DRAFT RED HERRING PROSPECTUS
Dated May 12, 2010
Please read section 60B of the Companies Act, 1956
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
100% Book Building Issue

GREATSHIP (INDIA) LIMITED

(Our Company was incorporated as Greatship (India) Limited on June 26, 2002 under the Companies Act, 1956 (the "Companies Act") in Mumbai.)

Registered Office: Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018
Tel: (91 22) 6661 3000; **Fax**: (91 22) 2492 5900
Corporate Office: 101, Marathon Innova B2, Off Ganpatrao Kadam Marg, Lower Parel (West), Mumbai 400 013
Tel: (91 22) 2482 2000; **Fax**: (91 22) 2492 4232
Contact Person: Amisha Ghia, Company Secretary and Compliance Officer; **Tel**: (91 22) 2482 2000; **Fax**: (91 22) 2492 4232
Website: www.greatshipglobal.com; **Email**: secretarial@greatshipglobal.com

PROMOTER OF OUR COMPANY: THE GREAT EASTERN SHIPPING COMPANY LIMITED

PUBLIC ISSUE OF 22,050,875 EQUITY SHARES WITH A FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF GREATSHIP (INDIA) LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING TO RS. [•] MILLION (THE "ISSUE" OR THE "IPO"). THE ISSUE COMPRISES OF A NET ISSUE OF 21,720,112 EQUITY SHARES AGGREGATING UP TO RS. [•] MILLION TO THE PUBLIC AND A RESERVATION OF 330,763 EQUITY SHARES AGGREGATING UP TO RS. [•] MILLION FOR ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 20.0% AND 19.7%, RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH.
THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ ISSUE OPENING DATE.

In case of a revision in the Price Band, the Bid/Issue Period will be extended for three additional Working Days after revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Managers ("BRLMs") and at the terminals of the Syndicate Members.

In terms of Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 ("SCRR"), this being an issue for less than 25% of the post-Issue paid-up equity share capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIB"). Provided that our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis out of which one-third shall be reserved for domestic Mutual Funds. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money shall be refunded forthwith. Potential investors may participate in this Issue through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. All investors other than QIBs can participate through the ASBA process. For details, please see "Issue Procedure" on page 300.

RISK IN RELATION TO FIRST ISSUE

This being the first issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. **The face value of the Equity Shares is Rs. 10 each. The Floor Price is [•] times of the face value and the Cap Price is [•] times of the face value.** The Issue Price (as has been determined and justified by our Company and the BRLMs as stated under the paragraph on "Basis for Issue Price") should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

IPO GRADING

This Issue has been graded by [•] as [•] (pronounced [•]) indicating [•]. The IPO grade is assigned on a five point scale from 1 to 5 with IPO grade 5/5 indicating strong fundamentals and IPO grade 1/5 indicating poor fundamentals. For details, please see "General Information" on page 17.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page xiii.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which will make this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING ARRANGEMENT

The Equity Shares offered through this Draft Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received "in-principle" approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [•] and [•], respectively. For the purposes of the Issue, the Designated Stock Exchange shall be the [•].

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE ISSUE
kotak® Investment Banking	BofA Merrill Lynch	KARVY Karvy Computershare Private Limited
KOTAK MAHINDRA CAPITAL COMPANY LIMITED 1st Floor, Bakhtawar 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2284 0492 E-mail: greatship.ipo@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.kmcc.co.in Contact Person: Chandrakant Bhole SEBI Registration. No.: INM000008704	**DSP MERRILL LYNCH LIMITED** 10th Floor, Mafatlal Centre Nariman Point Mumbai 400 021 Tel: (91 22) 6632 8761 Fax: (91 22) 2204 8518 E-mail: gil.ipo@baml.com Investor Grievance Email: India_merchantbanking@ml.com Website: www.dspml.com Contact Person: N.S.Shekhar SEBI Registration No.: INM000011625	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot No. 17-24, Vittal Rao Nagar Madhapur Hyderabad 500 081 Tel: (91 40) 2342 0815 / 2342 0816 Fax: (91 40) 2342 0859 Email: gil.ipo@karvy.com Website: http://karisma.karvy.com Contact Person: Murali Krishna SEBI Registration No.: INR000000221

ISSUE PROGRAMME	
BID/ISSUE OPENS ON: [•]*	**BID/ISSUE CLOSES ON: [•]**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*

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DEFINITIONS AND ABBREVIATIONS

General Terms

Term	Description
"GIL", "our Company", "the Company", or "the Issuer"	Unless the context otherwise requires, refers to Greatship (India) Limited, a company incorporated under the Companies Act, having its registered office at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018
"we", "us", or "our"	Unless the context otherwise requires, means our Company and our Subsidiaries
Subsidiaries	The subsidiaries of our Company as disclosed in "Our Subsidiaries" on page 140

Company Related Terms

Term	Description
Articles of Association/Articles	The articles of association of our Company
Auditors	The statutory auditors of our Company, Kalyaniwalla & Mistry, Chartered Accountants
Board of Directors/Board	The board of directors of our Company or a duly constituted committee thereof
Corporate Office	101, Marathon Innova B2, Off Ganpatrao Kadam Marg, Lower Parel (West), Mumbai 400 013
Director(s)	The director(s) of our Company, unless otherwise specified
GESCO	The Great Eastern Shipping Company Limited, having its registered office at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018
Group Companies	Includes those companies, firms, ventures, etc., promoted by the Promoter, irrespective of whether such entities are covered under Section 370(1B) of the Companies Act or not. For details, please see "Our Promoter, Promoter Group and Group Companies" on page 142
Memorandum/ Memorandum of Association	The memorandum of association of our Company
Preference Shareholder	A holder of the Preference Shares
Preference Shares	Preference shares of our Company of face value of Rs. 10 each, unless otherwise specified
Promoter	The promoter of our Company, The Great Eastern Shipping Company Limited. For details, please see "Our Promoter, Promoter Group and Group Companies" on page 142
Promoter Group	Refers to such persons and entities which constitute the Promoter Group of our Company in terms of Regulation 2 (zb) of the SEBI Regulations and a list of which is provided in "Our Promoter, Promoter Group and Group Companies" on page 142
Registered Office	The registered office of our Company, situated at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018

Issue Related Terms

Term	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor category, with a minimum Bid of Rs. 100 million
Anchor Investor Bid/Issue Period	The day, one Working Day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed

Term	Description
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price. The Issue Price will be decided by our Company in consultation with the BRLMs
Anchor Investor Portion	Up to 30% of the QIB Portion which may be allocated by our Company to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by all Bidders to make a Bid authorising an SCSB to block the Bid Amount in their specified bank account maintained with the SCSB
ASBA Bid cum Application Form	The form, whether physical or electronic, used by a Bidder to make a Bid through ASBA process, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Prospective investors in this Issue who intend to Bid/apply through ASBA
ASBA Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their ASBA Bid cum Application Forms or any previous ASBA Revision Form(s)
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened and in this case being [●]
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 324
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of Bid cum Application Form or ASBA Bid cum Application Form, as the case may be, or during the Anchor Investor Bid/ Issue Period by the Anchor Investors, to subscribe to the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form
Bid /Issue Closing Date	The date after which the Syndicate and the SCSBs will not accept any Bids for this Issue, which shall be notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid /Issue Opening Date	The date on which the Syndicate and the SCSBs shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a Marathi newspaper, each with wide circulation
Bid cum Application Form	The form used by a Bidder to make a Bid and which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application Form (if applicable)
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form
Bid/Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building Process/Method	The book building process as provided under Schedule XI of the SEBI Regulations, in terms of which the Issue is being made
BRLMs/Book Running Lead Managers	The Book Running Lead Managers to the Issue, in this case being Kotak, DSPML and Edelweiss
Business Day	Any day on which commercial banks in Mumbai are open for business
CAN/Confirmation of Allocation Note	The note or advice or intimation including any revisions thereof, sent to each successful Bidder indicating the Equity Shares allocated after discovery of the Issue Price in accordance with the Book Building Process
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted
Controlling Branches	Such branches of the SCSBs which coordinate with the BRLMs, the Registrar to

Term	Description
	the Issue and the Stock Exchanges
Cut-off Price	Issue Price, finalised by our Company in consultation with the BRLMs, which can be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees, whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut-off Price. No other category of Bidders are entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Forms used by the Bidders applying through ASBA process and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSB is transferred from the bank account of the Bidder, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders
Designated Stock Exchange	[●]
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated May 12, 2010 issued in accordance with Section 60B of the Companies Act and the SEBI Regulations, filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered and the size of the Issue
DSPML	DSP Merrill Lynch Limited
Edelweiss	Edelweiss Capital Limited
Eligible Employees	Permanent and full-time employees of our Company, our Promoter, our Subsidiaries and material associates (entities whose financial statements are consolidated with our Company's financial statements as per AS 21) and the Directors of our Company as on [●], 2010
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares offered herein
Employee Reservation Portion	The portion of the Issue being up to 330,763 Equity Shares available for allocation to Eligible Employees
Equity Shares	Equity shares of our Company of face value of Rs. 10 each, unless otherwise specified
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder (excluding the Bidders applying through ASBA) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated [●] to be entered into by our Company, the Registrar to the Issue, the BRLMs, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, refunds of the amounts collected to the Bidders (excluding the Bidders applying through ASBA process) on the terms and conditions thereof
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Bid cum Application Form or ASBA Revision Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalised and below which no Bids will be accepted
Issue	Public issue of 22,050,875 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] million. It comprises a Net Issue to the public aggregating to Rs. [●] million and a reservation for Eligible Employees aggregating Rs. [●] million
Issue Agreement	The agreement entered into on May 11, 2010 between our Company and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Issue
Issue Price	The final price at which the Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus. The Issue Price will be decided by our Company in consultation with the BRLMs on the Pricing Date

Term	Description
Kotak	Kotak Mahindra Capital Company Limited
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 456,122 Equity Shares available for allocation to Mutual Funds only, out of the QIB Portion (excluding the Anchor Investor Portion)
Net Issue	The Issue less the Employee Reservation Portion
Net Proceeds	The Issue proceeds less the Issue expenses. For further information about use of the Issue proceeds and the Issue expenses, please see "Objects of the Issue" on page 43
Non-Institutional Bidders	All Bidders, including sub accounts of FIIs registered with SEBI which are foreign corporates, or foreign individuals, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than Rs. 100,000 (but not including NRIs other than eligible NRIs)
Non-Institutional Portion	The portion of the Issue being not less than 2,172,011 Equity Shares available for allocation to Non-Institutional Bidders
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian
Price Band	Price Band of a minimum price of Rs. [●] (Floor Price) and the maximum price of Rs. [●] (Cap Price) and include revisions thereof. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised, at least two Working Days prior to the Bid/ Issue Opening Date, in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation
Pricing Date	The date on which our Company, in consultation with the BRLMs, finalises the Issue Price
Prospectus	The Prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act, containing, *inter alia*, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	An account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the SCSBs from the bank accounts of the Bidders on the Designated Date
Qualified Institutional Buyers or QIBs	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual funds registered with SEBI, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with IRDA, provident funds with minimum corpus of Rs. 250 million, pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by the Government of India and insurance funds set up and managed by army, navy or air force of the Union of India
QIB Portion	The portion of the Issue being at least 13,032,067 Equity Shares to be Allotted to QIBs
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 60B of the Companies Act, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with Escrow Collection Bank(s), from which refunds (excluding refunds to Bidders applied through ASBA), if any, of the whole or part of the Bid Amount shall be made
Refund Bank(s)	[●]
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or the ASBA process, as applicable

Term	Description
Registrar to the Issue	Karvy Computershare Private Limited
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta, Eligible NRIs and Resident Retail Individual Bidders) who have not Bid for Equity Shares for an amount of more than Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue being not less than 6,516,034 Equity Shares available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the Bidders, excluding Bidders applying through ASBA, to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
SEBI ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
Self Certified Syndicate Bank(s) or SCSB(s)	A banker to the Issue registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in
Stock Exchanges	The BSE and the NSE
Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into between the Syndicate and our Company in relation to the collection of Bids in this Issue (excluding Bids from the Bidders applying through ASBA)
Syndicate Members	Kotak Securities Limited
TRS or Transaction Registration Slip	The slip or document issued by a member of the Syndicate or the SCSB (only on demand), as the case may be, to the Bidder, as proof of registration of the Bid
Underwriters	The BRLMs and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters and our Company to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday (except during the Bid/Issue Period where a working day means all days other than a Saturday, Sunday or a public holiday), on which commercial banks in Mumbai are open for business

Technical/Industry Related Terms

Term	Description
AHTSV	Anchor Handling, Towing Cum Supply Vessels
bhp	Brake horsepower
bpd	Barrels per day
cbm	Cubic metre
Clarkson Research	Clarkson Research Services Limited
DP II	Class 2 Dynamic Positioning
DSV	Dive Support Vessels
DWT	Dead Weight Tonnage
E&P	Exploration and Production
EIA	Energy Information Administration
FiFi I	Class 1 Fire Fighting System
FiFi II	Class 2 Fire Fighting System
IEA	International Energy Agency
IMR	Inspection, Maintenance and Repair
MDU	Mobile Drilling Units
MMBtu	1,000 British Thermal Units
MPSSV	Multi-Purpose Platform Supply and Support Vessels
MSV	Multi-Purpose Support Vessels
NELP	New Exploration Licensing Policy

OECD	Organisation for Economic Co-operation and Development
ONGC	Oil and Natural Gas Corporation Limited
OPEC	Organisation of Petroleum Exporting Countries
PEMEX	Petróleos Mexicanos, the state-owned petroleum company of Mexico
PetroSA	The Petroleum, Oil and Gas Corporation of South Africa, the state-owned petroleum company of South Africa
psi	Pounds per Square Inch
PSV	Platform Supply Vessel
ROV	Remotely Operated Vehicle
ROVSV	Remotely Operated Vehicle Support Vessel
SPS Code 2008	Code of Safety for Special Purpose Ships, 2008
SUPPLYTIME 2005	SUPPLYTIME 2005Uniform Time Charter Party for Offshore Service Vessels issued by the documentary committee of The Baltic and International Maritime Council
SUPPLYTIME 89	SUPPLYTIME 89 Uniform Time Charter Party for Offshore Service Vessels issued by the documentary committee of The Baltic and International Maritime Council
WTI	West Texas Intermediate, a type of crude oil used as a pricing benchmark

Conventional/General Terms

Term	Description
AED	United Arab Emirates Dirham
AGM	Annual General Meeting
AS / Accounting Standards	Accounting Standards issued by ICAI
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956, as amended from time to time
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996, as amended from time to time
DG Shipping	Directorate General of Shipping
DIN	Director Identification Number
DP/Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Unless otherwise specified, Earnings Per Share, which is the profit after tax for a fiscal year divided by the weighted average of outstanding number of equity shares at the end of the fiscal year
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and amendments thereto
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investor) Regulations, 1995, registered with SEBI under applicable laws in India
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended

Term	Description
	from time to time
GBP	Great Britain Pound
GDP	Gross Domestic Product
GoI/ Government	Government of India
HNI	High Net worth Individual
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
ILO	International Labour Organisation
IMO	International Maritime Organisation
Income Tax Act	Income Tax Act, 1961, as amended from time to time
Indian GAAP	Generally Accepted Accounting Principles in India
INSA	Indian National Shipowner's Association
IPO	Initial Public Offering
JV	Joint Venture
LIBOR	London Interbank Offered Rate
Merchant Shipping Act	Merchant Shipping Act, 1958, as amended from time to time
MI Act	Marine Insurance Act, 1963, as amended from time to time
MMT	Million Metric Tons
Mn	Million
MoEF	Ministry of Environment and Forests
MoPNG	Ministry of Petroleum and Natural Gas
MoU	Memorandum of Understanding
NAV	Net Asset Value
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NOC	No objection certificate
NR	Non Resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, who is a citizen of India or a person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of up to 60% by NRIs including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in this Issue
p.a.	per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PIO	Persons of Indian Origin
RBI	Reserve Bank of India

Term	Description
Re.	One Indian Rupee
RoC	Registrar of Companies, Maharashtra situated at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002
RoNW	Return on Net Worth
Rs./ Rupees	Indian Rupees
RTGS	Real Time Gross Settlement
S$	Singapore Dollars
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time
Securities Act	U.S. Securities Act, 1933, as amended from time to time
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time
SPV	Special Purpose Vehicle
Sq. Ft./ sq. ft.	Square feet
Sq. Mtrs./ sq. mtrs.	Square metres
State Government	Government of a State of India
Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time
U.S./ United States	United States of America
US$	United States Dollars
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended from time to time

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and all references to the "U.S." or "U.S.A" are to the United States of America.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from our consolidated financial statements prepared in accordance with Indian GAAP and restated in accordance with the SEBI Regulations and included in this Draft Red Herring Prospectus. Our fiscal year commences on April 1 and ends on March 31 of the following year. In this Draft Red Herring Prospectus, any discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in the sections "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xiii, 90 and 236 respectively and elsewhere in this Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated consolidated and unconsolidated summary financial statements prepared in accordance with the Indian GAAP.

Currency, Units of Presentation and Exchange Rates

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" are to United States Dollars, the official currency of the United States of America. All references to "GBP" are to the Great Britain Pound, the official currency of the United Kingdom, "S$" are to the official currency of the Singapore, "NOK" are to the Norwegian Krone, the official currency of Norway, "JPY" are to the Japanese Yen, the official currency of Japan and "AED" are to the United Arab Emirates Dirham, the official currency of the United Arab Emirates. In this Draft Red Herring Prospectus, our Company has presented certain numerical information in "million" units. One million represents 1,000,000.

The exchange rates of the respective foreign currencies are as stated below:

	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)	March 31, 2008 (Rs.)	March 31, 2007 (Rs.)
1 US$	44.92	50.73	40.12	43.48
1 AED	12.21	13.81	10.92	11.84
1 GBP	68.07	72.67	79.58	85.55
1 S$	32.11	33.31	29.16	28.65
1 NOK	7.55	7.54	7.87	7.15
1 JPY	0.48	0.51	0.40	0.37

Source: Bloomberg

Unless otherwise stated, our Company has, in this Draft Red Herring Prospectus, used the conversion rates as on March 31, 2010, as mentioned above, for the respective currencies.

Definitions

For definitions, please see "Definitions and Abbreviations" on page i. In "Main Provisions of Articles of Association" on page 332, defined terms have the meaning given to such terms in the Articles.

Industry and Market Data

Unless stated otherwise, the industry data used throughout this Draft Red Herring Prospectus has been obtained from industry publications. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that the industry data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

FORWARD-LOOKING STATEMENTS

All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements with respect to our business strategy, our revenue and profitability, our projects and other matters discussed in this Draft Red Herring Prospectus regarding matters that are not historical facts. Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "may", "will", "will continue", "will pursue" or other words or phrases of similar import. All forward looking statements (whether made by us or any third party) are predictions and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

Further the actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India and overseas in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and overseas, which have an impact on our business activities or investments, the monetary and fiscal policies of India and other jurisdictions in which we operate, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- The demand for our services is, to a large extent, dependent on the levels of activity in offshore oil and gas exploration, development and production.
- The levels of oil and gas exploration, development and production activity are dependent upon oil and gas prices, which have been volatile and are likely to continue to be volatile and affect the demand for our services. Changes in laws, effective tax rates, adverse interpretation of tax law or an adverse outcome of any significant tax dispute could adversely affect our results of operations. Our day rates and utilisation rates are dependent on the supply and demand of offshore support vessels and drilling rigs in the markets in which we operate.
- We have limited experience in operating our business and managing the high level of growth we have experienced in our business.
- We will be dependent on our offshore drilling services business for a substantial portion of our revenue and any loss of or damage to any of our rigs could adversely affect our business, financial condition and results of operations.
- We are yet to commence our offshore construction business and there can be no assurance that we will succeed in our offshore construction business.

For further discussions of factors that could cause our actual results to differ, please see "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xiii and 236, respectively.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, our Directors, the BRLMs, the Syndicate and their respective affiliates or associates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company and the BRLMs will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

RISK FACTORS

An investment in our Equity Shares involves a degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. If any one or some combination of the following risks were to occur, our business, results of operations and financial condition and prospects could suffer, and the price of the Equity Shares could decline and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below.

Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that we are governed, in India and other countries in which we operate, by a legal and regulatory environment which may be different from that which prevails in the United States and other countries in some material respects. In addition, the risks set out in this section may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. In making an investment decision, prospective investors must rely on their own examination of us on a consolidated basis and the terms of the Issue including the merits and the risks involved.

Risks Relating to Our Business

1. There are criminal proceedings against our Promoter and two of our Directors.

There are three criminal complaints filed against Bharat K. Sheth, in his capacity as director of a company:

- one criminal complaint alleging non-payment of commission for the services provided; and
- two criminal complaints in relation to non-execution of an agreement for the transfer of a property situated at Malad, Mumbai.

A criminal complaint has been filed against Vineet Nayyar alleging the offence of cheating, in his capacity as a director of Mahindra Holidays and Resorts India Limited.

Further, there are three criminal complaints filed against our Promoter:

- two criminal complaints in relation to non-execution of an agreement for the transfer of a property situated at Malad, Mumbai; and
- one criminal complaint by a crew member alleging dishonest employment on board of a vessel as trainee seamen.

For further details, please see "Outstanding Litigation and Material Developments" on page 261.

An adverse outcome in any or all of these criminal proceedings involving our Directors could have a material adverse effect on the ability of our Directors to serve our Company, which may have an adverse effect on our business, prospects, financial condition and results of operations. Further, an adverse outcome in any of these proceedings may affect our reputation and standing and affect our future business. We cannot assure you that any of these proceedings will be decided in favour of our Directors.

For further details please see "Outstanding Litigation and Material Developments" on page 261.

2. The demand for our services is, to a large extent, dependent on the levels of activity in offshore oil and gas exploration, development and production. A decline in the levels of offshore oil and gas exploration, development and production activity would result in a decrease in demand for offshore oilfield services and as such could have an adverse effect on our financial condition and results of operations.

The demand for our services, to a large extent, depends on the levels of activity in offshore oil and gas exploration, development and production. The levels of such activity have historically been volatile and are likely to continue to be so in the future. The levels of activity are subject to large fluctuations in response to relatively minor changes in a variety of factors that are beyond our control, including:

- expectations about future oil and gas prices and price volatility;
- the cost of offshore exploration for, and production and transportation of, oil and gas;
- worldwide demand for oil and gas and other petroleum products;
- consolidation of oil and gas and oil service companies operating offshore;
- availability and rate of discovery of new oil and gas resources in offshore areas;
- changes in capital spending budgets by our customers;
- availability of drilling rigs in our principal areas of operation;
- government policies and initiatives in awarding offshore exploration blocks;
- local and international political and economic conditions and policies, including developments in international trade which affect cabotage and local laws;
- technological advances affecting energy production and consumption, including substitution by, and availability of, alternative energy sources;
- weather conditions;
- environmental and other regulations affecting our customers and their other service providers;
- changes in seaborne and other transportation patterns;
- state of the financial markets; and
- the ability of oil and gas companies to generate or otherwise obtain funds for exploration and production.

A decline in the level of offshore oil and gas exploration, development and production activity, due to one or more of the above factors, would result in a decrease in the demand for offshore oilfield services, such as offshore support vessels and offshore drilling services, which we offer. This could, in turn, reduce our day rates and utilisation rates, and have an adverse effect on our financial condition and results of operations.

3. ***The levels of oil and gas exploration, development and production activity are dependent upon oil and gas prices, which have been volatile and are likely to continue to be volatile and affect the demand for our services. A decline in the demand for our services would have an adverse effect on our business and results of operations.***

Historically, the levels of offshore exploration, development and production activity have been closely related to volatility in oil and gas prices. Prior to the middle of the calendar year 2008, there was a period of high prices for oil and gas and consequently, oil and gas companies increased their exploration and development activities. A decline in the worldwide demand for oil and gas, such as since late 2008, or prolonged low oil or gas prices in the future, however, would result in reduced exploration and development of offshore areas and a decline in the demand for offshore oilfield services, although after a period of time. Oil prices have dropped from a record high of US$ 145.29 per barrel (based on the price of WTI crude oil as quoted by Bloomberg) on July 3, 2008 to a low of US$ 31.41 per barrel on December 22, 2008. The price of WTI crude oil was US$ 83.22 per barrel on April 28, 2010. Similarly, gas prices have dropped from a high of US$ 13.31 per MMBtu (based on US Henry Hub gas spot price as quoted by Bloomberg) on July 2, 2008 to a low of US$ 1.88 per MMBtu on September 4, 2009. The price of US Henry Hub gas was US$ 4.19 per MMBtu on April 28, 2010. Although oil and gas prices have since recovered from their lows in December 2008 and September 2009, the continued volatility in global oil and gas prices may dampen the level of exploration, development and production activity, which would likely result in a corresponding decline in the demand for our services. Such decline would likely result in lower charter rates and utilisation rates for our vessels and rigs, which would have an adverse effect on our business and results of operations.

Moreover, increases in oil and gas prices and higher levels of expenditure by oil and gas companies for exploration, development and production activities may not necessarily result in increased demand for our services or our charter rates and utilisation rates.

4. Our day rates and utilisation rates are dependent on the supply and demand of offshore support vessels and drilling rigs in the markets in which we operate. Any increase in the supply of offshore support vessels and drilling rigs in these markets would likely have a negative effect on the day rates and utilisation rates for our vessels and rigs as well as our operating margins.

Charter rates or day rates for offshore support vessels and drilling rigs in the markets in which we operate depend on the supply of and demand for vessels and rigs in such markets. Excess vessel or rig capacity in the offshore oilfield services industry may be caused by, among other factors:

- the delivery and supply of newly built vessels or rigs;
- the mobilisation of existing vessels or rigs from one offshore market to other markets;
- loss of capacity due to casualties; and
- marketing and use of vessels specialised for one activity in another activity due to over supply.

There are a large number of vessels currently under construction and industry participants have placed a large number of orders for new vessels and rigs to be delivered over the next few years. We have been subject to increased competition from new vessels and rigs mobilising into regions in which we operate. Any increase in the availability of offshore support vessels and drilling rigs in the markets where we presently operate would increase competition for charters and lower day rates, utilisation rates, which would adversely affect our operating margins and, in turn, results of operations.

5. We will be required to prepare our financial statements in accordance with IFRS converged standards and will have to prepare the opening balance sheet in accordance with IFRS converged standards as of April 1, 2011. Reporting under the IFRS converged standards could result in a change in our functional currency and consequent risk management policies, among other changes. There can be no assurance that our adoption of IFRS converged standards will not adversely affect our results of operations and any failure to successfully adopt IFRS converged standards could have an adverse effect on the price of the Equity Shares.

The Ministry of Corporate Affairs has announced a road map for the convergence of the Indian Accounting Standards with IFRS. As a result, certain companies in India, including us, will be required to convert their opening balance sheet as of April 1, 2011 in compliance with the notified IFRS converged standards. There is currently a significant lack of clarity on the convergence with IFRS and IFRS converged accounting standards are yet to be notified. We also do not have a set of established practices on which to draw on in forming judgments regarding the convergence. As such, we have not determined with any degree of certainty the impact that IFRS convergence will have on our financial reporting, although we have recently engaged external advisors to assist us identify the potential impact of IFRS on our accounting and business practices. The adoption of IFRS will pose additional challenges and is likely to place significant strain on our management and resources, including our SAP system, particularly in the initial stages of implementation. We anticipate that the adoption of IFRS could, among other things:

- require change in the functional currency from the Indian Rupee to the US Dollar, which changes our exposure to foreign currency exchange fluctuations and the resultant risk management and hedging policies;

- require us to maintain parallel accounts under IFRS converged standards as well as Indian GAAP during the transition period;

- potentially introduce greater volatility into our financial reporting, due to the need to apply critical accounting estimates with respect to values or conditions which cannot be known with certainty at the relevant time;

- impose additional disclosure requirements, including disclosure relating to critical judgment in applying accounting policies; and

- result in changes in accounting policies and method of recognition with respect to property, plant and equipment, inventory, financial instruments and foreign currency transactions .

There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially different under the IFRS converged standards as against current Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. We could also incur additional implementation costs, which may be substantial. Moreover, there is increasing competition for the small number of accounting personnel experienced with IFRS as more Indian companies begin to prepare IFRS converged financial statements. There can be no assurance that our adoption of IFRS converged standards will not adversely affect our results of operations or financial condition. Any failure to successfully adopt IFRS converged standards with effect from April 1, 2011 could have an adverse effect on the price of the Equity Shares.

