhir Mulji 8 Vahbiz 9 Ananya 10 Purnima 11 Birsingha 12 Polaris	1997 1985 1987 1989 1998 1998 1998 1999 2000 2000 2001 2008
CONSTRUCTION AND ACCOMODATION BARGE	2		1 Gal Constructor 2 Gal Install	1978 1994
FLOATING DRY DOCK	1		1 Offshore FD-1	1984
TOTAL FLEET	46			



GREAT OFFSHORE

REPORT OF THE AUDITORS

TO THE MEMBERS OF GREAT OFFSHORE LIMITED

1. We have audited the attached Balance Sheet of Great Offshore Limited as at March 31, 2011 and also the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph (3) above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
 - e) We draw attention to Note 19 of Schedule 19, Notes to Account. The Company has changed its accounting policy w.e.f. January 01, 2011 in respect of expenses of spares, stores & consumables in line with Accounting Standard (AS) 2 - "Valuation of Inventories" by which spares, stores & consumables on board the vessels which are not consumed are accounted as inventory. Accordingly, as on 31st March 2011 the Company has accounted Inventory amounting to Rs.5580 lakhs and disclosed the same as an Exceptional item. This has resulted in stating of profit of the company for the year higher by Rs. 5580 lakhs.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
5. On the basis of written representations received from the directors of the Company as on March 31, 2011, and taken on record by the Board of Directors, we report that none of the directors of the Company are disqualified as on March 31, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Registration No. 104607W

VINAYAK M. PADWAL
Partner
M. No. F49639

Mumbai, June 21, 2011



GREAT OFFSHORE

Annexure to the Auditor's Report

Referred to in paragraph 3 of our report of even date on the accounts of Great Offshore Limited for the year ended March 31, 2011:

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets are physically verified by the management as per a phased programme of verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge no material discrepancies were reported on such verification.
 - (c) In our opinion, the fixed assets disposed off during the year were not substantial and do not affect the going concern assumption.
2. (a) We have been informed that the Management has physically verified inventory at the year end. We have been provided a management certificate for the same. *In our opinion, the frequency of verification is not reasonable.*
 - (b) *In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management needs to be further strengthened.*
 - (c) *The Company's records of the inventory have not been adequately updated. In the absence of updated records we are unable to comment whether the discrepancies noticed on the verification between physical inventories and book records have been properly dealt with in the books of accounts.*
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods *except for maintenance of inventory records*. Further, on the basis of our examination of the books of account and records of the Company, and according to the information and explanations given to us, we have neither come across nor we have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system *except in relation to inventory records maintenance*.
5. Based on the audit procedures applied by us and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system, which is commensurate with the size and nature of its business *except in case of inventory which is presently not within the scope of internal audit*.
8. As informed to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956, in respect of the activities carried on by the Company.
9. (a) According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the company is generally regular in depositing undisputed statutory dues including Shore Staff Provident fund, Investor Education and Protection Fund, Employees State Insurance, Income tax, Sales tax, Wealth tax,



GREAT OFFSHORE

Service tax, Excise duty, Customs duty, Cess, and other statutory dues with the appropriate authorities. We are informed that in respect of floating staff it is not possible to accurately ascertain the income tax on salaries (under section 192) of the employees. The Company regularly makes ad hoc payments to the appropriate authorities and on final determination the balance, if any, is paid.

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

Name of the statute	Nature of Dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Forum where dispute is pending
The Tamil Nadu General Sales Tax Act 1959	Tax u/s 3A of The Tamil Nadu General Sales Tax Act, 1959	100.78	1995-96 and 1996-97	The Sales Tax Appellate Tribunal, Chennai
The Karnataka Sales Tax Act , 1957	Tax u/s 5-C of the Act	170.71	1995-96 to 2001-02	Stay granted by Supreme Court
The Karnataka Sales Tax Act , 1957	Sales Tax	6.03	2007-08	Assistant Commissioner (CT) III, Enforcement Wing
The Customs Act, 1962	Customs Duty	70.37	2001-02	Customs Excise and Gold (Control) Appellate Tribunal
The APVAT Act, 2005	VAT	96.53	2004-05 2005-06	APGST / SPVAT Malviya Nine - deemed Transfer of right to use
Central Excise and Customs Act	Service Tax	72.53	2002-03 to 2004-05	Superintendent of Central Excise
West Bengal Sales Tax Act	Sales Tax	41.59	2001-02	The Commissioner of Commercial Taxes, Kolkatta

10. The Company has no accumulated losses as at the end of the financial year and it has not incurred any cash losses in the current year and in the immediately preceding financial year.
11. According to the information and explanations given to us and the records examined by us, the company has not defaulted in repayment of dues to a financial institution or bank or the debenture holders.
12. According to the information and explanations given to us and the records examined by us, the Company has not granted any loans on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion and according to the information and explanation given to us, the nature of the activities of the Company does not attract any special statute applicable to the chit fund and nidhi/ mutual benefit fund/ societies.
14. In our opinion, the Company has maintained proper records of the transactions and contracts of the investments dealt in by the Company and timely entries have been made therein. The investments made by the Company are held in its own name except to the extent of the exemption under section 49 of the Act.
15. According to the information and explanations given to us and the records examined by us, the Company has not given any guarantees for loans taken by others from banks or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the Company.



GREAT OFFSHORE

16. According to the information and explanations given to us and the records examined by us, on an overall basis, the term loans were applied by the Company for the purpose for which they were obtained.
17. On the basis of an overall examination of the balance sheet and cash flows of the Company and the information and explanation given to us, we report that the Company has not utilised any funds raised on short-term basis for long-term investments.
18. The Company has not made any preferential allotment of shares to parties or companies covered under section 301 of the Act.
19. According to the explanation given to us, securities have been created in respect of the debentures taken over by the Company pursuant to the Scheme of Arrangement. These debentures have been redeemed during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Registration No. 104607W

VINAYAK M. PADWAL

Partner

M. No. F49639

Mumbai, June 21, 2011.



GREAT OFFSHORE

BALANCE SHEET AS AT MARCH 31, 2011

Rs. in Lakhs

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Capital.....	1	3723	3723
Reserves and Surplus.....	2	<u>109987</u>	99228
		113710	<u>102951</u>
Loan Funds			
Secured Loans.....	3	264044	202380
Unsecured Loans.....	4	<u>27340</u>	29167
		291384	<u>231547</u>
Deferred tax liability (net).....		905	249
TOTAL		<u>405999</u>	<u>334747</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block.....	5	266886	250471
Less : Depreciation.....		<u>90452</u>	72125
Net Block.....		176434	178346
Capital work in progress.....		<u>121873</u>	116299
		298307	294645
Investments	6	14652	14647
Current Assets, Loans and Advances			
Inventories.....	7	6421	961
Sundry Debtors.....	8	22870	25021
Cash and Bank balances.....	9	15260	4619
Loans and Advances.....	10	<u>90856</u>	16224
		<u>135407</u>	<u>46825</u>
Less : Current Liabilities and Provisions			
Current Liabilities.....	11	41436	20439
Provisions.....	12	<u>931</u>	931
		<u>42367</u>	<u>21370</u>
Net Current Assets		<u>93040</u>	25455
TOTAL		<u>405999</u>	<u>334747</u>
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

Vinayak M. Padwal

Partner

Shrirang V. KhadilkarGM - Corporate Accounts,
Taxation & Information Technology**Suresh Savaliya**

Company Secretary & Chief Compliance Officer

For and on behalf of the Board

Keki M. Elavia

Chairman

Kaushal Raj Sachar

Deputy Chairman

Vijay Kumar

Executive Director

P. C. Kapoor

Executive Director

Soli C. Engineer

Executive Director

Dr. Ram Nath Sharma

Director

Chetan Mehra

Director

Mumbai, June 21, 2011

Mumbai, June 21, 2011



GREAT OFFSHORE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs. in Lakhs

	Schedule	For the year ended March 31, 2011	For the year ended March 31, 2010
INCOME			
Income from Operations.....	13	84553	100740
Other Income.....	14	1714	609
		<u>86267</u>	<u>101349</u>
EXPENDITURE			
Operating Expenses.....	15	41551	47660
Administration and Other Expenses.....	16	7946	10361
Interest and Finance charges.....	17	13081	10879
Depreciation.....		18348	13227
		<u>80926</u>	<u>82127</u>
Profit before tax & Exceptional Items.....		5341	19222
Add : Exceptional Item (Refer Schedule 19 - Note 19).....		5580	-
Profit before tax		10921	19222
Less : Provision for taxation			
- Current tax.....		95	760
- Deferred tax.....		656	940
- Prior years.....		-	60
		<u>10170</u>	<u>17462</u>
PROFIT FOR THE PERIOD AFTER TAX.....		10170	17462
Less : Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act,1961.....		2500	4000
		<u>7670</u>	<u>13462</u>
Add : Surplus brought forward from previous year.....		24291	13760
Amount available for appropriation.....		31961	27222
Appropriations :			
- Transfer to General Reserve.....		1100	2000
- Proposed Final Dividend on Equity Shares.....		931	931
Balance Carried Forward.....		29930	24291
		<u>31961</u>	<u>27222</u>
Basic earnings per share before exceptional items (in Rs.)		12.33	46.97
Basic earnings per share after exceptional items (in Rs.)		27.32	46.97
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of

KALYANIWALLA & MISTRY

Chartered Accountants

Vinayak M. Padwal

Partner

Shrirang V. Khadilkar

GM - Corporate Accounts,
Taxation & Information Technology

Suresh Savaliya

Company Secretary & Chief Compliance Officer

For and on behalf of the Board

Keki M. Elavia

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Executive Director

Soli C. Engineer

Executive Director

Dr. Ram Nath Sharma

Director

Chetan Mehra

Director

Mumbai, June 21, 2011

Mumbai, June 21, 2011



GREAT OFFSHORE

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011	Rs. in Lakhs For the year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	10921	19222
ADJUSTMENTS FOR		
Depreciation	18348	13227
Interest earned	(321)	(75)
Interest expensed	13081	10813
Dividend received	(998)	-
Profit on sale of sundry assets	(2)	(9)
Provision for doubtful debts (Net)	7	1
Foreign exchange	(692)	4,638
OPERATING PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	<u>40344</u>	<u>47817</u>
ADJUSTMENTS FOR		
Trade & other receivables	2625	(655)
Inventories	(5460)	(431)
Trade payables	20447	(3305)
CASH GENERATED FROM OPERATIONS	<u>57956</u>	<u>43426</u>
Taxes paid	(1155)	(2563)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>56801</u>	<u>40863</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (net of sale)	(22023)	(88499)
Sale of fixed assets	15	34
Purchase of investments	(73008)	-
Sale of investments	73003	-
Interest received	319	75
Dividend received	998	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(20696)</u>	<u>(88390)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from borrowings	153447	124289
Repayments of borrowings	(92089)	(71121)
Advance to Subsidiary	(73718)	(7601)
Proceeds from issue of equity shares	-	9
Premium on equity shares issued	-	787
Interest paid	(13108)	(10982)
Dividend paid	(931)	(929)
Tax on dividend	-	(158)
NET CASH FROM FINANCING ACTIVITIES	<u>(26399)</u>	<u>34294</u>
Net increase / (decrease) in cash and cash equivalents	9706	(13233)
Cash and cash equivalents as at beginning of period	5524	18757
Cash and cash equivalents as at end of period	<u>15230</u>	<u>5524</u>
Note		
Cash and cash equivalent as on	March 31,2011	March 31,2010
Cash and bank balances	15260	4619
Effect of exchange rate changes [Loss/(gain)]	(30)	905
Cash and cash equivalents as restated	<u>15230</u>	<u>5524</u>

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Vinayak M. Padwal
Partner

Shrirang V. Khadilkar
GM - Corporate Accounts,
Taxation & Information Technology
Suresh Savaliya
Company Secretary & Chief Compliance Officer

For and on behalf of the Board
Keki M. Elavia
Chairman
Kaushal Raj Sachar
Deputy Chairman
Vijay Kumar
Executive Director
P. C. Kapoor
Executive Director
Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Chetan Mehra
Director
Mumbai, June 21, 2011