6. ***Changes in laws, effective tax rates, adverse interpretation of tax law or an adverse outcome of any significant tax dispute could adversely affect our results of operations.***

Our future effective income tax rates could be adversely affected by changes in tax laws, both in India and overseas. We currently enjoy certain tax benefits in India under the tonnage taxation system, under which income from the operation of all qualifying vessels is exempted from minimum alternate tax ("MAT"). For further details, see "Statement of Tax Benefits" on page 54 and "Management's Discussion and Analysis on Financial Condition and Results of Operation—Description of Income and Expenditure—Expenditure—Taxation" on page 242. Our ability to avail of tonnage tax benefits in India is subject to compliance of certain conditions, including:

- minimum training of trainee officers on board of vessels in accordance with the guidelines of the DG Shipping;

- the annual transfer of a minimum amount of profit to the tonnage tax reserve account; and

- utilisation of tonnage tax reserve fund only for specific purposes as specified in the Income Tax Act;

Failure to comply with any of the aforementioned conditions may adversely affect the availability of the benefits under tonnage tax system. In addition, each tonnage tax certificate is granted for a period of 10 years and we are required to renew our tonnage tax certificates to continue to enjoy the benefits of the scheme. There can be no assurance that we will be able to renew these certificates in a timely manner, or at all.

In August 2009, the GoI released the draft Direct Tax Code, 2009 (the "DTC"), which is intended to be implemented with effect from April 1, 2011. We believe that the DTC, if implemented in current draft form, will significantly affect rules relating to the taxation of income from vessels (tonnage tax related business) and rigs (non-tonnage tax related business). For instance, we may lose our tax benefits under the current tonnage tax system. Under the DTC in its current draft form, we would be required to pay the higher of the normal income tax , or a tax assessed at 2.0% on our gross assets. As there is no specific exemption for companies currently qualifying under the current tonnage tax system and the tax assessed at 2.0% of our gross assets would always be higher than our income tax under the tonnage tax system, the benefits we currently enjoy under the tonnage income would effectively be extinguished. We expect this change to have a substantial adverse impact on our profit after taxation. Similarly, taxation of income from our drilling business may be similarly adversely affected by the DTC. The taxation regime currently applicable to our drilling business under the Income Tax Act provides, among other things, that the taxable income of non-resident providing services or facilities in connection with supplying plant and machinery on hire related to prospecting for or extraction or production of mineral oil is deemed at 10.0% of the amount paid or payable to, such non-residents. The DTC, in its current form, where "gas" and "rig" are not included in the definitions of "mineral oil" and "plant", respectively, may be interpreted to exclude the availability of this presumptive tax with respect to transactions with non-resident providers in our drilling business.

As we operate in various jurisdictions around the world, we are subject to tax laws, treaties and regulations in and between the countries in which we operate, including India and Singapore. Our income taxes are based upon the applicable tax laws and tax rates in effect in these countries as well as upon our operating structures in these countries. Our future effective tax rates could be adversely affected by lower than anticipated earnings in countries where we have lower statutory rates and higher than anticipated earnings in countries where we have higher statutory rates, by changes in the valuation of our deferred tax assets and liabilities or by changes in tax treaties, regulations, accounting principles or interpretations thereof in one or more countries in which we operate. Further, when operating in the international markets, tax arising as a result of our income earned in a particular jurisdiction that is not contractually borne by our customers, is generally taken into account in the pricing of our contracts. If there is any shortfall in our estimation of the taxes payable under such contracts compared with the actual taxes assessed by the relevant tax authorities, or if our contracts do not provide for any upward adjustment in prices in the event of higher taxes due to a change in laws, our profit margins would be adversely affected.

In addition, we are subject to the continuous examination of our income tax returns by relevant tax authorities. We regularly assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. If any tax authority successfully challenges our operational structure or the taxable presence of our Subsidiaries in certain countries, or if the terms of certain income tax treaties are interpreted in a manner that is adverse to our structure, the effective tax rate on our earnings could increase substantially and our results of operations could be adversely affected.

7. We have limited experience in operating our business and managing the high level of growth we have experienced in our business. If we are unable to successfully manage our growth, our business, prospects, financial condition and results of operations could be adversely affected.

We began operations in the calendar year 2006 and have grown our fleet from one vessel as of March 31, 2007 to 14 vessels and two rigs currently. In addition, our total income increased to Rs. 3,159.40 million for the financial year 2009 from Rs. 216.65 million for the financial year 2007 and our total income was Rs. 5,373.68 million for the nine months ended December 31, 2009. We do not have the long-term experience typically prevalent among our competitors that would demonstrate our ability to manage our business and the growth of our business at the rate we expect for the next few years. We have further commissioned the construction of nine vessels which, are scheduled to be delivered to us by March 2012. Any inability to effectively manage and operate our existing fleet or our vessels that have been commissioned for construction could adversely affect our business, prospects, financial condition and results of operations.

8. We will be dependent on our offshore drilling services business for a substantial portion of our revenue and any loss of or damage to any of our rigs could adversely affect our business, financial condition and results of operations.

Our total income increased to Rs. 5,373.68 million for the nine months ended December 31, 2009 from Rs. 2,128.41 million for the nine months ended December 31, 2008, primarily due to an increase in charter hire income. Our charter hire income increased during this period primarily as a result of the expansion of our fleet by the two rigs that we operate, *Greatdrill Chitra* and *Greatdrill Chetna*, through which we undertake our offshore drilling business. The operation of these two rigs constituted 48.0% of our total income for the nine months ended December 31, 2009 and we anticipate that going forward, we will be substantially dependent on the income we generate from our offshore drilling services.

Hydrocarbon exploration involves a high degree of risk which, even with a combination of experience, knowledge, and careful evaluation, we may not be able to address. These risks include encountering unusual or unexpected geological formations or pressures, seismic shifts, unexpected reservoir behaviour, unexpected or different fluids or fluid properties, premature reservoir declines, uncontrollable oil, gas or well fluids flow, equipment failures, extended interruptions. These risks could be due to, among other factors, inclement or adverse weather conditions, environmental hazards, industrial accidents, occupational and health hazards, mechanical and technical failures, explosions, pollution, oil seepage, industrial action and shortages of manpower and equipment. In the event that there is any damage to any of our rigs as a result of any of the eventualities indicated above, our business, financial condition and results of operations may be adversely affected. See also "—We are subject to hazards customary to the operation of vessels and rigs and unforeseen interruptions that could adversely affect our financial performance, for which we may not be adequately insured or indemnified" below.

9. We are yet to commence our offshore construction business and we cannot assure you that we will be successful in this business. Our inability to successfully undertake this line of business may adversely affect our business and results of operations.

We plan to commence the provision of offshore construction services. GGOS, our Subsidiary intends to offer offshore construction services and has commissioned a new fleet of MSVs, ROVSVs and MPSSVs. These vessels, which are capable of providing a multitude of support services for offshore construction in the exploration and production of oil and gas, are scheduled to be delivered to us over the course of the financial years 2011 and 2012.

Offshore construction services typically involve the provision of support services for construction, inspection, installation, repair and maintenance of subsea infrastructure by deploying divers and ROVs. Offshore construction services are highly specialised in nature and require substantial technical and operational expertise and experience. To gain experience in this sector, we aim to partner with companies with established reputations in the offshore construction sector to offer our services. We cannot assure you that we will be able to identify such partners in a timely manner, or at all. Additionally, we cannot assure you that such a joint venture arrangement will be successful and that we will be able to obtain the necessary experience and expertise to undertake offshore construction services.

Offshore construction services typically require specialised equipment that our vessels will need to be equipped with. We may not be able to utilise such vessels for offshore construction due to entry barriers in the business or other factors applicable in such business, In the event that we are unsuccessful in winning bids for offshore construction activities, we may be required to deploy these vessels for logistics services, where the charter rates and the day rates are not as profitable as offshore construction. Our inability to successfully undertake the offshore construction service business may adversely affect our business and results of operations.

10. Our industry is highly competitive and subject to intense price competition, which could depress vessel and rig day rates and utilisation rates, thereby adversely affecting our business and financial performance.

We operate in an intensely competitive industry. The principal competitive factors in the offshore oilfield services industry include:

- charter rates and other costs, service and reputation of vessel operations and crew;
- national flag preference;
- pre-qualification criteria and prior experience;
- operating conditions;
- suitability of vessel types;
- age of vessels;
- vessel availability;
- technical capabilities of vessels, rigs, equipment and personnel;
- safety and efficiency;

- complexity of maintaining logistical support; and

- cost of moving equipment from one market to another.

Most of our offshore oilfield services contracts are traditionally awarded through competitive bidding processes subject to the satisfaction of prescribed pre-qualification criteria and experience. While the competitive factors set out above are important considerations in customer decisions, pricing is usually a key factor in determining which contractor is awarded a contract. Consequently, our industry has been frequently subject to intense price competition. This competitive bidding process may have an adverse affect on the profit margins that we are able to attain. In addition, our industry has historically been cyclical and is affected by oil and gas price levels and volatility. There have been periods of high demand, short rig and vessel supply and high day rates, followed by periods of low demand, excess rig and vessel supply and low day rates. Changes in oil and gas prices can have a dramatic effect on vessel and rig demand. During periods of excess vessel and rig supply, competition in the industry will intensify and we would have to enter into lower rate contracts or our vessels and rigs could be idle for long periods of time.

We compete with local, regional and global companies, many of whom have established reputations and track records in our industry. We cannot assure you that we will be able to successfully compete in the markets in which we currently operate and intend to operate. Local competitors in each country in which we operate may have more domestic experience and better relationships with customers than we do. In addition, many governments favour, or effectively require contracts to be awarded to, local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Such policies may affect our ability to compete effectively. Compared to us, some of our competitors are larger, have more diverse fleets and businesses, have greater financial and other resources, greater brand recognition and reputation, greater geographical reach and lower capital costs. This allows them to better withstand industry downturns, compete on the basis of price, relocate assets more easily and build or acquire additional assets, all of which may affect our revenues and profitability. Moreover, if other companies relocate or acquire vessels or offshore drilling assets for operations in the geographical regions where we operate, the level of competition in such regions may increase, and our business and financial performance could be adversely affected as demand for our vessels, rigs and services could be negatively affected by increased supply of similar vessels or offshore drilling assets and services.

11. The laws and regulations in the maritime industry as well as international trade agreements affect our ability to provide offshore logistics services. Any loss of advantage or preferential treatment we currently enjoy could have an adverse effect on our business, financial condition and results of operations.

In our countries of operation, including India, vessel trade or marine transportation between two ports or places within the country or within the exclusive territorial waters of the country, are subject to regulations under which domestic flag vessels are often preferred. For further details, see "Regulations and Policies" on page 113. Some of these regulations require vessels engaged in marine transportation within the country to be owned and controlled by citizens, manned by local crew, or for the vessels to be locally built. Such laws and regulations are collectively referred to as "cabotage laws." While we benefit from cabotage laws partial to Indian flag vessels in India, our operations in foreign markets are affected by these laws to our disadvantage. As part of our strategy, some of our vessels are registered in Singapore under the ownership of our Singapore Subsidiaries. Singapore flag vessels are subject to less stringent crewing requirements compared to Indian flag vessels, which we benefit from when operating our Singapore flag vessels in markets outside India. However, Singapore has no coasting trade of its own and we can derive no benefit as a result of favourable cabotage laws in Singapore.

Currently, cabotage laws are subject to certain exceptions under certain international trade agreements, including the General Agreement on Trade in Services. If maritime cabotage services were included in the General Agreement on Trade in Services or other international trade agreements, or if such restrictions were otherwise altered, maritime transportation in India could be opened to foreign-flag vessels. If this were to occur, or if the GoI's policy on preferential treatment undergoes any change, it could lead to loss of preferential treatment for Indian flag vessels and significantly increase competition in our industry in India. Because some foreign vessels may have lower construction costs and operate at significantly lower costs than we do, we may not be able to price our bids competitively, which could have an adverse effect on our business, financial condition and results of operations.

12. Our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business may have an adverse effect on our business, financial condition and results of operations.

We require certain statutory and regulatory permits and approvals to undertake our business. For more details see "Government Approvals" at page 275. In the future, we will be required to renew such permits and approvals and obtain new permits and approvals for any new operations we undertake. There can be no assurance that the relevant authorities will issue any such permits or approvals in the time-frame anticipated by us, or at all. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have an adverse effect on our business, financial condition and results of operations.

The following table sets out details of (i) approvals which we are required to apply for, and (ii) approvals which we have already applied for but have not yet been granted:

Sr. No.	Description of Application	Agency	Notes
Approvals required but not yet applied for			
Singapore			
1.	Permanent Registration Certificate for *Greatship Maya*	Maritime and Port Authority of Singapore	Pending the issuance of the full term (five-year) certificates of (1) safety radio and (2) classification by Det Norske Veritas
Approvals applied for and awaited			
Singapore			
2.	Full term (five-year) certificate of safety radio for *Greatship Maya*	Det Norske Veritas	
3.	Permanent Registration Certificate for *Greatdrill Chitra*	Maritime and Port Authority of Singapore	
4.	Full term (five-year) certificate of classification for *Greatship Maya*	Det Norske Veritas	

13. We are subject to hazards customary to the operation of vessels and rigs and unforeseen interruptions that could adversely affect our financial performance, for which we may not be adequately insured or indemnified. If we are unable to obtain adequate compensation under our insurance coverage, our business and financial condition would be adversely affected.

Our operations are subject to various operating hazards and risks, including:

- catastrophic marine disasters;
- adverse sea and weather conditions;
- mechanical failures;
- navigation errors and crew negligence;
- collisions;
- oil and hazardous substance spills, containment and clean up;
- labour shortages and strikes;
- unanticipated geological conditions;

- damage to and loss of vessels, drilling rigs and production facilities; and
- war, sabotage, piracy and terrorism risks.

These risks present a threat to the safety of personnel and to our rigs, vessels, cargo, equipment under tow and other property, as well as the environment. We could be required to suspend our operations or terminate our leases as a result of these hazards. In such event, we would experience loss of revenue and possibly property damage, and additionally, third parties may have significant claims against us for damages due to personal injury, death, property damage, pollution and loss of business. Additionally, we may be penalised by the relevant authorities if we are determined to be responsible for the occurrence of any of such hazards. If we are unable to obtain adequate compensation under our insurance coverage, our business and financial condition would be adversely affected. See also "—We may not have adequate insurance and we are subject to uninsured risks" below.

14. ***We may not have adequate insurance and we are subject to uninsured risks. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken are inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.***

We maintain insurance coverage against certain risks which our management considers to be customary in our industry. For further details, see "Business—Insurance" on page 111. However, we cannot assure you that our insurance will be adequate to cover all losses that we may incur in the future. If we incur an uninsured loss or a loss in excess of insured limits or if our insurers fail to fulfil their obligations for the sum insured, we could be required to pay compensation or lose capital invested in the asset, as well as anticipated future revenue from that vessel or rig. We would, at the same time, remain liable for any indebtedness or other financial obligation related to the relevant vessel or rig. Further, while we believe that insurance coverage will be available in the future, we cannot assure you that such coverage will be available at costs and terms acceptable to us or that such coverage will be adequate with respect to future claims that may arise. If we are not able to adequately insure against the risks we face, or the insurance coverage we have taken are inadequate to cover our losses, our business, financial condition and results of operations could be adversely affected.

15. ***Our current new vessel construction programme, maintaining our current fleet size and configuration, and acquiring vessels and rigs required for additional future growth require significant capital expenditure.***

We operate in a capital intensive industry, which requires substantial levels of funding. We have recently undertaken a new vessel construction programme to expand our fleet, which requires significant capital expenditure. We intend to fund our fleet expansion through borrowings under credit facilities from our financiers, our cash on hand, cash flow from operations and from the proceeds of this Issue. For further details, see "Objects of the Issue" and "Financial Indebtedness" on page 43 and 254, respectively. Our long-term capital requirements may increase significantly in the future, which may require us to raise more capital or increase our capital contribution in our Subsidiaries to fund our intended growth.

We cannot assure you that we will have sufficient capital resources to build or acquire the vessels, rigs and equipment required to expand or to maintain our current fleet size and configuration. While we expect our cash on hand, cash flow from operations and available borrowings under our credit facilities to be adequate to fund our existing commitments, our ability to pay these amounts is dependent upon the success of our operations. Additionally, the inability to obtain sufficient amount of financing or the inability of one or more of our financiers to provide committed funding could adversely effect our ability to complete our new vessel construction programme. We cannot assure you that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business prospects, financial condition and results of operations could be adversely affected. Further, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, your interests as our shareholders will be diluted. If we decide to meet our capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants. See also "— Our high levels of indebtedness could adversely affect our financial condition" below.

16. The failure to successfully complete construction of our vessels and rigs, or repairs, maintenance and routine drydockings on schedule and within our budget could adversely affect our financial condition and results of operations.

Currently, we have three ROVSVs, two MPSSVs, two MSVs and two AHTSVs under construction. We plan to expand our fleet and construct such other vessels and drilling rigs as market conditions may warrant. As part of our operations, we also routinely engage shipyards to drydock our vessels and rigs for regulatory compliance and to provide repair and maintenance services. Our vessel and rig construction projects and drydockings are subject to the risks of delay and cost overruns inherent in any large project, due to a number of factors, including:

- shortages or delay in the provision of equipment, material or skilled labour;
- insolvency of the ship repairer or ship builder;
- lack of shipyard availability;
- unforeseen engineering problems;
- work stoppages;
- weather interference;
- unanticipated cost increases;
- difficulties in fulfilling necessary classification society requirements; and
- inability to obtain necessary certifications and approvals.

Significant delays could have an adverse effect on anticipated contract commitments or anticipated revenues with respect to vessels under construction. Further, significant cost overruns or delays for vessels under construction that are not adequately protected by liquidated damages provisions, could adversely affect our financial condition and results of operations. There may also be alterations or changes in the rules of classification societies or in any other applicable rules or regulations to which the construction or operation of our vessels and rigs is required to conform, that require us to incur additional expenditure and increase the time required to build, upgrade and maintain our vessels and rigs.

Recent global economic issues may increase the risk of insolvency of ship builders and ship repairers, which could adversely affect our new construction and the repair of our vessels and rigs. In addition, our vessels are sometimes chartered or hired to provide services to a specified drilling rig or project. Delays in the availability of drilling rigs or other project delays may have an adverse impact on our utilisation of our vessels or rigs and, in turn, on our financial condition and results of operations.

17. If we cannot pre-qualify and bid for new contracts in our own right, and we are unable to find suitable parties to support our bids, we may be ineligible for bidding for certain contracts, which could affect our growth.

Most contracts, especially, long-term contracts in the Indian market, are awarded following competitive bidding processes and satisfaction of certain prescribed pre-qualification criteria. Customers in our industry generally limit the tender process to companies that have pre-qualified on the basis of several criteria, including experience in operating vessels under long-term charter parties, suitability of vessel types, technical capabilities of vessels, rigs, equipment and personnel as well as safety record.

Where we are unable to pre-qualify in our own right to bid for certain charter parties, we collaborate with and obtain technical back up from other, often bigger, companies who have the requisite experience and qualification in bidding for such contracts. We have had to enter into collaboration memoranda with third parties under which such parties agreed to provide us with technical support and expertise toward the performance of contracts. If we are required to and are unable to collaborate with or obtain technical backing under similar arrangements, we may lose the opportunity to bid for, and consequently fail to increase or maintain our volume of new contracts, which could affect our growth plans.

18. Our results of operations may be adversely affected by our inability to select or negotiate favourable contract terms and the failure to utilise our fleet at profitable levels, which could adversely affect our profitability.

Customer demand for our vessels currently under construction may not be as strong as we anticipate, and our inability to provide charters on terms acceptable to us, or at all, may have an adverse effect on our revenues and profitability. Although we generally endeavour to obtain better terms in contracts for our vessels and rigs where possible, demand and market conditions at the time of negotiating contracts for use of our vessels and rigs may result in us accepting less favourable terms. A failure to obtain favourable terms for our vessels and rigs, particularly when a market is at its inflection point, could lock us into low returns and have an adverse effect on our profits and results of operations. In addition, as most of our contracts are awarded through a competitive bidding process, our ability to negotiate contract terms with our customers is limited. We generally seek to use standard form charter party contracts. In some instances, we may be required to use customer specific standard forms of charter parties and drilling contracts adopted as a matter of policy by a customer, which may further affect our ability to negotiate such contract terms. As a result, we would be subject to less favourable terms, which could have an adverse effect on our profitability.

19. We are susceptible to unexpected increases in operating costs, which may exceed estimates upon which our long-term contracts are based and this could adversely affect our results of operations.

As most of our long-term contracts with our customers are on a fixed day rate basis, we have a limited ability to adjust rates in response to any increase in the costs of maintenance, repairs, spare parts, salaries, consumables and compliance with any new rules and regulations. Such costs are unpredictable and fluctuate based on events beyond our control, and any substantial increase in such costs would adversely affect our profitability. The mismatch of potentially increasing costs and fixed day rates is exacerbated by the option given to customers under some contracts to extend such contracts at the day rates applicable during the initial contractual term.

Our actual costs and any gross profit realised on our fixed day rate contracts will often vary from the estimated amounts on which these contracts were originally based. This may occur for various reasons including, among other things, errors in estimates or bidding, changes in availability and cost of labour and materials, as well as lower day rates applying for longer periods than originally estimated. These variations and the risks inherent in our industry may result in reduced profitability or losses on contracts. Depending on the duration of a contract, minor variations from estimated contract performance could also result in an adverse effect on our results of operations.

20. We may be unable to attract and retain qualified, skilled employees necessary to manage, maintain and grow our business.

Our success depends in large part on our ability to attract and retain highly skilled and qualified personnel, such as engineers, operations managers, and sales and service staff. Skilled employees with appropriate experience in the offshore oilfield services industry are scarce and the employment market for such personnel is very competitive. For example, over the last few years competition for labour required for offshore logistics and drilling operations intensified as the number of offshore support vessels and drilling rigs worldwide increased, leading to shortages of qualified personnel in the industry and creating upward pressure on wages and higher turnover. We may experience a reduction in the experience level of our personnel as a result of any increased attrition, which could lead to higher downtime and more operating incidents, which in turn could decrease revenues and increase costs. Competition has resulted in inflationary pressure on hiring, training and retention costs for such personnel. Additionally, we employ floating staff on a contractual basis for terms of 60 days on hire and 60 days off hire (implying that they are paid for 60 days on hire and 60 days off hire), which varies from month to month. Ensuring and maintaining floating staff at required levels is also challenging given the non-availability of adequate experienced floating staff. In addition, as a result of the volatility of the oil and gas industry and the demanding nature of the work, potential employees may choose to pursue employment in fields that offer a more desirable work environment at wage rates that are more competitive than ours. For such reasons, companies in the oilfield services industry typically offer attractive compensation packages to attract and retain qualified personnel. The financial resources required to continue to attract and retain such personnel may adversely affect our operating margins. In addition, we are dependent on the services of a number of expatriate personnel, for which work permits and visas are required.

If we are unable to continue to attract and retain skilled and qualified employees in the future and/or there is a change in labour laws and regulations in a particular country which restricts our skilled and expatriate personnel from working in such country, we may not be able to operate efficiently. Our inability to hire, train and retain a sufficient number of qualified employees could impair our ability to manage, maintain and grow our business.

21. Changes in technology may render our current vessel and rig technology obsolete or may require us to make substantial capital investment.

The technological standards of our vessels, rigs, equipment and machinery may change based on the requirements of the industry. While we currently have a modern fleet and many of our vessels have the latest technology, the vessels, rigs, equipment and processes that we currently use may become obsolete or less efficient compared to more advanced technology vessels, rigs, equipment and processes that may be developed in the future. The cost to upgrade our vessels and rigs or equipment or implementation of such advanced technology processes could be significant and could adversely affect our results of operations and financial position.

22. If we are unable to successfully implement our new enterprise resource planning system or such implementation is delayed, our operations may be disrupted or become less efficient.

We have recently implemented a new enterprise resource planning system, “SAP”, with the aim of enabling our management to achieve better controls through improved quality, reliability and timeliness of information, improved integration and visibility of information stemming from different management functions and countries, and optimisation and global management of corporate processes. The adoption of the SAP system, which replaces legacy operations, accounting and management systems, and poses several challenges relating to, among other things, training of personnel, communication of new rules and procedures, changes in corporate culture and migration of data. We have implemented the core business modules and expect to continue to implement certain add-on features to improve the processes over the next two years. We cannot assure you that the SAP system will be able to meet all our business and operational expectations, and any failure to do so could have an adverse effect on our operations.

23. Our expansion of operations into international markets subjects us to risks inherent in conducting business internationally that may adversely affect our operations.

Our international operations generated 43.3% and 22.1% of our total charter hire income for the financial year 2009 and the nine months ended December 31, 2009, respectively. Our international operations are subject to a number of risks inherent to any business operating in foreign countries, and especially emerging markets. As we continue to increase our presence in such regions, our international operations will encounter various operating restrictions, risks and hazards, including:

- cabotage laws and the requirement to operate through third party intermediaries who may not be financially sound;
- government instability, which can cause investment in capital projects by our potential customers to be withdrawn or delayed, reducing or eliminating the viability of some markets for our services;
- foreign currency exchange fluctuations;
- government and regulatory requirements across various jurisdictions;
- difficulties and costs of staffing and managing international operations;

- use and compensation of local employees of foreign contractors;
- potential vessel seizure or nationalisation of exploration and production assets;
- import-export quotas or other trade barriers;
- difficulties in collecting accounts receivable and longer collection periods;
- political and economic instability, including war and piracy;
- changes to shipping tax regimes;
- imposition of currency exchange controls;
- potentially adverse tax consequences; and
- language and cultural differences.

We cannot predict whether any of the above risks will materialise or whether they would have any effect on our operations. Our international operations will be subject to competition in the jurisdictions in which we operate. For more details on such competitive factors, see "—Our industry is highly competitive and subject to intense price competition, which could depress vessel and rig day rates and utilisation rates, thereby adversely affecting our financial performance" above. Also, our subsidiary structure and our operations are in part based on certain assumptions about various foreign and domestic tax laws, currency exchange requirements and capital repatriation laws. While we believe our assumptions are correct, there can be no assurance that taxing or other authorities will reach the same conclusions. If our assumptions are incorrect or if the relevant countries change or modify such laws or the current interpretation of such laws, we may suffer adverse tax and financial consequences, including the reduction of cash flow available to meet required debt service and other obligations. This may, in turn, adversely affect our business prospects in the affected jurisdictions, as well as our financial condition and results of operations.

24. Our net profit would be adversely affected if tax benefits or other incentives currently available in Singapore are withdrawn or reduced.

Charter hire income of our Singapore subsidiaries, GGES and GGOS, is exempt from income tax in Singapore as income derived from vessels and rigs operating outside the limits of the port of Singapore. One of our Singapore Subsidiaries, GGOS, has also been awarded Approved International Shipping Enterprise ("AISE") status by the Maritime and Port Authority of Singapore (the "MPA") with effect from September 2008 for a period of 10 years, subject to a review of performance at the end of the fifth year from its effective date. Under section 13F of the Singapoer Income Tax Act (Cap 134) charter hire income of an AISE from Singapre flagged vessels operating outside the limits of the port of Singapore is exempt from tax in Singapore similar to section 13A. Further, AISE status enables GGOS to pay interest to non-residents without withholding tax in Singapore. It is possible that GGOS' inability to comply with the conditions subject to which the tax exemption is granted, could result in revocation of our tax exempt status and subject GGOS to increased liability to Singapore withholding tax at the rate of 15.0% on the interest it pays to non-residents.

Without the exemptions available under Singapore law, the income of GGES from the operation of its rigs outside the limits of the port of Singapore and the income of GGOS from the operation of vessels outside the limits of the port of Singapore would be taxed on their net taxable profit at the current applicable rate in Singapore of 17.0%. Therefore, in the event of change in law or GGOS' inability to maintain AISE status, we would incur higher tax charges and this would increase our costs of operations significantly, which could have an adverse impact on our financial condition. We may also in the future become subject to laws imposed by the Government of India, the Government of Singapore or the Governments of various jurisdictions in which we operate, which could impair the tax incentives available to our business. In addition, in the event that the tax exemption is not renewed upon expiry, we will be taxed going forward at the then prevailing tax rate, unless the AISE incentive period is extended.

25. ***We are dependent on a small number of vessels and rigs and the loss any of our fleet could have an adverse impact on our business and results of operations.***

Our operations are dependent on a limited number of vessels and rigs. Our fleet currently comprises 14 vessels and two rigs. As a result, at any one time, we will only have a limited number of contracts in place for our vessels and rigs and our fleet will be contracted out to only a limited number of customers. The operation of our two rigs constituted 48.0% of our total income for the nine months ended December 31, 2009. The loss of any single vessel or rig due to inclement or adverse weather conditions, environmental hazards, accidents, mechanical and technical failures or explosions could have an adverse effect on business and our results of operations.

26. ***We rely on a small number of key customers for a large proportion of our income, and a loss of any one of these customers could adversely affect our financial condition and profitability.***

We currently derive and believe that we will continue to derive a substantial portion of our income from our single largest customer, ONGC which is a major state-owned oil and gas company. Our long-term contracts with this customer contributed approximately 23.6% and 61.2% of our total charter hire income for the financial year 2009 and the nine months ended December 31, 2009, respectively. India's domestic production of oil is dominated by this company, which is the largest producer of oil and gas in India. There can be no assurance that we will be able to renew our contracts with this customer when the contracts come up for renewal and there can be no assurance that we will be able to replace business lost due to the non-renewal of such contracts which will have an adverse effect on our business, financial condition and results of operations.