Mumbai, June 21, 2011



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "1" : SHARE CAPITAL		
AUTHORISED :		
100,000,000 (Previous Year 50,000,000) Equity Shares of Rs.10 each	10000	5000
1,000,000 (Previous Year 1,500,000) Preference Shares of Rs. 1,000 each	10000	15000
	<u>20000</u>	<u>20000</u>
ISSUED :		
37,313,594 (Previous Year 37,313,594) Equity Shares of Rs.10 each	3731	3731
	<u>3731</u>	<u>3731</u>
SUBSCRIBED & PAID UP :		
37,231,961 (Previous Year 37,231,961) Equity Shares of Rs.10 each fully paid up.	3723	3723
	<u>3723</u>	<u>3723</u>
Notes:		
1. 38,068,481 Equity Shares are allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash.		
2. Paid-up Equity Share Capital is net of Calls in Arrears Rs. 0.08 lakh.		
3. The company has on October 31, 2009 allotted 91017 Equity shares of Rs.10/- each at a premium of Rs.865/- per share on part conversion of FCCBs aggregating to USD 2,000,000 .		
SCHEDULE "2" : RESERVES AND SURPLUS		
FOREIGN CURRENCY FLUCTUATION RESERVE		
As per last Balance Sheet	1000	1000
Add : Transfer from Profit & Loss A/c	-	-
	<u>1000</u>	<u>1000</u>
HEDGE RESERVE		
As per last Balance Sheet	(1139)	(17500)
Add : Addition during the year	1520	16361
	<u>381</u>	<u>(1139)</u>
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	15098	15098
Add : Addition during the year	-	-
	<u>15098</u>	<u>15098</u>
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	787	-
Add : Premium on conversion of FCCBs	-	787
	<u>787</u>	<u>787</u>
TONNAGE TAX RESERVE ACCOUNT UNDER SECTION 115VT OF THE INCOME-TAX ACT,1961		
As per last Balance Sheet	15850	11850
Add : Transfer from Profit and Loss Account	2500	4000
	<u>18350</u>	<u>15850</u>
GENERAL RESERVE		
As per last Balance Sheet	43341	41341
Add : Transfer from Profit and Loss Account	1100	2000
	<u>44441</u>	<u>43341</u>
PROFIT AND LOSS ACCOUNT		
	29930	24291
	<u>109987</u>	<u>99228</u>



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "3" : SECURED LOANS		
TERM LOANS -		
- From Banks (Secured by mortgage of specific ships)	264044	201613
NON CONVERTIBLE DEBENTURES -		
Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each		
- 6.05 % redeemable on September 19, 2010.	-	767
	<u>264044</u>	<u>202380</u>
SCHEDULE "4" : UNSECURED LOANS		
7.25 % Foreign Currency Convertible Bonds	17836	17956
Inter - Corporate borrowings		
From Other company	-	3500
From Subsidiary company	9504	7711
	<u>27340</u>	<u>29167</u>

SCHEDULE "5" : FIXED ASSETS

Rs. in Lakhs

PARTICULARS	COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	Upto March 31, 2010	For the year	Adjustments on assets sold	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
TANGIBLE ASSETS										
Leasehold Land	-	254	-	254	-	3	-	3	251	-
Fleet	204105	3463	-	207568	60737	14074	-	74811	132757	143368
Plant & Machinery										
-Rigs & Barge	20851	8321	-	29172	9110	1794	-	10904	18268	11741
-Others	31	-	-	31	6	6	-	12	19	25
Ownership Flats & Office Premises	1669	-	-	1669	974	35	-	1009	660	695
Furniture, Fixtures & Office equipments	998	60	-	1058	862	59	-	921	137	136
Vehicles	540	112	34	618	351	91	21	421	197	189
Assets Held for Sale (Refer Schedule 19 - Note 7)	22277	3949	-	26226	85	2228	-	2313	23913	22192
INTANGIBLE ASSETS										
Computer Software	-	290	-	290	-	58	-	58	232	-
TOTAL	250471	16449	34	266886	72125	18348	21	90452	176434	178346
Previous Year Total	196518	54029	76	250471	58949	13227	51	72125	178346	
Capital Work in Progress									121873	116299
TOTAL									298307	294645

SCHEDULE "6" : INVESTMENTS

Equity Shares : Unquoted

Subsidiaries :

1,50,000	Great Offshore Fujairah L.L.C. - FZC of US \$ 1 each	66	66
50,000	Deep Water Services (India) Ltd. of Rs. 10 each	5	5
3,00,000	Great Offshore (International) Ltd of US \$ 1 each	155	155
8,10,000	KEI RSOS Maritime Ltd of Rs.10 each	13863	13863
28,104	Rajamahendri Shipping and Oil Field Services Ltd of Rs.100 each	501	501
50,000	Great Offshore Ship Repairs Ltd of Rs. 10 each	5	-
Joint Venture :			
13,00,000	(Previous Year - 5,20,000) United Helicharterers Pvt. Ltd. of Rs. 10 each (Refer Schedule 19 Note 8 (b))	57	57
		<u>14652</u>	<u>14647</u>



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "7" : INVENTORIES		
Fuel Oil & Spares & Stores (at cost) (Refer Schedule 19 - Note 19)	6421	961
SCHEDULE "8" : SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding over six months		
Considered good	9226	6280
Considered doubtful	<u>772</u>	<u>794</u>
	9998	7074
Other Debts		
Considered good	<u>13644</u>	<u>18741</u>
	23642	25815
Less : Provision for doubtful debts	<u>772</u>	<u>794</u>
	<u>22870</u>	<u>25021</u>
SCHEDULE "9" : CASH AND BANK BALANCES		
Cash on hand	8	20
Balances with scheduled banks on		
Current account	1829	2533
Deposit account	<u>2930</u>	<u>4759</u>
Balances with other banks		
On call deposit with ABN AMRO Bank, London, Bank of Baroda, Dubai & State Bank of India, London (Maximum Balance Rs. 15230 lakhs, Previous Year Rs. 15659 lakhs)	10491	2063
On current account with ABN AMRO Bank, Dubai (Rs. 0.07 lakh, Previous Year Rs. 0.04 lakh) (Maximum Balance Rs. 2 lakhs, Previous Year Rs. 2 lakhs)	-	-
On current account with ABN AMRO Bank, Malaysia (Maximum Balance Rs. 10 lakhs, Previous Year Rs. 11 lakhs)	<u>2</u>	<u>3</u>
	10493	2066
	<u>15260</u>	<u>4619</u>
SCHEDULE "10" : LOANS AND ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	4318	4301
Advance to Subsidiary company	82721	9003
- Great Offshore (Fujairah) L.L.C. - FZC (Maximum Balance Rs. 33 lakhs, Previous Year Rs. 33 lakhs)		
- KEI - RSOS Maritime Ltd (Maximum Balance Rs. 9636 lakhs, Previous Year Rs. 5828 lakhs)		
- Great Offshore (International) Ltd (Maximum Balance Rs. 70738 lakhs, Previous Year Rs. 3142 lakhs)		
Agents' current accounts	153	316
Advance payment of Income-tax & taxes deducted at source (Net of Provision for taxation)	3664	2604
	<u>90856</u>	<u>16224</u>



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "11" : CURRENT LIABILITIES		
Sundry Creditors		
Outstanding dues to Micro Enterprises and Small Enterprises	-	-
Dues of other creditors	<u>10647</u>	<u>14559</u>
	10647	14559
Advances from customers	-	1853
Other Liabilities	30084	3299
Interest accrued but not due on loans	591	618
Unclaimed Dividend	<u>114</u>	<u>110</u>
	41436	20439
SCHEDULE "12" : PROVISIONS		
Proposed Final Dividend on Equity Shares	<u>931</u>	<u>931</u>
	931	931

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

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE "13" : INCOME FROM OPERATIONS		
Charter Hire (Gross)	73988	88991
[Income tax deducted at source Rs. 1153 lakhs, (Previous Year Rs. 2003 lakhs)]		
Contract Revenue (Gross)	10565	11749
[Income tax deducted at source Rs. 79 lakhs, (Previous Year Rs. 174 lakhs)]		
	<u>84553</u>	<u>100740</u>
SCHEDULE "14" : OTHER INCOME		
Dividend on current investments		
- from subsidiary companies	931	-
- from others	<u>67</u>	<u>-</u>
	998	-
Interest earned (Gross)		
- others	<u>321</u>	<u>75</u>
[(Income-tax deducted at source Rs. 15 lakhs (Previous Year Rs. Nil)]	321	75
Profit on sale of sundry assets (net)	2	9
Insurance claim/ Arbitration settlement	255	396
Miscellaneous Income	<u>138</u>	<u>129</u>
	1714	609



GREAT OFFSHORE

Scheduled Annexed to and forming part of the profit and Loss Account for the year ended March 31, 2011

Rs. in Lakhs

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE "15" : OPERATING EXPENSES		
Fuel, Oil and Water	2493	1634
Port, Light and Canal Dues	432	257
Hire of chartered ships	491	1258
Outsourced Services	3214	3421
Brokerage and Commission	179	474
Wages, Bonus and Other Expenses - Floating Staff	15673	14974
Contribution to Provident and Other Funds - Floating Staff	137	126
Stores	1874	1033
Repairs & Maintenance - Fleet and Rigs	6161	7597
Insurance & Protection Club Indemnity Fees	1413	1465
Vessel Manning Expenses	1049	1376
Project Expenses	6560	10006
Sundry Operating Expenses	1875	4039
	<u>41551</u>	<u>47660</u>
SCHEDULE "16" : ADMINISTRATION & OTHER EXPENSES		
Salaries and allowances	3629	2821
Contribution to Provident and Other Funds	380	156
Staff Welfare Expenses	142	130
Rent	74	12
Insurance	69	94
Repairs and Maintenance		
- Buildings	66	13
- Others	227	162
	<u>293</u>	<u>175</u>
Property Taxes	68	7
Legal & Professional expenses	990	811
Auditors' Remuneration (including service tax)	51	34
Provision for Doubtful Debts	7	249
Donations	14	3
Loss on foreign currency transactions (net)	1377	4405
Other Expenses	852	1464
	<u>7946</u>	<u>10361</u>
SCHEDULE "17" : INTEREST & FINANCE CHARGES		
Interest on		
- Fixed Loans	11575	8104
- Other Loans	1226	1414
Finance charges	280	1361
	<u>13081</u>	<u>10879</u>



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SCHEDULE "18":

SIGNIFICANT ACCOUNTING POLICIES:

(a) Accounting Convention :

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

(b) Use of Estimates:

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

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and financing costs on borrowings during construction period. Exchange differences on repayment are recognised in the Profit and Loss Account and year end translation of foreign currency liabilities relating to acquisition of assets are recognized in the Hedge Reserve.

(d) Investments :

- i. Investments are classified into long-term and current investments.
- ii. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.
- iii. Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

(e) Inventories :

- i. Inventories of fuel oil are valued at cost on first in first out basis.
- ii. Inventories of spares, stores & consumables on board the vessels are valued at weighted average cost method.

(f) Borrowing cost:

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

(g) Revenue recognition:

Charter hire earnings are recognized on accrual basis.

Revenue from long term turnkey offshore projects is recognized on the percentage of completion basis, based on costs incurred and the expected costs to completion.

(h) Operating expenses:

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

(i) 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 Profit and Loss Account of the year in which the employee renders the related service.

(ii) Post Employment Benefits:

Defined Contribution Plan

Retirement benefits in the Provident Fund, Family Pension Fund and Superannuation Scheme, which are defined contribution schemes, are charged to the Profit and Loss account of the year when the contributions accrue.



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Defined Benefit Plan

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the Balance Sheet date.

Other Long Term Benefits

Long term compensated absences & Pension benefits are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Profit and Loss account for the year as income or expense.

(j) Depreciation:

(i) Fleet :

Depreciation on new built vessels is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of second hand acquisitions, depreciation is provided on the straight line method, so as to write off the cost over the estimated useful life, as technically evaluated by the management / consultants at the time of acquisition (20 to 27 years), or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

(ii) Rigs :

Rigs are depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iii) Barge :

The Barge is depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iv) Properties :

Flats and Office premises are depreciated on the written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(v) Other Assets :

On the straight line method so as to write off the original cost of the asset over the estimated useful life as under:

Computers	-	3 years
Vehicles	-	4 years
Furniture & Fixtures, Office Equipment, etc	-	5 years

(k) Asset Impairment:

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

Where an impairment loss subsequently reverses, the carrying amount of the assets 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 amortization of depreciation) had no impairment loss been recognized for the asset in prior accounting period.

(l) Foreign Exchange Transactions:

(i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities other than foreign currency borrowings denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of these monetary assets and liabilities and realised gains and losses on foreign currency transactions is recognised in the Profit and Loss Account.

(ii) The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealized exchange gains or losses on transaction foreign currency borrowing which qualify as effective hedge are recognized in the Hedge Reserve Account.



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- (iii) Forward exchange contracts, other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions, are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expenses over the life of the contracts.
- (iv) Exchange differences in respect of forward exchange contracts entered into by the Company to hedge foreign currency risk of firm commitments or highly probable forecast transactions are accounted for on settlement.
- (v) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.
- (vi) Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognized in the Profit and Loss account along with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

(m) Special Survey Expenses:

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed.

(n) Provision for Taxation:

Tax expense comprises of current, deferred tax and fringe benefit tax.

- (i) Provision for current income-tax and fringe benefit tax is made on the basis of the assessable income under the Income-tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.
- (ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date.

(o) Provisions and Contingent Liabilities:

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

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

(p) Segment Reporting:

The Company is mainly engaged in offshore business and there are no separate reportable segments as per Accounting Standard (AS) 17.



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SCHEDULE "19":

NOTES TO ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

- Great Offshore Limited was incorporated on July 14, 2005 and the offshore services business of The Great Eastern Shipping Co. Ltd. was demerged and vested in the Company with effect from April 1, 2005 pursuant to a Scheme of Arrangement sanctioned by the Mumbai High Court. The Company specialises in providing offshore support solutions to the Exploration & Production Industry. In this segment the Company operates Drilling Rigs, Offshore Support Vessels and undertakes Marine Construction Projects and services.
- Contingent Liabilities:**

Rs. in Lakhs

Sr. No.	Particulars	As on 31.3.2011	As on 31.3.2010
(i)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Company.	9164	11613
(ii)	Guarantees by bank given on behalf of a subsidiary company.	-	991
(iii)	Corporate guarantee given to bank on behalf of a subsidiary	39511	-
(iv)	Corporate guarantee given to Customs	583	583
(v)	Claims not acknowledged by Company in respect of:		
	Customs Duty	70	76
	Income Tax matter in appeal	-	37
	Sales tax and Service tax demands on charter hire payments	271	265
	Possible obligation in respect of matters under arbitration	2700	2700
(vi)	Letters of Credit outstanding	-	378

3. Share Capital:

During the year, the company has amended Clause V (a) of the Memorandum of Association by reclassifying a part of the existing Preference shares into Equity shares, to facilitate any capital infusion by way of issuance of further shares, any time in future. In accordance with the provisions of Section 94, Section 16 and other applicable provisions of the Companies Act 1956, 500,000 Cumulative Redeemable Preference Shares of Rs. 1000/- each are reclassified into 50,000,000 equity shares of Rs. 10 each.

Accordingly, the authorized share capital of the company is Rs. 2,000,000,000 divided into 100,000,000 equity shares of Rs. 10 each (Previous Year 50,000,000 equity shares of Rs. 10 each) and 1,000,000 preference shares of Rs. 1000 each (Previous Year 1,500,000 preference shares of Rs. 1000 each).

4. Reserves & Surplus :

Hedge Reserve

The Company has borrowings and the revenue streams in foreign currency, which provides an inherent hedge against foreign currency exchange rate fluctuations. Accordingly, the Company changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign currency borrowings by following an appropriate hedge accounting policy and applying the principle set out in AS-30 Financial Instruments: Recognition and Measurement. The objective of adopting Hedge Accounting is to ensure that gain or loss on the hedging instrument is recognized in the statement of Profit and Loss in the same period when Hedge items affects profit or loss. The Company has w.e.f. 1st April 2008 designated borrowings in foreign currency as Hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the current year, the net unrealized exchange difference on foreign currency borrowings aggregating to Rs. 1233 lakhs has been credited to Hedge Reserve, and net realized exchange loss debited to P&L account is Rs. 287 lakhs. As a result, balance in the Hedge Reserve is credit of Rs. 381 lakhs. (Previous Year Debit of Rs.1139 lakhs).



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5. Unsecured Loans :

The Company has 7.25% Unsecured Foreign Currency Convertible Bonds (FCCB) (due 2012) of US\$ 100,000 each aggregating to US \$ 40,000,000, listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The Bondholders may, as per the terms, convert the Bonds in whole or in part from time to time, at their option, during the period commencing 11th October, 2007 to 28th September, 2012.

The Company had revised pricing of Foreign Currency Convertible Bonds (FCCB's) in accordance with the new pricing norms such that each FCCB of face value USD 100,000 will convert to 7964 equity shares of the company as against the original proposal of each FCCB converting into 4550.86 equity shares. This will imply a conversion price of Rs. 565 per equity share as against the original conversion price of Rs. 875 per share. (USD 1 = Rs. 45, Original Rate USD 1 = 39.82). The necessary approvals from the bondholders and Reserve Bank of India have been obtained for the same.

As per the Mandatory Conversion Right embedded in the offer document, the Company has the option to convert the entire outstanding bonds on the terms and conditions agreed upon. In the event, the Bonds are not repurchased and cancelled; or converted; the Company will redeem the Bonds on the Maturity Date.

6. Fixed Assets:

Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for Rs.14742 Lakhs (Previous Year Rs. 14841 lakhs).

7. Fixed Assets held for Sale :

The Company has contracted for sale of its Jack up Rig Amarnath in 1st Quarter of 2011-12.

8. Investments

- On November 5, 2008, the Company has acquired 100% equity shares of KEI-RSOS Maritime Limited and Rajamahendri Shipping & Oil Field Services Limited for a consideration of Rs.14705 lakhs and Rs.573 lakhs respectively subject to certain adjustments as per Share Purchase Agreement. Out of the above, the consideration paid till the Balance Sheet date amounted to Rs.13863 lakhs and Rs. 501 lakhs respectively.
- On March 1,2011, 7,80,000 bonus shares of Rs. 10 each were allotted by United Helicharters Private Limited. As a result total number of shares held in United Helicharters Private Limited are 13,00,000 shares of Rs. 10 each as on March 31, 2011.(Previous Year 5,20,000 shares of Rs. 10 each)

9. Debts due from a subsidiary (considered good):

Rs. in Lakhs

	As on 31.03.2011	As on 31.3.2010
Outstanding over six months	2444	483
Other debts	2187	999

10. Loans to subsidiaries:

Rs. in Lakhs

	As on 31.3.2011	As on 31.3.2010	Maximum balance outstanding	
			Current Year	Previous Year
Great Offshore Fujairah L.L.C. – FZC	33	33	33	33
KEI-RSOS Maritime Ltd.	9623	5827	9636	5827
Great Offshore (International) Ltd.	70738	3142	70738	3142
Great Offshore Ship Repairs Ltd.	125	-	125	-



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11. Loans from subsidiaries:

Rs. in Lakhs

	As on 31.3.2011	As on 31.3.2010	Maximum balance outstanding	
			Current Year	Previous Year
Deep Water Services (India) Ltd.	8294	7300	9250	7300

12. Corporate Guarantee :

During the year, the Company has given Corporate Guarantee to Banks, for financing acquisition of assets to its Wholly Owned Subsidiary – Great Offshore (International) Ltd. for Rs.24926 lakhs and Kei-Rsos Maritime Limited – Rs. 14585 lakhs (Previous Year Rs. 14585 lakhs)

13. Interest on Loan given to Subsidiaries has been netted out against the interest expense and net interest is disclosed in Profit & Loss. The details are as under:-

Name of subsidiary	Interest (Rs. in Lakhs)
Great Offshore (International) Limited	2201
Great Offshore Ship Repairs Limited	1
Total	2202

14. Deferred tax:

Pursuant to the introduction of Sec 115V 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 will be assessed on the basis of the deemed Tonnage Income of the Company and no deferred tax will be applicable to this income as there will be no timing differences.

Deferred tax is accounted for in respect of the timing differences under the non-tonnage activity of the Company.

The breakup of net deferred tax assets / (liability) is as under:

Rs. in Lakhs

	As on 31.3.2011	As on 31.3.2010
Deferred tax assets:		
Provision for doubtful debts and advances (Net)	32	33
	32	33
Deferred tax liabilities:		
Difference between book and tax depreciation	937	282
Net deferred tax Assets/(Liability)	(905)	(249)

15. Current Liabilities:

According to information available to the Company regarding the status of the suppliers, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, amount overdue as on 31st March, 2010 to the Micro, Small and Medium enterprises on account of principal amount, together with interest for delayed payment under the Act, is Rs. Nil .

16. Provisions:

The Company has recognized the provisions given below in its accounts in respect of obligations arising from past events, the settlement of which are expected to result in an outflow embodying economic benefits.

Manning dues and related contributions to welfare funds was Rs. 289 lakhs as on 1st April, 2010, additions during the year was Rs.176 lakhs, (Previous Year Rs. 151 lakhs), reversed / paid during the year was Rs.136 lakhs (Previous Year Rs. 113 lakhs), hence balance as on 31st March, 2011 is Rs.329 lakhs (Previous Year 289 lakhs).

Pool Payable Provision was recognised for amounts payable to a pool of charterers estimated on the basis of average pool earnings. Opening balance as on 1st April, 2010 was Rs. 429 lakhs, additions during the year was Rs.2 lakhs, (Previous Year Rs. 1020 lakhs), reversed / paid during the year was Rs.21 lakhs (Previous Year Rs. 1916 lakhs), hence balance as on 31st March, 2011 is Rs 410 lakhs.



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

18. Profit and Loss Account:

(a) Computation of Net Profit in accordance with Section 349 of the Companies Act, 1956:

Rs. in Lakhs

		For the year ended March 31, 2011		For the year ended March 31, 2010	
Managerial Remuneration		492		334	
Profit for the year before tax			10921		19222
Add : Managerial Remuneration		492		334	
Provision for doubtful debts and advances		7		250	
Depreciation as per books		18348		13227	
			18847		13811
			29768		33033
Less: Depreciation u/s 350 of the Companies Act, 1956		18348		13227	
Managerial Remuneration					
Profit on sale of assets		2	(18350)	9	(13236)
Net profit for Section 198 of the Companies Act, 1956			11418		19797
10% / 5% of Net profit as computed	10%		1142		990
Commission to Non-executive Director	1%		114		198
Total Managerial remuneration			424		270
Commission to Non-whole time Directors			48		36
Total managerial remuneration (Including commission and provision for retirement pension benefits and excluding sitting fees)			472		306

(b) Managerial Remuneration:

Rs. in Lakhs

	For the year ended March 31, 2011	For the year ended March 31, 2011
(a) Salaries	179	134
(b) Contribution to Provident fund and Superannuation fund	18	13
(c) Perquisites	7	3
(d) Commission to Executive Directors	220	120
(e) Commission to Non-Whole-time Directors	48	36
(f) Sitting fees	20	28
TOTAL	492	334

19. Change in Accounting Policy :

The Company has changed its Accounting Policy in respect of expenses of spares, stores & consumables in line with Accounting Standard (AS) 2 - "Valuation of Inventories" by which spares, stores & consumables on board the vessels which are not consumed are accounted as inventory. In the opinion of the Company the said change in the Accounting policy would result in a more appropriate representation of the Financial Statements of the Company. Accordingly , as on 31st March 2011 the Company has accounted Inventory amounting to Rs.5580 lakhs and disclosed the same as an Exceptional item. This has resulted in stating of profit of the company higher by Rs. 5580 lakhs.



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

(a) Effective April 1, 2007 the Company adopted Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by ICAI.

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

A) **Defined Contribution Plans:**

Rs. in Lakhs

	For the year ended March 31, 2011	For the year ended March 31, 2010
Contribution to Employees Provident Fund	158.27	150.62
Contribution to Employees Superannuation Fund	83.20	72.20
Contribution to Employees Pension Scheme 1995	4.11	4.27
Contribution to Seamen's Provident Fund	47.27	39.37
Contribution to Seamen's Annuity Fund	131.19	121.61
Contribution to Seamen's Gratuity Fund	213.98	22.86

B) **Defined Benefit Plans:**

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

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	8%	8%	8%	8%
(b) Rate of Return on Plan Assets	8%	8%	-	-
(c) Salary Escalation rate	5%	5%	5%	5%
(d) Mortality	LIC (1994-96) ULT			
(e) Withdrawal rate	-	-	-	-
(f) Expected average remaining service	7.49	8.11	8.57	10.97

(i) **Change in Benefit Obligation:**

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	651.26	600.19	44.56	18.63
Interest Cost	49.06	41.72	3.35	1.01
Current Service Cost	115.32	83.84	63.57	52.51
Benefits Paid	(75.94)	(86.87)	(5.26)	(10.37)
Transfer from previous employer's	-	-	-	-
Provision for diminution in fair value of plan assets	-	-	-	-
Actuarial gain/(loss) on obligations	99.46	(65.67)	(79.81)	(17.21)
Liability at the end of the year	839.16	573.21	26.41	44.56



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(i) Fair value of Plan Assets:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year including adjustment in opening	623.59	523.25	-	-
Expected Return on Plan Assets	46.85	41.65	-	-
Employer's Contribution	-	81.72	-	-
Employees Contribution	-	-	-	-
Benefits Paid	(75.94)	(86.87)	-	-
Provision for diminution in fair value of plan assets	-	-	-	-
Actuarial gain/(loss) on Plan Assets	(10.76)	63.84	-	-
Fair Value of Plan Assets at the end of the year	583.74	623.59	-	-

(ii) Actual Return on Plan Assets:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Expected Return on Plan Assets	46.84	41.65	-	-
Actuarial gain/(loss) on Plan Assets	(10.75)	63.84	-	-
Actual Return on Plan Assets	(57.59)	(22.19)	-	-

(iii) Amount Recognised in the Balance Sheet:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the year	839.16	573.25	-	44.56
Fair Value of Plan Assets at the end of the year	583.74	623.59	-	-
Difference	(255.42)	50.34	-	(44.56)
Unrecognised past service cost	-	-	-	-
Amount recognised in the Balance Sheet	(255.42)	50.34	-	(44.56)

(iv) Expenses recognised in the Profit & Loss Account:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	115.32	83.84	63.57	52.51
Interest Cost	49.06	41.76	3.35	1.01
Expected Return on Plan Assets	(46.85)	(41.65)	-	-
Net Actuarial Gain/(loss) to be recognised	110.21	129.51	(79.81)	(17.21)
Expenses recognised in Profit and Loss Account	227.75	(45.57)	(12.89)	36.30

(v) 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.