In addition, there are a limited number of customers and projects available in the markets in which we operate. A default or delay by a customer in the payment obligations under a contract could result in a loss of income or additional costs being incurred by us. Our business is dependent on the decisions and actions of our customers, and there are a number of factors that are outside our control, which might result in the termination of a project or the loss of a customer. We expect that a significant portion of our income will continue to be attributable to a limited number of customers in the near future. The loss or financial difficulties of any of our most significant customers, or significant decreases in the volumes of work from our customers, would have an adverse effect on our financial condition and profitability.

27. ***Termination of our contracts or inability to obtain contracts for our vessels or rigs for any significant period may adversely affect our financial condition and results of operations.***

Certain of our vessels, particularly those operating outside India, operate under spot contracts or under short term charters. We expect to continue to operate in the spot markets or enter into contracts which are relatively short-term in nature with respect to some of our vessels. The initial term of some of our charter parties, with attached options, may be extended on one or more occasions, at the discretion of our customers. In the case of our drilling contracts, our customers have the right to extend those contracts in order to complete the works with respect to a particular drilling assignment. It is also difficult to predict the period that will be required for the completion of work on our charters or drilling contracts. Management of mobilising of our fleet for optimal use may as a result be difficult, and significant periods may exist between projects during which our vessels or rigs are idle.

In addition, our vessel charters and drilling contracts are subject to early termination by our customers under certain conditions, such as defaults by the parties, *force majeure* events, our failure to commence our services on schedule, the loss or destruction of the vessel or rig and breach of any material provision by us of the charter party or drilling contract. In addition, certain of our contracts grant our clients the right to terminate our contracts or otherwise intervene in the performance of our contracts, if they believe that we are not performing our obligations in a satisfactory manner or in accordance with industry standards, and we are not entitled to any termination compensation in such circumstances. Certain of our contracts also grant our clients a discretionary right to terminate the contract at any time upon relatively short notice for no reason whatsoever. While some of these contracts have early termination penalties or other provisions designed to discourage our customers from exercising such options, we cannot assure you that our customers would not choose to exercise their termination rights in spite of such penalties. Additionally, customers without contractual termination rights may choose to terminate their contacts despite the possibility of litigation.

Upon the termination of any of our contracts, there can be no assurance that we will then be able to obtain other contracts for such vessels or rigs at equivalent or higher rates, or at all. If we are unable to obtain contracts for any of our vessels or rigs for a significant period, or if we are only able to do so at rates lower than previously obtained, our financial condition and results of operations would be adversely affected.

28. Consolidation in the oil and gas industry and the sharing of resources may reduce our customer base and adversely affect the demand for offshore oilfield services, there by reducing our revenues.

Oil and gas companies, energy companies and drilling contractors have undergone consolidation in the past, and additional consolidation is possible. Consolidation results in fewer companies to charter or contract our vessels and services to. Also, mergers and acquisitions among oil and gas companies may negatively affect exploration, development and production activities as the consolidated companies generally integrate operations to increase efficiency and reduce costs and less promising exploration and development projects may be dropped or delayed. Consolidation could also result in the absorption of an oil and gas company with whom we have a strong commercial relationship into another company with which we do not. In addition, the sharing or pooling of resources and activities by different oil and gas companies and operators in a particular area could reduce the overall demand for assets and services which we offer. Such activities may result in an exploration and development budget that is lower than the total budget of the companies before they were consolidated, which would adversely affect demand for our services, thereby reducing our revenues.

29. We are exposed to piracy, war, sabotage and terrorism risks, which could potentially disrupt our operations as well as harm our business in various ways.

Acts of piracy, war, sabotage, terrorist attacks or any similar acts may disrupt the operations of our vessels and rigs. If our vessels or rigs become inoperable over a certain period of time as a result of such acts, we may be required to prepay the loans we have taken to purchase the affected vessel or rig under the terms of the relevant financing. Such acts may also adversely affect our operations in unpredictable ways, including causing changes in the insurance markets and disruptions of fuel supplies and markets. The occurrence of pirate attacks could result in the regions in which we operate being characterised as "war risk" zones by insurers, as the Gulf of Aden temporarily was in May 2008. If this were to occur, premiums payable for insurance coverage could increase significantly and such coverage may be more difficult to obtain. In addition, crew costs, including costs in connection with employing onboard security guards, could increase in such circumstances.

Piracy, war, sabotage, terrorist attacks may result in loss of revenues, increased costs and decreased cash flows to us. We may not be adequately insured to cover losses from these incidents, which could have an adverse effect on us. Moreover, war or risk of war may also have an adverse effect on the economy. Instability in the financial markets as a result of war, sabotage or terrorism could also affect our ability to raise capital and could also adversely affect the oil and gas industries and restrict their future growth which would, in turn, adversely affect our financial condition and results of operations.

30. Our vessels could be arrested by maritime claimants which would result in a significant loss of earnings and cash flow, thereby adversely affecting our financial condition and results of operations.

Under the maritime law of many jurisdictions, claimants for breach of certain maritime contracts, vessel mortgagees, suppliers of goods and services to a vessel and shippers and consignees of cargo and others having maritime claims, may arrest a vessel through a court process to obtain security for their claims. In addition, in certain jurisdictions, a claimant may be able to arrest a "sister ship," i.e., any "associated" vessel owned or controlled by the legal or beneficial owner of that vessel. Our ships may therefore be arrested with respect to a claim against the beneficial owner of our ships. In certain circumstances, claimants may have maritime liens against our vessels, and such vessels may be arrested even if the claim giving rise to maritime lien is not against us. Although none of our vessels have been arrested, the arrest of one or more of our vessels in the future could result in a material loss of earnings and cash flow for us or require us to provide security to have the arrest lifted. If any of our vessels or rigs are arrested over a prolonged period, we may be required to prepay the loan that we have taken to purchase the affected vessel or rig which may adversely affect our liquidity and cash flows.

31. Governments could requisition our vessels during a period of war or emergency without adequate compensation, resulting in loss of earnings and adversely affecting our business, financial condition and results of operations.

A government could requisition or seize one or more of our vessels for title or for hire. Requisition for title occurs when a government takes control of a vessel and becomes its owner. Requisition for title will have a significant negative effect on us as it will result in loss of title and all revenues from the requisitioned vessel. Also, a government could requisition our vessels for hire. Requisition for hire occurs when a government takes control of a vessel and effectively becomes its charterer at dictated charter rates. Generally, requisitions occur during a period of war or emergency. Requisitions would likely result in reduced income for us. Further, many of our purchase finance arrangements with our financiers imposes a prepayment obligation on us if the relevant vessel or rig becomes subject to a government requisition over a specified period. Therefore, government requisition of one or more of our vessels or rigs may negatively affect our business, financial condition and results of operations.

32. Our high levels of indebtedness could adversely affect our financial condition.

As of December 31, 2009, we had Rs. 18,354.41 million of principal amount of indebtedness outstanding on a consolidated basis. We may incur additional indebtedness in the future. The high level of our indebtedness could have several consequences, including:

- a substantial portion of our cash flow will be used towards repayment of our existing debt, which will reduce the availability of cash flow to fund working capital, capital expenditures, acquisitions and other general corporate requirements;
- our ability to obtain additional financing in the future or renegotiate or refinance our existing indebtedness on terms favourable to us may be limited;
- fluctuations in market interest rates will affect the cost of our borrowings, to the extent that such indebtedness is subject to floating interest rates;
- we may be more vulnerable to economic downturns, may be limited in our ability to withstand competitive pressures and may have reduced flexibility in responding to changing business, regulatory and economic conditions;
- we may have difficulty satisfying payment and other obligations under our existing financing arrangements and an inability to comply with these requirements could result in an event of default, acceleration of our repayment obligations and enforcement of related security interests over our rigs and other assets;
- we may be restricted from making dividend payments to our shareholders under certain circumstances; and
- with our Subsidiaries increasing the level of operations, we may become dependent on distributions from our Subsidiaries for our cash flow.

The majority of our indebtedness is secured against our vessels and rigs. Many of our financing agreements include various conditions and covenants restricting certain activities and certain transactions. Specifically, under certain circumstances, we may require, and may be unable to obtain, lender consents to restructure our debt, issue equity, change our capital structure, increase or modify our capital expenditure plans, undertake any expansion, provide additional guarantees, change our management structure, merge with or acquire other companies, whether or not there is any failure by us to comply with the other terms of such agreements. Failure to meet these conditions and covenants or inability to obtain necessary lender consents or waivers in relation to any such failure could adversely affect our business, results of operations and financial condition. We also customarily execute letters of credit, performance bonds and other guarantees in the normal course of business to ensure our performance or for payments to third parties.

Our ability to meet our payments obligations is dependent on the cash flow generated by our businesses and our capital resources. Our cash flow generation could be adversely affected by the various factors and the materialisation of risks discussed in this section. Moreover, adverse developments in the Indian or global credit markets or a downgrade of India's credit rating could increase our debt service costs and therefore the overall cost of our funds. If we are unable to meet our debt service obligations or to refinance our obligations with respect to our debt, our lenders could declare us in default under the terms of our loan agreements and other credit facilities. A default by us or our Promoter under the terms of any financing document applicable to us or our Promoter may trigger a cross-default under our other financing documents, which may individually or in the aggregate, have an adverse effect on our business, financial condition and results of operations. Consequently, we could face substantial liquidity problems and might be required to dispose of material assets to meet our debt service and other contractual obligations.

33. Our results of operations may be adversely affected by foreign currency exchange rate fluctuations and movements in interest rates as well as changes to the accounting treatment of the effects of such fluctuations and movements.

While our reporting currency is in Indian Rupees, a significant portion of our revenue and expenditure is denominated in foreign currencies. As a result, we are exposed to foreign currency exchange rate fluctuations and exchange rate risks, which may affect our financial performance and results of operations. We derive our revenues entirely from charter hire contracts denominated in foreign currencies, primarily the US Dollar. Any appreciation in the value of the Indian Rupee in relation to the value of the applicable foreign currency could adversely affect our reported operating revenues. Additionally, some of our operating costs and the majority of our interest costs are denominated in foreign currencies, primarily the US Dollar. While this may help reduce the impact of foreign currency exchange rate movements to a certain extent, our results of operations may be adversely affected by an appreciation in the value of the Indian Rupee. The construction costs for our vessels under construction are denominated in foreign currencies and depreciation of these currencies against the Indian Rupee may result in higher costs of construction which could adversely affect our cash flows and increase our depreciation costs. Movements in exchange rates may also result in foreign currency translation gains or losses on current assets and liabilities including, significantly, bank balances and debtors, thereby affecting our profit and loss account.

To minimise the impact of foreign exchange fluctuations on our cash flows, we attempt to match the currency of our debt with the currency of our revenue. While depreciation in the value of the Indian Rupee against foreign currencies has a favourable impact on our revenues, it will result in an increase in the servicing costs on our foreign currency denominated debt and the value of our foreign currency denominated debt on our balance sheet. We currently account for the effect of fluctuations in exchange rates on the repayment of loans borrowed and the revaluation of foreign currency loans for the acquisition of depreciable capital assets by adjusting the cost of the asset on our balance sheets. This may affect our financials through depreciation charges. However, with effect from April 1, 2010, as a result of an anticipated change in accounting rules as well as the implementation of IFRS, we would be required to account for such fluctuations on our profit and loss account. This would affect our results of operations.

We have incurred substantial amounts of indebtedness that are subject to floating rates. To hedge against adverse movement in interest rates, we have entered into interest rate swap transactions with respect to a majority of such indebtedness. Nonetheless, we continue to be exposed to interest rate fluctuations, to the extent our indebtedness is subject to floating interest rates. Such floating interest rate indebtedness is subject to increases in interest rates, which would increase our finance expenses and could have an adverse effect on our results of operations. As of March 31, 2010, approximately 18.9% of our total indebtedness is subject to floating interest rates.

The exchange rate between the Indian Rupee and the US Dollar has changed substantially in the recent years and may continue to fluctuate significantly in the future. For example, during the financial year 2009, the Indian Rupee depreciated against the US Dollar by approximately 20.9% (*Source: Bloomberg*). From time to time, we enter into foreign exchange forward and option transactions to hedge our net foreign currency exposure. There can be no assurance that such hedging transactions will successfully insulate our financial performance against the exchange rate fluctuations. Further, any changes in the policies of the Reserve Bank of India relating to foreign exchange derivatives may limit our ability to hedge our foreign currency exposures adequately.

34. We have entered into derivative financial instruments and any decrease in the fair value of such instruments could affect our financial condition and results of operation. Further, the mark-to-market gain or loss on such instruments may not always be recognised in the profit and loss statement.

We occasionally enter into derivative financial instruments to hedge against foreign currency risk of our firm contractual commitments, such as amounts payable in foreign currencies (apart from the US Dollar) in the future under our vessel construction contracts and highly probable forecast transactions and interest rate risks from our indebtedness. We use such instruments for risk management purposes only. Any resulting decrease in the value of our derivative financial instruments could have an adverse effect on our financial condition. For the nine months ended December 31, 2009, we recognised a loss of Rs. 182.24 million arising from changes in the fair value of our derivative financial instruments. Further, as a result of methods we use in the recognition of gains or losses on derivative financial instruments, the fair value of such instruments may not be recognised as a loss or gain on the profit and loss statement of our financial statements. The manner in which we recognise a gain or loss on mark-to-market will depend on (i) whether the derivative is designated as a hedging instrument, (ii) the nature of the item being hedged and (iii) whether such a transaction qualifies as an effective hedge. Consequently, only changes in the mark-to-market value of derivative financial instruments which do not meet the above mentioned qualifications are recognised in our profit and loss statement. In addition, any change in the accounting treatment of such derivative financial instruments may adversely affect our financial results and results of operations. For further details, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Critical Accounting Policies—Derivative financial instruments and hedging" on page 241.

35. We are exposed to the credit risks of our customers and certain other third parties, and the non-payment, non-performance or insolvency of these parties could adversely affect our financial condition and results of operations.

Any default, non-payment or non-performance by our customers and certain other third parties or the failure by the shipyard to build or deliver vessels currently under construction in a timely manner, or at all, could adversely affect our financial condition and results of operations. Furthermore, some of our customers may be highly leveraged and subject to their own operating and regulatory risks.

Additionally, we are exposed to credit risks with respect to local intermediaries with whom we co-operate in rendering services to certain of our international customers. In certain countries, such as Brazil, Egypt, Mexico, South Africa and the United Arab Emirates, due to local regulations or business requirements, we are required to deploy our vessels to the end users of such vessels through local intermediaries, with whom we enter into contracts. Under such arrangements, we receive payments through such intermediaries, and not directly from the end users of our vessels. Some of these local intermediaries may not be as financially sound as the end users of our vessels. For example, for the nine months ended December 31, 2009, we made a provision for doubtful debt of Rs. 26.25 million as a result of the non-payment of charter hire by one of our counterparties. If any of our counterparties fail to make payments received from customers to us or become insolvent, we would suffer losses and our business, financial condition and results of operations could be adversely affected.

36. Our operations are subject to various state, local and other laws and regulations, including extensive health, safety and environment ("HSE") laws and regulations that could require us to make substantial expenditures and expose us to substantial liability.

We must comply with Indian law and regulations, as well as certain international conventions, the rules and regulations of certain private industry organisations and agencies, and laws and regulations in jurisdictions in which our vessels and rigs are registered and operate. These regulations govern, among other things, health and safety of employees, discharges of hazardous substances into the environment, the removal and clean-up of environmental contamination and the handling and disposal of waste. The technical requirements of these laws and regulations are becoming increasingly complex, stringently enforced and expensive to comply with, and this trend is likely to continue. The relevant organisations establish safety criteria and are authorised to investigate accidents and recommend approved safety standards. If we fail to comply with the requirements of any of these laws or the rules or regulations of these agencies and organisations, we could be subject to substantial administrative, civil and criminal penalties, the imposition of remedial obligations, and the issuance of injunctive relief. Any failure to comply with HSE laws and regulations may result in the cancellation or termination of our present contracts, new contracts not being awarded to us, or regulatory authorities imposing fines, penalties or sanctions on us, including prohibiting us from continuing our operations, which could have an adverse effect on our business and reputation. Such failure could also lead to accidents which may result in injuries, death, damage to the environment, liability, or damage to our reputation which could make it more difficult for us to procure future business. Our customers are also subject to HSE laws and regulations, and any material failure by them to comply with applicable HSE requirements could adversely affect their operations and result in a decrease in demand for our services or in our contracts with our customers being terminated.

Certain HSE laws provide for strict, joint and several liability, without regard to negligence or contributory fault, for natural resource damages, health and safety remediation, and clean-up costs of spills and other releases of hazardous substances, and such laws may impose liability for personal injury or property damage as a result of exposure to hazardous substances. Such HSE laws and regulations may expose us to liability for the conduct of others. While we have generally been able to obtain some degree of contractual indemnification pursuant to which our customers agree to indemnify us against liability for pollution, well and environmental damages, there can be no assurance that we can obtain such indemnities in all of our contracts. We also cannot assure you that, in the event of extensive pollution and environmental damage, our customers will have the financial capability to fulfil their contractual obligations to us. In addition, these indemnities may not be enforceable in all instances and we may have to seek protection under our insurance coverage. While some of our insurance protection, through our protection and indemnity arrangements, cover accidental occurrence of pollution or clean up and containment of the foregoing, such coverage are subject to certain limits.

The enactment of new HSE laws or regulations, or stricter enforcement or new interpretations of existing HSE laws or regulations, could impair demand for our services and/or have a significant impact on our operating costs and require further expenditure to modify operations, install pollution control equipment, perform clean-up operations, curtail or cease certain operations, or pay fines or make other payments for pollution, discharges or other breaches of HSE requirements. We cannot assure you that we will be able to comply with such HSE laws in the future. The failure to comply with such HSE laws or regulations could result in substantial costs and/or liabilities to third parties or government entities, which could result in an adverse effect on our business, financial condition, results of operations and prospects.

37. The spot markets in which we operate are seasonal and depend, in part, on weather conditions. As a result, our results of operations will vary throughout the year.

We operate in spot markets, which are seasonal and affected by weather conditions. Operations in the North Sea are generally at their highest levels during the months from April to August and at their lowest levels during December to February, primarily due to lower construction activity and harsh weather conditions affecting the movement of drilling rigs. Vessels operating offshore Southeast Asia are generally at their lowest utilisation rates during the monsoon season, which moves across the Asian continent between September and early March. The monsoon season for a specific Southeast Asian location is generally about two months. Operations in any market may, however, be affected by seasonality often related to unusually long or short offshore construction seasons due to, among other things, abnormal weather conditions, as well as market demand associated with increased development activities. Accordingly, the results of any given period are not necessarily indicative of annual results or continuing trends, and may vary.

38. Our business is highly cyclical in nature due to our dependency on the levels of offshore oil and gas drilling activity. If we are unable to stabilise our cash flow during depressed markets, we may not be able to meet our obligations under our current or any future debt obligations, and we may not be able to secure financing or have sufficient capital to support our operations, which may adversely affect our financial condition and results of operations.

During periods of low activity in depressed markets, our ability to service our debt obligations and other contractual obligations will depend on improving our future performance and cash flow generation. This, in turn is affected by prevailing economic and industry conditions and financial, business and other factors, many of which are beyond our control. If we have difficulty providing for debt service or other contractual obligations in the future, we will be forced to take actions such as reducing or delaying capital expenditures, reducing costs, selling assets, refinancing or reorganising our debt or other obligations and seeking additional equity capital, or any combination of the above. We may not be able to take any of these actions on satisfactory terms, or at all, which may adversely affect our financial condition and results of operations.

39. Our business is significantly influenced by our relationship with our Promoter.

We benefit from our relationship with our Promoter and Group Companies in many ways. We have access to our Promoter's brand name and seek to benefit from our Promoter's and Group Companies' industry knowledge and financial capabilities. For example, our Promoter has provided performance guarantees to our single largest customer for our contracts with it. In addition, our Promoter's financial strength and brand reputation has also helped us in winning bids. Our future success will be influenced, in part, by our continued relationship with our Promoter and Group Companies. We cannot assure you that we will be able to continue to avail the benefits associated with this relationship in the future. If we lose the current benefits of such relationship, our business, financial condition and results of operations may be adversely affected.

We believe our Promoter's brand is recognisable in Indian shipping industry due to its long presence in the Indian market. Any actions on the part of our Promoter or Group Companies that negatively impact our Promoter's brand could have an adverse effect on our business, financial condition and results of operations. We believe that we have been able to secure certain debt financing on the basis of the corporate guarantees of our Promoter. In the event that (i) there is a material change in business strategy or key management of our Promoter, or (ii) a sell down by our Promoter is viewed adversely by investors and others that we may do business or contract with, our business, financial condition and results of operations may be adversely affected. In addition, the terms of some of our financing arrangements with our lenders require that our Promoter continue to hold at least 51.0% of our share capital and retain control in our management and board of directors. We cannot assure you that our Promoter will not reduce its shareholding in our Company in the future. See also "—We do not own the " " trademark" below. We also cannot assure you that agreements we enter into in the future will not contain such terms that impose a shareholding requirement in our Company on our Promoter, or that we will be able to ensure that such terms will not be breached. If any such events occur, our ability to secure financing and our business, financial condition and results of operations may be adversely affected.

40. We have high levels of fixed costs that will be incurred regardless of our level of business activity. Downtime or low productivity due to reduced demand, weather interruptions or other causes can have a significant negative effect on our results of operations and financial condition as a consequence.

Our business has high fixed costs as our lease costs, interest costs and operating and maintenance costs will not necessarily fluctuate in proportion to changes in operating revenues. Operating revenues may fluctuate as a function of changes in day rates. However, lease costs, interest costs and costs for operating our vessels and rigs are generally fixed or only semi-variable regardless of the day rates being earned. In addition, should our vessels or rigs incur idle time between contracts, we typically do not reduce staff as we require the crew to prepare the vessel or rig for its next contract. During times of prolonged reduced activity, reductions in costs may not be immediate as portions of the crew may be retained for a period of time, after which they are assigned to active rigs or dismissed. Downtime or low productivity due to reduced demand, weather interruptions or other causes can have a significant negative effect on our results of operations and financial condition as a consequence.

41. Failure to manage our growth could disrupt our business and adversely affect our prospects and results of operations.

We have experienced high growth since our inception and expect our business to continue to grow significantly, including internationally. Although we plan to continue to expand our scale of operations through organic growth acquisitions of vessels and rigs as well as of companies and investments in other entities, we may not grow at a rate comparable to our growth rate in the past, either in terms of income or profit. We expect our future growth to place significant demands on our personnel, management and other resources and require us to continuously evolve and improve our financial, operation and other internal controls across our organisation. If we fail to manage our recent and future constructions or acquisitions of vessels and rigs or companies (together with related financings) effectively, our results of operations could be adversely affected. For instance, we currently have a vessel construction programme and expect delivery of nine new vessels by the financial year 2012, and contracts for these new vessels need to be secured. We also intend to expand our operations into certain geographic regions, such as West Africa and the South America where we may be comparatively less familiar with operating conditions and procedures. In particular, continued expansion places additional and new responsibilities on our management on:

- recruiting, training and retaining sufficient skilled and qualified management and technical personnel;
- adhering to health, safety and environment and quality and process execution standards that meet client expectations;
- making assumptions on capital expenditure on areas where we have little experience, such as subsea construction;
- preserving a uniform culture, values and work environment in operations within and outside India;
- integrating acquired businesses and assets; and
- developing and improving our operations and our financial, management and legal compliance information systems.

Any inability to manage our growth may have an adverse effect on our business, prospects and results of operations.

42. There are outstanding legal proceedings against our Company, our Directors and our Promoter.

There are outstanding legal proceedings against our Company, our Directors and our Promoter. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, appellate tribunals and arbitrators in different jurisdictions. An adverse outcome in these proceedings could have a material adverse effect on our reputation, business or prospects. In addition, further liability may arise out of these claims. Brief details of such outstanding legal proceedings as of the date of the Draft Red Herring Prospectus are as follows:

Litigation against our Company

Sr. No.	Nature of cases	No. of outstanding cases	Amount Involved
1.	Tax enquiries	1	-

Litigation against the Directors

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved
1.	Criminal proceedings	4*	-
2.	Insurance cases	1*	US$ 3.61 million
3.	Tax proceedings	2	Rs. 19.40 million

* *Includes two criminal complaints filed jointly against our Promoter and Bharat K. Sheth*

** *Case filed jointly against our Promoter and some of our Directors, in their capacity as directors of our Promoter*

Litigation against Promoter

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved
1.	Criminal proceedings	3*	-
2.	Civil proceedings	49	Rs. 97.27 million
3.	Consumer Cases	3	-
4.	Insurance Case	26**	Rs. 119.62 million + US$ 11.6 million + TWD 6.00 million
5.	Tax proceedings	6	Rs. 156.49 million

Sr. No.	Nature of cases	No. of outstanding cases	Amount involved
6.	Claims and Notices	13	Rs. 10.01 million + US$ 0.31 million

* *Includes two criminal complaints filed jointly against our Promoter and Bharat K. Sheth*

** *Includes one case filed jointly against our Promoter and some of our Directors, in their capacity as directors of our Promoter*

For further details of outstanding legal proceedings against our Company, our Directors and our Promoter, please see "Outstanding Litigations and Material Developments" on page 261.

43. *Certain of our Group Companies and Subsidiaries have incurred losses in the last three financial years.*

Certain of our Group Companies and Subsidiaries have incurred losses in the last three financial years, as set forth in the table below:

(US$)

Name of Group Company or Subsidiary	Financial Year 2009	2008	2007
Group Company			
The Great Eastern Shipping Company London Limited	(5,388,321)	271,714	33,928
Subsidiary			
Greatship Global Holdings Ltd.	(36,431)	(21,502) (1)	–
Greatship Global Offshore Services Pte. Ltd.	(37,464)	(76,290) (2)	–
Greatship Global Energy Services Pte. Ltd.	(130,148)	(375,312)(3)	–

Notes:

(1) For the period between May 30, 2007 and March 31, 2008

(2) For the period between May 8, 2007 and March 31, 2008

(3) For the period between October 23, 2006 and March 31, 2008

44. *We have certain contingent liabilities not provided for which may adversely affect our financial condition.*

Our contingent liabilities on a consolidated basis as of December 31, 2009 not provided for (as disclosed in our financial statements) are as detailed in the following table:

Rs. in Millions

PARTICULARS	As at December 31, 2009	As at December 31, 2008	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
a) Guarantees given by bank	670.49	527.81	655.71	977.62	1,477.82	-	-
b) Corporate Guarantees given on behalf of subsidiary companies	16,513.41	5,167.00	11,003.69	10,044.07	1,085.00	-	-
c) Custom Duty for Import of vessel under provisional duty bond	88.23	-	-	-	-	-	-
d) Service tax claim pending resolution (net)	5.51	-	-	-	-	-	-

For further details, please see "Financial Statements" on page 150.

45. *We had negative net cash flows from operating activities on a consolidated basis in the past and may experience such negative cash flows in the future*

For the financial year 2007, we had negative cash flow from operating activities on a consolidated basis of Rs. 194.51 million. For further details, please see "Financial Statements" on page 150. Any operating losses or negative cash flows in the future could affect our results of operations and financial conditions.

46. *We do not own the " " trademark.*

The " " trademark does not belong to us. The " " trademark belongs to our Promoter and we hold rights to use this trademark through a trademark license agreement dated April 21, 2010 with our Promoter. If we cease to be a subsidiary of our Promoter, the trademark license agreement will be automatically terminated at the expiry of six months from the date of such cessation. In such event, we would not be able to use the " " trademark in connection with our business. Consequently, we would be unable to capitalise on the brand recognition associated with this trademark. Additionally, we may be required to invest significant management time and resources in developing a new brand.

47. Our Promoter will have the ability to determine the outcome of any shareholder resolution and potential conflicts of interest may exist or arise.

Prior to the consummation of the Issue, our Promoter holds 97.62% of our equity share capital. After the completion of this Issue, our Promoter will hold approximately 78.09% of our outstanding equity share capital. As a result, our Promoter will continue to exercise significant control over us, including being able to determine decisions requiring more than a majority of the total voting power of the Company. The interests of our Promoter as our controlling shareholder could conflict with our interests or the interests of our other shareholders. As a result, our Promoter may take actions with respect to our business that may conflict with your interests and the interests of our other shareholders.

48. We have referred to the data derived from the market study report commissioned from Clarkson Research.

We have retained the services of an independent third party research agency, Clarkson Research, to prepare a research report dated May 2010 on the offshore support vessel and offshore drilling industry. However, this report is based upon various limitations and assumptions which are subjective and uncertain. There can be no assurance that the assumptions adopted by Clarkson Research for the purposes of preparing their research report will prove to be accurate. If any of these assumptions are incorrect, the development of the offshore support vessel and offshore drilling industry in India could be materially different from that set forth in this report. Accordingly, investors are advised not to place undue reliance on the data derived from this report in their investment decisions.

49. The deployment of the Net Proceeds is at the discretion of our Company and is not subject to monitoring by any independent agency.

Since our Issue size is less than Rs. 5,000 million, we are not required to appoint a monitoring agency under the SEBI Regulations. Hence, deployment of Net Proceeds is at the discretion of our Company and is not subject to monitoring by an independent agency. We cannot assure that we will be able to conduct our affairs in a manner similar to that of a monitoring agency.

50. We have entered into, and will enter into, related party transactions.

We have entered into, and may in the future enter into, certain transactions with our Subsidiaries, Promoter and Group Companies, including companies engaged in our line of business or in related areas. These transactions were primarily made in the ordinary course of business at arm's length basis. It is likely that we will continue to enter into further related party transactions in the future.

51. We do not own our registered office and other premises from which we operate.

We do not own the premises in which our registered office is located in Mumbai. The premises is owned by our Promoter and we have not currently entered into any arrangements with our Promoter and do not pay any charges towards the use of such premises. If there is any change in control in or if we cease to be a subsidiary of our Promoter, we may no longer be entitled to make use of the premises in which our registered office is currently situated.

We also do not own the Mumbai premises in which our corporate office is located. We have only leasehold rights over such premises. Accordingly, if any owner of such premises terminates our lease, or does not renew the agreement under which we occupy the premises on terms and conditions that are acceptable to us, or alters such terms to our disadvantage (including by way of an increase of rental amounts), our operations may be disrupted.

This could have an adverse effect on our business, financial condition and results of operations. For further details, see "Business—Our Offices and Locations."

52. The Government of India exercises significant influence over the Indian oil and gas industry and there can be no assurance that future Government policies will not be amended in a manner that adversely affects our business, financial condition and results of operations.

The Government of India exercises significant influence over economic and social policies, including those relating to the oil and gas industry, on which we depend. The Government of India has historically played a key role, and is expected to continue to play a key role, in regulating, reforming and restructuring the Indian oil and gas industry. It exercises substantial control over the growth of the industry, for example, through the award of oil blocks. Any Government action concerning the oil and gas industry may have an adverse effect on the business and results of operation of our customers. In addition, the Government of India plays an important commercial role in the execution of oil and gas exploration, development and production activities in India, in particular through Government-controlled companies such as the state-owned company that is our biggest client. The Government of India also controls the licensing of ships that undertakes coasting trade in Indian territorial waters which has an impact on our business. The Government also controls fiscal policy in India which has a significant impact on the Indian oil and gas industry through corporate taxation, royalties and indirect taxes. There can be no assurance that Indian fiscal legislation or Government policies on the oil and gas industry and on the coasting trade business will not be amended in the future in a manner that adversely affects our business, financial condition and results of operations.

53. There is outstanding industry related litigation which, in the event of an adverse final judgment, could have adverse effects on us.

There are certain proceedings pending in various courts and authorities at different levels of adjudication, in relation to certain matters pertaining to the shipping industry. Though our Company is not a party to these matters, a negative judgment in these proceedings may affect our industry and may adversely impact our business and operations. For example, the Union of India has filed a special leave petition before the Supreme Court of India against INSA challenging an order passed by the High Court of Bombay on March 23, 2009 in which that court had decided that the members of INSA were not liable to pay service tax for the period from June 1, 2007 to May 15, 2008 in respect of their activities under the category "mining of mineral oil or gas service" as such activities were not taxable under the Finance Act, 1994. In the event that more industry related litigations arise in the future, and negative judgments are passed in such litigations, our business and operations may be adversely affected.

Risks Relating to India

54. The continuation or recurrence of systemic events such as the recent global economic meltdown, changes in economic policies and the political situation in India or globally may adversely affect our performance.

Conditions outside India, such as continued slowdowns in the economic growth of other countries may adversely impact the growth of the Indian economy, and Government policy may change in response to such conditions. The consequent slowdown in the Indian economy may adversely affect our business, including our ability to implement our business strategy and increase our activities in the domestic offshore oilfield services industry.

The current economic policies of the Government of India may change further to respond to the recent global economic meltdown or a recurrence thereof. Particularly, there may be changes to specific laws and policies affecting the industry and other policies affecting foreign investment in our business. Any significant shift or change in India's economic policies and regulations may disrupt economic conditions in India and this may in turn affect our business, financial condition and results of operations. Unstable internal and international political environment may impact the economic performance of the offshore marine services industry, including us, in the short and long term. Our business, and the market price and liquidity of the Equity Shares, may be affected by reactionary changes in interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India on account of any changes in the global economic changes.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries. Financial turmoil in Asia, the United States, Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. The Indian financial markets also experienced the contagion effect of the volatility and turmoil in the global financial markets, which was evident from the sharp decline in the benchmark indices of SENSEX and NIFTY from their peak levels in early 2008 to the first quarter of 2009. As a consequence of the severe tightening of credit associated with that financial turmoil, many economies experienced periods of severe recession accompanied by a significant deterioration of consumer confidence and demand. A recurrence of such economic conditions, either globally or domestically, could result in a further decrease in the demand for oil and gas and may maintain a downward pressure on the prices for oil and gas which are significantly lower from the record levels reached in July 2008. Additionally, due to the conditions in the global and domestic financial markets, we cannot be certain that financing will be available or that we would be able to raise funds, if needed or to the extent required, or that we will be able to undertake our business without any disruptions and we may be unable to implement our growth strategy, domestically and internationally. Any recurrence of such events may have an adverse effect on our business, financial condition and results of operations.

55. Terrorist attack, war, natural disaster, an outbreak of an infectious disease or any other serious public health concerns or other catastrophic events may disrupt or otherwise adversely affect the markets in which we operate, our business and operations.

Our business may be adversely affected by war, terrorist attacks, natural disasters, outbreak of an infectious diseases or any other serious public health concerns or other catastrophes. A catastrophic event could have a direct negative impact on us or an indirect impact on us by, for example, affecting our customers or the overall economy. In addition, any interruption or cessation of activities resulting from damage to our customers' facilities may have an adverse effect on our business, results of operation, financial condition and cash flow. In recent times, terrorist attacks in India and other markets in which we operate have become more prevalent. Such attacks may have an adverse effect on the Indian and global financial markets. Oil and gas wells, production facilities and pipelines belonging to our customers can be targets for terrorism. Terrorist attacks such as the Mumbai terror attacks in November 2008 and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. If India were to become engaged in armed hostilities, particularly hostilities that were protracted or involved the threat or use of nuclear weapons, our Indian customers might not be able to continue to operate. As a result, our business, results of operations and financial condition may be adversely affected.

The occurrence of natural disasters, such as floods caused by unusually heavy rains or tsunamis in or nearby areas in which we operate, could also adversely affect our business, results of operations and financial condition.

Further, the outbreak of infectious diseases, such as the H5N1 "avian flu" virus, or H1N1, in Asia or elsewhere or any other serious public health concerns in areas where we or our customers operate may affect our business. In addition, these factors may affect our employees' living or working in the affected areas and thus reduce their productivity, resulting in an adverse effect on our business and operations.

56. Political instability or changes in the Government may delay the liberalisation of the Indian economy and adversely affect economic conditions in India generally, which may impact our business, financial results and results of operations.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian Governments have pursued policies of economic liberalisation and financial sector reforms. The current Government, which was re-elected to power in May 2009, is headed by the Indian National Congress and is a coalition of several political parties. Although the current Government has announced policies and taken initiatives that support the economic liberalisation policies that have been pursued by previous Governments, the rate of economic liberalisation may change, and specific laws and policies affecting commodity futures, foreign investment and other matters affecting investment in our securities may change as well.

However, there can be no assurance that such policies will be continued. A change in the Government in future may result in a significant change in the Government's policies that may adversely affect business and economic conditions in India and may also adversely affect our business, financial condition and results of operations.

57. The Indian economy has sustained varying levels of inflation in the recent past.

India has experienced very high levels of inflation during the period between 2008 and 2009, with inflation peaking at 12.91% in August 2008. The inflation rate was 9.9% in March 2010 (*Source: Bloomberg*). In the event of a high rate of inflation, our costs, such as salaries, price of transportation, wages, raw materials or any other of our expenses may increase. Further, we will not be able to adjust our costs or pass our costs which have been fixed during periods of lower inflation to our customers. Accordingly, high rates of inflation in India could increase our costs, could have an adverse effect on our profitability and, if significant, on our financial condition.

58. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources for our projects under development or acquisitions and other strategic transactions, and hence could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse impact on our business growth, financial condition and results of operations.

59. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This may have an adverse effect on our capital expenditure plans, business and financial performance.

60. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which may adversely impact its financial condition.

According to a report released by the Reserve Bank of India ("RBI"), India's foreign exchange reserves totalled over US$ 281.86 billion as of October 31, 2009. Reserves have declined recently and may have negatively impacted the valuation of the Indian Rupee. Further declines in foreign exchange reserves may adversely impact the valuation of the Indian Rupee and may result in reduced liquidity and higher interest rates that may adversely affect our future financial performance and the market price of the Equity Shares.

61. Foreign investors are subject to foreign investment restrictions under Indian law.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection or a tax clearance certificate from the income tax authority. We cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

62. It may not be possible for you to enforce any judgment obtained outside India, including in the United States, against us or any of our affiliates in India, except by way of a suit in India on such judgment.

We are incorporated under the laws of India and most of our Directors and executive officers reside in India. Furthermore, a substantial part of our assets are located in India. As a result, you may be unable to:

- effect service of process in jurisdictions outside India, including in the United States, upon us; or
- enforce in Indian courts judgments obtained in courts of jurisdictions outside India against us, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. A judgment from certain specified courts located in a jurisdiction with reciprocity must meet certain requirements of the Code of Civil Procedure, 1908, as amended, (the "Civil Code"). The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in a non-reciprocating territory, such as the United States, for civil liability, whether or not predicated solely upon the general securities laws of the United States, would not be enforceable in India under the Civil Code as a decree of an Indian court.

However, the party in whose favour such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States or other such jurisdiction within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis as a foreign court if an action were brought in India. Moreover, it is unlikely that an Indian court would award damages to the extent awarded in a final judgment rendered outside India if it believed that the amount of damages awarded were excessive or inconsistent with Indian practice. In addition, any person seeking to enforce a foreign judgment in India is required to obtain the prior approval of the RBI to repatriate any amount recovered.

63. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our financial statements, including the restated financial statements provided in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. Each of US GAAP and IFRS differs in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Risks Relating to Investment in the Equity Shares

64. Our ability to pay dividends in the future will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors.

The amount of our future dividend payments, if any, will depend upon our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors. Our ability to pay dividends may also be restricted under certain financing arrangements that we have and may enter into. There can be no assurance that we shall have distributable funds in the future.

65. After this Issue, the price of the Equity Shares may be volatile, or an active trading market for the Equity Shares may not develop.

Prior to this Issue, there has been no public market for the Equity Shares. The trading price of the Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, volatility in the Indian and global securities markets, the performance of the Indian economy and significant developments in India's the financial year regime. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the price at which the Equity Shares are initially offered will correspond to the prices at which they will trade in the market subsequent to this Issue.

66. Future issuances or sales of our equity shares could significantly affect the trading price of our Equity Shares and the grant of stock options under our employee stock option schemes may result in a charge to our profit and loss account and adversely impact our results of operations.

Any future issuance of equity shares by us, the disposal of our equity shares by any of our major shareholders or our issuance of stock options under our existing or future employee stock options schemes ("ESOPs") could dilute your shareholding, adversely affect the trading price of our Equity Shares or impact our ability to raise capital through another offering of securities. In addition, any perception by investors that such issuance or sales of the equity shares by our major shareholders may occur may significantly affect the trading price of our Equity Shares.

As of December 31, 2009, we have granted stock options to our employees and the employees of our Promoter and Subsidiaries under four of our ESOPs, of which 1,420,700 options were outstanding. We also propose to institute a new employee stock option scheme "ESOP 2010" to grant up to 1,028,900 options resulting in an additional 1,028,900 Equity Shares, to permanent employees of our Company and our Subsidiaries, excluding those employed on our vessels and rigs. For further information relating to our ESOPs, see "Capital Structure at page 26 and Appendix V to our restated consolidated financial statements.

67. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

Subsequent to listing, we will be subject to a daily circuit breaker imposed on listed companies by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on the Indian stock exchanges. The percentage limit on our circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Indian stock exchanges are not required to inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

68. There is no guarantee that the Equity Shares will be listed on BSE and NSE in a timely manner or at all, and any trading closures at BSE and NSE may adversely affect the trading price of our Equity Shares.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval for listing and trading requires all other relevant documents authorising the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and NSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares.

There may be differences between the level of regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of the markets in the United States and other more developed countries. The BSE and the NSE have, in the past, experienced problems, including temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of Indian companies, including the Equity Shares. A closure of, or trading interruptions on either of the BSE or NSE, or both, could aversely affect the trading price of the Equity Shares.

69. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Capital gains arising from the sale of our shares are generally taxable in India. Any gain realised on the sale of our shares on an Indian stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax, or STT, has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which our shares are sold. Any gain realised on the sale of our Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realised on the sale of our shares held for a period of 12 months or less will be subject to capital gains tax in India. Capital gains arising from the sale of our Equity Shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. For further details, see "Statement of Tax Benefit" on page 54. However, capital gains on the sale of our shares purchased in this Issue by residents of certain countries may not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the Equity Shares.

70. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Indian takeover regulations.

71. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Issue.

The Equity Shares will be listed on the BSE and the NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. Investors' book entry, or "demat", accounts with depository participants in India are expected to be credited within two Working Days of the date on which the basis of allotment is approved by Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within seven Working Days of the date on which the basis of allotment is approved by the Designated Stock Exchange. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified above.

Prominent Notes:

1. Public issue of 22,050,875 Equity Shares for cash at a price of Rs. [●] per Equity Share aggregating to Rs. [●] million. It comprises a Net Issue to the public aggregating to Rs. [●] million and a reservation for Eligible Employees aggregating Rs. [●] million.

2. Our Company's net worth on a consolidated basis as at December 31, 2009 was Rs. 13,160.20 million.

3. The average cost of acquisition per Equity Share by our Promoter is Rs. 98.95.

4. The net asset value per Equity Share was Rs. 135.39 as at December 31, 2009 as per the Company's consolidated financial statements.

5. For details of the related party transactions entered into by our Company with our Subsidiaries and our Group Companies, please see "Related Party Transactions" on page 148.

6. Investors may contact any of the BRLMs for complaints, information, clarifications or complaints pertaining to the Issue.

SUMMARY OF INDUSTRY

The information in this section is derived from various government publications and industry sources that are publicly available. We have also relied on a report prepared by Clarkson Research Services Limited ("Clarkson Research"), entitled Global and Indian Offshore Support Vessel and Drilling Market, dated May 2010 (the "Clarkson Research Report"). We commissioned the Clarkson Research Report for the purposes of confirming our understanding of the industry in connection with the Issue. The information and data contained in the Clarkson Research Report was taken from Clarkson Research's database and other sources. Neither we nor any other person connected with the Issue has verified the information in the Clarkson Research Report. Clarkson Research has advised that: (i) some information in Clarkson Research's database is derived from estimates or subjective judgments; (ii) the information in the databases of other maritime data collection agencies may differ from the information in Clarkson Research's database; (iii) while Clarkson Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors; (iv) Clarkson Research, its agents, officers and employees do not accept liability for any loss suffered in consequence of reliance on such information or in any other manner; (v) the provision of such information does not obviate any need to make appropriate further enquiries; and (vi) the provision of such information is not an endorsement of any commercial policies or any conclusions by Clarkson Research. Prospective investors are advised not to unduly rely on the Clarkson Research Report when making their investment decision. The Clarkson Research Report contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to Clarkson Research should not be considered Clarkson Research's opinion as to the value of any security or the advisability of investing in us.

Introduction to the Offshore Support Vessel and Offshore Drilling Industry

The offshore oil and gas E&P industry plays a vital role in meeting the demand for oil and gas, as approximately 30.0% of global oil production and 19.0% of global gas production is met by offshore activities (*Source: IEA World Energy Outlook, 2008*). Global oil and gas demand is driven by economic activity. Oil demand reached 86.3 million barrels per day ("bpd") in the first quarter of 2010. India has experienced some of the most significant growth in oil and gas demand over the past 10 years, growing by 26% in the past five calendar years. In the calendar year 2009, Indian oil demand was approximately 3.31 million bpd (*Source: IEA Oil Market Report, April 2010*). Offshore oil and gas production in India has increased significantly in recent years, with Indian offshore oil production reaching approximately 440,000 bpd in the calendar year 2009 (*Source: Ministry of Petroleum and Natural Gas*).

Offshore support vessels and drilling units are engaged in supporting the various stages of exploration, development and production of oil and gas from offshore locations. The demand for support vessels and drilling units is affected by the level of offshore activity in production, development and exploration which is, in turn, influenced by a range of economic factors including, oil and gas price trends as well as supply and demand. The location and depth of oil fields is also an important factor in the industry, with a trend towards increased activities in more challenging and deeper environments. The global demand for offshore support vessels declined in the calendar year 2009 as the economic downturn led to reduced global oil demand, oil prices and offshore E&P activity. Oil prices have since recovered and E&P spending is expected to increase in the calendar year 2010 along with offshore activity.

As of the beginning of March 2010 there were 4,668 offshore service vessels in the fleet operating globally, including 2,446 anchor handling tug cum supply vessels ("AHTSVs"), 1,945 platform supply vessels ("PSVs") and 268 multi-purpose supply and support vessels ("MPSSVs"), dive support vessels ("DSV") and remotely operated vehicle support vessels (ROVSVs). There were 902 mobile drilling units ("MDUs") in the global fleet in March 2010. In most of the sectors of the industry, there is a historically large order book of vessels and drilling units under construction which may, in the short term, make the charter environment challenging as new vessels are completed and delivered.

The value of support vessels and drilling units and their charter rates are sensitive to changes in the supply and demand of vessel unit capacity. Competition in the markets for services of offshore support vessels and drilling units is based primarily on charter rates, location, technical specification, and quality of the vessels or drilling units and the reputation of the vessel operators. Utilisation rates, day rates and the value of vessels and drilling units reached a historic high in the middle of the calendar year 2008, but fell significantly in the calendar year 2009 as the economic downturn led to reduced oil demand, lower oil prices and reduced offshore E&P activity. A significant part of the decline in day rates and asset values occurred in the six months immediately following the financial crisis in September 2008. Since September 2009, the offshore support vessel and drilling unit markets have improved and if E&P expenditure growth and oil prices remain firm this recovery is expected to continue.

SUMMARY OF BUSINESS

Overview

We are one of India's largest offshore oilfield services providers. Our fleet has grown from one vessel as of March 31, 2007 to 14 vessels (excluding one vessel which has been contracted for sale) and two rigs currently. In addition, our total income increased to Rs. 5,373.68 million for the nine months ended December 31, 2009 from Rs. 216.65 million for the financial year 2007. We believe we are one of India's fastest growing offshore oilfield services provider in terms of growth of fleet and revenue.

We operate a fleet of offshore support vessels and jack-up rigs, which provide marine logistics and drilling services to support the offshore oil and gas exploration and production ("E&P") activities of our clients. The majority of our fleet operates in India. We also have vessels operating and servicing E&P companies in other jurisdictions, such as Mexico, South Africa and Southeast Asia. Since our incorporation in 2007, we have also operated in the Middle East, the Mediterranean Sea and the North Sea.

Our offshore logistics services entail the chartering of our 14 support vessels for E&P operations. Our vessels transport a diverse range of materials and equipment, as well as personnel to and from offshore oil and gas installations. Some of our offshore support vessels have anchor handling and towing capabilities and are used in transportation, relocation and positioning of offshore drilling rigs.

Our offshore drilling services entail the chartering of two jack-up rigs to E&P companies for drilling activities. Jack-up rigs are typically used for exploratory and developmental oil and gas drilling and oil well workover operations in shallow waters.

We intend to commence the business of offshore construction and have commissioned the construction of seven vessels that are capable of offering a wide range of offshore construction services, after being appropriately equipped and fitted. These vessels are scheduled to be delivered to us over the course of the financial years 2011 and 2012. Offshore construction services generally involve the provision of support services for construction, installation, repair and maintenance of subsea infrastructure, which may involve the deployment of divers and underwater remotely operated vehicles ("ROVs").

We are a subsidiary of our Promoter, The Great Eastern Shipping Company Limited ("GESCO"), one of India's largest shipping companies. GESCO has over six decades of experience in the shipping business of transporting oil, petroleum products, gas and dry bulk commodities.

We have two wholly-owned subsidiaries in Singapore, Greatship Global Offshore Services Pte. Ltd. ("GGOS") and Greatship Global Energy Services Pte. Ltd. ("GGES"). GGES focuses on the offshore drilling services business. It currently owns one jack-up rig, and has in-chartered another jack-up rig, on a bareboat basis. Both these jack-up rigs are currently operated by the Company. GGOS currently owns one offshore support vessel and has two vessels under sale and leaseback arrangements. We intend to develop GGOS into a multi-national offshore and subsea construction services provider.

Our fleet of owned, leased and in-chartered vessels and rigs has grown in size and capability from one vessel as of March 31, 2007 to 14 vessels and two rigs currently. We operate a fleet comprising five platform supply vessels ("PSVs"), eight anchor handling, towing cum supply vessels ("AHTSVs"), one multi-purpose platform supply vessel ("MPSSV") and two jack-up rigs. For further details, see "Our Business - Our Existing Fleet" on page 96. We expect take delivery of nine vessels, comprising three remotely operated vehicle support vessels ("ROVSVs"), two MPSSVs, two multi-purpose support vessels ("MSVs") and two AHTSVs by March 2012. For further details, see "Our Business - Our Fleet and Services Expansion Plans" on page 101.

We generate the majority of our revenues by chartering our vessels and rigs on a day rate basis under time charters. Under such charters, we typically retain operational control over chartered vessels and rigs and are responsible for ordinary operating expenses, maintenance, repairs, wages and certain insurance, while our customers are typically responsible for other expenses, such as fuel costs.

Our total income was Rs. 3,159.40 million and Rs. 5,373.68 million, for the financial year 2009 and for the nine months ended December 31, 2009, respectively. Our net profit after tax was Rs. 474.51 million and Rs. 656.44 million, for the financial year 2009 and for the nine months ended December 31, 2009, respectively.

Competitive Strengths

We believe the following are our core competitive strengths:

Diverse, young and technologically advanced fleet

Our fleet comprises a diverse range of modern and technologically advanced offshore support vessels and rigs. We believe we operate one of the youngest fleet in the offshore oilfield services industry in India. As of January 1, 2010, (i) the average age of the PSV fleet globally was approximately 17.6 years, while the average age of our PSVs was approximately 4.3 years; (ii) the average age of the AHTSV fleet globally was approximately 18.9 years, while the average age of our AHTSVs was approximately 0.9 year; and (iii) the average age of our industry's jack-up rigs globally was approximately 23.0 years, while the average age of our jack-up rigs was approximately 0.2 year. *(Source: Global and Indian Offshore Service Vessel & Drilling Market, Clarkson Research Services Limited, March 2010)* By commissioning the construction of additional ROVSVs, MPSSVs, MSVs and AHTSVs, which we expect to be delivered by March 2012, we will continue to maintain young and modern vessels and rigs.

Our new generation vessels have better functional capabilities and operate more efficiently than equivalent older vessels. Our vessels are designed to operate safely in complex and challenging environments with the use of sophisticated technologies. These technologies include dynamic positioning, roll reduction systems and controllable pitch thrusters, which allow our vessels to maintain position with minimal variance. Many of our vessels are also capable of being fitted with modern fire fighting technologies which, for some clients is a critical factor in contracting with an offshore services provider. In addition, one of our existing vessels contains, and four of the vessels we have commissioned to be built will contain, diesel-electric propulsion which improves fuel efficiency, thus reducing our customers' operating costs. Further, one of our existing vessels is, and nine of our vessels currently under construction will be, compliant with the Code of Safety for Special Purpose Ships, 2008 (the "SPS Code 2008"). We believe that these vessels, when delivered, will be among the first few vessels globally that are compliant with the SPS Code 2008. Such ships are considered special purpose ships, and are capable of carrying more than 12 additional special personnel tasked with specific duties on the ships, with the aim of achieving a higher level of safety for the ships and their personnel equivalent to that required by the International Convention for the Safety at Life of Sea, 1974. For further details, see "—Regulatory Matters—Code of Safety for Special Purpose Ships, 2008" below.

Newer vessels generally experience less downtime and require significantly less maintenance and scheduled drydocking costs compared to older vessels. We believe that due to complexities involved in offshore operations an increasing number of offshore contractors will prefer to hire newer and more modern vessels and rigs.

Preferential access to home market

Currently, eight of the 10 Indian flagged vessels in our fleet, comprising three PSVs and five AHTSVs, are deployed to customers in India. Additionally, we also operate two jack-up rigs in India. We believe that having a significant presence in our home market gives us an operational advantage. Under prevailing cabotage laws in India, Indian flag vessels enjoy certain preferential treatment in the coasting trade of India. In addition, Indian flag vessels are preferred by state-owned oil and gas companies. Under the terms of certain tenders for vessels that we have or may bid for, ONGC has granted or will grant Indian bidders a price preference of up to 10.0% over the lowest acceptable price of international bidders. This is subject to the Indian bidder subcontracting no more than 50.0% of the value of the works to foreign contractors. In addition, under certain tender documents, Indian flag vessels are granted the first right of refusal to offer their services at the lowest price offered by international bidders. Similarly, tender documents for jack-up rigs often contain price preference provisions, and Indian bidders are granted a price preference of up to 10.0% over the lowest acceptable price of international bidders, provided no more than 80.0% of the value of the works is subcontracted to foreign contractors**.** We believe that such preferential measures offer us a degree of protection against competition from foreign flag vessels. We have in the past taken and will continue to take advantage of India's cabotage laws in order to ensure maximum utilisation of our vessels and rigs in India.

Demonstrated capability to operate in geographically diverse markets

The majority of our fleet operates in India. We also have vessels operating and servicing E&P companies in other jurisdictions, such as Mexico, South Africa and Southeast Asia. Since our incorporation in 2007, we have also operated in the Middle East, the Mediterranean Sea and the North Sea. We believe that our ability to operate in various geographical markets enables us to capitalise on differences in demand and day rates in the markets we operate in, which vary from one market to another. In addition, we believe that maintaining operations in the major offshore oilfield markets will help boost our market presence in those areas where an important pre-qualification criterion is past experience of operating in that geography.

Established brand and patronage

We are a subsidiary of our Promoter, GESCO, one of India's largest shipping companies. GESCO was incorporated in 1948 and has since grown into a company with a consolidated turnover of Rs. 43,428.80 million for the financial year 2009 and a market capitalisation of Rs. 44,803.63 million as of March 31, 2010. Our Promoter owns and operates a large fleet of oil and petroleum product tankers, gas carriers and bulk carriers and has reputable clientele, which comprise leaders in the international and Indian maritime industry, including some of the world's leading international oil companies and state-owned and private sector companies in India. As we are a relatively new entrant in our industry, GESCO's financial strength and brand reputation has helped us qualify for bids with India's major oil and gas exploration companies. For example, to qualify to bid for contracts with our largest customer, ONGC, a bidder that is relatively newly organised who cannot in its own right meet the financial capability criterion of the tender, may qualify if the average annual turnover of the bidder and its parent, in the recent past financial years, was more than 50.0% of the annualised value of the bid. GESCO has also provided performance guarantees with respect to some of our contracts with ONGC. Additionally, GESCO has, in some cases, provided corporate guarantees for us to enable us to incur debt and performance guarantees to shipyards to facilitate our vessel construction orders. We believe that our Promoter's success in operating through industry cycles over the course of six decades has created a good brand image for GESCO. Historically, we have benefited not only from the managerial guidance of our Promoter, but also from its established business relationships and widespread brand recognition throughout India. We intend to continue to leverage our relationship with GESCO to grow our business.

Experienced management team

Our management team has significant experience in the domestic and international marine transportation and oil and gas industry. Our key managerial personnel also have significant oil and gas, shipping, marine engineering and ship building experience. The Chairman of our Company, Bharat K. Sheth, has over 28 years of experience in the shipping industry and has been associated with our Promoter since 1981. Our Managing Director, Ravi K. Sheth, has over two decades of experience in the shipping industry and has been associated with our Promoter since 1990. Through the extent of their experience, our management has built a network of contacts with clients and intermediaries in the marine support and transportation services industry and have demonstrated their ability in bidding for and being awarded contracts for marine supply and transportation services. The rapid growth of our fleet and business over the past three financial years is testament to the experience and leadership of our management team.

Our Business Strategy

Maintain a diverse, young, modern and technologically advanced fleet

We believe that the diversity and the technologically advanced nature of our fleet enables us to provide offshore exploration and production operators with a broad range of offshore oilfield services across the markets in which we operate. New generation vessels have better functional capabilities and operate more efficiently than older vessels. These technologies include dynamic positioning, roll reduction systems and controllable pitch thrusters, and modern fire fighting technologies. We anticipate that further exploration and development activity will take place in shallow water and deep water regions, and as a result, demand for our vessels will continue to be strong.