(vi) General description of significant defined plans:

Gratuity Plan:

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

Leave Encashment:

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed @ 45 days for employees. The Leave over and above 45 days is encashed and paid to employees in April every year. Benefit would be paid at the time of separation based on the last drawn basic salary.



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21. Auditors' Remuneration :

Rs. in Lakhs

	For the year ended March 31, 2011	For the year ended March 31, 2010
Audit Fees	22	18
In other capacities :		
- Tax Audit	3	2
- Taxation	6	5
- Certification and other services	20	9
Total	51	34

22. Hedging Contracts:

(a) Interest Rate Swap Contracts :

	Current Year	Previous Year
Total No of Contracts	3	2
Principal Notional Amount (US Dollar Million)	81.80	4.74
Maturity Period	Upto 7 Yrs	Upto 3 Yrs

(a) Unhedged foreign currency exposure :

Amount in Foreign Currency in Lakhs

	As on March 31, 2011	As on March 31, 2010
(i) Loans liabilities and payables		
(a) U S Dollars	2839	1605
(b) Euros	4	1
(c) Arab Emirates Dinars	10	9
(d) Japanese Yens	426	232
(e) Great Britain Pounds	3	3
(f) Norwegian Kroners	4	5
(g) Singapore Dollars	3	14
(h) Bahrain Dinars	3	-
(i) Saudi Riyals	1	-
(ii) Cash / Bank and Receivables		
(a) U S Dollars	551	485
(b) Euros	2	-
(c) Arab Emirates Dinars	1	1
(d) Japanese Yens	284	57
(e) Great Britain Pounds	17	26
(f) Singapore Dollars	1	3
(g) Norwegian Kroners	1	1

23. Segment Reporting:

The Company is mainly engaged in offshore business and there are no separate reportable segments as per Accounting Standards (AS) 17.

24. Related Party Disclosures :

(i) List of Related Parties

a) Parties where control exists :

Subsidiary Companies:

Great Offshore Fujairah L.L.C.- FZC

Deep Water Services (India) Ltd.

KEI – RSOS Maritime Ltd.

Rajamahendri Shipping and Oil Field Services Ltd.

Great Offshore (International) Ltd.

Great Offshore Ship Repairs Ltd.

Glory Shipping Pvt. Ltd.



GREAT OFFSHORE

Great Offshore Germany GMBH
SGB EMSSUN Gmbh & Co.
SGB EMSSKY Gmbh & Co.

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

1. Joint Venture:
United Helicharters Pvt. Ltd.
2. Key Management Personnel :
Mr. P.C. Kapoor – Executive Director
Mr. Vijay Kumar – Executive Director
Mr. Soli C.Engineer – Executive Director
3. Enterprises over which Key Management Personnel Exercise Significant Influence :
Allcargo Global Logistic Limited
Bharati Shipyard Limited
Indian National Shipowners Association
Indian Register of Shipping
Weizmann Forex Limited.

24 (ii) Transactions with related parties for the period ended 31st March 2011.

Rs. in Lakhs

Sr. No	Nature of Transaction	Subsidiary Companies		Joint Venture		Key Management Personnel		Enterprise over which Individuals/Directors exercise significant influence		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Income earned on Services rendered :										
	Deep Water Services (India) Ltd	5460	3696							5460	3696
	KEI - RSOS Maritime Ltd.	1711	1625							1711	1625
	Royalty received from :										
	United Helicharters Pvt Ltd			8	14					8	14
2	Reimbursement of Expenses received from :										
	Deep Water Services (India) Ltd		5								5
	Great Offshore (International) Ltd.	45								45	
3	Interest paid to :										
	Deep Water Service (India) Ltd.	799	428							799	428
	Allcargo Global Logistic Limited							12	71	12	71
	Bharati Shipyard Limited							585		585	
4	Interest Received from										
	Great Offshore (International) Ltd.	2201								2201	
	Great Offshore Ship Repairs Ltd.	1								1	
5	Subscription paid to :										
	Indian National Shipowners Association							16	14	16	14
6	Contracted work :										
	Bharati Shipyard Limited								719		719
7	Services:										
	Indian Registrar of Shipping							73	77	73	77
	Weizmann Forex Limited							39	39	39	39
8	Inchartered Vessel:										
	KEI-RSOS Maritime Limited	81	171							81	171
9	Repayment of loan :										
	Deep Water Services (India) Ltd	1606	1750							1606	1750
	Allcargo Global Logistic Limited							2000	5000	2000	5000
	Great Offshore (International) Ltd.	4066								4066	
	KEI -RSOS Maritime Ltd.	363	743							363	743
	Bharati Shipyard Ltd.							30697		30697	
10	Remuneration:										
	Mr. Vijay Kumar					124				124	
	Mr. P.C. Kapoor					124				124	
	Mr.Vijay K.Sheth						170				170
	Mr.Soli Engineer					176	100			176	100



GREAT OFFSHORE

Sr. No	Nature of Transaction	Subsidiary Companies		Joint Venture		Key Management Personnel		Enterprise over which Individuals/Directors exercise significant influence		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
	Mr.Soli Engineer					176	100			176	100
11	Loan received from :										
	Deep Water Service (India) Limited	2600	8050							2600	8050
	Allcargo Global Logistic Limited							2000	5000	2000	5000
	Bharati Shipyard Limited							27197	3500	27197	3500
12	Loan Given to:										
	KEI -RSOS Maritime Ltd.	4159	5206							4159	5206
	Great Offshore (International) Ltd.	71662	3142							71662	3142
	Great Offshore Ship Repairs Ltd.	125								125	
13	Outstanding balances as on 31.03.11										
	Loans & Advances (Receivables) :										
	KEI - RSOS Maritime Ltd.	9623	5827							9623	5827
	Great.Offshore (Fujairah) LLC-FZC	33	33							33	33
	Great.Offshore (International) Ltd.	70738	3142							70738	3142
	Great Offshore Ship Repairs Ltd.	125								125	
	Loans & Advances (Payables) :										
	Deep Water Services India Ltd.	8294	7300							8294	7300
	Bharati Shipyard Ltd.								3500		3500
	Interest Accrued & receivable										
	KEI - RSOS Maritime Ltd.	72	72							72	72
	Great Offshore (International) Ltd.	2201									
	Great Offshore Ship Repairs Ltd.	1									
	Interest Payables :										
	Deep Water Services India Ltd.	1210	411							1210	411
	Receivables :										
	Deep Water Services (India) Ltd	1098	313							1098	313
	United Helicharterers Pvt Ltd			93	74					93	74
	KEI - RSOS Maritime Ltd. (Net)	3260	1482							3260	1482
	Great.Offshore (International) Ltd.	351								351	
	Capital Advances										
	Bharati Shipyard Ltd.							89108	89708	89108	89708
14	Guarantees given :										
	Deep Water Services (India) Ltd		991								991
	Great Offshore (International) Limited	24926								24926	
	Kei-Rsos Maritime Limited	14585	14585							14585	14585

25. Interest in Joint Venture:

The Company has a joint venture interest in United Helicharters Pvt. Ltd. (a company incorporated in India) and its proportionate share in the assets, liabilities, income and expenses of the jointly controlled entity, based on the unaudited management accounts drawn up to 31st March, 2011, is as under :

Percentage of ownership interest as at 31st March 2011. – 26%

Rs. in Lakhs

As at 31 st March 2011		For the period ended 31 st March 2011	
Assets	768	Income	1168
Liability	650	Expenditure	1235

Rs. in Lakhs

As at 31 st December 2009		For the period ended 31 st December 2009	
Assets	1134	Income	1247
Liability	934	Expenditure	1198



GREAT OFFSHORE

26. Basic and diluted earnings per share:

		Rs. in Lakhs	
	Particulars	Current Year	Previous Year
(a)	Net Profit after tax for Equity Shareholders before exceptional items	4590	17462
(b)	Net Profit after tax for Equity Shareholders after exceptional items	10170	17462
(c)	Number of Equity Shares as on April 1,2010	37,231,961	37,140,944
	Add: Shares allotted during the year	-	91,017
	Number of Equity shares as on March 31,2011	37,231,961	37,231,961
	Weighted average number of Equity shares outstanding at the end of the year	37,231,961	37,178,847
(d)	Face value of Equity Share	Rs. 10.00	Rs. 10.00
(e)	Basic earnings per share before exceptional items	Rs. 12.33	Rs. 46.97
(f)	Basic earnings per share after exceptional items	Rs. 27.32	Rs. 46.97

27. Previous Years figures have been regrouped wherever necessary to confirm to current year's classification.



GREAT OFFSHORE

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE :

I Registration Details :

Registration No.

L	1	1	2	0	0	M	H	2	0	0	5	P	L	C	1	5	4	7	9	3
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

State Code

																			1	1
--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---	---

Balance Sheet Date

3	1	-	0	3	-	2	0	1	1
---	---	---	---	---	---	---	---	---	---

II Capital Raised during the year :

Rs. in Lakhs

Public Issue

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Rights Issue

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

Private Placement

									N	I	L
--	--	--	--	--	--	--	--	--	---	---	---

III Position of Mobilisation and Deployment of Funds :

Rs. in Lakhs

Total Liabilities

				4	4	8	3	6	6
--	--	--	--	---	---	---	---	---	---

Total Assets

				4	4	8	3	6	6
--	--	--	--	---	---	---	---	---	---

Sources of Funds :

Paid-up Capital

							3	7	2	3
--	--	--	--	--	--	--	---	---	---	---

Reserves & Surplus

				1	0	9	9	8	7
--	--	--	--	---	---	---	---	---	---

Secured Loans

				2	6	4	0	4	4
--	--	--	--	---	---	---	---	---	---

Unsecured Loans

					2	7	3	4	0
--	--	--	--	--	---	---	---	---	---

Deferred Taxation (Net)

								9	0	5
--	--	--	--	--	--	--	--	---	---	---

Application of Funds :

Net Fixed Assets

				2	9	8	3	0	7
--	--	--	--	---	---	---	---	---	---

Investments

					1	4	6	5	2
--	--	--	--	--	---	---	---	---	---

Deferred Tax Assets

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Net Current Assets

					9	3	0	4	0
--	--	--	--	--	---	---	---	---	---

Misc Expenditure

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Accumulated Losses

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

IV Performance of Company :

Rs. in Lakhs

Turnover

					8	6	2	6	7
--	--	--	--	--	---	---	---	---	---

Total Expenditure

					7	5	3	4	6
--	--	--	--	--	---	---	---	---	---

Profit / (loss) Before Tax

					1	0	9	2	1
--	--	--	--	--	---	---	---	---	---

Profit / (loss) After Tax

					1	0	1	7	0
--	--	--	--	--	---	---	---	---	---

Earning Per Share

					2	7	.	3	2
--	--	--	--	--	---	---	---	---	---

Dividend Rate (%)