In order to cater to the increased E&P activities in the markets we operate in, we have commissioned the building of nine offshore support vessels that can provide the functional flexibility for the varied needs of our clients. When we take delivery of all our vessels currently under construction, we expect that the average age of our entire fleet will be approximately three years and our fleet will comprise 22 vessels and one rig, as of the end of the financial year 2012.

Expand our service offerings within our business operations

We currently provide only offshore logistics and offshore drilling services, while the offshore oil and gas E&P industry utilises a variety of other services. We intend to expand our services by offering offshore construction services. Offshore construction services typically involve the provision of support services for construction, installation, repair and maintenance of subsea infrastructure which may involve the deployment of divers and ROVs. Offshore construction services are highly specialised in nature and require substantial technical and operational expertise and experience. To gain experience in this sector, we aim to partner with companies with established reputations in the offshore construction sector to offer our services. We have also commissioned the construction of seven vessels, comprising three ROVSVs, two MPSSVs and two MSVs, by March 2012, which are intended to be used to support our offshore construction business.

Build upon existing relationships

Our experience in the various markets where we have, in the recent past, participated in spot contracts, has indicated that E&P companies operating in that region prefer to contract with companies with whom they have contracted before. While we cannot guarantee that our customers will contract with us in the future, our existing relationships with E&P companies may become a determining factor in winning contracts in the future. In addition, we believe that this will enhance our understanding of the technical and day-to-day operational requirements of such customers, thereby enabling us to continuously improve the quality of our services to them. As a result, we intend to continue to work with a wide range of E&P companies in order to ensure that we have the opportunity to work with them repeatedly.

Identity and focus on profitable markets

Our goal is to continue to efficiently deploy our vessels and services in profitable markets, with an emphasis on regions that have strong long-term growth fundamentals, favourable contracting terms and potential to enter into longer term contracts. We intend to focus on the markets in which we currently operate or have historically operated by enhancing the presence of our fleet in those regions. From time to time we have and we will selectively target additional markets where we can supply services under longer term contracts, such as Australia, South America and West Africa. At the same time, we will endeavour to secure long-term contracts under which we can also provide value-added services, such as subsea construction services, in those markets, to achieve higher profit margins.

Leverage our Singapore subsidiaries to acquire and operate certain international business

We intend to leverage our wholly-owned Singapore subsidiaries, GGOS and GGES, as part of our strategy to expand our service offerings in certain international markets. Certain regions have restrictions, including cabotage laws, that are applicable to offshore oilfield service providers that impact their ability to operate in those regions for extended periods. These restrictions include hiring a local crew, ship being locally built and ship ownership to be local. Singapore flag vessels are subject to less stringent crewing requirements compared to Indian flag vessels and we benefit by retaining the flexibility to operate our Singapore flag vessels in such regions. Singapore flag vessels permit the use of all nationalities as crew, which gives us a wider pool of resources to choose from, permits suspension of flag, which enables us to comply with flag restrictions that certain countries may have, benefits through the double tax avoidance treaty that Singapore has with most countries in the world within the territorial waters of which we intend to operate and also has favourable laws that permit us to finance our fleet through optimal financing structures.

Manage our risk profile through a balance of long-term and short-term charters

We seek to balance our portfolio of customer contracts by entering into both long-term and short-term charters. Long-term charters, which contribute to higher utilisation rates, provide us with more predictable cash flow. Short-term charters provide the opportunity to benefit from increasing day rates under favourable market conditions. Currently, 12 of our 14 vessels operate under long-term charters, the initial terms of which range from one to five years. Our jack-up rigs are typically committed under long-term contracts of no less than three years. Approximately 79.1% and 93.1% of our total income for the financial year 2009 and the nine months ended December 31, 2009, respectively, was derived from charters longer than six months, which were predominantly in India, Mexico and South Africa. Our remaining charters during these periods were in the Middle East, the North Sea and Southeast Asia, which were spot charters. We intend to retain a large part of our fleet on long-term contracts, while maintaining a balance between short-term and long-term contracts to enable pricing at different points in our business cycles. In addition, short-term contracts allow us to develop relationships with new clients and take advantage of firm markets.

Expand our service offerings and fleet through acquisitions and joint ventures

Where suitable opportunities arise, we intend to acquire or partner with companies that we believe will enhance our business, fleet size, revenues and profitability. We may execute strategic acquisitions to expand our service offerings and fleet size in our core market, India, as well as overseas. In certain overseas markets, we may enter into joint ventures with local partners, to benefit from cabotage laws. We envisage that such arrangements may entail the transfer of some of our vessels to locally incorporated joint venture companies, with an option to re-acquire the vessels upon certain contingencies, such as termination of the joint venture or the underlying charter contracts.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated unconsolidated and consolidated financial statements as of and for the years ended March 31, 2005, 2006, 2007, 2008 and 2009 and for the nine month period ended December 31, 2009 and December 31, 2008. These financial statements have been prepared in accordance with the Indian GAAP, the Companies Act and the SEBI Regulations and presented under the section "Financial Statements" on page 150. The summary financial information presented below should be read in conjunction with our restated unconsolidated and consolidated financial statements, the notes thereto and the sections "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 236 and 150, respectively.

Unconsolidated Summary Statement of Assets and Liabilities, as Restated

Rs. in Millions

	PARTICULARS	As at December 31,		As at March 31,				
		2009	2008	2009	2008	2007	2006	2005
A.	**Fixed Assets**							
	Gross Block	10,259.89	7,498.72	8,513.94	3,637.82	911.91	-	-
	Less: Accumulated Depreciation	(866.79)	(381.48)	(487.01)	(162.17)	(29.98)	-	-
	Net Block	9,393.10	7,117.24	8,026.93	3,475.65	881.93	-	-
	Ships under construction	589.12	1,041.35	886.91	955.29	608.62	-	-
	Net Block	**9,982.22**	**8,158.59**	**8,913.84**	**4,430.94**	**1,490.55**	**-**	**-**
B.	**Investments**	7,254.97	5,735.62	8,403.97	3,657.05	1,156.01	-	-
C.	**Foreign Currency Monetary Item Translation Difference Account**	-	2.43	-	-	-	-	-
D.	**Deferred Tax Assets**	4.20	-	-	-	-	-	-
E.	**Current Assets, Loans and Advances**							
	Inventories	444.47	-	198.70	-	-	-	-
	Sundry Debtors	1,422.01	484.58	632.50	194.23	51.59	-	-
	Cash and Bank Balances	1,326.38	494.61	681.25	213.54	303.79	0.49	0.48
	Loans and Advances	574.07	1,066.78	120.31	872.53	292.53	-	-
	Other Current Assets	1.68	3.30	6.74	2.41	6.32	-	-
		3,768.61	**2,049.27**	**1,639.50**	**1,282.71**	**654.23**	**0.49**	**0.48**
F.	**Liabilities and Provisions**							
	Secured Loans	6,571.87	5,270.73	5,974.45	2,500.91	640.79	-	-
	Foreign Currency Monetary Item Translation Difference Account	3.44	-	6.29	-	-	-	-
	Current Liabilities and Provisions	1,944.80	1,203.40	1,508.66	196.93	21.75	0.04	0.01
		8,520.11	**6,474.13**	**7,489.40**	**2,697.84**	**662.54**	**0.04**	**0.01**
G.	**Net worth**	**12,489.89**	**9,471.78**	**11,467.91**	**6,672.86**	**2,638.25**	**0.45**	**0.47**
H.	**Represented by**							
	1. Share Capital	1,741.00	1,081.00	1,741.00	651.00	265.00	0.50	0.50
	2. Application money - Warrants	59.07	59.07	59.07	59.07	-	-	-
	3. Employee stock options outstanding	22.13	16.87	18.88	7.44	-	-	-
	4. Reserves	10,667.69	8,314.84	9,648.96	5,955.35	2,373.25	(0.05)	(0.03)
	Net worth	**12,489.89**	**9,471.78**	**11,467.91**	**6,672.86**	**2,638.25**	**0.45**	**0.47**

Unconsolidated Summary Statement of Profits and Losses, as Restated

Rs. in Millions

PARTICULARS	Period ended December 31,		Year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Income							
Charter Hire	4,745.43	1,563.45	2,395.89	836.56	185.25	-	-
Total	**4,745.43**	**1,563.45**	**2,395.89**	**836.56**	**185.25**	**-**	**-**
Other Income	77.12	79.38	118.95	56.67	31.40	-	-
Total Income	**4,822.55**	**1,642.83**	**2,514.84**	**893.23**	**216.65**	**-**	**-**
Expenditure							
Staff Costs	717.67	222.39	364.98	137.53	63.98	-	-
Operating Expenses	2,624.07	438.14	892.03	139.04	25.73	-	-
Administration Expenses	131.67	110.03	141.44	106.85	30.81	0.03	-
Interest and Finance Charges	268.81	173.83	255.25	119.19	42.77	-	-
Depreciation	380.31	219.94	325.47	132.19	29.98	-	-
Total Expenses	**4,122.53**	**1,164.33**	**1,979.17**	**634.80**	**193.27**	**0.03**	**-**
Net Profit before tax and Extraordinary Items	**700.02**	**478.50**	**535.67**	**258.43**	**23.38**	**(0.03)**	**-**
Taxation	7.41	1.40	2.10	6.50	1.84	-	-
Net Profit before Extraordinary Items	**692.61**	**477.10**	**533.57**	**251.93**	**21.54**	**(0.03)**	**-**
Extra - Ordinary Items (net of Tax) Gain/(Loss)	-	-	-	-	-	-	-
Net Profit after Extraordinary Items	**692.61**	**477.10**	**533.57**	**251.93**	**21.54**	**(0.03)**	**-**
Transfer to Tonnage Tax Reserves us 115VT of Income Tax Act	-	-	160.00	85.00	3.50	-	-
Balance brought forward from previous year	558.49	184.92	184.92	17.99	(0.05)	(0.02)	(0.02)
Balance Carried Forward	**1,251.10**	**662.02**	**558.49**	**184.92**	**17.99**	**(0.05)**	**(0.02)**

Unconsolidated Statement of Cash Flows, As Restated

Rs. in Millions

PARTICULARS	Period ended December 31,		Year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES :							
PROFIT BEFORE TAX:	**700.02**	**478.50**	**535.67**	**258.43**	**23.38**	**(0.03)**	**-**
Adjustment for:							
Depreciation	380.31	219.94	325.47	132.19	29.98	-	-
Interest income	(9.31)	(5.83)	(9.35)	(24.94)	(16.00)	-	-
Interest paid	268.81	173.83	255.25	119.19	42.77	-	-
Dividend income	(26.74)	(31.91)	(47.36)	(30.72)	(15.39)	-	-
Provision for Bad and Doubtful Debts	26.25	2.29	3.99	-	-	-	-
Bad Debts Written off	0.49	-	-	-	-	-	-
Employee Stock Option - Discount forming part of staff expenses	3.25	9.43	11.44	7.44	-	-	-
Loss on sale of current Investment	-	-	-	0.03	-	-	-
Profit/ Loss on sale of Fixed Assets	(0.04)	0.21	0.21	-	-	-	-
Diminution in value of investments	-	-	-	26.93	-	-	-
Diminution in value of investment written back	-	(26.72)	(26.93)	-	-	-	-
Loss on liquidation of subsidiary	-	26.87	26.87	-	-	-	-
Foreign exchange	(2.64)	101.74	38.72	(20.34)	3.30	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	**1,340.40**	**948.35**	**1,113.98**	**468.21**	**68.04**	**(0.03)**	**-**
Adjustment for:							
Trade & Other Receivables	(1,435.37)	(494.45)	94.45	(757.73)	(286.11)	-	-
Trade payables	792.01	489.70	750.56	93.66	21.71	0.04	-
CASH GENERATED FROM/(USED IN) OPERATIONS :	**697.04**	**943.60**	**1,958.99**	**(195.86)**	**(196.36)**	**0.01**	**-**
Taxes paid	(71.30)	(4.90)	(6.39)	(10.26)	(4.18)	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES :	**625.74**	**938.70**	**1,952.60**	**(206.12)**	**(200.54)**	**0.01**	**-**
CASH FLOW FROM INVESTING ACTIVITIES :							
Purchase of Fixed Assets	(1,981.53)	(3,247.86)	(3,878.63)	(3,196.43)	(1,570.18)	-	-
Sale proceeds of Fixed Assets	0.36	0.74	0.74	-	-	-	-
Purchase of Investments	(451.00)	(4,218.89)	(10,325.51)	(7,648.52)	(2,325.75)	-	-
Sale proceeds of Investments	1,600.00	2,140.16	5,605.62	5,120.52	1,169.75	-	-
Interest income	14.00	4.95	5.03	24.94	9.68	-	-
Dividend income	26.74	31.91	47.36	30.72	15.39	-	-
NET CASH USED IN INVESTING ACTIVITIES :	**(791.43)**	**(5,288.99)**	**(8,545.39)**	**(5,668.77)**	**(2,701.11)**	**-**	**-**
CASH FLOW FROM FINANCING ACTIVITIES :							
Proceeds from issue of Share Capital	-	2,760.00	4,740.00	3,919.07	2,559.50	-	-
Proceeds from Long Term Borrowings	1,642.63	2,311.46	2,935.88	2,116.97	724.72	-	-
Repayment of Long Term borrowings	(512.69)	(242.32)	(386.73)	(132.98)	(34.29)	-	-
Interest paid	(264.99)	(185.92)	(239.71)	(123.53)	(42.77)	-	-
NET CASH FROM FINANCING ACTIVITIES :	**864.95**	**4,643.22**	**7,049.44**	**5,779.53**	**3,207.16**	**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**699.26**	**292.93**	**456.65**	**(95.36)**	**305.51**	**0.01**	**-**
OPENING CASH AND CASH EQUIVALENTS	667.29	210.64	210.64	306.00	0.49	0.48	0.48
CLOSING CASH AND CASH EQUIVALENTS	1,366.55	503.57	667.29	210.64	306.00	0.49	0.48
NET INCREASE/(DECREASE) IN CASH	**699.26**	**292.93**	**456.65**	**(95.36)**	**305.51**	**0.01**	**-**

PARTICULARS	Period ended December 31,		Year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
AND CASH EQUIVALENTS :							
CLOSING CASH AND CASH EQUIVALENTS	1,326.38	494.61	681.25	213.54	303.79	0.49	0.48
Effect of exchange rate changes (Loss / (gain))	40.17	8.96	(13.96)	(2.90)	2.21	-	-
	1,366.55	**503.57**	**667.29**	**210.64**	**306.00**	**0.49**	**0.48**

Consolidated Summary Statement of Assets and Liabilities, as Restated

Rs. in Millions

	PARTICULARS	As at December 31,		As at March 31,				
		2009	2008	2009	2008	2007	2006	2005
A.	**Fixed Assets**							
	Gross Block	23,063.45	7,506.99	9,464.52	3,638.11	911.91	-	-
	Less: Accumulated Depreciation	(997.74)	(382.45)	(493.56)	(162.20)	(29.98)	-	-
	Net Block	22,065.71	7,124.54	8,970.96	3,475.91	881.93	-	-
	Ships under construction	6,396.11	9,439.20	12,826.15	4,601.66	1,373.31	-	-
	Net Block	**28,461.82**	**16,563.74**	**21,797.11**	**8,077.57**	**2,255.24**	**-**	**-**
B.	**Investments**	390.68	331.05	1,639.52	543.68	345.69	-	-
C.	**Foreign Currency Monetary Item Translation Difference Account**	-	2.43	-	-	-	-	-
D.	**Deferred Tax Assets**	4.20	-	-	-	-	-	-
E.	**Current Assets, Loans and Advances**							
	Inventories	461.33	-	198.69	-	-	-	-
	Sundry Debtors	1,559.89	594.14	801.49	194.23	51.59	-	-
	Cash and Bank Balances	2,254.07	1,989.62	1,776.78	396.90	330.16	0.49	0.48
	Loans and Advances	405.56	228.18	184.23	68.18	292.45	-	-
	Other Current Assets	1.67	3.30	6.74	2.47	6.32	-	-
		4,682.52	**2,815.24**	**2,967.93**	**661.78**	**680.52**	**0.49**	**0.48**
F.	**Liabilities and Provisions**							
	Secured Loans	18,354.41	7,652.94	11,826.40	2,500.91	640.79	-	-
	Foreign Currency Monetary Item Translation Difference Account	3.44	-	6.29	-	-	-	-
	Current Liabilities and Provisions	2,021.17	1,681.56	1,810.29	141.26	28.41	0.04	0.01
		20,379.02	**9,334.50**	**13,642.98**	**2,642.17**	**669.20**	**0.04**	**0.01**
G.	**Net worth**	**13,160.20**	**10,377.96**	**12,761.58**	**6,640.86**	**2,612.25**	**0.45**	**0.47**
H.	**Represented by**							
	1. Share Capital	1,741.00	1,081.00	1,741.00	651.00	265.00	0.50	0.50
	2. Application money - Warrants	59.07	59.07	59.07	59.07	-	-	-
	3. Employee stock options outstanding	22.13	16.87	18.88	7.44	-	-	-
	4. Reserves	11,338.00	9,221.02	10,942.63	5,923.35	2,347.25	(0.05)	(0.03)
	Net worth	**13,160.20**	**10,377.96**	**12,761.58**	**6,640.86**	**2,612.25**	**0.45**	**0.47**

Consolidated Summary Statement of Profits and Losses, as Restated

Rs. in Millions

PARTICULARS	Period ended December 31, 2009	Period ended December 31, 2008	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Income							
Charter Hire	5,316.65	2,051.94	3,044.53	836.56	185.25	-	-
Total	**5,316.65**	**2,051.94**	**3,044.53**	**836.56**	**185.25**	**-**	**-**
Other Income	57.03	76.47	114.87	56.80	31.40	-	-
Total Income	**5,373.68**	**2,128.41**	**3,159.40**	**893.36**	**216.65**	**-**	**-**
Expenditure							
Staff Costs	830.99	249.49	413.80	137.53	63.98	-	-
Operating Expenses	2,552.12	860.09	1,439.58	154.47	25.60	-	-
Administration Expenses	347.63	178.58	220.96	129.97	31.66	0.03	-
Interest and Finance Charges	469.60	173.83	277.09	119.19	42.77	-	-
Depreciation	509.49	220.82	331.36	132.22	29.98	-	-
Total Expenses	**4,709.83**	**1,682.81**	**2,682.79**	**673.38**	**193.99**	**0.03**	**-**
Net Profit before tax and Extraordinary Items	**663.85**	**445.60**	**476.61**	**219.98**	**22.66**	**(0.03)**	**-**
Taxation	7.41	1.40	2.10	6.50	1.84	-	-
Net Profit before Extraordinary Items	**656.44**	**444.20**	**474.51**	**213.48**	**20.82**	**(0.03)**	**-**
Extra - Ordinary Items (net of Tax) Gain/(Loss)	-	-	-	-	-	-	-
Net Profit after Extraordinary Items	**656.44**	**444.20**	**474.51**	**213.48**	**20.82**	**(0.03)**	**-**
Transfer to Tonnage Tax Reserves us 115VT of Income Tax Act	-	-	160.00	85.00	3.50	-	-
	-	-	-	-	-	-	-
Balance brought forward from previous year	532.76	145.75	145.75	17.27	(0.05)	(0.02)	(0.02)
	-	-	-	-	-	-	-
Transferred to Share Capital	-	72.50	72.50	-	-	-	-
Balance Carried Forward	**1,189.20**	**662.45**	**532.76**	**145.75**	**17.27**	**(0.05)**	**(0.02)**

Consolidated Statement of Cash Flows, As Restated

Rs. in Millions

PARTICULARS	Period ended December 31, 2009	Period ended December 31, 2008	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
CASH FLOW FROM OPERATING ACTIVITIES :							
PROFIT BEFORE TAX:	**663.85**	**445.60**	**476.61**	**219.98**	**22.66**	**(0.03)**	**-**
Adjustment for:							
Depreciation	509.49	220.82	331.36	132.22	29.98	-	-
Interest income	(8.34)	(6.63)	(10.17)	(25.07)	(16.00)	-	-
Interest paid	597.11	173.83	277.09	119.19	42.77	-	-
Dividend income	(26.74)	(31.91)	(47.36)	(30.72)	(15.39)	-	-
Provision for Bad and Doubtful Debts	26.25	2.29	3.99	-	-	-	-
Bad Debts Written off	0.50	-	-	-	-	-	-
Employee Stock Option - Discount forming part of staff expenses	3.25	9.43	11.44	7.44	-	-	-
Loss on sale of current Investment	-	-	-	0.03	-	-	-
Profit/ Loss Car	(0.74)	0.21	(0.12)	-	-	-	-
Diminution in value of investments	-	-	-	26.93	-	-	-
Diminution in value of investment written back	-	(26.72)	(26.93)	-	-	-	-
Loss on liquidation of subsidiary	-	76.18	76.18	-	-	-	-
Foreign exchange	79.69	141.04	38.73	(11.85)	3.31	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	**1,844.32**	**1,004.14**	**1,130.82**	**438.15**	**67.33**	**(0.03)**	**-**
Adjustment for:							
Trade & Other Receivables	(896.09)	251.12	(930.81)	30.58	(286.02)	-	-
Trade payables	202.32	801.51	941.21	96.97	28.37	0.04	-
CASH GENERATED FROM/(USED IN) OPERATIONS :	**1,150.55**	**2,056.77**	**1,141.22**	**565.70**	**(190.32)**	**0.01**	**-**
Taxes paid	(71.30)	(4.90)	(6.39)	(10.26)	(4.19)	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES :	**1,079.25**	**2,051.87**	**1,134.83**	**555.44**	**(194.51)**	**0.01**	**-**
CASH FLOW FROM INVESTING ACTIVITIES :							
Purchase of Fixed Assets	(8,786.65)	(7,242.86)	(13,121.19)	(6,078.35)	(2,334.87)	-	-
Sale proceeds of Fixed Assets	0.36	0.74	-	-	-	-	-
Purchase of Investments	(357.94)	(2,408.92)	(5,183.24)	(4,560.98)	(1,540.73)	-	-
Sale proceeds of Investments	1,600.00	2,140.16	5,605.62	4,310.21	1,169.74	-	-
Interest income	13.03	5.75	5.91	25.07	9.68	-	-
Dividend income	26.74	31.91	47.36	30.72	15.40	-	-
NET CASH USED IN INVESTING ACTIVITIES :	**(7,504.46)**	**(7,473.22)**	**(12,645.54)**	**(6,273.33)**	**(2,680.78)**	**-**	**-**
CASH FLOW FROM FINANCING ACTIVITIES :							
Proceeds from issue of Share Capital	-	2,760.00	4,740.00	3,919.07	2,559.50	-	-
Proceeds from Long Term Borrowings	7,248.48	4,693.67	7,852.71	2,116.96	724.72	-	-
Proceeds from Finance Lease	860.90	-	940.65	-	-	-	-
Repayment of Long Term borrowings	(512.69)	(242.32)	(386.73)	(132.98)	(34.29)	-	-
Repayment of Finance Lease	(53.29)	-	(5.54)	-	-	-	-
Interest paid	(586.76)	(185.92)	(261.55)	(123.53)	(42.77)	-	-
NET CASH FROM FINANCING ACTIVITIES :	**6,956.64**	**7,025.43**	**12,879.54**	**5,779.52**	**3,207.16**	**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**531.43**	**1,604.08**	**1,368.83**	**61.63**	**331.87**	**0.01**	**-**
OPENING CASH AND CASH EQUIVALENTS	1,762.82	393.99	393.99	332.36	0.49	0.48	0.48
	-	-	-	-	-	-	-
CLOSING CASH AND CASH EQUIVALENTS	2,294.25	1,998.07	1,762.82	393.99	332.36	0.49	0.48

PARTICULARS	Period ended December 31, 2009	2008	Year ended March 31, 2009	2008	2007	2006	2005
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**531.43**	**1,604.08**	**1,368.83**	**61.63**	**331.87**	**0.01**	**-**
CLOSING CASH AND CASH EQUIVALENTS	2,254.07	1,989.62	1,776.78	396.90	330.16	0.49	0.48
Effect of exchange rate changes (Loss / (gain))	40.18	8.45	(13.96)	(2.91)	2.20	-	-
	2,294.25	**1,998.07**	**1,762.82**	**393.99**	**332.36**	**0.49**	**0.48**

THE ISSUE

Issue of Equity Shares	22,050,875 Equity Shares
Employee Reservation Portion	330,763 Equity Shares
Net Issue to the public	21,720,112 Equity Shares
Of which	
A) QIB portion*	At least 13,032,067 Equity Shares
Of which	
Anchor Investor Portion**	Up to 3,909,620 Equity Shares
Balance available for allocation to QIBs other than the Anchor Investor Portion (assuming the Anchor Investor Portion is fully subscribed)	9,122,447 Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	456,122 Equity Shares
Balance for all QIBs including Mutual Funds	8,666,325 Equity Shares
B) Non-Institutional Portion*	Not less than 2,172,011 Equity Shares
C) Retail Portion*	Not less than 6,516,034 Equity Shares
Equity Shares outstanding prior to the Issue	88,203,500 Equity Shares
Equity Shares outstanding after the Issue	110,254,375 Equity Shares
Use of Net Proceeds	Please see "Objects of the Issue" on page 43 for information about the use of the Net Proceeds.

Allocation to all categories (including the Employee Reservation Portion), except the Anchor Investor Portion, if any, shall be made on a proportionate basis.

* *Under subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue Portion at the discretion of the BRLMs and our Company. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of our Company. If at least 60% of the Net Issue cannot be allocated to QIBs, the entire application money shall be refunded.*

** *Our Company may, in consultation with the BRLMs, allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see "Issue Procedure" on page 300.*

GENERAL INFORMATION

Our Company was incorporated as Greatship (India) Limited on June 26, 2002 under the Companies Act as a wholly-owned subsidiary of our Promoter. For further details, please see "History and Certain Corporate Matters" on page 119.

Registered Office and Registration Number of our Company

Ocean House
134/A, Dr. Annie Besant Road
Worli
Mumbai 400 018
Tel: (91 22) 6661 3000
Fax: (91 22) 2492 5900
CIN and Registration Number: U63090MH2002PLC136326
Website: www.greatshipglobal.com

Corporate Office of our Company
101, Marathon Innova B2
Off Ganpatrao Kadam Marg
Lower Parel (West)
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Tel: (91 22) 2482 2000
Fax: (91 22) 2492 4232

Address of the RoC

Our Company is registered with the RoC situated at Everest, 5th Floor, 100, Marine Drive, Mumbai 400 002.

Our Board of Directors

Our Board of Directors consists of:

Name of the Director	Designation
Bharat K. Sheth	Non-Executive Chairman
Ravi K. Sheth	Managing Director
P. R. Naware	Executive Director
Keki M. Mistry	Non-Executive Independent Director
Berjis Desai	Non-Executive Independent Director
Vineet Nayyar	Non-Executive Independent Director
Rajiv B. Lall	Non-Executive Independent Director
Shashank Singh	Non-Executive Independent Director

For further details of the Directors, please see "Our Management" on page 122.

Company Secretary and Compliance Officer

Amisha Ghia is our Company Secretary and Compliance Officer. Her contact details are as follows:

Amisha Ghia
101, Marathon Innova B2
Off. Ganpatrao Kadam Marg
Lower Parel (West)
Mumbai 400 013
Tel No: (91 22) 2482 2000
Fax: (91 22) 2492 4232
Email: secretarial@greatshipglobal.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of Allotted Equity Shares in the respective beneficiary account and refund orders.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Tel: (91 22) 6634 1100
Fax: (91 22) 2284 0492
E-mail: greatship.ipo@kotak.com
Website: www.kmcc.co.in
Contact Person: Chandrakant Bhole
SEBI Registration No.: INM000008704

DSP Merrill Lynch Limited
10th Floor, Mafatlal Centre
Nariman Point
Mumbai 400 021
Tel: (91 22) 6632 8761
Fax: (91 22) 2204 8518
E-mail: gil.ipo@baml.com
Website: www.dspml.com
Contact Person: N.S.Shekhar
SEBI Registration No.: INM000011625

Edelweiss Capital Limited
14th Floor, Express Towers
Nariman Point
Mumbai 400 021
Tel: (91 22) 4086 3535
Fax: (91 22) 4086 3610
Email: project.boat@edelcap.com
Website: www.edelcap.com
Contact Person: Chitrang Gandhi / Jai Baid
SEBI Registration No.: INM0000010650

For all Issue related queries and for referral of complaints, investors may also write to the BRLMs. All complaints, queries or comments received by SEBI shall be forwarded to the BRLMs, who shall respond to the same.