					2	5	.	0	0
--	--	--	--	--	---	---	---	---	---

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

Description

										Item Code No.
--	--	--	--	--	--	--	--	--	--	---------------

Offshore

									N	.	A
--	--	--	--	--	--	--	--	--	---	---	---



GREAT OFFSHORE

Consolidated Auditors Report

Report of the auditors to the Board of Directors of Great Offshore Limited on Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Great Offshore Limited and its subsidiaries (the Group) as at March 31, 2011, and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year then ended, annexed thereto. These consolidated financial statements are the responsibility of Great Offshore Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3.
 - (a) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of Rs. 55,313 lakhs as at March 31, 2011, total revenues of Rs.226 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion, insofar as it relates to the amounts included in respect of the subsidiaries is based solely on the report of the other auditors.
 - (b) We did not audit the financial statements of certain subsidiaries, whose financial statements reflect the Group's share of total assets of Rs. 11,638 lakhs as at March 31, 2011. These financial statements are for the year ended March 31, 2011 and our opinion, insofar as it relates to the amounts included in respect of these subsidiaries is based solely on the basis of the unaudited management accounts certified by the Management.
 - (c) We did not audit the financial statements of the Company's joint venture, whose financial statements reflect the Group's share of total assets of Rs. 768 lakhs as at March 31, 2011, the Group's share of total revenues of Rs. 1168 lakhs for the year ended on that date. These financial statements are for the year ended March 31, 2011 and our opinion, insofar as it relates to the amounts included in respect of the joint venture is based solely on the basis of the unaudited management accounts certified by the Management.
4. We report that the consolidated financial statements have been prepared by the management of Great Offshore Limited in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements and Accounting Standard (AS) 27 – Financial Reporting of Interest in Joint Ventures issued by the Institute of Chartered Accountants of India.
5. We draw attention to Note 13 of Schedule 19, Notes to Account. The Company has changed its accounting policy w.e.f. January 01, 2011 in respect of expenses of spares, stores & consumables in line with Accounting Standard (AS) 2 - "Valuation of Inventories" by which spares, stores & consumables on board the vessels which are not consumed are accounted as inventory. Accordingly, as on 31st March 2011 the Company has accounted Inventory amounting to Rs.5812 lakhs and disclosed the same as an Exceptional item. This has resulted in stating of profit of the company for the year higher by Rs. 5812 lakhs.
6. Subject to the matters referred to in paragraph 3 above, and based on our audit and on consideration of the reports of other auditors on separate financial statements and unaudited accounts certified by the management in respect of the Company's joint venture, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2011;
 - b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
Registration No. 104607W

VINAYAK M. PADWAL
Partner
M. No. F49639
Mumbai, June 21, 2011



GREAT OFFSHORE

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

Rs. in Lakhs

	Schedule	As at March 31, 2011	As at March 31, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Capital.....	1	3723	3723
Reserves and Surplus.....	2	<u>110392</u>	<u>107199</u>
		114115	110922
Minority Interest.....		724	-
Loan Funds			
Secured Loans.....	3	304009	212874
Unsecured Loans.....	4	<u>17836</u>	<u>21456</u>
		321845	234330
Deferred tax liability (net).....		<u>904</u>	<u>322</u>
TOTAL.....		<u>437588</u>	<u>345574</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block.....	5	324405	268508
Less : Depreciation.....		<u>94845</u>	<u>74982</u>
Net Block.....		229560	193526
Capital work in progress.....		<u>175897</u>	<u>118429</u>
		405457	311955
Goodwill (on consolidation).....		9367	9367
Investments.....		10	-
Current Assets, Loans and Advances			
Inventories.....	6	6942	1389
Sundry Debtors.....	7	26283	28352
Cash and Bank balances.....	8	20365	10016
Other Current assets.....	9	73	273
Loans and Advances.....	10	<u>17734</u>	<u>8632</u>
		71397	48662
Less : Current Liabilities and Provisions			
Current Liabilities.....	11	47553	23237
Provisions.....	12	<u>1090</u>	<u>1173</u>
		48643	24410
Net Current Assets		<u>22754</u>	<u>24252</u>
TOTAL.....		<u>437588</u>	<u>345574</u>
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached

For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Vinayak M. Padwal
Partner

Shrirang V. Khadilkar
GM - Corporate Accounts,
Taxation & Information Technology
Suresh Savaliya
Company Secretary & Chief Compliance Officer

For and on behalf of the Board
Keki M. Elavia
Chairman
Kaushal Raj Sachar
Deputy Chairman
Vijay Kumar
Executive Director
P. C. Kapoor
Executive Director
Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Chetan Mehra
Director
Mumbai, June 21, 2011

Mumbai, June 21, 2011



GREAT OFFSHORE

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

Rs. in Lakhs

	Schedule	As at March 31, 2011	As at March 31, 2010
INCOME			
Income from Operations.....	13	94683	116564
Other Income.....	14	916	701
		<u>95599</u>	<u>117265</u>
EXPENDITURE			
Operating Expenses.....	15	49386	53960
Administration and Other Expenses.....	16	11493	12767
Interest and Finance charges.....	17	16041	11635
Depreciation.....		19881	14086
		<u>96801</u>	<u>92448</u>
Profit / (Loss) before tax & Exceptional Items.....		(1202)	24817
Add: Exceptional item.....		5812	-
Profit before tax.....		4610	24817
Less : Provision for taxation			
- Current tax.....		1517	3645
- Deferred tax.....		567	1009
- Prior years.....		47	60
		<u>2131</u>	<u>4714</u>
Profit for the year after tax.....		2479	20103
Add : Minority Interest.....		146	-
		<u>2625</u>	<u>20103</u>
Less: Transfer to Tonnage Tax Reserve Account under section 115VT of the Income-tax Act, 1961.....		2502	4000
		123	16103
Add: Surplus brought forward from previous year.....		31334	19204
Amount available for appropriation.....		31457	35307
Appropriations:			
- Transfer to General Reserve.....		2100	3000
- Transfer to Foreign Currency Translation Reserve.....		-	(113)
- Proposed Final Dividend on Equity Shares.....		931	931
- Tax on Dividends.....		151	155
Balance Carried Forward.....		28275	31334
		<u>31457</u>	<u>35307</u>
Basic earnings per share before exceptional items (in Rs.)		(8.56)	54.07
Basic earnings per share after exceptional items (in Rs.)		7.05	54.07
Significant Accounting Policies	18		
Notes to Accounts	19		

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

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Vinayak M. Padwal
Partner

Shrirang V. Khadilkar
GM - Corporate Accounts,
Taxation & Information Technology
Suresh Savaliya
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For and on behalf of the Board
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Kaushal Raj Sachar
Deputy Chairman
Vijay Kumar
Executive Director
P. C. Kapoor
Executive Director
Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Chetan Mehra
Director
Mumbai, June 21, 2011

Mumbai, June 21, 2011



GREAT OFFSHORE

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

	For the year ended March 31, 2011	Rs. in Lakhs For the year ended March 31, 2010
A CASH FLOW FROM OPERATING ACTIVITIES		
NET PROFIT BEFORE TAX	4610	24817
ADJUSTMENTS FOR		
Depreciation	19881	14086
Interest earned	(407)	(155)
Interest expensed	16041	11569
Dividend received	(96)	-
Profit on sale of sundry assets	(2)	(9)
Provision for doubtful debts (Net)	7	1
Foreign exchange	(747)	4,750
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	<u>39287</u>	<u>55059</u>
ADJUSTMENTS FOR		
Trade & other receivables	(5874)	(6957)
Inventories	(5553)	(452)
Trade payables	23634	(5131)
CASH GENERATED FROM OPERATIONS	<u>51494</u>	<u>42519</u>
Taxes paid	(2413)	(5,544)
NET CASH FLOW FROM OPERATING ACTIVITIES	<u>49081</u>	<u>36975</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(113390)	(89639)
Sale of fixed assets	26	34
Purchase of investments	(82267)	(6284)
Sale of investments	82257	-
Interest received	607	174
Dividend received	96	-
NET CASH USED IN INVESTING ACTIVITIES	<u>(112671)</u>	<u>(95715)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Minority Interest	870	-
Proceeds from borrowings	181271	113322
Repayments of borrowings	(92089)	(54452)
Proceeds from issue of equity shares	-	9
Premium on equity shares issued	-	787
Interest paid	(16016)	(12167)
Dividend paid	(1086)	(928)
Tax on dividend	-	(158)
NET CASH FROM FINANCING ACTIVITIES	<u>72950</u>	<u>46413</u>
Net increase / (decrease) in cash and cash equivalents	9360	(12327)
Cash and cash equivalents as at beginning of period	10975	23302
Cash and cash equivalents as at end of period	<u>20335</u>	<u>10975</u>
Note :		
Cash and cash equivalent as on	March 31, 2011	March 31, 2010
Cash and bank balances	20365	10016
Effect of exchange rate changes [Loss/(gain)]	(30)	959
Cash and cash equivalents as restated	<u>20335</u>	<u>10975</u>

As per our Report attached
For and on behalf of
KALYANIWALLA & MISTRY
Chartered Accountants
Vinayak M. Padwal
Partner

Shrirang V. Khadilkar
GM - Corporate Accounts,
Taxation & Information Technology
Suresh Savaliya
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For and on behalf of the Board
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Executive Director
P. C. Kapoor
Executive Director
Soli C. Engineer
Executive Director
Dr. Ram Nath Sharma
Director
Chetan Mehra
Director
Mumbai, June 21, 2011

Mumbai, June 21, 2011



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "1" : SHARE CAPITAL		
AUTHORISED		
100,000,000 (Previous Year 50,000,000) Equity Shares of Rs.10 each	10000	5000
1,000,000 (Previous Year 1,500,000) Preference Shares of Rs. 1,000 each	10000	15000
	<u>20000</u>	<u>20000</u>
ISSUED		
37,313,594 (Previous Year 37,313,594) Equity Shares of Rs.10 each	3731	3731
	<u>3731</u>	<u>3731</u>
SUBSCRIBED & PAID UP		
37,231,961 (Previous Year 37,231,961) Equity Shares of Rs.10 each fully paid up.	3723	3723
	<u>3723</u>	<u>3723</u>
Notes		
1. 38,068,481 Equity Shares are allotted as fully paid up pursuant to a scheme of arrangement without payment being received in cash.		
2. Paid-up Equity Share Capital is net of Calls in Arrears Rs. 0.08 lakh.		
3. The company has on October 31, 2009 allotted 91017 Equity shares of Rs.10 /- each at a premium of Rs. 865/- per share on part conversion of FCCBs aggregating to USD 2,000,000 .		
SCHEDULE "2" : RESERVES AND SURPLUS		
FOREIGN CURRENCY FLUCTUATION RESERVE		
As per last Balance Sheet	1000	1000
Add : Transfer from Profit & Loss A/c	-	-
	<u>1000</u>	<u>1000</u>
SECURITIES PREMIUM ACCOUNT		
As per last Balance Sheet	787	-
Add : Premium on conversion of FCCBs	-	787
	<u>787</u>	<u>787</u>
TONNAGE TAX RESERVE ACCOUNT UNDER SECTION 115VT OF THE INCOME-TAX ACT,1961		
As per last Balance Sheet	16055	12055
Add : Transfer from Profit and Loss Account	2502	4000
	<u>18557</u>	<u>16055</u>
FOREIGN CURRENCY TRANSLATION RESERVE		
	(147)	(130)
HEDGE RESERVE		
As per last Balance Sheet	(1286)	(17785)
Add : Addition during the year	1667	16499
	<u>381</u>	<u>(1286)</u>
CAPITAL REDEMPTION RESERVE		
As per last Balance Sheet	15098	15098
Add : Addition during the year	-	-
	<u>15098</u>	<u>15098</u>
GENERAL RESERVE		
As per last Balance Sheet	44341	41341
Add : Transfer from Profit and Loss Account	2100	3000
	<u>46441</u>	<u>44341</u>
PROFIT AND LOSS ACCOUNT		
	28330	31245
	<u>110447</u>	<u>107110</u>
Share of Joint Venture	(55)	89
	<u>110392</u>	<u>107199</u>



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
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SCHEDULE "3" : SECURED LOANS

TERM LOANS

From Banks	304009	212107
(Secured by mortgage of specific ships and fixed deposit)		

NON CONVERTIBLE DEBENTURES

6.05% Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000 each, redeemed on September 19, 2010	-	767
	<u>304009</u>	<u>212874</u>

SCHEDULE "4" : UNSECURED LOANS

7.25 % Foreign Currency Convertible Bonds	17836	17956
From companies	-	3500
(Repayable within one year Nil, Previous Year Rs. 3500 lakhs)	<u>17836</u>	<u>21456</u>