Syndicate Members

Kotak Securities Limited
2nd Floor, Nirlon House
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
Tel: (91 22) 6740 9708
Fax: (91 22) 6662 7330
Email: umesh.gupta@kotak.com
Website: www. kotak.com
Contact Person: Umesh Gupta
SEBI Registration No.: BSE - INB010808153
NSE - INB230808130

[●]

Advisor to the Issue

Centrum Capital Limited
Centrum House, Vidya Nagari Marg
CST Road, Kalina
Santacruz (East)
Mumbai 4000 098
Tel: (91 22) 4215 9000
Fax: (91 22) 4215 9707
Email: greatship.ipo@centrum.co.in
Website: www.centrum.co.in
Contact Person: Hema Lalwani Wagle
SEBI Registration No.: INM000010445

Legal Advisors to the Issue

Domestic Legal Counsel to our Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
Tel: (91 22) 2496 4455
Fax: (91 22) 2496 3666

Domestic Legal Counsel to the Underwriters

Luthra & Luthra, Law Offices
704-706, 7th Floor
Embassy Centre
Nariman Point
Mumbai 400 021
Tel: (91 22) 6630 3600
Fax: (91 22) 6630 3700
Email: luthra@luthra.com

International Legal Counsel to the Underwriters

Jones Day
3 Church Street
#14-02 Samsung Hub
Singapore 049483
Tel: (65) 6538 3939
Fax: (65) 6536 3939

Auditors to our Company

Kalyaniwalla & Mistry, Chartered Accountants
5th Floor, Kalpataru Heritage
127, Mahatma Gandhi Road
Mumbai 400 001
Tel: (91 22) 6158 6200
Fax: (91 22) 2267 3964
Email: viraf.mehta@mazars.in

Firm Registration No.: 104607W

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17-24, Vittal Rao Nagar
Madhapur
Hyderabad 500 081
Tel: (91 40) 2342 0815 / 2342 0816
Fax: (91 40) 2342 0859
Email: gil.ipo@karvy.com
Website: http://karisma.karvy.com
Contact Person: Murali Krishna
SEBI Registration No.: INR000000221

Bankers to the Issue and Escrow Collection Banks

[●]

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as a SCSB for the ASBA process are provided on www.sebi.gov.in. For details on Designated Branches of SCSB collecting the ASBA Bid cum Application Form, please refer to the above mentioned link.

Bankers to our Company

State Bank of India
Overseas Branch,Shipping Division
Arcade World Trade Centre
Cuffe Parade
Mumbai 400 005
Tel: (91 22) 2218 3991
Fax: (91 22) 2218 1518
Email: rm2.08965@sbi.co.in
Website: www.sbi.co.in

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624
Tel: (65) 6539 7008
Fax: (65) 6534 1992
Email: cindy.kongss@uobgroup.com
Website:www.uobgroup.com

HSBC Bank plc
8 Canada Square,
London E14 5HQ
Tel: (44) 207 991 6255
Fax: (44) 207 992 4428
Email: mark.looi@hsbcib.com / john.v.gaston@hsbcib.com
Website:www.hsbc.com

Société Générale
29, Boulevard Haussman
Paris 75009
France
Tel: (65) 6326 7877
Fax: (65) 6224 5417
Email: darryl.tan@sgcib.com / laurence.illouz-timsit@sqcib.com
Website:www.societegenerale.com

Citibank N. A.
Citi Center
Bankdra Kurla Complex
Bandra East
Mumbai 400 051
Tel: (91 22) 4001 5757
Fax: (91 22) 4006 5847
Email: binaifer.patel@citi.com
Website: www.citibank.co.in

Kotak Mahindra Bank Limited
Kotak Mahindra Bank
5th Floor, Dani Corporate Park 158
CST Road, Kalina
Santacruz East
Mumbai 400 098
Tel: (91 22) 6759 5336
Fax: (91 22) 6759 5374
Email: amit.kr@kotak.com

Website:www.kotak.com

The Royal Bank of Scotland N. V.
Sakhar Bhavan, 2nd Floor
Nariman Point
Mumbai 400 021
Tel: (91 22) 6637 2500
Fax: (91 22) 6637 2403
Email: tajinder.singh.setia@rbs.com
Website: www.rbs.com

Yes Bank Limited
Nehru Centre
9th Floor, Discovery of India
Dr. AB Road, Worli
Mumbai 400 018
Tel: (91 22) 6669 9000
Fax: (91 22) 2490 0314
Email: anoop.goplani@yesbank.in
Website: www.yesbank.in

Standard Chartered Bank
90 M. G. Road
Fort
Mumbai 400 001
Tel: (91 22) 6735 0665 / 6735 0225
Fax: (91 22) 2262 4912
Email: pallav.sangal@sc.com / indraneel.pandit@sc.com
Website: www.standardchartered.co.in

Monitoring Agency

There will be no monitoring agency as the Issue Size is proposed to be less than Rs. 5,000 million. The Board will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details in the Balance Sheet of our Company for the relevant Financial Years subsequent to the Issue, for all such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the Balance Sheet of our Company for the relevant Financial Years subsequent to the Issue.

Statement of *inter se* allocation of Responsibilities for the Issue

The following table sets forth the distribution of responsibility and co-ordination for various activities amongst the BRLMs:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Kotak and DSPML	Kotak
2.	Due diligence of our Company's operations/ management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. The BRLMs shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing of the same	Kotak and DSPML	Kotak
3.	Drafting and approval of all statutory advertisement	Kotak and DSPML	Kotak
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (3) above including corporate advertisement, brochure, etc.	Kotak and DSPML	DSPML
5.	Preparation and finalization of the road-show presentation	Kotak and DSPML	Kotak
6.	Appointment of Printer(s) and Advertising Agency	Kotak and DSPML	Kotak
7.	Appointment of Registrar(s) and Banker(s) to the Issue	Kotak and DSPML	DSPML

Sr. No	Activity	Responsibility	Co-ordinator
8.	Domestic institutional marketing including banks/ mutual funds including: allocation of investors for meetings and finalizing road show schedules.	Kotak, DSPML and Edelweiss	Kotak
9.	International institutional marketing including; allocation of investors for meetings and finalizing road show schedules.	Kotak, DSPML and Edelweiss	DSPML
10.	Non-Institutional & Retail Marketing of the Offer, which will cover, inter alia, • Formulating marketing strategies, preparation of publicity budget • Finalising Media and PR strategy • Finalising centres for holding conferences for brokers etc • Finalising collection centres; and • Follow-up on distribution of publicity and Offer material including form, prospectus and deciding on the quantum of the Offer material	Kotak, DSPML and Edelweiss	Edelweiss
11.	Pricing and managing the book	Kotak and DSPML	DSPML
12.	Coordination with Stock-Exchanges for book building software, bidding terminals etc.	Kotak and DSPML	DSPML
13.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, despatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc.	Kotak and DSPML	DSPML

If any of these activities are handled by other intermediaries, the designated BRLMs shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

As this is an Issue of Equity Shares, there is no credit rating for this Issue.

IPO Grading

This Issue has been graded by [●] as [●] (pronounced [●]) indicating [●]. The rationale/description furnished by the IPO grading agency will be updated at the time of filing the Red Herring Prospectus with the RoC.

Experts

The Issue has been graded by [●]. The report of [●] in respect of the IPO Grading of the Issue will be annexed to the Red Herring Prospectus.

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the

Red Herring Prospectus within the Price Band. The Issue Price is finalised after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

1. our Company;

2. the BRLMs;

3. the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Members are appointed by the BRLMs;

4. the SCSBs;

5. the Escrow Collection Bank(s); and

6. the Registrar to the Issue.

This being an issue for less than 25% of post-Issue paid-up equity share capital of our Company, the SEBI Regulations read with Rule 19(2)(b) of the SCRR, permit an issue of securities to the public through the 100% Book Building Process, wherein at least 60% of the Net Issue shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including the Mutual Funds subject to valid Bids being received at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the BRLMs to manage the Issue and to procure subscriptions to the Issue.

QIB Bidders are not allowed to withdraw their Bids after the Bid /Issue Closing Date. For further details, please see "Terms of the Issue" on page 292.

The Book Building Process under the SEBI Regulations is subject to change from time to time and investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Illustration of the Book Building Process and Price discovery process

Investors should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors or under the ASBA process.

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, offer size of 3,000 equity shares and receipt of five bids from bidders out which one bidder has bid for 500 equity shares at Rs. 24 per equity share while another has bid for 1,500 equity shares at Rs. 22 per equity share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of a company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the company is able to offer the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The company in consultation with the BRLMs will finalise the issue price at or below such cut-off price, i.e. at or below Rs. 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for bidding:

- Check eligibility for bidding (please see "Issue Procedure - Who Can Bid?" on page 301);

- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form;

- Except for Bids on behalf of the Central or State Governments and the officials appointed by the courts, for Bids of all values. Ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form or the ASBA Bid cum Application Form. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction (please see "Issue Procedure" on page 300);

- Ensure that the Bid cum Application Form or ASBA Bid cum Application Form is duly completed as per the instructions given in this Draft Red Herring Prospectus and in the Bid Cum Application Form or ASBA Bid cum Application Form;

- Bids by QIBs shall be submitted only to the BRLMs, other than Bids by QIBS who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs; and

- Bids by ASBA Bidders will have to be admitted to the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Underwriting Agreement

After the determination of the Issue Price and allocation of the Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that their respective Syndicate Members do not fulfil their underwriting obligations. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before the filing of the Prospectus with the RoC)

Name and Address of the Underwriter	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (In Rs. million)
[●]	[●]	[●]
[●]	[●]	[●]

The above mentioned amount is indicative underwriting and this would be finalised after determination of the Issue Price and actual allocation.

In the opinion of the Board of Directors (based on the certificates given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI or registered as brokers with the Stock Exchanges. The Board of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the table above, the BRLMs and the Syndicate Members shall be responsible for ensuring payment with respect to the Equity Shares allocated to the investors procured by them.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final approval of the RoC after the Prospectus is filed with the RoC.

CAPITAL STRUCTURE

The share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In Rs. except share data)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A	**AUTHORISED SHARE CAPITAL**		
	135,000,000 Equity Shares	1,350,000,000	
	88,000,000 Preference Shares	880,000,000	
	Total	**2,230,000,000**	
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	88,203,500 Equity Shares	882,035,000	
	88,000,000 Preference Shares	880,000,000	
	Total	**1,762,035,000**	
C	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	22,050,875 Equity Shares	220,508,750	[●]
	of which		
	Employee Reservation of 330,763 Equity Shares	3,307,630	[●]
	Net Issue to the Public of 21,720,112 Equity Shares	217,201,120	[●]
E	**EQUITY CAPITAL AFTER THE ISSUE**		
	110,254,375 Equity Shares	1,102,543,750	[●]
F	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	9,693,296,400	
	After the Issue		[●]

The present Issue has been authorised by our Board of Directors, IPO Committee and our Shareholders, pursuant to their resolutions dated March 18, 2010, March 25, 2010 and April 23, 2010, respectively.

Changes in the Authorised Capital

(1) The initial authorised share capital of Rs. 500,000 divided into 50,000 Equity Shares was increased to Rs. 10,000,000 divided into 1,000,000 Equity Shares, pursuant to a resolution of our shareholders dated March 27, 2006.

(2) The authorised share capital of Rs. 10,000,000 divided into 1,000,000 Equity Shares was increased to Rs. 265,000,000 divided into 26,500,000 Equity Shares, pursuant to a resolution of our shareholders dated September 18, 2006.

(3) The authorised share capital of Rs. 265,000,000 divided into 26,500,000 Equity Shares was increased to Rs. 315,000,000 divided into 31,500,000 Equity Shares, pursuant to a resolution of our shareholders dated March 27, 2007.

(4) The authorised share capital of Rs. 315,000,000 divided into 31,500,000 Equity Shares was increased to Rs. 651,000,000 divided into 65,100,000 Equity Shares, pursuant to a resolution of our shareholders dated May 22, 2007.

(5) The authorised share capital of Rs. 651,000,000 divided into 65,100,000 Equity Shares was increased to Rs. 950,000,000 divided into 95,000,000 Equity Shares, pursuant to a resolution of our shareholders dated January 31, 2008.

(6) The authorised share capital of Rs. 950,000,000 divided into 95,000,000 Equity Shares was increased to Rs. 1,170,000,000 divided into 95,000,000 Equity Shares, and 22,000,000 Preference Shares pursuant to a resolution of our shareholders dated August 18, 2008.

(7) The authorised share capital of Rs. 1,170,000,000 divided into 95,000,000 Equity Shares and 22,000,000 Preference Shares was increased to Rs. 1,544,000,000 divided into 95,000,000 Equity Shares and 59,400,000 Preference Shares, pursuant to a resolution of our shareholders dated November 5, 2008.

(8) The authorised share capital of Rs. 1,544,000,000 divided into 95,000,000 Equity Shares and 59,400,000 Preference Shares was increased to Rs. 1,830,000,000 divided into 95,000,000 Equity Shares and 88,000,000 Preference Shares, pursuant to a resolution of our shareholders dated March 20, 2009.

(9) The authorised share capital of 1,830,000,000 divided into 95,000,000 Equity Shares and 88,000,000 Preference Shares was increased to Rs. 2,230,000,000 divided into 135,000,000 Equity Shares and 88,000,000 Preference Shares, pursuant to a resolution of our shareholders dated April 23, 2010.

Notes to the Capital Structure

1. **Share Capital History of our Company**

(a) The following is the history of the equity share capital and securities premium account of our Company:

Date of allotment of the Equity Shares	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Cumulative No. of Equity Shares	Cumulative paid-up Equity Capital (Rs.)	Cumulative securities Premium (Rs.)
June 26, 2002	50,000	10	10	Cash	50,000	500,000	-
May 2, 2006	950,000	10	10	Cash	1,000,000	10,000,000	-
November 7, 2006	25,500,000	10	100	Cash	26,500,000	265,000,000	2,295,000,000
June 25, 2007	5,000,000	10	100	Cash	31,500,000	315,000,000	2,745,000,000
July 27, 2007	5,000,000	10	100	Cash	36,500,000	365,000,000	3,195,000,000
August 10, 2007	5,000,000	10	100	Cash	41,500,000	415,000,000	3,645,000,000
October 16, 2007	8,000,000	10	100	Cash	49,500,000	495,000,000	4,365,000,000
January 28, 2008	10,600,000	10	100	Cash	60,100,000	601,000,000	5,319,000,000
March 19, 2008	5,000,000	10	100	Cash	65,100,000	651,000,000	5,769,000,000
July 17, 2008	10,000,000	10	100	Cash	75,100,000	751,000,000	6,669,000,000
October 23, 2008	11,000,000	10	100	Cash	86,100,000	861,000,000	7,659,000,000
April 30, 2010	2,103,500	10	140.40	Cash	88,203,500	882,035,000	7,933,296,400

(b) The following is the history of the preference share capital and securities premium account of our Company:

Date of allotment of the Preference Shares	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Cumulative No. of Preference Shares	Cumulative paid-up Preference Capital (Rs.)	Cumulative Preference Share Premium (Rs.)
November 26, 2008	22,000,000	10	30	Cash	22,000,000	220,000,000	440,000,000
January 9, 2009	30,000,000	10	30	Cash	52,000,000	520,000,000	1,040,000,000
March 31, 2009	36,000,000	10	30	Cash	88,000,000	880,000,000	1,760,000,000

Pursuant to the consent dated March 19, 2010 given by our Preference Shareholder and the resolution dated March 27, 2010 passed by our Preference Share Committee, the terms of the Preference Shares were modified in the following manner:

- Removal of the option to convert the Preference Shares into the Equity Share Capital of our Company;
- Change in the redemption schedule of the Preference Shares and consequent changes in the redemption premium; and
- Inclusion of an early redemption option.

For further details of the terms of the Preference Shares, please see "Objects of the Issue" on page 43.

(c) Our Company has not allotted any Equity Shares for consideration other than cash.

(d) The following table sets forth the details of the Equity Shares issued by our Company at a price lower than the Issue Price during a period of one year preceding the date of this Draft Red Herring Prospectus:

Date of allotment of the Equity Shares	Name of the Allottee	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Reasons for the allotment
April 30, 2010	Ravi K. Sheth*	2,103,500	10	140.40	Cash	Issued upon conversion of warrants

* *Held jointly with Amita R. Sheth*

2. **History of the Equity Share Capital held by the Promoter**

(a) *Details of the build up of our Promoter's shareholding in our Company*:

Date of Allotment/ Transfer	No. of Equity Shares allotted/ transferred	Face Value (Rs.)	Issue/ Acquisition Price (Rs.)	Nature of consideration (Cash, gift, etc.)	Nature of transaction	% of pre-Issue Capital	% of post-Issue Capital
			GESCO				
June 26, 2002	50,000	10	10	Cash	Allotment	0.06	0.05
May 2, 2006	950,000	10	10	Cash	Allotment	1.08	0.86
November 7, 2006	25,500,000	10	100	Cash	Allotment	28.91	23.13
June 25, 2007	5,000,000	10	100	Cash	Allotment	5.67	4.53
July 27, 2007	5,000,000	10	100	Cash	Allotment	5.67	4.53
August 10, 2007	5,000,000	10	100	Cash	Allotment	5.67	4.53
October 16, 2007	8,000,000	10	100	Cash	Allotment	9.07	7.26
January 28, 2008	10,600,000	10	100	Cash	Allotment	12.02	9.61
March 19, 2008	5,000,000	10	100	Cash	Allotment	5.67	4.53
July 17, 2008	10,000,000	10	100	Cash	Allotment	11.34	9.07
October 23, 2008	11,000,000	10	100	Cash	Allotment	12.47	9.98

None of the Equity Shares held by our Promoter are pledged.

(b) *Details of Promoter's contribution and Lock-in*:

Date of Acquisition and when made fully paid-up	Nature of Allotment/Transfer	Nature of Consideration (Cash)	Number of Equity Shares locked in	Face Value (Rs.)	Issue/Acquisition Price per Equity Share (Rs.)	Percentage of post-Issue paid-up equity share capital
			GESCO			
March 19, 2008	Allotment	Cash	1,567,475	10	100	1.42
July 17, 2008	Allotment	Cash	10,000,000	10	100	9.07
October 23, 2008	Allotment	Cash	11,000,000	10	100	9.98
		Total	**22,567,475**	**-**	**-**	**20.50**

The minimum Promoter's contribution has been brought to the extent of not less than the specified minimum lot and from the persons defined as Promoter under the SEBI Regulations. The Promoter's contribution constituting not less than 20% post-Issue paid-up equity share capital shall be locked-in for a period of three years from the date of Allotment in the Issue.

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution.

Our Company has obtained specific written consent from our Promoter for inclusion of the Equity Shares held by them in the minimum Promoter's contribution subject to lock-in. Further, our Promoter has given an undertaking to the effect that they shall not sell/transfer/dispose of in any manner, Equity Shares forming part of the minimum Promoter's contribution from the date of filing the Draft Red Herring Prospectus till the date of commencement of lock-in in accordance with SEBI Regulations.

(c) *Details of pre-Issue Equity Share capital locked-in for one year*:

In addition to the 20% of the post-Issue paid-up equity shareholding of our Company held by our Promoter and locked-in for three years as specified above, the entire pre-Issue equity share capital will be locked-in for a period of one year from the date of Allotment of the Equity Shares in this Issue.

(d) *Other requirements in respect of lock-in*:

The Equity Shares held by our Promoter which are locked-in for a period of three years can be pledged only with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution. Further, such pledge can be created only if the loan has been granted by such scheduled commercial bank or public financial institution for financing one or more of the objects of the Issue and the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoter which are locked-in for a period of one year can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

The Equity Shares held by our Promoter and locked-in may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to the continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code, as applicable.

The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of allotment in the Issue may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the

Takeover Code.

(e) *Lock-in of Equity Shares to be issued, if any, to the Anchor Investor*

Any Equity Shares Allotted to Anchor Investors shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

3. **Shareholding Pattern of our Company**

(i) The table below presents the shareholding pattern of Equity Shares before the proposed Issue and as adjusted for the Issue:

	Pre-Issue		**Post-Issue***	
	No. of Equity Shares	**Percentage of Equity Share capital**	**No. of Equity Shares**	**Percentage of Equity Share capital**
Promoter (A)				
GESCO	86,100,000	97.62	86,100,000	78.09
Sub Total (A)	**86,100,000**	**97.62**	**86,100,000**	**78.09**
Promoter Group (B)	**0**	**0.00**	**0**	**0.00**
Total Holding of Promoter and Promoter Group (C=A + B)	**86,100,000**	**97.62**	**86,100,000**	78.09
Others (D)				
Ravi K.Sheth**	2,103,500	2.38	2,103,500	1.91
Public (pursuant to the Issue) (E)	-	-	22,050,875	20.00
Total (A+B+C+D+E)	**88,203,500**	**100.00**	**110,254,375**	**100**

* *Assuming none of the shareholders participate in the Issue*
** *Held jointly with Amita R. Sheth*

4. The list of all shareholders of our Company and the number of Equity Shares held by them is as under:

(a) As of the date of the Draft Red Herring Prospectus:

Sr. No.	**Name of the shareholder**	**No. of Equity Shares held**	**Percentage**
1.	GESCO	86,099,700	97.62
2.	Ravi K. Sheth*	2,103,550	2.38
3.	Bharat K. Sheth**	50	Negligible
4.	P.R. Naware**	50	Negligible
5.	Jayesh Trivedi**	50	Negligible
6.	Tapas Icot**	50	Negligible
7.	G. Shivakumar**	50	Negligible
TOTAL		**88,203,500**	**100.00**

* *Includes 50 Equity Shares held as a nominee of GESCO*
** *Equity Shares held as a nominee of GESCO*

(b) As of 10 days prior to the date of the Draft Red Herring Prospectus:

Sr. No.	**Name of the shareholder**	**No. of Equity Shares held**	**Percentage**
1.	GESCO	86,099,700	97.62

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
2.	Ravi K. Sheth*	2,103,550	2.38
3.	Bharat K. Sheth**	50	Negligible
4.	P.R. Naware**	50	Negligible
5.	Jayesh Trivedi**	50	Negligible
6.	Tapas Icot**	50	Negligible
7.	G. Shivakumar**	50	Negligible
TOTAL		**88,203,500**	**100.00**

* *Includes 50 Equity Shares held as a nominee of GESCO*

** *Equity Shares held as a nominee of GESCO*

(c) As of two years prior to the date of the Draft Red Herring Prospectus:

Sr. No.	Name of the shareholder	No. of Equity Shares held	Percentage
1.	GESCO	65,099,700	100
2.	Bharat K. Sheth*	50	Negligible
3.	Ravi K. Sheth*	50	Negligible
4.	P.R. Naware*	50	Negligible
5.	Balan Wasudeo*	50	Negligible
6.	Jayesh Trivedi*	50	Negligible
7.	Tapas Icot*	50	Negligible
TOTAL		**65,100,000**	**100**

* *Equity Shares held as a nominee of GESCO*

5. **Employee Stock Option Plan ("ESOP")**

The employee stock options of our Company presently operate under four different employee stock options schemes for the employees of our Company, our Promoter and our Subsidiaries. The fifth scheme, Employee Stock Option Plan 2008 – III ("ESOP 2008 – III") was instituted pursuant to the approval of the shareholders at an EGM held on January 31, 2008. The Board at its meeting held on July 24, 2009, cancelled ESOP 2008 – III and transferred the grants approved under that Scheme to Employee Stock Options Scheme 2008 - II. No options were granted under ESOP 2008 - III. The ESOP schemes are presently not in compliance with the provisions of the SEBI ESOP Guidelines, as our Company, being an unlisted Company, is not required to comply with the provisions thereof. Our Company has decided to not make any further grant of options under the existing ESOP schemes, ESOP 2007, ESOP 2007-II, ESOP 2008-I and ESOP 2008-II. The details of various ESOP schemes of our Company are as follows:

1. Employee Stock Option Scheme 2007 ("ESOP 2007")

Our Company instituted the ESOP 2007 on August 10, 2007, pursuant to Board and Shareholders' resolutions dated January 23, 2007 and March 27, 2007, respectively. The objective of ESOP 2007 was to motivate the employees to contribute to the growth and profitability of our Company and to attract and retain talent in the organisation.

Our Company has granted 584,600 options (net of cancelled options) convertible into 584,600 Equity Shares of face value Rs. 10 each, which represents 0.66% of the pre-Issue paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under ESOP 2007 as of the date of filing of the Draft Red Herring Prospectus:

Particulars	Details
Options granted	656,300
The pricing formula	Under the scheme, all the options were granted prior to the listing of the Equity Shares of our Company. These options were granted at a price of Rs. 100, which is the price

Particulars	Details
	at which certain Equity Shares were allotted to our Promoter.
Exercise price of options	Rs. 100
Total options vested	233,840
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	584,600
Options forfeited/lapsed/cancelled	71,700
Variation in terms of options	Please see Note 1 below
Money realised by exercise of options	Nil
Options outstanding (in force)	584,600
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 2 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 3 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 5.72 (As on March 31, 2009)
Difference between employee compensation cost using the intrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 744,000 (As on March 31, 2009) Impact on profit: Profit would be less by Rs. 744,000 Impact on EPS (basic) : 0.009 Impact on EPS (diluted) : 0.008
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method
Vesting schedule	20% equally over five years
Lock-in	NA
Impact on profits of the last three years	Year ended March 31, 2009: Rs. 114,401,170 Year ended March 31, 2008: Rs. 7,439,480 Year ended March 31, 2007: Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Please see Note A below
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2007 within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA

Note 1: Variation in terms of options:

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

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

Note 2: Details regarding options granted to our Directors and key management personnel are set forth below:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	No. of Equity Shares held
P.R. Naware	106,700	Nil	106,700	50*
Venkatraman Sheshashayee (Executive Director of GGOS and GGES)	106,700	Nil	106,700	Nil
K.S.S. Kowshik	42,500	Nil	42,500	Nil
Amisha Ghia	11,600	Nil	11,600	Nil

* *Equity Shares held as a nominee of GESCO*

Note 3: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Name of Employee	No. of options granted
P. R. Naware	106,700
V. Sheshashayee	106,700
G. Shivakumar	70,000
Girish Devurkar*	46,700
Rajiv Saxena	46,700
Ravi Mathur	46,700
V.K.Chandrasekharan	46,700
Rohit Malhotra	42,500

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

2. Employee Stock Option Scheme 2007 - II ("ESOP 2007-II")

Our Company instituted the ESOP 2007-II on January 28, 2008, pursuant to Board and Shareholders' resolutions dated November 20, 2007 and November 21, 2007, respectively. The objective of ESOP 2007-II was to reward the employees of our Promoter who had contributed to the growth and profitability of our Company in its initial stages and continue to do so from time to time.

Our Company has granted 89,100 options (net of cancelled options) convertible into 89,100 Equity Shares of face value Rs. 10 each, which represents 0.10% of the pre-Issue paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under ESOP 2007-II as of the date of filing of the Draft Red Herring Prospectus:

Particulars	Details
Options granted	99,700

Particulars	Details
The pricing formula	Under the scheme, all the options were granted prior to the listing of the Equity Shares of our Company. These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares were allotted to our Promoter.
Exercise price of options	Rs. 100
Total options vested	89,100
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	89,100
Options forfeited/lapsed/cancelled	10,600
Variation in terms of options	Please see Note 1 below
Money realized by exercise of options	Nil
Options outstanding (in force)	89,100
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 2 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 3 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 5.72 (As on March 31, 2009)
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 744,000 (As on March 31, 2009) Impact on profit: Profit would be less by Rs. 744,000 Impact on EPS (basic) : 0.009 Impact on EPS (diluted) : 0.008
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method
Vesting schedule	One year after the date of the grant
Lock-in	NA
Impact on profits of the last three years	Year ended March 31, 2009: Rs. 114,401,170 Year ended March 31, 2008: Rs. 7,439,480 Year ended March 31, 2007: Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Please see Note A below
Intention to sell equity shares arising out of the exercise of shares granted	NA

Particulars	Details
under ESOP 2007-II within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	

Note 1: Variation in terms of options:

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

Note 2: Details regarding options granted to Directors and key management personnel are set forth below:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	No. of Equity Shares held
Alok Mahajan*	15,000	Nil	15,000	Nil

* *Alok Mahajan resigned from GESCO and joined our Company on August 1, 2008*

Note 3: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Name of Employee	No. of options granted
Alok Mahajan	15,000
G. P. Khot	10,000
Jayesh M Trivedi	10,000
Pradeep Correa	10,000
Udaybir Bakshi	8,500
Chetan Sheth*	7,800
Ramachandra Iyer	7,800
Salil Manalmaril	7,800

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

3. Employee Stock Option Scheme 2008 - I ("ESOP 2008-I")

Our Company instituted the ESOP 2008-I on February 12, 2008, pursuant to Board and Shareholders' resolutions dated January 28, 2008 and January 31, 2008, respectively. The objective of ESOP 2008-I was to reward senior employees of our Promoter who were the directors of our Company and who in their capacity as senior officers provide support and value addition to the operations of our Company.

Our Company has granted 60,000 options (net of cancelled options) convertible into 60,000 Equity Shares of face value Rs. 10 each, which represents 0.07% of the pre-Issue paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under ESOP 2008-I as of the date of filing of the Draft Red Herring Prospectus:

Particulars	Details
Options granted	85,000
The pricing formula	Under the scheme, all the options were granted prior to the listing of the Equity Shares of our Company. These options were granted at a price of Rs. 100, which is the price at which certain Equity Shares

Particulars	Details
	were allotted to our Promoter.
Exercise price of options	Rs. 100
Total options vested	60,000
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	60,000
Options forfeited/lapsed/cancelled	25,000
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	60,000
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 1 below
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 5.72 (As on March 31, 2009)
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 744,000 (As on March 31, 2009) Impact on profit: Profit would be less by Rs. 744,000 Impact on EPS (basic) : 0.009 Impact on EPS (diluted) : 0.008
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method
Vesting schedule	One year after the date of the grant
Lock-in	NA
Impact on profits of the last three years	Year ended March 31, 2009: Rs. 114,401,170 Year ended March 31, 2008: Rs. 7,439,480 Year ended March 31, 2007: Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Please see Note A below
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2008-I within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA

Note 1: Details regarding options granted to our Directors and key management personnel are set forth

below:

Name of director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	No. of Equity Shares held
K.J. Vesuna*	10,000	Nil	10,000	Nil
Tapas Icot*	50,000	Nil	50,000	50**
Balan Wasudeo	25,000***	Nil	Nil	Nil

* *K. J. Vesuna and Tapas Icot have resigned as Directors of our Company on April 23, 2010. However, they continue to be the employees of our Promoter*

** *Equity Shares held as a nominee of GESCO*

*** *Options were cancelled upon resignation as a director of our Company and as an employee of our Promoter*

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Name of Employee	No. of options granted
Tapas Icot	50,000
Balan Wasudeo*	25,000
K.J. Vesuna	10,000

* *Options were cancelled upon resignation as a director of our Company and as an employee of our Promoter*

4. Employee Stock Option Scheme 2008 - II ("ESOP 2008-II")

Our Company instituted the ESOP 2008-II on March 19, 2008 for the employees of our Company and our Subsidiaries, pursuant to Board and Shareholders' resolutions dated January 28, 2008 and January 31, 2008, respectively. The objective of ESOP 2008-II was to motivate employees to contribute to the growth and profitability of our Company and to attract and retain talent in the organisation.

Our Company has granted 820,400 options (net of cancelled options) convertible into 820,400 Equity Shares of face value Rs. 10 each, which represents 0.93% of the pre-Issue paid-up equity capital of our Company. The following table sets forth the particulars of the options granted under ESOP 2008-II as of the date of filing of the Draft Red Herring Prospectus:

Particulars	Details
Options granted	925,900
The pricing formula	Under the scheme, all the options were granted prior to the listing of the Equity Shares of our Company. These options were granted at a price of Rs. 135, which is above the price at the Equity Shares were allotted to our Promoter.
Exercise price of options	Rs. 135
Total options vested	60,820
Options exercised	Nil
Total number of Equity Shares that would arise as a result of full exercise of options already granted	820,400
Options forfeited/lapsed/cancelled	105,500
Variation in terms of options	Nil
Money realised by exercise of options	Nil
Options outstanding (in force)	820,400
Person wise details of options granted to	
(i) Directors and key managerial employees	Please see Note 1 below

Particulars	Details
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Please see Note 2 below
(iii) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil
Fully diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	Rs. 5.72 (As on March 31, 2009)
Difference between employee compensation cost using the instrinsic value method and the employee compensation cost that shall have been recognised if our Company has used fair value of options and impact of this difference on profits and EPS of our Company	Rs. 744,000 (As on March 31, 2009) Impact on profit: Profit would be less by Rs. 744,000 Impact on EPS (basic) : 0.009 Impact on EPS (diluted) : 0.008
Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	NA
Description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option	Intrinsic value method
Vesting schedule	20% equally over a period of five years
Lock-in	NA
Impact on profits of the last three years	Year ended March 31, 2009: Rs. 114,401,170 Year ended March 31, 2008: Rs. 7,439,480 Year ended March 31, 2007: Nil
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue	Please see Note A below
Intention to sell equity shares arising out of the exercise of shares granted under ESOP 2008-II within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	NA

Note 1: Details regarding options granted to our Directors and key management personnel are set forth below:

Name of Director/ key management personnel	Total No. of options granted	No. of options exercised	Total No. of options outstanding	No. of Equity Shares held
Nisha Nath Jain	46,700	Nil	46,700	Nil
Alok Mahajan	70,000	Nil	70,000	Nil
P.V. Suresh	46,700	Nil	46,700	Nil

Note 2: Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Name of Employee	No. of options granted
Alok Mahajan	70,000
Mohandas Manghat	46,700
Naresh Sinha	46,700
Nisha Nath Jain	46,700
P. V. Suresh	46,700
Ravi Waikar*	46,700
Frank Dias	42,500
Kartik Modi	42,500
Rahul Pradhan	42,500
Vijaykumar Mattapally *	42,500
Atul Gawand	25,000
Nikhil Shah	25,000
P. K. Kumar	25,000
Vinay Taneja	16,300
Wilfred C. Pereira	16,300

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

Note A: Our Directors and the key management personnel who have been granted options pursuant to the existing ESOP schemes, have confirmed that they do not intend to sell Equity Shares arising out of the exercise of options granted under the various ESOP schemes for a period of three months from the date of listing of the Equity Shares in this Issue. Other employees holding Equity Shares at the time of listing of the Equity Shares in this Issue, may sell Equity Shares arising out of the exercise of options granted under the various ESOP schemes within a period of three months from the date of listing of the Equity Shares in this Issue.

5. *Employee Stock Option Scheme 2010 ("ESOP 2010")*

As at the date of this Draft Red Herring Prospectus, our Company intends, prior to the filing of the Red Herring Prospectus, to establish an employee stock option scheme pursuant to which options to acquire Equity Shares will be granted to selected employees of our Company and Subsidiaries (the "ESOP 2010"). The purpose of ESOP 2010 is to attract, retain, reward and motivate employees to contribute to the growth and profitability of our Company and Subsidiaries.

Our Board and shareholders have, through their resolutions dated March 18, 2010 and April 23, 2010, respectively approved our Company's proposal to establish the ESOP 2010. ESOP 2010 will be compliant with the SEBI ESOP Guidelines. The terms of ESOP 2010 will be finalized by the Remuneration Committee prior to the filing of the Red Herring Prospectus with the RoC. Accordingly, this Draft Red Herring Prospectus contains only limited disclosures as provided in the explanatory statement to the shareholders' resolution.

Under ESOP 2010, the grant of options to any employee in any year shall not amount to or exceed 1% of the paid-up Equity Share capital of our Company. Further, the maximum number of options to be granted to each employee under ESOP 2010 shall not exceed 106,700, approximately 10.3% of the total number of options to be granted under ESOP 2010.

ESOP 2010 will be adopted, and the initial options granted in advance of the filing of the Red Herring Prospectus and the Red Herring Prospectus will contain full disclosures in relation to ESOP 2010. The following table sets forth the particulars of the options to be granted under ESOP 2010 as provided for in the explanatory statement to the shareholders' resolution:

Particulars	Details
Total number of options to be granted	10,28,900 options in one or more tranches resulting in 10,28,900 Equity Shares upon full exercise
Identification of classes of employees entitled to	Permanent employees of the Company and subsidiaries

participate in the Employee Stock Option Scheme	excluding the employees working on the vessels and rigs
Requirements of vesting and period of vesting	The options granted under ESOP 2010 would vest subject to continued employment with our Company or our subsidiaries. The Remuneration Committee may specify additional performance criteria or other conditions for the vesting of the options granted under ESOP 2010. The terms and conditions of vesting would be stipulated by the Remuneration Committee. Options granted under ESOP 2010 would vest after the expiry of one year from the date of grant of the options and not later than the expiry of five years from the date of grant of the options. The options will vest over a period of five years from the date of grant of the options in such manner that 20% of the options granted vests in each year.
Maximum period within which the options shall be vested	Five years from the date of the grant of options
Exercise Price	Rs. 135
Exercise Period and the process of exercise	Options granted under ESOP 2010 will be exercisable only after the listing of the Equity Shares on the Stock Exchanges. Options granted under ESOP 2010 can be exercised within a period of one year from the date of listing of Equity Shares on the Stock Exchanges or the date of vesting of the options granted, whichever later. The options granted under ESOP 2010 would be exercisable by the employee by making an application to the designated person in our Company, in such manner, on execution of such documents and on such terms as may be decided by the Remuneration Committee. After the expiry of the above-mentioned exercise period, the options granted under ESOP 2010 shall not be exercisable and shall lapse
Appraisal Process for determining the eligibility of the employees to ESOP	The employees would be granted options under ESOP 2010 based on various parameters such as work performance, period of service, rank or designation and such other parameters as may be decided by the Remuneration Committee from time to time.
Maximum number of options to be issued per employee and in aggregate	The maximum number of options to be granted under ESOP 2010 to each employee shall not exceed 106,700 options. The aggregate number of options to be granted under ESOP 2010 shall not exceed 10,28,900
Method of option valuation	Intrinsic value method The difference between the employee compensation cost computed using the Intrinsic value method and the cost that should have been recognized if it had used the Fair Value method, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of our Company shall also be disclosed in the Directors' Report.

6. Our Company, our Directors, the BRLMs have not entered into any buy-back arrangement and/or safety net facility for the purchase of Equity Shares from any person.

7. Except as stated in “Our Management” on page 122, none of our Directors or key management personnel hold any Equity Shares in our Company.

8. None of our Promoter, directors of the Promoter, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on which this Draft Red Herring Prospectus is filed with SEBI.

9. No person connected with the Issue shall offer any incentive, whether direct or indirect, in any manner, whether in cash, kind, services or otherwise, to any Bidder.

10. At least 60% of the Net Issue shall be allocated to QIBs on a proportionate basis. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation to Mutual Funds only and the remaining QIB Portion shall be available for allocation to the QIB Bidders including Mutual Funds subject to valid Bids being received at or above the Issue Price. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non-Institutional and Retail Individual categories would be allowed to be met with spill over from any other category at the discretion of our Company, the BRLMs, in consultation with the Designated Stock Exchange.

11. A total of upto 330,763 Equity Shares aggregating to Rs. [●] million, have been reserved for allocation to Eligible Employees, subject to valid Bids being received at or above the Issue Price and subject to the maximum Bid in this portion being Rs. 100,000. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion. Eligible Employees may Bid in the Net Issue as well and such Bids shall not treated as multiple Bids.

12. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

13. An oversubscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

14. Other than the 1,554,100 options granted under ESOP 2007, ESOP 2007-II, ESOP 2008-I and ESOP 2008-II convertible into 1,554,100 Equity Shares, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

15. There will be no further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed.

16. Subject to the grant of options pursuant to ESOP 2010 and subject to the vesting of the options granted under ESOP 2007, ESOP 2007-II, ESOP 2008-I and ESOP 2008-II and their consequent conversion into Equity Shares, our Company presently does not intend or propose to alter the capital structure for a period of six months from the Bid/Issue Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or issue of bonus or rights or further public issue of specified securities or qualified institutions placement or otherwise. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

17. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

18. Our Company has seven members as of the date of filing of this Draft Red Herring Prospectus.

19. Our Company has not issued any Equity Shares out of revaluation reserves. Our Company has not issued any Equity Shares for consideration other than cash. Our Company has not issued any Equity Shares in terms of any scheme approved under sections 391-394 of the Companies Act.

20. All Equity Shares will be fully paid-up at the time of Allotment failing which no Allotment shall be made.

21. There have been no financial arrangements whereby the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.

OBJECTS OF THE ISSUE

The objects of the Issue are:

1. Funding the acquisition of certain vessels by our Company;
2. Early redemption of part of the Preference Shares issued to our Promoter;
3. Funding the repayment of a portion of the debt availed by our Company; and
4. General corporate purposes.

The details of the Net Proceeds are summarised in the table below:

(In Rs. million)

Particulars	Amount
Proceeds from the Issue	[●]
Issue related expenses	[●]
Net Proceeds*	[●]

To be finalised upon completion of the Issue.

The main objects and objects incidental and ancillary to the main objects set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by our Company through this Issue.

We may have to revise our expenditure and fund requirements as a result of variations in cost estimates on account of a variety of factors such as changes in design or configuration of the vessel, changes in construction schedule of the vessels, delay in delivery, incremental pre-operative expenses and external factors which may not be within the control of our management and may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our management. In case of any surplus after utilization of the proceeds from the Issue for the stated objects, we may use such surplus towards general corporate purposes. In the event of a shortfall in raising the requisite capital from the Net Proceeds towards meeting the objects of the Issue, the extent of the shortfall will be met by way of such means available to our Company, including by way of incremental debt or internal accruals.

Utilisation of the Net Proceeds

1. The following table summarises the intended use of the Net Proceeds:

(In Rs. million)

S. No.	Expenditure Items	Total Estimated Expenditure	Amount deployed as at March 31, 2010	Balance Amount	Amount financed/ proposed to be financed from internal accruals/debt	Amount proposed to be financed from the Net Proceeds
(a)	Funding the acquisition of certain vessels by our Company	5,626.31	590.39	5,035.92	3,917.02	1,118.89
(b)	Early redemption of part of the Preference Shares issued to our Promoter	536.50	-	536.50	-	536.50
(c)	Funding the repayment of a portion of the debt availed by our Company	1,628.14	-	1,628.14	-	1,628.14
(d)	General Corporate Purposes	[●]	N.A.	N.A.	Nil	**[●]**
	Total	**[●]**	**[●]**	**[●]**	**[●]**	**[●]**

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or other financial condition, business or strategy, as discussed further below.

In case of any variation in the actual utilisation of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue.

Our Company operates in a highly competitive and dynamic market, and may have to revise its estimates from time to time on account of new vessels that our Company may purchase or construct. Consequently, the fund requirements may also change. In the event the estimated utilisation of the Net Proceeds in a Fiscal is not completely met, the same shall be utilised in the next Fiscal.

2. The following table details the schedule of utilisation of the Net Proceeds:

(In Rs. million)

Sr. No.	Particulars	Estimated schedule of deployment of Net Proceeds			
		Fiscal 2011	Fiscal 2012	Fiscal 2013	Total
1.	Funding the acquisition of certain vessels by our Company	709.80	409.09	-	1,118.89
2.	Early redemption of part of the Preference Shares issued to our Promoter	-	536.50	-	536.50
3.	Funding the repayment of a portion of the debt availed by our Company	-	1,040.97	587.17	1,628.14
4.	General Corporate Purposes	[●]	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**	**[●]**

Details of the Objects

1. Funding the acquisition of certain vessels by our Company

Our Company is in the process of expanding its existing fleet and we have entered into contracts for the construction of various types of vessels with different builders. For details of our existing fleet, please see "Our Business" on page 90.

We intend to fund an aggregate amount of Rs 1,118.89 million from the Net Proceeds to partially finance the construction of the following vessels ("Identified Vessels"):

S. No.	Name of the Vessel	Type of the Vessel	Estimated date of delivery	Shipyard/Builder
1.	Greatship Rohini (ROVSV NC 0217)	Remotely operated vehicle support vessel	Q3 FY 2011	Colombo Dockyard Plc.
2.	Greatship Rashi (ROVSV NC 0218)	Remotely operated vehicle support vessel	Q4 FY 2011	Colombo Dockyard Plc.
3.	Greatship Shakti (150T AHTSV Hull No. 60197)	Anchor handling tug cum supply vessel	Q1 FY 2012	Drydocks World (Singapore) Pte. Ltd.
4.	Greatship Shanti (150T AHTSV Hull No. 60198)	Anchor handling tug cum supply vessel	Q2 FY 2012	Drydocks World (Singapore) Pte. Ltd.

Cost of the Identified Vessels:

The details of the costs of construction of the Identified Vessels are set forth in the table below:

(In Rs. million)

S. No.	Name of the Vessel	Cost of construction	Amount paid as of March 31, 2010*	Amount proposed to be paid from Net Proceeds	Amount to be financed through third party debt

S. No.	Name of the Vessel	Cost of construction	Amount paid as of March 31, 2010*	Amount proposed to be paid from Net Proceeds	Amount to be financed through third party debt
1.	Greatship Rohini (ROVSV NC 0217)	1,227.12	153.02	238.59	835.51
2.	Greatship Rashi (ROVSV NC 0218)	1,227.12	153.02	238.59	835.51
3.	Greatship Shakti (150T AHTSV Hull No. 60197)	1,586.08	142.22	320.86	1,123.00
4.	Greatship Shanti (150T AHTSV Hull No. 60198)	1,585.99	142.13	320.86	1,123.00
TOTAL		**5,626.31**	**590.39**	**1,118.89**	**3,917.02**

* *As certified by Kalyaniwala & Mistry, Chartered Accountants in their certificate dated May 10, 2010*

Means of Finance

(In Rs. million)

Means of Finance	Amount
Debt	3,917.02
From Net Proceeds	1,118.89
Amount paid as of March 31, 2010	590.39
Total	**5,626.31**

The following are the details of the sanction letters from banks and financial institutions availed in respect of the Identified Vessels:

(In Rs. million)

S. No.	Vessel	Name of the Bank/ Financial Institution	Total Amount sanctioned	Amount outstanding as of March 31, 2010
1.	Greatship Rohini (ROVSV NC 0217)	Axis Bank Limited (Sanction Letter dated March 4, 2010)	835.51	Nil
2.	Greatship Rashi (ROVSV NC 0218)	Axis Bank Limited (Sanction Letter dated March 4, 2010)	835.51	Nil
3.	Greatship Shakti (150T AHTSV Hull No. 60197)	Axis Bank Limited (Sanction Letter dated March 4, 2010)	1,123.00	Nil
4.	Greatship Shanti (150T AHTSV Hull No. 60198)	Axis Bank Limited (Sanction Letter dated March 4, 2010)	1,123.00	Nil
		Total	**3,917.02**	**Nil**

For further details, please see "Financial Indebtedness" on page 254.

We have thus made arrangements for 75% of the total fund requirements for acquisition of the Identified Vessels, excluding the Net Proceeds and internal accruals.

2. Early redemption of part of the Preference Shares issued to our Promoter

Our Company has issued Preference Shares of Rs. 10 each to our Promoter. As on March 31, 2010, 88,000,000 Preference Shares were issued and outstanding. The details of the allotment of Preference Shares to our Promoter are as follows:

Date of allotment of the Preference Shares	No. of Preference Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (cash, other than cash etc)	Cumulative No. of Preference Shares	Cumulative paid-up Preference Capital (Rs.)
November 26, 2008	22,000,000	10	30	Cash	22,000,000	220,000,000
January 9, 2009	30,000,000	10	30	Cash	52,000,000	520,000,000
March 31, 2009	36,000,000	10	30	Cash	88,000,000	880,000,000

The following are the key terms of the Preference Shares:

a) **Dividend:** Dividend at the rate of 7.50% p.a. shall be payable on the face value of the Preference Shares on a *pro rata* basis.

b) **Redemption:** The Preference Shares will be redeemed in six annual tranches starting from April 1, 2013. The first four tranches will consist of 14,500,000 Preference Shares each and the last two tranches will consist of 15,000,000 Preference Shares each. A redemption premium of Rs. 30.90 per Preference Share shall be payable at the time of redemption.

c) **Early Redemption:** The Preference Shares may be redeemed, in part or in full, at any time, by providing one month's notice to our Promoter, subject to a minimum of 2,500,000 Preference Shares at a time. Redemption premium on early redemption would be determined at such time so as to provide an effective yield to maturity of 7% to our Promoter.

Our Company proposes to utilise an amount of Rs. 536.50 million towards early redemption of the first tranche of the Preference Shares, consisting of 14,500,000 Preference Shares, issued to our Promoter. The details of the Preference Shares proposed to be redeemed out of the Net Proceeds are given below:

Date of allotment of the Preference Shares	Face Value (Rs.)	Issue price per Preference Share (Rs.)	Redemption price (including premium) per Preference Share (Rs.)	Total Amount (In Rs. million)	Amount proposed to be utilised out of the Net Proceeds (In Rs. million)
November 26, 2008	10	30	37.00*	536.50	536.50

***** *Computed at 7% effective yield, assuming April 1, 2011 as the date of redemption.*

Our Company proposes to redeem the above mentioned 14,500,000 Preference Shares in the first quarter of Fiscal 2012.

3. Funding the repayment of a portion of the debt availed by our Company

Our Company has availed various loan facilities to finance the acquisition of its vessels. As on March 31, 2010, the total amount outstanding under the project loan facilities availed by our Company aggregated Rs. 6,164.16 million. Our Company will utilise an amount of Rs. 1,628.14 million out of the Net Proceeds to repay certain of its outstanding loans. The details of the loans proposed to be repaid out of Net Proceeds are provided in the table below:

S. No.	Name of the lender	Date of the loan facility agreement	Total amount outstanding as on March 31, 2010	Total amount outstanding as on March 31, 2010	Repayment Date/ schedule	Interest (p.a.)	Purpose for availing the loan facility	Amount proposed to be repaid out of the Net Proceeds
			(In US$ million)	(In Rs. million)				(In Rs. million)
1.	State Bank of India	Loan Agreement dated	23.80	1,068.91	Each tranche to be repaid in 20 equal	Six month LIBOR plus 100	To finance the acquisition	453.79

S. No.	Name of the lender	Date of the loan facility agreement	Total amount outstanding as on March 31, 2010	Total amount outstanding as on March 31, 2010	Repayment Date/ schedule	Interest (p.a.)	Purpose for availing the loan facility	Amount proposed to be repaid out of the Net Proceeds
			(In US$ million)	(In Rs. million)				(In Rs. million)
		August 1, 2006			consecutive semi annual instalments commencing six months after the date of that tranche drawdown. (Option of bullet repayment after five years if the rollover offered by lender in either US$ or INR for the next five years is not acceptable.)	bps* * Interest rate will be 9.25% p.a. if the loan is availed as Rupee term loan	of vessels “Waveney Fortress” and “Waveney Castle” subsequently named as “Greatship Disha” and “Greatship Diya”, respectively	
2.	United Overseas Bank	Loan Agreement dated December 19, 2007	9.92	445.61	To be repaid in 16 consecutive instalments with an interval of six months each. Each of the first 15 instalments to be paid in Japanese Yen equating to 5% of the loan amount and the last instalment to be paid in Japanese Yen equating to 25% of the loan amount.	Six month LIBOR plus 100 bps	To part-finance the construction cost of the vessel “Greatship Anjali” (Hull No. NC 207).	111.40
3.	United Overseas Bank	Loan Agreement dated February 4, 2008	10.54	473.46	To be repaid in 16 consecutive instalments with an interval of six months each. Each of the first 15 instalments to be paid in	Six month LIBOR plus 100 bps	To part-finance the construction cost of the vessel “Greatship Amrita” (Hull No. NC 208).	111.40

S. No.	Name of the lender	Date of the loan facility agreement	Total amount outstanding as on March 31, 2010	Total amount outstanding as on March 31, 2010	Repayment Date/ schedule	Interest (p.a.)	Purpose for availing the loan facility	Amount proposed to be repaid out of the Net Proceeds
			(In US$ million)	(In Rs. million)				(In Rs. million)
					Japanese Yen equating to 5% of the loan amount and the last instalment to be paid in Japanese Yen equating to 25% of the loan amount.			
4.	United Overseas Bank	Loan Agreement dated December 23, 2008	22.35	1,003.87	To be repaid in 16 semi-annual instalments. The amount of first 15 instalments shall be US$604,000 each or the equivalent amount in Japanese Yen and amount of the final instalment to be US$3,020,000 or the equivalent amount in Japanese Yen.	Six month LIBOR plus 180 bps	To part-finance the acquisition of two vessels "Greatship Akhila" and "Greatship Asmi" (Hull No. T-182 and Hull No. T-183).	217.05
5.	United Overseas Bank	Loan Agreement dated August 20, 2007	15.30	687.28	To be repaid in 16 consecutive instalments with an interval of six months each. Each of the first 15 instalments to be paid in Japanese Yen equating to 5% of the loan amount and the last instalment to be paid in Japanese Yen equating to 25% of the	Six month LIBOR plus 105 bps	To part-finance the acquisition of platform supply vessel "Island Trader" subsequently named as name "Greatship Dipti".	183.27

S. No.	Name of the lender	Date of the loan facility agreement	Total amount outstanding as on March 31, 2010	Total amount outstanding as on March 31, 2010	Repayment Date/ schedule	Interest (p.a.)	Purpose for availing the loan facility	Amount proposed to be repaid out of the Net Proceeds
			(In US$ million)	(In Rs. million)				(In Rs. million)
					loan amount.			
6.	HSBC Bank plc, London	Loan Agreement dated July 16, 2008	34.32	1,541.73	Each Ship Tranche to be repaid in 20 equal consecutive semi-annual repayment instalments.	Six month LIBOR plus 118.5 bps	To finance the cost for the purchase of two vessels "Greatship Dhriti" and "Greatship Dhwani" (Hull No. 130AYB and Hull No. 131AYB, respectively).	353.56
7.	Société Générale, Paris	Loan Agreement dated June 5, 2009	21.00	943.32	Each Ship Tranche to be repaid in 16 semi-annual instalments. The amount of first three instalments shall be US$500,000 each and the amount of the next 12 instalments shall be US$550,000 each and the amount of the final instalment to be US$2,900,000.	Six month LIBOR plus 330 bps	To part-finance the acquisition of the vessels "Greatship Ahalya" and "Greatship Aarti" (Hull No. T-184 and Hull No. T- 185, respectively).	197.65
TOTAL			137.23	6,164.16				1,628.14

4. General Corporate Purposes

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [•] million for general corporate purposes, including but not restricted to, meeting working capital requirements, strategic initiatives, partnerships, joint ventures and acquisitions and meeting exigencies, which our Company in the ordinary course of business may face, or any other purposes as approved by the Board.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by the Board from time to time, will have flexibility in deploying the proceeds received from the Issue. The particular composition, timing and schedule of deployment of the Net Proceeds will be determined by our Company based on the development of the projects. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest the funds in interest bearing liquid instruments including deposits with banks and investments in money market mutual funds and other financial products and investment grade interest bearing securities as may be approved by the Board.

Issue Expenses

The Issue related expenses consist of underwriting fees, fees payable to the BRLMs legal counsels, Bankers to the Issue, Escrow Bankers and Registrars to the Issue, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. We intend to use about Rs. [●] million towards these expenses for the Issue. All expenses with respect to the Issue will be borne out of Issue proceeds. The break-up for the Issue expenses is as follows:

Activity	Expenses* (In Rs. million)	Percentage of the Issue Expenses*	Percentage of the Issue size*
Lead Management, Underwriting and Selling Commission	[●]	[●]	[●]
SCSB Commission	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery (including courier, transportation charges)	[●]	[●]	[●]
Others (Registrar fees, legal fees, listing costs etc)	[●]	[●]	[●]
Fees paid to rating agency	[●]	[●]	[●]
Total	[●]	[●]	[●]

**Will be incorporated after finalisation of the Issue Price.*

Monitoring of Utilization of Funds

The Board will monitor the utilization of the Net Proceeds. Our Company will disclose the utilization of the Net Proceeds under a separate head along with details, for all such Net Proceeds that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the Balance Sheet of our Company for the relevant Fiscals subsequent to the Issue.

Pursuant to Clause 49 of the Listing Agreement, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with clause 43A of the Listing Agreement our Company shall furnish to the stock exchanges on a quarterly basis, a statement including material deviations if any, in the utilisation of the process of the Issue from the objects of the Issue as stated above. This information will also be published newspapers simultaneously with the interim or annual financial results, after placing the same before the Audit Committee.

No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, our Directors, our Company’s key management personnel or companies promoted by our Promoter except in the usual course of business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of an assessment of the market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [•] times the face value at the lower end of the Price Band and [•] times the face value at the higher end of the Price Band.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Issue price are:

1. Diverse, young and technologically advanced fleet;
2. Preferential access to home market;
3. Demonstrated capability to operate in geographically diverse markets;
4. Established brand and patronage; and
5. Experienced management team.

For further details, please see "Business" and Risk Factors" on pages 90 and xiii, respectively.

Quantitative Factors

Information presented in this section is derived from our restated audited unconsolidated and consolidated financial statements prepared in accordance with Indian GAAP and SEBI Regulations.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings per Share ("EPS"):

Basic EPS:

Period	Consolidated (Rs. per Equity Share)	Unconsolidated (Rs. per Equity Share)	Weights
Year ended March 31, 2007	1.88	1.95	1
Year ended March 31, 2008	5.00	5.91	2
Year ended March 31, 2009	6.00	6.76	3
Weighted Average	**4.98**	**5.68**	**-**

Consolidated and Unconsolidated Basic EPS for the period ended December 31, 2009 is Rs. 6.95 and Rs. 7.37, respectively.

Diluted EPS:

Period	Consolidated (Rs. per Equity Share)	Unconsolidated (Rs. Per Equity Share)	Weights
Year ended March 31, 2007	1.88	1.95	1
Year ended March 31, 2008	4.88	5.76	2
Year ended March 31, 2009	5.36	6.03	3
Weighted Average	**4.62**	**5.26**	**-**

Consolidated and Unconsolidated Diluted EPS for the period ended December 31, 2009 is Rs. 6.93 and Rs. 7.35, respectively.