SCHEDULE "5" : FIXED ASSETS CONSOLIDATED

Rs in lakhs

Particulars	COST				DEPRECIATION				NET BLOCK	
	As at April 1, 2010	Additions	Deductions	As at March 31, 2011	Upto March 31, 2010	For the year	Adjustments on assets sold	Upto March 31, 2011	As at March 31, 2011	As at March 31, 2010
Tangible Assets										
Leasehold Land	-	254	-	254	-	3	-	3	251	-
Fleet	220865	42914	-	263779	62631	15562	-	78193	185587	158234
Plant & Machinery										
- Rigs & Barge	20851	8321	-	29172	9109	1794	-	10903	18270	11742
- Others	1058	15	-	1073	921	29	-	950	123	137
Ownership Flats & Office Premises	1681	-	-	1681	976	36	-	1012	669	705
Furniture, Fixtures and Office Equipments	1054	77	-	1131	895	70	-	965	166	159
Vehicles	542	112	34	620	353	91	21	423	197	189
Assets Held for Sale (Refer Schedule 19 - Note 9)	22277	3949	-	26226	85	2228	-	2313	23913	22192
Intangible Assets										
Computer Software	-	290	-	290	-	58	-	58	232	-
TOTAL	268328	55932	34	324226	74970	19871	21	94820	229406	193358
Previous Year Total	210139	58265	76	268328	60940	14081	51	74970	193358	
Share of Joint Venture	180	2	3	179	16	10	1	25	154	168
Previous Year Total	106	74	-	180	11	5	-	16	164	
TOTAL	268508	55934	37	324405	74986	19881	22	94845	229560	193526
Previous Year Total	210245	58339	76	268508	60951	14086	55	74982	193526	-
Capital Work in Progress									175897	118429
TOTAL									<u>405457</u>	<u>311955</u>

SCHEDULE "6" : INVENTORIES :

Fuel Oil & Spares & Stores	6875	1292
Share of Joint Venture	67	97
	<u>6942</u>	<u>1389</u>



GREAT OFFSHORE

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

Rs. in Lakhs

	As at March 31, 2011	As at March 31, 2010
SCHEDULE "7" : SUNDRY DEBTORS		
(Unsecured)		
Debts outstanding over six months		
Considered good	11202	8400
Considered doubtful	<u>778</u>	<u>799</u>
	11980	9199
Other Debts:		
Considered good	<u>14873</u>	<u>19516</u>
	26853	28715
Less : Provision for doubtful debts	<u>778</u>	<u>799</u>
	26075	27916
Share of Joint Venture	<u>208</u>	<u>436</u>
	26283	28352
SCHEDULE "8" : CASH AND BANK BALANCES		
Cash on hand	8	21
Balances with scheduled banks		
On current account	2088	3759
On deposit account	<u>2957</u>	<u>-</u>
	5045	3759
Balances with other banks		
On call / deposit accounts	15243	6085
On term deposit account with ABN AMRO Bank, Dubai	1	-
On current account with ABN AMRO Bank, Dubai	<u>3</u>	<u>10</u>
	20300	9875
Share of Joint Venture	<u>65</u>	<u>141</u>
	20365	10016
SCHEDULE "9" : OTHER CURRENT ASSETS		
Interest accrued on investments and deposits	71	51
Share of Joint Venture	<u>2</u>	<u>222</u>
	73	273
SCHEDULE "10" : LOANS AND ADVANCES		
(Unsecured - considered good, unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	13054	4853
Agents' current accounts	153	316
Advance payment of Income-tax & taxes deducted at source (Net of Provision for taxation)	<u>4255</u>	<u>3406</u>
	17462	8575
Share of Joint Venture	<u>272</u>	<u>57</u>
	17734	8632



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

	As at March 31, 2011	Rs. in Lakhs As at March 31, 2010
SCHEDULE "11" : CURRENT LIABILITIES		
Sundry Creditors		
Outstanding dues to Micro Enterprises and Small Enterprises	-	-
Dues of other creditors	15163	15410
Advances from customers	-	1853
Other Liabilities	30992	4399
Interest accrued but not due on loans	643	618
Unclaimed Dividend	114	110
	<u>46912</u>	<u>22390</u>
Share of Joint Venture	641	847
	<u>47553</u>	<u>23237</u>
SCHEDULE "12" : PROVISIONS		
Proposed Final Dividend on Equity Shares	931	931
Provision for Tax on dividends	151	155
	<u>1082</u>	<u>1086</u>
Share of Joint Venture	8	87
	<u>1090</u>	<u>1173</u>

**Schedules Annexed to and forming part of
the Consolidated Profit and Loss Account**

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE "13" : INCOME FROM OPERATIONS		
Charter Hire	82961	103403
[Income tax deducted at source Rs. 1153 lakhs, (Previous Year Rs. 2003 lakhs)]		
Contract Revenue (Gross)	10577	11900
[Income tax deducted at source Rs. 79 lakhs, (Previous Year Rs. 174 lakhs)]		
	<u>93538</u>	<u>115303</u>
Share of Joint Venture	1145	1261
	<u>94683</u>	<u>116564</u>
SCHEDULE "14" : OTHER INCOME		
Dividend on current investments	96	-
Interest earned (Gross)		
- Others	407	155
[(Income-tax deducted at source Rs. 15 lakhs, (Previous Year Rs. Nil)]		
Profit on sale of sundry assets (net)	2	9
Reversal of Provision on Arbitration settlement/ Insurance claim	255	396
Miscellaneous Income	139	141
	<u>899</u>	<u>701</u>
Share of Joint Venture	17	-
	<u>916</u>	<u>701</u>



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

Rs. in Lakhs

	For the year ended March 31, 2011	For the year ended March 31, 2010
SCHEDULE "15" : OPERATING EXPENSES		
Fuel, Oil and Water	4389	3091
Port, Light and Canal Dues	584	282
Hire of chartered vessels / helicopters	1286	1675
Outsourced Services	3214	3421
Brokerage and Commission	196	475
Wages, Bonus and Other Expenses - Floating Staff	17781	16947
Contribution to Provident and Other Funds - Floating staff	137	126
Stores	2042	1293
Repairs and Maintenance - Fleet & Rigs	7698	9021
Insurance and Protection Indemnity Club Fees	1462	1468
Vessel Management Expenses	1230	1381
Project Expenses	6560	10006
Other Expenses	2077	4102
	<u>48656</u>	<u>53288</u>
Share of Joint Venture	730	672
	<u>49386</u>	<u>53960</u>
SCHEDULE "16" : ADMINISTRATION & OTHER EXPENSES		
Salaries and allowances	3777	2986
Contribution to Provident and Other Funds	394	174
Staff Welfare Expenses	161	163
Rent	119	35
Insurance	150	189
Repairs and Maintenance		
- Buildings	74	15
- Others	<u>252</u>	<u>193</u>
	326	208
Property Taxes	68	7
Legal & Professional expenses	1058	1992
Auditors' Remuneration	59	42
Provision for Doubtful Debts	7	249
Donations	14	3
Other Expenses	1713	1696
Loss on foreign currency transactions (net)	<u>3163</u>	<u>4491</u>
	11009	12235
Share of Joint Venture	484	532
	<u>11493</u>	<u>12767</u>
SCHEDULE "17" : INTEREST & FINANCE CHARGES		
Interest on		
- Fixed loans	12130	8774
- Other Loans	3476	1498
Finance charges	<u>433</u>	<u>1360</u>
	16039	11632
Share of Joint Venture	2	3
	<u>16041</u>	<u>11635</u>



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SCHEDULE "18":

SIGNIFICANT ACCOUNTING POLICIES:

(a) Accounting Convention :

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

(b) Use of Estimates:

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

(c) Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition and financing costs on borrowings during construction period. Exchange differences on repayment are recognised in the Profit and Loss Account and year end translation of foreign currency liabilities relating to acquisition of assets are recognized in the Hedge Reserve.

(d) Investments :

- i. Investments are classified into long-term and current investments.
- ii. Long-term investments are carried at cost. Provision for diminution, if any, in the value of each long-term investment is made to recognise a decline, other than of a temporary nature.
- iii. Current investments are stated at lower of cost and fair value and the resultant decline, if any, is charged to revenue.

(e) Inventories :

- i. Inventories of fuel oil are valued at cost on first in first out basis.
- ii. Inventories of spares, stores & consumables on board the vessels are valued at weighted average cost method.

(f) Borrowing cost:

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

(g) Revenue recognition:

Charter hire earnings are recognized on accrual basis.

Revenue from long term turnkey offshore projects is recognized on the percentage of completion basis, based on costs incurred and the expected costs to completion.

(h) Operating expenses:

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

(i) 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 Profit and Loss Account of the year in which the employee renders the related service.

(ii) Post Employment Benefits:

Defined Contribution Plan

Retirement benefits in the Provident Fund, Family Pension Fund and Superannuation Scheme, which are defined contribution schemes, are charged to the Profit and Loss account of the year when the contributions accrue.



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Defined Benefit Plan

The liability for Gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation as at the Balance Sheet date.

Other Long Term Benefits

Long term compensated absences & Pension benefits are provided on the basis of an actuarial valuation as at the Balance Sheet date. Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognized in the Profit and Loss account for the year as income or expense.

(j) Depreciation:

(i) Fleet :

Depreciation on new built vessels is provided on the straight line method at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of second hand acquisitions, depreciation is provided on the straight line method, so as to write off the cost over the estimated useful life, as technically evaluated by the management / consultants at the time of acquisition (20 to 27 years), or at the rates prescribed in Schedule XIV to the Companies Act, 1956, whichever is higher.

(ii) Rigs :

Rigs are depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iii) Barge :

The Barge is depreciated on the straight line method so as to write off the original cost over the estimated useful life of 7/10 years.

(iv) Properties :

Flats and Office premises are depreciated on the written down value method, at the rates prescribed in Schedule XIV to the Companies Act, 1956.

(v) Other Assets :

On the straight line method so as to write off the original cost of the asset over the estimated useful life as under:

Computers	-	3	years
Vehicles	-	4	years
Furniture & Fixtures, Office Equipment, etc	-	5	years

(k) Asset Impairment:

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

Where an impairment loss subsequently reverses, the carrying amount of the assets 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 amortization of depreciation) had no impairment loss been recognized for the asset in prior accounting period.

(l) Foreign Exchange Transactions:

- (i) Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities other than foreign currency borrowings denominated in foreign currency, remaining unsettled at the period end are translated at closing rates. The difference in translation of these monetary assets and liabilities and realised gains and losses on foreign currency transactions is recognised in the Profit and Loss Account.
- (ii) The Company designates borrowing in foreign currency as hedge instrument to hedge its foreign currency risk of its firm commitment and highly probable or forecasted revenue transaction to be accounted as cash flow hedge. The unrealized exchange gains or losses on transaction foreign currency borrowing which qualify as effective hedge are recognized in the Hedge Reserve Account.



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- (iii) Forward exchange contracts, other than those entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions, are translated at period end exchange rates. Premium or discount on such forward exchange contracts is amortised as income or expenses over the life of the contracts.
- (iv) Exchange differences in respect of forward exchange contracts entered into by the Company to hedge foreign currency risk of firm commitments or highly probable forecast transactions are accounted for on settlement.
- (v) Realised gain or losses on cancellation of forward exchange contracts are recognised in the Profit and Loss Account of the period in which they are cancelled.
- (vi) Foreign currency derivative contracts which are embedded in the loan agreements and form an integral part of the agreement are translated at closing rates and the resultant gains or losses are recognized in the Profit and Loss account along with the revaluation gains or losses of the hedged loans. The unrealised gains or losses arising on revaluation of other foreign currency swaps and options are carried forward under Loans and Advances or Other Liabilities until settlement in line with the underlying hedged assets / liabilities.

(m) Special Survey Expenses:

The Company capitalises expenses incurred at the time of five yearly special surveys and / or life enhancement programmes by which class certificates / operating licences are renewed.

(n) Provision for Taxation:

Tax expense comprises of current, deferred tax and fringe benefit tax.

- (i) Provision for current income-tax and fringe benefit tax is made on the basis of the assessable income under the Income-tax Act, 1961. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.
- (ii) Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non-shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date.

(o) Provisions and Contingent Liabilities:

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

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

(p) Segment Reporting:

The Company is mainly engaged in offshore business and there are no separate reportable segments as per Accounting Standard (AS) 17.



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SCHEDULE "19":

NOTES TO CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2011

1. Basis of Consolidation:

- (a) The consolidated financial statements relate to Great Offshore Limited, the holding Company, and its wholly owned subsidiaries and its jointly controlled entity (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' and the consolidation of its interest in joint ventures has been prepared in accordance with Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Ventures'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated. The Group's interest in the Joint Venture is accounted for using proportionate consolidation method. Separate line items are included to disclose the assets, liabilities, income and expenses of the jointly controlled entity.
- (b) 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 reporting date. Exchange gains / (losses) arising on conversion are recognized under Foreign Currency Translation Reserve.
- (c) In the consolidated financial statements, 'Goodwill' represents the excess of the cost to the Company of its investments in the subsidiaries over its share of equity, at the respective dates on which investments are made. Alternatively, where the share of equity as on the date of investment is in excess of the cost of investment, it is recognized as 'Capital Reserve' in the consolidated financial statements.

2. The financial statements of the subsidiaries & jointly controlled entity used in the consolidation are drawn upto the same reporting date as that of the Company i.e. year ended March 31, 2011.

3. Share Capital:

The allotment of 71,480 equity shares of the Company have been kept in abeyance in accordance with the section 206A of the Companies Act, 1956 till such time as the title of the bonafide holder of the shares is certified by the concerned Stock Exchange as per the orders from the Special Court (Trial of Offences relating to Transactions in Securities) Act, 1992. An additional 10,153 (Previous Year 10,153) shares have also been kept in abeyance for disputed cases in consultation with the Bombay Stock Exchange.

4. Reserves & Surplus :

Hedge Reserve

The Group has borrowings and the revenue streams in foreign currency, which provides an inherent hedge against rates fluctuations. Accordingly, the Company changed its accounting policy with regard to recognition of exchange differences arising on translation of foreign currency borrowings by following an appropriate hedge accounting policy and applying the principle set out in AS-30 Financial Instruments: Recognition and Measurement. The objective of adopting Hedge Accounting is to ensure that gain or loss on the hedging instrument is recognized in the statement of Profit and Loss in the same period when Hedge items affects profit or loss. The Group has w.e.f. 1st April 2008 designated borrowings in foreign currency as Hedge instrument to hedge its foreign currency risk of its firm commitments and highly probable forecast transactions (of revenue streams) to be accounted as cash flow hedge. During the period, the net unrealized exchange difference of foreign currency borrowings aggregating to Rs 1233 lakhs has been credited to Hedge Reserve, and net realized exchange loss debited to P&L account is Rs. 434 lakhs. As a result, the balance in the Hedge Reserve is credit of Rs.381 lakhs. (Previous Year Debit of Rs. 1286 lakhs).



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5. The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the Company	Country of Incorporation	% of Holding
1.	Great Offshore Fujairah L.L.C. – FZC	U.A.E.	100%
2.	Deep Water Services (India) Ltd.	India	100%
3.	Great Offshore (International) Ltd.	Cayman Islands	100%
4.	KEI – RSOS Maritime Ltd.	India	100%
5.	Rajamahendri Shipping & Oil Field Services Ltd.	India	100%
6.	Great Offshore Ship Repairs Ltd.	India	100%
7.	Glory Shipping Pvt. Ltd.	Dubai	100%
8.	Great Offshore Germany Gmbh & Co.	Germany	100%
9.	SGB EMSSUN Gmbh & Co.	Germany	66.66%
10.	SGB EMSSKY Gmbh & Co.	Germany	66.66%

6. The Group's interest in jointly controlled entity (incorporated Joint Venture) is:

Sr. No.	Name of the Company	Country of Incorporation	% of Holding	
			Current Year	Previous Year
1.	United Helicharters Pvt. Ltd.	India	26%	26%

7. Contingent Liabilities:

Rs. in Lakhs

Sr. No.	Particulars	As on 31.3.2011	As on 31.3.2010
(i)	Guarantees given by banks including performance and bid bonds, counter guaranteed by the Group.	11224	13710
(ii)	Show cause notice issued by Customs Authority for levy of custom duty.	3165	3165
(iii)	Corporate guarantee given to Banks	-	4669
(iv)	Corporate guarantee given to Customs	583	583
(v)	Claims not acknowledged by Group in respect of :		
	Customs Duty on Tug / Vessels	70	235
	Income Tax matter in appeal	29	65
	Sales tax and Service tax demands on charter hire payments	624	690
	Possible obligation in respect of matters under arbitration	2700	2700
(vi)	Letters of Credit outstanding	982	378

8. Fixed Assets:

Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided for Rs.55472 Lakhs (Previous Year Rs. 14841 Lakhs).

9. Fixed Assets held for Sale :

The Group has contracted for sale its Jack up Rig Amarnath in 1st Quarter of 2011-12.

10. Deferred tax:

Pursuant to the introduction of Sec 115V under the Income Tax Act, 1961 the holding company has opted for computation of its income from shipping activities under the Tonnage Tax Scheme. Thus income from the business of operating ships will be assessed on the basis of the deemed Tonnage Income and no deferred tax will be applicable to this income as there will be no timing differences.



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The break up of net deferred tax assets / (liability) is as under:

	As on 31.3.2011	As on 31.3.2010
Deferred tax assets :		
Provision for doubtful debts and advances (Net)	32	44
Difference between book and tax depreciation	8	12
	40	56
Deferred tax liabilities :		
Difference between book and tax depreciation	944	378
Net Deferred Tax Asset/ (Liability)	904	(322)

11. Current Liabilities:

According to information available to the Group regarding the status of the suppliers, as defined under The Micro, Small and Medium Enterprises Development Act, 2006, amount overdue as on 31st March, 2011 to the Micro, Small and Medium enterprises on account of principal amount, together with interest for delayed payment under the Act, is Rs. Nil (Previous Year Rs. Nil).

12. Provisions:

The Group has recognized the provisions given below in its accounts in respect of obligations arising from past events, the settlement of which are expected to result in an outflow embodying economic benefits.

Manning dues and related contributions to welfare funds was Rs. 289 lakhs as on 1st April, 2010, additions during the year was Rs.176 lakhs, (Previous Year Rs. 151 lakhs), reversed / paid during the year was Rs.136 lakhs (Previous Year Rs. 113 lakhs), hence balance as on 31st March, 2011 is Rs.329 lakhs (Previous Year 289 lakhs).

Pool Payable Provision was recognised for amounts payable to a pool of charterers estimated on the basis of average pool earnings. Opening balance as on 1st April, 2010 was Rs. 429 lakhs, additions during the year was Rs.2 lakhs, (Previous Year Rs. 1020 lakhs), reversed / paid during the year was Rs.21 lakhs (Previous Year Rs. 1916 lakhs), hence balance as on 31st March, 2011 is Rs 410 lakhs.

13. Change in Accounting Policy :

The Group has changed its Accounting Policy in respect of expenses of spares, stores & consumables in line with Accounting Standard (AS) 2 - "Valuation of Inventories" by which spares, stores & consumables on board the vessels which are not consumed are accounted as inventory. In the opinion of the Company the said change in the Accounting policy would result in a more appropriate representation of the Financial Statements of the Company. Accordingly, as on 31st March 2011 the Group has accounted Inventory amounting to Rs.5812 lakhs and disclosed the same as an Exceptional item. This has resulted in stating of profit of the company higher by Rs. 5812 lakhs.

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

- Effective April 1, 2007 the Company adopted Accounting Standard 15 (Revised 2005) on "Employee Benefits" issued by ICAI.
- The Company has recognised the following amounts in the Profit and Loss Account for the year:

A) Defined Contribution Plans:

	Current Year	Previous Year
Contribution to Employees Provident Fund	158.27	150.62
Contribution to Employees Superannuation Fund	83.20	72.20
Contribution to Employees Pension Scheme 1995	4.11	4.27
Contribution to Seamen's Provident Fund	47.27	39.37
Contribution to Seamen's Annuity Fund	131.19	121.61
Contribution to Seamen's Gratuity Fund	213.98	22.86



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B) Defined Benefit Plans:

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

Actuarial Assumptions for the year	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
(a) Discount Rate (p.a.)	8%	8%	8%	8%
(b) Rate of Return on Plan Assets	8%	8%	-	-
(c) Salary Escalation rate	5%	5%	5%	5%
(d) Mortality	LIC (1994-96) ULT			
(e) Withdrawal rate			-	-
(f) Expected average remaining service	7.49	8.11	8.57	10.97

(i) Change in Benefit Obligation:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the beginning of the year	651.26	600.19	44.56	18.63
Interest Cost	49.06	41.72	3.35	1.01
Current Service Cost	115.32	83.84	63.57	52.51
Benefits Paid	(75.94)	(86.87)	(5.26)	(10.37)
Transfer from previous employer's	-	-	-	-
Provision for diminution in fair value of plan assets	-	-	-	-
Actuarial gain/(loss) on obligations	99.46	(65.67)	(79.81)	(17.21)
Liability at the end of the year	839.16	573.21	26.41	44.56

(ii) Fair value of Plan Assets:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Fair Value of Plan Assets at the beginning of the year including adjustment in opening	623.59	523.25	-	-
Expected Return on Plan Assets	46.85	41.65	-	-
Employer's Contribution	-	81.72	-	-
Employees Contribution	-	-	-	-
Benefits Paid	(75.94)	(86.87)	-	-
Provision for diminution in fair value of plan assets	-	-	-	-
Actuarial gain/(loss) on Plan Assets	(10.76)	63.84	-	-
Fair Value of Plan Assets at the end of the year	583.74	623.59	-	-

(iii) Actual Return on Plan Assets:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Expected Return on Plan Assets	46.84	41.65	-	-
Actuarial gain/(loss) on Plan Assets	(10.75)	63.84	-	-
Actual Return on Plan Assets	(57.59)	(22.19)	-	-



GREAT OFFSHORE

(iv) Amount Recognised in the Balance Sheet:

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Liability at the end of the year	839.16	573.25	26.41	44.56
Fair Value of Plan Assets at the end of the year	583.74	623.59	-	-
Difference	(255.42)	50.34	(26.41)	(44.56)
Unrecognised past service cost	-	-	-	-
Amount recognised in the Balance Sheet	(255.42)	50.34	(26.41)	(44.56)

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

Rs. in Lakhs

	Gratuity		Leave Encashment	
	Current Year	Previous Year	Current Year	Previous Year
Current Service Cost	115.32	83.84	63.57	52.51
Interest Cost	49.06	41.76	3.35	1.01
Expected Return on Plan Assets	(46.85)	(41.65)	-	-
Net Actuarial Gain/(loss) to be recognised	110.21	(129.51)	(79.81)	(17.21)
Expenses recognised in Profit and Loss Account	227.75	(45.57)	(12.89)	36.30

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

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

(vii) General description of significant defined plans:

Gratuity Plan:

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

Leave Encashment:

Eligible employees can carry forward and encash leave upto superannuation, death, permanent disablement and resignation subject to maximum accumulation allowed @ 45 days for employees. The Leave over and above 45 days is encashed and paid to employees in April every year. Benefit would be paid at the time of separation based on the last drawn basic salary.

15. Hedging Contracts:

(a) Interest Rate Swap Contracts :

	Current Year	Previous Year
Total No of Contracts	3	2
Principal Notional Amount (US Dollar Million)	81.80	4.74
Maturity Period	Upto 7 Yrs	Upto 3 Yrs



GREAT OFFSHORE

(b) Unhedged foreign currency exposure : as on 31st March, 2011:

Amount in Foreign Currency in Lakhs

	Current Year	Previous Year
(i) Loans liabilities and payables		
(a) U S Dollars	2839	1605
(b) Euros	4	1
(c) Arab Emirates Dinars	10	9
(d) Japanese Yens	426	232
(e) Great Britain Pounds	3	3
(f) Norwegian Kroners	4	5
(g) Singapore Dollars	3	14
(h) Bahrain Dinars	3	-
(i) Saudi Riyals	1	-
(ii) Cash / Bank and Receivables		
(a) U S Dollars	551	485
(b) Euros	2	-
(c) Arab Emirates Dinars	1	1
(d) Japanese Yens	284	57
(e) Great Britain Pounds	17	26
(f) Singapore Dollars	1	3
(g) Norwegian Kroners	1	1

16. Leases:

Rs. in Lakhs

Particulars	As on 31.3.2010*
(i) The Group has taken office and residential facilities under cancellable operating lease agreements which are renewed in the normal course of business. Total rental expenses under cancellable operating leases.	8
(ii) The Group has taken helicopters under non-cancellable operating lease agreements. Lease payments recognized in the statement of Profit and Loss Accounts. The total of minimum lease payments in respect of the above: -	643
(a) not later than one year	329
(b) later than one year and not later than five years	121
(c) later than five years	439
(iii) General description of the leasing arrangements:	Lease for office and residential facilities are on lease and license basis on a fixed monthly payment. Lease for helicopters are determined based on a fixed monthly charge and a variable charge on the basis of hours flown.

*Information relates solely towards the Joint Venture entered into by the Group and is as per the last audited statements available.

17. Segment Reporting:

The Group is mainly engaged in offshore business and there are no separate reportable segments as per Accounting Standards (AS) 17.



GREAT OFFSHORE

18. Related Party Disclosures:

(i) List of Related Parties:

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

1. Key Management Personnel :
Mr. P.C.Kapoor – Executive Director
Mr. Vijay Kumar - Executive Director
Mr. Soli C. Engineer - Executive Director
2. Enterprises over which Key Management Personnel Exercise Significant Influence :
Allcargo Global Logistic Limited
Indian National Shipowners Association
Bharati Shipyard Ltd.
Indian Register of Shipping
Weizmann Forex Limited

18(ii). Transactions with related parties for the period ended 31st March 2011

Rs. in Lakhs

Sr.No	Nature of Transaction	Key Management Personnel		Enterprise over which Individuals/Directors exercise significant influence		Total	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
1	Interest paid to :						
	Allcargo Global Logistic Limited			12	71	12	71
	Bharati Shipyard Limited			585		585	
2	Subscription paid to :						
	Indian National Shipowners Association			16	14	16	14
3	Contracted work :						
	Bharati Shipyard Limited				719		719
4	Services:						
	Indian Registrar of Shipping			73	77	73	77
	Weizmann Forex Limited			39	39	39	39
5	Purchase of Vessels						
	Bharati Shipyard Limited			25825		25825	
6	Repayment of loan :						
	Allcargo Global Logistic Limited			2000	5000	2000	5000
	Bharati Shipyard Limited			30697	-	30697	-
7	Remuneration:						
	Mr. Vijay Kumar	124				124	
	Mr. P.C. Kapoor	124				124	
	Mr.Vijay K.Sheth		170				170
	Mr.Soli Engineer	176	100			176	100
8	Loan received from :						
	Allcargo Global Logistic Limited			2000	5000	2000	5000
	Bharati Shipyard Limited			27197	3500	27197	3500
9	Outstanding balances as on 31.03.11						
	Loans & Advances (Payables) :						
	Bharati Shipyard Ltd.				3500		3500
	Capital Advances						
	Bharati Shipyard Ltd.			127099	89708	127099	89708



GREAT OFFSHORE

19. Basic and diluted earnings per share:

Particulars	Rs. in Lakhs	
	Current Year	Previous Year
(a) Net Profit after tax for Equity Shareholders before exceptional items	(3187)	20103
(b) Net Profit after tax for Equity Shareholders after exceptional items	2625	20103
(c) Number of Equity shares as on April 1, 2010	37,231,961	37,140,944
Add: Shares allotted during the year		91,017
Number of Equity shares as on March 31, 2011	37,231,961	37,231,961
Weighted average number of Equity shares outstanding at the end of the year	37,231,961	37,178,847
(d) Face value of Equity Share	Rs. 10.00	Rs. 10.00
(e) Basic earnings per Share before exceptional items	Rs. (8.56)	Rs. 54.07
(f) Basic earnings per share after exceptional items	Rs. 7.05	Rs. 54.07

20. Previous Years figures have been regrouped wherever necessary to confirm to current year's classification.

Statement / Details relating to Subsidiary Companies pursuant to exemption under Section 212 of the Companies Act, 1956

Name of Subsidiary	Rs. in Lakhs										
	Great Offshore Fujairah LLC - FZC	Deepwater Services (India) Ltd	Great Offshore (International) Ltd	KEI - RSO Maritime Ltd.	Rajmahendri Shipping and Oil Field Services Ltd.	Great Offshore Ship Repairs Ltd.	Glory Shipping Pvt. Ltd. (Dubai)	Great Offshore Germany GmbH & Co.	SGB Enssun GmbH & Co. (Germany)	SGB Emsky GmbH & Co. (Germany)	
a Capital	67	5	134	81	28	5	243	15	1290	1290	1290
b Reserves	(94)	10,072	(686)	(669)	632	(74)	-	(3)	(194)	(194)	(240)
c Total Assets	7	12,982	96,544	23,161	735	59	4804	4216	6329	6329	6433
d Total Liabilities	7	12,982	96,544	23,161	735	59	4804	4216	6329	6329	6433
e Investments (excluding investment in subsidiaries)	-	-	-	-	-	-	-	-	-	-	-
f Turnover	-	11,252	-	5,668	79	-	-	-	107	107	119
g Profit/(Loss) before taxation	(6)	4,129	(874)	(3,524)	(125)	(74)	-	(3)	(194)	(194)	(240)
h Provision for taxation	-	1,396	-	(27)	11	-	-	-	-	-	-
i Profit/(Loss) after taxation	(6)	2,733	(874)	(3,497)	(136)	(74)	-	(3)	(194)	(194)	(240)
j Proposed Dividend	-	931	-	-	-	-	-	-	-	-	-

Converted into Indian Rupees at the Exchange Rate 1USD = Rs.44.59



GREAT OFFSHORE

FINANCIAL HIGHLIGHTS (STAND ALONE)

(Rs. in Lakhs)

Financial Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11
Profit & Loss A/c						
Revenues	34,974	54,465	75,031	95,282	101,349	86,267
Earning Before Interest, Depreciation & Tax (EBIDT)	15,604	26,841	38,439	42,472	43,328	42,350
Interest	1,643	3,596	6,551	8,856	10,879	13,081
Depreciation	4,218	6,967	9,853	10,026	13,227	18,348
Profit Before Tax (PBT)	9,743	16,278	22,035	23,590	19,222	10,921
Provision for Taxation	563	2,136	1,714	2,480	1,760	751
Profit After Tax (PAT)	9,180	14,142	20,321	21,110	17,462	10,170
Balance Sheet						
What the Company owned						
Fixed Assets	78,026	128,866	139,007	219,397	294,645	298,307
Investments	128	128	1,331	14,647	14,647	14,652
Net Current Assets	10,881	7,733	40,911	28,863	25,044	93,040
Deferred Taxation (Net)	-	216	562	691	-	-
Capital Employed	89,035	136,943	181,811	263,598	334,336	405,999
[A] What the Company owed						
Loans	37,316	74,656	93,014	194,335	231,136	291,384
Deferred Taxation (Net)	118	-	-	-	249	905
Sub Total (A)	37,434	74,656	93,014	194,335	231,385	292,289
[B] Shareholders' Funds						
Equity Share Capital	5	3,812	3,812	3,714	3,723	3,723
Preference Share Capital	-	-	15,000	-	-	-
Share Capital Suspense Account	3,807	-	-	-	-	-
Reserves & Surplus	47,814	58,479	69,985	65,549	99,228	109,987
Misc. Expd. (to the extent not w/off)	(25)	(4)	-	-	-	-
Sub Total (B)	51,601	62,287	88,797	69,263	102,951	113,710
Capital Employed (A)+(B)	89,035	136,943	181,811	263,598	334,336	405,999
Return Ratios						
Earning Per Share (in Rs.)	24.09	37.10	53.31	52.20	46.97	27.32
Cash Earning Per Share (in Rs.)	35.16	55.38	79.16	83.20	82.54	76.60
Dividend Per Share (in Rs.)	5.10*	8.00	16.00	2.50	2.50	2.50
Dividend Payout Ratio (%)	24.17	24.59	35.11	5.14	5.32	9.15
Return on Average Networth (%)	17.78	24.83	29.86	29.51	20.28	9.39
Return on Average Capital Employed (%)	12.15	15.70	16.86	13.46	9.47	6.28

* Proportionate payment paid on reduced capital post demerger from The Great Eastern Shipping Company Limited.

REVENUE STATEMENT (CONSOLIDATED)

(\$ million)

	2005-06 ^	2006-07 ^^	2007-08 ^^^	2008-09 ^^^^	2009-10 ^^^^^	2010-11 ^^^^^^
Operating Income	87.81	128.43	184.63	236.81	244.68	208.23
Operating EBIDTA	37.27	59.83	95.52	118.55	106.08	89.14
Operating Margin %	42.10%	45.90%	47.10%	47.00%	43.36%	42.81%
Other Income	0.70	1.97	13.73	12.75	1.47	2.01
Depreciation	10.15	15.67	24.39	25.14	29.57	43.72
Interest	3.92	7.97	16.93	23.33	24.42	35.28
PBT	23.20	36.18	54.20	70.07	52.09	10.14
PAT	21.94	32.08	49.91	59.78	42.20	5.77
Margin %	24.79%	24.60%	24.61%	23.95%	17.14%	2.75%
Average Exchange rate (for the year)	^ \$: Rs.44.24	^^ \$: Rs.45.25	^^^ \$: Rs.40.40	^^^^ \$: Rs.45.65	^^^^^ \$: Rs.47.64	^^^^^^ \$: Rs.45.47



GREAT OFFSHORE

GREAT OFFSHORE LIMITED

Registered Office: Energy House, 81, Dr. D. N. Road, Mumbai - 400 001

ATTENDANCE SLIP

DP ID []

Folio []

Client ID []

No. of Shares []

Name of the Member: _____

Name of the Proxy : _____

I hereby record my presence at the Sixth Annual General Meeting of the Company held on Friday, September 2, 2011 at 10.00 a.m. at M. C. Ghia Hall, 4th Floor, Bhogilal Hargovindas Building, 18/20, K. Dubash Marg, Kalaghoda, Mumbai – 400 001.

Signature of Proxy

Signature of Member

Notes: A Member / Proxy attending the meeting must complete this Attendance slip in legible writing and hand it over at the entrance. Sign at appropriate place as applicable to you.

..... Tear here



GREAT OFFSHORE

GREAT OFFSHORE LIMITED

Registered Office: Energy House, 81, Dr. D. N. Road, Mumbai - 400 001

PROXY FORM

DP ID []

Folio []

Client ID []

No. of Shares []

I / We _____ of _____ in the district of _____ being a Member / Members of the above named company hereby appoint _____ of _____ in the district of _____ or failing him / her _____ of _____ in the district of _____ as my / our Proxy to vote for me / us on my/our behalf at the Sixth Annual General Meeting of the Company held on Friday, September 2, 2011 at 10.00 a.m. or at any adjournments thereof.

Signed this _____ day of _____ 2011

Affix 15 Paise Revenue Stamp

Signature of Member (Sign across the stamp)

Notes: The Instrument of proxy duly stamped, signed, and completed, must be deposited at the Registered Office of The Company not later than 48 hours before the commencement of the meeting. The Proxy need not be a member of the Company.

Important Communication to Shareholders

The Ministry of Corporate Affairs, Government of India (MCA) has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies. The MCA through its circular dated April 21, 2011 and April 29, 2011 has allowed the companies to send documents to their shareholders electronically.

Great Offshore is concerned about the environment and utilizes natural resources in a sustainable way. Recognizing the spirit of the circulars issued by the MCA and to support this Green Initiative, we propose to send documents like the Notice convening the general meetings, financial statements, Directors' Report, Auditors' Report, etc to the email address provided by you / registered with your depository or with the Company / Share Transfer Agent (RTA).

We request you kindly register / update email address with your Depository Participant (DP) / Depository and in case of shares in physical form, with the Company / RTA by sending a request at investor_services@greatoffshore.com, mentioning folio number, name same as appears on share certificate and contact details.

Physical copy of aforesaid documents will be provided upon receipt of request from shareholders free of cost. Further, the documents being sent to members of the Company from time to time shall be posted on the Company's website www.greatoffshore.com.



**Seatrade
AWARDS
2011**

Presented to

Great Offshore Ltd

for a highly commended contribution to

Investment in People

at the 23rd Seatrade Awards Ceremony Dinner,
Guildhall, City of London
4 April 2011

Signed

Date *April 4, 2011*

Efstathios Mitsopoulos, Chairman of the panel of judges

The 2011 panel of judges comprised:

Chairman: **Rado Efstathios Mitsopoulos**, Secretary-General, International Maritime Organization (IMO)
The Rt. Hon. **The Lord Clinton-Davis, PC**, Former Chairman, Advisory Committee on Protection of the Sea (ACOPS)
Robert Lamm-Meyer, President, Baltic and International Maritime Council (BIMCO)
Manfred Lohföhrer d'Orsillo, Chairman, European Cruise Council (ECC)
Dr John Koureas, Chairman, Hellenic Marine Environment Protection Association (HMEPA)
Noboru Ueda, Chairman, International Association of Classification Societies (IACS)
Nicolas Pappadakis, Chairman, International Association of Dry Cargo Shipowners (INTERCARGO)
Capt. Graham Wengarth, Chairman, International Association of Independent Tanker Owners (INTERTANKO)
Spyros M. Polonis, Chairman, International Chamber of Shipping (ICS), and President, International Shipping Federation (ISF)
Jan Kopernicki, Chairman, Oil Companies International Marine Forum (OCIMF)



Infrastructure & Construction Industry Awards



This is to certify that

Great Offshore Ltd.

has been conferred an Award for

Outstanding Contribution in Oil & Gas sector

on 22nd December 2010, Mumbai, India

by Shri Digambar Kamat, Honourable Chief Minister of Goa

Tejesh Sharma
Publisher & Editor in Chief
EPC World Media Group

Chairperson
EPC World Media Group



GREAT OFFSHORE

Enterprise • Energy • Endurance

GREAT OFFSHORE LIMITED

Energy House, 81, Dr. D. N. Road, Mumbai - 400 001, INDIA

Tel.: +91 22 6635 2222 Fax : +91 22 2262 0105

www.greatoffshore.com