Notes:

1. The figures disclosed above are based on the unconsolidated and consolidated restated summary statements of our Company.
2. Earnings per share calculations are done in accordance with Accounting Standard 20 "Earnings per Share" issued by the ICAI.
3. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Unconsolidated Summary Statements as appearing in Appendix IV and Appendix V

respectively.

4. The face value of each Equity Share is Rs. 10.

2. Price Earning Ratio ("P/E") in relation to the Issue Price of Rs. [●] per equity share of Rs. 10 each

Sr. No.	Particulars	Consolidated	Unconsolidated
1.	P/E ratio based on Basic EPS for the year ended March 31, 2009 at the Floor Price:	[●]	[●]
2.	P/E ratio based on Diluted EPS for the year ended March 31, 2009 at the Floor Price:	[●]	[●]
3.	P/E ratio based on Basic EPS for the year ended March 31, 2009 at the Cap Price:	[●]	[●]
4.	P/E ratio based on Diluted EPS for the year ended March 31, 2009 at the Cap Price:	[●]	[●]
5.	***Industry P/E****		
	Highest - Shreyas Shipping and Logistics Limited	25.00	
	Lowest - SEAMEC Limited	2.80	
	Industry Composite	12.00	

* *Source: Capital Markets, Volume XXV/05 dated May 03 – 16, 2010 (Industry-Shipping)*

3. Return on Net worth* ("RoNW")

Period	Consolidated (%)	Unconsolidated (%)	Weights
Year ended March 31, 2007	0.80	0.82	1
Year ended March 31, 2008	3.21	3.78	2
Year ended March 31, 2009	3.72	4.65	3
Weighted Average	**3.06**	**3.72**	-

* *Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for revaluation reserves, as per our Company's restated audited financial statements.*
Consolidated and Unconsolidated RoNW for the period ended December 31, 2009 is 4.99% and 5.55%, respectively.

Minimum Return on Net Worth after Issue needed to maintain Pre-Issue EPS for the Fiscal 2009:

(a). **Based on Basic EPS**

At the Floor Price – [●]% and [●]% based on the Unconsolidated and Consolidated financial statements, respectively.

At the Cap Price - [●]% and [●]% based on the Unconsolidated and Consolidated financial statements, respectively.

(b). **Based on Diluted EPS**

At the Floor Price – [●]% and [●]% based on the Unconsolidated and Consolidated financial statements, respectively.

At the Cap Price - [●]% and [●]% based on the Unconsolidated and Consolidated financial statements, respectively.

4. Net Asset Value per Equity Share

Net Asset Value per Equity Share represents shareholders' equity less miscellaneous expenses as divided by weighted average number of Equity Shares.

Period	NAV (Rs.)	
	Consolidated	Unconsolidated
Year ended March 31, 2007	98.58	99.56
Year ended March 31, 2008	102.01	102.50

Period	NAV (Rs.)	
	Consolidated	Unconsolidated
Year ended March 31, 2009	136.57	121.54
Period ended December 31, 2009	135.39	127.60
NAV after the Issue	[●]	
Issue Price*	[●]	

* *The Issue Price will be determined on the conclusion of the Book Building Process.*

5. Comparison of Accounting Ratios with Industry Peers

Name of the company	Face Value (Rs.)	P/E	EPS (Rs.) (Trailing twelve months ended December 31, 2009)	RoNW for Fiscal 2009 (%)	NAV for Fiscal 2009 (Rs.)
Greatship (India) Limited	10	-	5.36*	3.72	136.57
Peer Group**					
Garware Offshore Services Limited	10	9.9	16.9	19.0	96.6
Great Offshore Limited	10	8.9	47.3#	27.6	279.4
SEAMEC Limited	10	2.8	68.4	15.8	163.5
Varun Shipping Company Limited	10	-	-	11.1	54.2

* *Based on the consolidated and restated financial statements for the year ended March 31, 2009.*

** *Source: Capital Markets, Volume XXV/05 dated May 03 – 16, 2010 (Industry-Shipping).*

\# *For Great Offshore, EPS data is for TTM ended March 31, 2010.*

The peer group listed companies as stated above are engaged in the shipping business.

The BRLMs believe that the Issue Price of Rs. [●] per Equity Share is justified in view of the above qualitative and quantitative parameters. Prospective investors should also review the entire Draft Red Herring Prospectus, including, in particular the sections "Risk Factors", "Our Business" and "Financial Statements" on pages xiii, 90 and 150, respectively, to have a more informed view. The face value of the Equity Shares is Rs. 10 each and the Issue Price is [●] times the face value of the equity shares.

STATEMENT OF TAX BENEFITS

To,
The Board of Directors
Greatship (India) Limited,
Mumbai.

Dear Sirs,

Statement of Possible Tax Benefits Available to the Company and its shareholders

We hereby report that the enclosed statement provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income tax Act, 1961 (provisions of Finance Act, 2009) and Wealth Tax Act, 1957 presently in force in India. Further, we have also incorporated the provisions of the Finance Bill, 2010, where applicable. The Bill may be amended while being adopted as the Finance Act, 2010. The statement does not take into account the provisions of the proposed Direct Tax Code.

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the shares offered for sale by the selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. While all reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

We do not express any opinion or provide any assurance as to whether:

(i) Company or its shareholders will continue to obtain these benefits in future; or
(ii) The conditions prescribed for availing the benefits has been/ would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in the offer document in connection with the proposed issue of equity shares of the company in accordance with SEBI Regulations and is not to be circulated or referred to for any other purpose without our prior written consent.

For Kalyaniwalla & Mistry
Chartered Accountants

Mehli M. Golvala
Partner
Membership No.35303
Dated: March 26, 2010

STATEMENT OF TAX BENEFITS

I. SPECIAL TAX BENEFITS

A. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

Tonnage Tax

Shipping Companies in India, subject to fulfilling of prescribed conditions, have been given an option to pay Income-tax under Chapter XII-G of the Income tax Act, 1961 comprising of sections 115V to 115VZ of the Income-tax on their business income of operating qualifying ships (hereinafter referred to as the Tonnage Tax provisions or Tonnage Tax Scheme or Tonnage Tax Regime). Tonnage tax provisions are beneficial to Shipping Companies and have been brought on the statute to make the Indian Shipping Industry internationally competitive. The Tonnage Tax Scheme is to apply if an option is made in accordance with provisions of section 115VP.

Section 115VD of the Tonnage Tax provisions deals with what is a qualifying ship and also provides for exclusion of certain ships / vessels from the category of qualifying ships. According to the Tonnage tax provisions, the business of operating qualifying ships giving rise to relevant shipping income (referred to in sub-section (1) of section 115V-I) is to be considered as a separate business distinct from all other activities or business carried on by the company. A tonnage tax company engaged in the business of operating qualifying ships is required to compute the profits from the business of operating qualifying ships under the tonnage tax scheme and such profits are required to be computed separately from the profit and gains from any other business. The relevant shipping income referred to in sub-section (1) of section 115V-I is not chargeable to tax. Section 115VF stipulates that the tonnage income shall be computed in accordance with the provisions of section 115VG and the income so computed shall be deemed to the income of a tonnage tax company chargeable to tax under the head “Profits and gains of business or profession”. Section 115VG deals with the method of computation of tonnage income. Section 115V-O provides that the book profit or loss referred to in section 115V-I shall be excluded from the book profit of the company for the purposes of section 115JB. Section 115VT provides for transfer of profits to tonnage tax reserve account. Sub-section(1) of the said section provides that a tonnage tax company shall be required to credit to a reserve account an amount not less than 20% of the book profits referred to in clause (i) and (ii) of sub-section (1) of section 115V-I.

The Company has opted for and continues to pay Income tax under the beneficial Tonnage Tax regime. However, the tonnage tax regime does not apply to Income from operation of / chartering of rigs, barges, etc. and applies only to income from the business of operating qualifying ships. Hence, business income of the Company from operation of rigs, barges, etc. is governed by the regular provisions of the Income tax Act.

B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders of the Company.

II. GENERAL TAX BENEFITS

The Income Tax Act, 1961 (provisions of Finance Act, 2009) and Wealth Tax Act, 1957 presently in force in India, make available the following general tax benefits which are available to all companies or to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling certain conditions prescribed under the relevant provisions of the statute or respective Acts.

A. BENEFITS TO THE COMPANY UNDER THE INCOME TAX ACT, 1961 ("THE ACT"):

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

(a) Dividends exempt under section 10 (34) and 10(35)

Under section 10 (34) of the Act, the Company will be eligible for exemption of income by way of dividend (Interim or final) referred in section 115-O from domestic Company.

The Company will be eligible for exemption of income received from units of mutual funds specified under section 10 (23D) of the Act, income received in respect of units from the Administrator of specified undertaking and income received in respect of units from the specified company in accordance with and subject to the provisions of section 10 (35) of the Act.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Computation of Capital Gains

Capital assets are categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or units of Mutual Fund specified under section 10 (23D) or zero coupon bond will be considered as long term capital assets if they are held for period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "Long Term Capital Gains". Capital gains arising on sale of these assets held for 12 month or less are considered as "Short Term Capital Gains".

Section 48 of the Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

As per the provisions of section 112(1)(b) of the Act, long term capital gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bonds, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of sale is subject to Securities Transaction Tax ("STT"), shall be chargeable to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the consessional benefits of taxation on capital gains.

As per section 74 short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gains of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

(c) <u>Exemption of capital gains from income tax</u>

(i) Under section 10(38) of the Act, any income arising on or after 1st October 2004 from transfer of a long-term capital asset, being an equity share in a company or unit of an equity oriented fund will be exempt provided that the transaction of sale of such shares or units is chargeable to Securities Transaction Tax (STT). However, such income shall be taken into account in computing the book profits under section 115JB.

(ii) According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, investments made in the said bonds should not exceed Rupees fifty lakh.

(d) <u>Computation of Business Income (Non-Tonnage Business Income / Business Income other than from the business of operating qualifying ships)</u>

Subject to the fulfillment of conditions prescribed, the company will be eligible, inter-alia, for the following specified deductions in computing its non-tonnage business income:-

(i) Under Section 35(1)(i) and (iv) of the Act, in respect of any revenue or capital expenditure incurred, other than expenditure on the acquisition of any land, on scientific research related to the business of the Company.

Under Section 35 (1) (ii) of the Act, any sum paid to a scientific research association which has as its object, the undertaking of scientific research or to any approved university, college or other institution to be used for scientific research is eligible for weighted deduction to the extent of one and one fourth times (125%) of the sum so paid. Finance Bill, 2010 proposes to increase the weighted deduction from 125% to 175% of the sum paid.

Under Section 35(1)(iia) of the Act any sum paid to a company registered in India which has as its main object the conduct of scientific research and development and is approved by the prescribed authority and fulfils such conditions as may be prescribed shall be liable to deduction at one and one fourth times of the amount so paid.

Under section 35(1)(iii) any sum paid to a university, college or other institution to be used for research in social science or statistical research is eligible for deduction to the extent of one and one fourth times (125%) of the sum so paid. Finance Bill, 2010 proposes to make this weighted deduction available to amounts paid to approved research associations also.

Similarly, payments to a National Laboratory, university or Indian Institute of Technology in respect of approved programmes of scientific research are also eligible for weighted deduction of 125% under section 35(2AA). Finance Bill, 2010 proposes to increase the deduction from 125% to 175% of the sum paid.

(ii) Subject to compliance with certain conditions laid down in section 32 of the Act, the Company will be entitled to allowance for depreciation in respect of tangible assets (being buildings, machinery, plant or furniture) and intangible assets (being know-how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998) at the rates prescribed under the Income tax Rules,1962. Section 43(3) defines "plant" to interalia include ships.

Unabsorbed depreciation allowance can be carried forward indefinitely and can be set off against the profit or gains of business or income under chargeable under any other head in the subsequent years.

(iii) Under section 36(1)(xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of business or profession" shall be allowable as a deduction against such Business Income.

(iv) Under Section 72 of the Act, where the loss under the head 'profits and gains of business or profession' could not be set off in the same assessment year because either the company had no income under any other head or the income was less than the loss, such loss which could not be set off in the same assessment year, can be carried forward to the following assessment years and it shall be set off against the profit and gains of business or profession for eight successive assessment years subject to the conditions setout in the said section.

(v) Under Section 80-GGB, in computing total income of a Company, any sum contributed by it to any political party is deductible.

(e) <u>Computation of tax on Book Profits</u>

As provided under section 115JB of the Act, the company is liable to pay income tax at the rate of 15% (plus applicable surcharge, education cess and secondary & higher education cess) on the Book Profit as computed in accordance with the provisions of section 115JB of the Act, if the total tax payable as computed under the Act is less than 15% of the Book Profit as computed under the said section.

Section 115JAA(1A) of the Act provides for tax credit in respect of any tax paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006 (hereinafter referred to as MAT credit). MAT credit is the difference between tax paid under section 115JB of the Act and the tax computed as per the regular provisions of the Act. Such MAT credit carried forward is available for set-off in the year in which the Company is liable to pay tax under the regular provisions of the Act. Such tax credit is available for set off up to ten years from the year in which the credit becomes allowable. The amount which can be set-off is restricted to the difference between the tax payable under the regular provisions of the Act and the tax payable under the provisions of section 115JB in that year.

(f) TAX REBATES (TAX CREDITS):

As per the provisions of section 90, the Company is entitled to credit for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties) from income earned in those countries. The Company shall be entitled to deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in foreign countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS:

(a) <u>Dividends exempt under section 10 (34)</u>

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) <u>Computation of Capital Gains</u>

Capital assets are categorized into short term capital assets and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or units of Mutual Fund specified under section 10 (23D) or zero coupon bond will be considered as long term capital assets if they are held for period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “Long Term Capital Gains”. Capital gains arising on sale of these assets held for 12 month or less are considered as “Short Term Capital Gains”.

Section 48 of the Act, which prescribes the mode of computation of Capital Gains, provides for deduction of cost of acquisition / improvement and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of Capital Gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index as prescribed from time to time.

As per the provisions of section 112(1)(b) of the Act, long term capital gains as computed above that are not exempt under section 10(38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the proviso to section 112 (1), if the tax on long term capital gains resulting on transfer of listed securities or units or zero coupon bonds, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term capital gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess). However, as per the provisions of section 111A of the Act, short-term capital gains on sale of equity shares or units of an equity oriented fund, where the transaction of sale is subject to Securities Transaction Tax ("STT"), shall be chargeable to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the consessional benefits of taxation on capital gains.

As per section 74 short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gains of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

(c) <u>Exemption of capital gains from income tax</u>

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to Securities Transaction Tax ("STT").

- According to the provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains not exempt under section 10 (38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six month from the date of transfer. If only part of the capital gains is so reinvested, the exemption shall be allowed proportionately. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, investment made in the said bonds should not exceed Rupees fifty lakh.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a Hindu Undivided Family ('HUF'), gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of two years or constructs within a period of three years after the date of transfer of the original long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

(d) Deduction in respect of Securities Transaction Tax paid against Business Income

Under section 36(1)(xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profit and gains of business or profession" shall be allowable as a deduction against such Business Income.

(e) Deduction of dividend received from subsidiary company while computing Dividend Distribution Tax liability of the Ultimate Holding Company

Every domestic company is liable to pay Dividend Distribution Tax (DDT) on the amount of dividend distributed by it whether interim or final, @17% (including surcharge and education cess). However, while computing the DDT liability of a domestic company which is the ultimate holding company, the dividend so paid or distributed amount shall be reduced by the dividend received from its subsidiary company where the subsidiary company has paid DDT on such dividend.

Thus, ultimate holding company is eligible to take credit for the dividend distributed by its subsidiary company while computing the amount of Dividend Distribution Tax payable by itself on the dividend distributed.

C. BENEFITS AVAILABLE TO OTHER NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN FIIS AND FOREIGN VENTURE CAPITAL INVESTORS):

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Computation of capital gains

Capital assets may be categorized into short term capital asset and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of mutual fund specified under section 10 (23D) of the Act or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as “long term capital gains”. Capital gains arising on sale of assets held for 12 months or less are considered as “short term capital gains”.

Section 48 of the Act contains provisions in relation to computation of capital gains on transfer of shares of an Indian Company by a non-resident. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of section 112 of the Act, long term gain as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). In case investment is made in Indian Rupees, the long-term capital gain is to be computed after indexing the cost.

However, as per the proviso to section 112(1)(c), if the tax on long term gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge, education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable surcharge, education cess and secondary higher education cess) at the discretion of assessee. However, as per the provisions of section 111A of the Act, short term capital gains of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable surcharge, education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT circular no. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the Company will be able to enjoy the consessional benefits of taxation on capital gains.

(i) Capital gains tax - Options available under the Act

Where shares have been subscribed in convertible foreign exchange

Option of taxation under chapter XII-A of the Act:

Non-resident Indians [as defined in section 115C(e) of the Act], being shareholders of an Indian Company, have the option of being governed by the provisions of Chapter XII-A of the Act, which inter-alia entitles them to the following benefits in respect of income from shares of an Indian Company acquired, purchased or subscribed to in convertible foreign exchange:

- According to the provisions of section115D read with section 115E of the Act and subject to the conditions specified therein, long term capital gains arising on transfer of shares in an Indian Company not exempt under section 10 (38), will be subject to tax at the rate of 10 percent (plus applicable education cess and secondary higher education cess) without indexation benefit.

- According to the provisions of section 115F of the Act and subject to the conditions specified therein, gains arising on transfer of a long term capital asset being shares in an Indian company shall not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset, if part of such net consideration is invested within the prescribed period of six months in any specified asset, the exemption will be allowed on a proportionate basis. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the specified asset in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

- As per the provisions of section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their source of income is only investment income and / or long term capital gains defined in section 115C of the Act, provided tax has been deducted at source from such income as per the provisions of chapter XVII-B of the Act.

- Under section 115H of the Act, where the non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of the chapter XII-A shall continue to apply to him in relation to such investment income derived from any foreign exchange asset being asset of the nature referred to in sub clause (ii), (iii), (iv) and (v) of section 115C(f) for that year and subsequent assessment years until such assets are converted into money.

- As per the provisions of section 115-I of the Act, a non-resident Indian may elect not to be governed by the provisions of chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

Where the shares have been subscribed in Indian Rupees:

Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains, it offers a benefit by permitting substitution of cost of acquisition/improvement with the indexed cost of acquisition/improvement, which adjusts the cost of acquisition/improvement by a cost inflation index, as prescribed time to time.

As per the provisions of section 112(1) (c) of the Act, long term capital gains that are not exempt u/s. 10(38) of the Act as computed above would be subject to tax at a rate of 20 percent (plus applicable education cess and secondary higher education cess). However, as per the proviso to Section 112(1) of the Act, if the tax payable in respect of long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax payable on gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at the rate of 10 percent without indexation benefit (plus applicable education cess and secondary higher education cess).

(ii) Exemption of capital gain from income tax

Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or unit is chargeable to STT.

Accordingly to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) and arising on transfer of a long term capital asset shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed Rupees fifty lakh.

In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act. However, if the said bonds are transferred or converted into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house provided that the individual does not own more than one residential house, other than the new asset, on the date of transfer of the original asset.. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accruing as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of two years or constructs within a period of three years after the date of transfer of the original long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

As per section 74 Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

(c) <u>Deduction in respect of Securities Transaction Tax paid against Business Income</u>

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

(d) <u>Provisions of the Act vis-à-vis provisions of the tax treaty</u>

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

D. BENEFITS AVAILABLE TO OTHER INDIVIDUAL NON-RESIDENT SHARE HOLDERS (OTHER THAN FII's AND FOREIGN VENTURE CAPITAL INVESTORS):

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of Section 14A of Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares or units purchased within a period of three months prior to the record date and sold/transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Computation of capital gains

Capital assets may be categorized into short term capital asset and long term capital assets based on the period of holding. Shares in a Company, listed securities or units of UTI or unit of mutual fund specified under section 10 (23D) of the Act or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding 12 months. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as "long term capital gains". Capital gains arising on sale of such assets held for 12 months or less are considered as "short term capital gains".

Section 48 of the Act contains provisions in relation to computation of capital gains on transfer of shares of an Indian Company by a non-resident. Computation of capital gains arising on transfer of shares in case of non-residents has to be done in the original foreign currency, which was used to acquire the shares. The capital gain (i.e., sale proceeds less cost of acquisition/improvement) computed in the original foreign currency is then converted into Indian Rupees at the prevailing rate of exchange.

According to the provisions of section 112 of the Act, long term gain as computed above that are not exempt under section 10 (38) of the Act would be subject to tax at a rate of 20 percent (plus applicable surcharge and education cess). In case investment is made in Indian Rupees, the long-term capital gain is to be computed after indexing the cost.

However, as per the proviso to section 112 (1) (c), if the tax on long term gains resulting on transfer of listed securities or units or zero coupon bond, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 percent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable education cess and secondary higher education cess).

Gains arising on transfer of short term capital assets are currently chargeable to tax at the rate of 30 percent (plus applicable education cess and secondary higher education cess). However, as per the provisions of section 111A of the Act, short term capital gains of equity shares where the transaction of sale is chargeable to STT shall be subject to tax at a rate of 15 percent (plus applicable education cess and secondary higher education cess).

Further the tax benefits related to capital gains are subjected to the CBDT Circular No. 4/2007 dated 15th June 2007, and on fulfillment of criteria laid down in the circular, the individual will be able to enjoy the consessional benefits of taxation on capital gains.

As per section 74 Short term capital loss suffered during the year is allowed to be set-off against short-term as well as long term capital gain of the said year. Balance loss, if any, could be carry forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long term capital loss suffered during the year is allowed to be set-off against long term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent years' long term capital gains.

(c) Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.

- Accordingly to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed Rupees fifty lakh. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

  However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested within the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred. Further thereto, if the individual purchases within a period of two years or constructs within a period of three years after the date of transfer of the original long term capital asset, any other residential house, other than the residential house referred to above, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is purchased or constructed.

(d) Deduction in respect of Securities Transaction Tax paid against Business Income

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as “Profits and gains of Business or profession” shall be allowable as a deduction against such Business Income.

(e) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

E. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Funds set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India would be exempt from income tax subject to the conditions as Central Government may notify. However, the mutual funds shall be liable to pay tax on distributed income to unit holders under section 115R of the Act.

F. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

As per the provisions of section 10(23FB) of the Act, any income of Venture Capital Companies/ Funds (set up to raise funds for investment in a venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India, would be exempt from income tax, subject to the conditions specified therein. However, the exemption is restricted to the Venture Capital Company and Venture Capital Fund set up to raise funds for investment in a Venture Capital Undertaking, which is engaged in the business as specified under section 10(23FB)(c). However, the income distributed by the Venture Capital Companies/ Funds to its investors would be taxable in the hands of the recipients.

G. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FII's'):

(a) Dividends exempt under section 10 (34)

Under section 10 (34) of the Act, income earned by way of dividend (Interim or final) from domestic Company referred to in section 115-O of the Act is exempt from income tax in the hands of the shareholders.

However, in view of the provisions of section 14A of the Act, no deduction is allowed in respect of any expenditure incurred in relation to earning such dividend income. The quantum of such expenditure liable for disallowance is to be computed in accordance with the provisions contained therein.

Also, section 94(7) of the Act provides that losses arising from the sale / transfer of shares or units purchased within a period of three months prior to the record date and sold / transferred within three months or nine months respectively after such date, will be disallowed to the extent dividend income on such shares or units is claimed as tax exempt.

(b) Taxability of capital gains

Under section 10 (38) of the Act, long term capital gains arising out of sale of equity shares or a unit of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT. However, such income shall be taken into account in computing the book profits under section 115JB.

The income by way of capital gains [other than those covered under section 10(38) of the Act] realized by FII's on sale of the shares of Company would be taxed at the following rates as per section 115AD of the Act-

- Short term capital gains, other than those referred to under section 111A of the Act shall be taxed @ 30% (plus applicable surcharge, education cess and secondary higher education cess).

- Short term capital gains, referred to under section 111A of the Act shall be taxed @ 15% (plus applicable surcharge, education cess and secondary higher education cess).

- Long term capital gains @10% (plus applicable surcharge, education cess and secondary higher education cess) (without cost indexation).

It may be noted that the benefits of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable.

According to provisions of section 54EC of the Act and subject to the conditions specified therein, long term capital gains which are not exempt under section 10(38), shall not be chargeable to tax to the extent such capital gains are invested in notified bonds within six months from the date of transfer. If only a part of the capital gain is reinvested, the exemption shall be allowed proportionately. The investment in the said specified assets should not exceed Rupees fifty lakh. However, if the assessee transfers or converts the notified bonds into money within three years from the date of their acquisition, the amount of capital gain arising from the transfer of the original asset which was not charged to tax, will be deemed to be income by way of capital gain in the year in which the notified bonds are transferred or converted into money.

(c) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

(d) Exemption of capital gain from income tax

- Under section 10(38) of the Act, long term capital gains arising out of sale of equity shares or units of equity oriented fund will be exempt from tax provided that the transaction of sale of such equity shares or units is chargeable to STT.

  Accordingly to the provisions of section 54EC of the Act and subject to the conditions specified therein, capital gains not exempt under section 10(38) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer. If only part of the capital gain is so reinvested, the exemption shall be allowed proportionately. Provided that investments made on or after 1st April 2007, in the said bonds should not exceed fifty lakh rupees. In such a case, the cost of such long term specified asset will not qualify for deduction under section 80C of the Act.

  However, if the assessee transfers or converts the notified bonds into money within a period of three years from the date of their acquisition, the amount of capital gains exempt earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money.

- According to the provisions of section 54F of the Act and subject to the conditions specified therein, in the case of an individual or a HUF, gains arising on transfer of a long term capital asset (not being a residential house) are not chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period in a residential house. If only a part of such net consideration is invested the prescribed period in a residential house, the exemption shall be allowed proportionately. For this purpose, net consideration means full value of the consideration received or accrued as a result of the transfer of the capital asset as reduced by any expenditure incurred wholly and exclusively in connection with such transfer. Further, if the residential house in which the investment has been made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

(e) Deduction in respect of Securities Transaction Tax paid against Business Income

Under Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

(f) Provisions of the Act vis-à-vis provisions of the tax treaty

As per Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the relevant tax treaty to the extent they are more beneficial to the non-resident.

H. BENEFITS AVAILABLE UNDER THE WEALTH-TAX ACT, 1957

The company shall be charged wealth-tax @ 1% on amount of which its net wealth determined on the basis of nationality and residential status, on the corresponding valuation date relevant to the assessment year exceeds thirty lakhs subject to section 2(ea) of the Wealth Tax Act, 1957.

Shares of the company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957, hence no wealth tax will be payable on the market value of shares of the company held by the shareholder of the company.

Notes:

1. All the above benefits are as per the current tax law and will be available only to the sole/first named holder in case the shares are held by the joint holders.

2. The above statement of possible direct tax benefits sets out the provision of law in summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.

3. In respect of non-residents, the tax rates and the consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement (DTAA), if any, between India and the country in which the non-resident has fiscal domicile.

4. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

INDUSTRY

The information in this section is derived from various government publications and industry sources that are publicly available. We have also relied on a report prepared by Clarkson Research Services Limited ("Clarkson Research"), entitled Global and Indian Offshore Support Vessel and Drilling Market, dated May 2010 (the "Clarkson Research Report"). We commissioned the Clarkson Research Report for the purposes of confirming our understanding of the industry in connection with the Issue. The information and data contained in the Clarkson Research Report was taken from Clarkson Research's database and other sources. Neither we nor any other person connected with the Issue has verified the information in the Clarkson Research Report. Clarkson Research has advised that: (i) some information in Clarkson Research's database is derived from estimates or subjective judgments; (ii) the information in the databases of other maritime data collection agencies may differ from the information in Clarkson Research's database; (iii) while Clarkson Research has taken reasonable care in the compilation of the statistical and graphical information and believes it to be accurate and correct, data compilation is subject to limited audit and validation procedures and may accordingly contain errors; (iv) Clarkson Research, its agents, officers and employees do not accept liability for any loss suffered in consequence of reliance on such information or in any other manner; (v) the provision of such information does not obviate any need to make appropriate further enquiries; and (vi) the provision of such information is not an endorsement of any commercial policies or any conclusions by Clarkson Research. Prospective investors are advised not to unduly rely on the Clarkson Research Report when making their investment decision. The Clarkson Research Report contains estimates of market conditions based on samples. This information should not be viewed as a basis for investment and references to Clarkson Research should not be considered Clarkson Research's opinion as to the value of any security or the advisability of investing in us.

Introduction to the Offshore Support Vessel and Offshore Drilling Industry

The offshore oil and gas E&P industry plays a vital role in meeting the demand for oil and gas, as approximately 30.0% of global oil production and 19.0% of global gas production is met by offshore activities (*Source: IEA World Energy Outlook, 2008*). Global oil and gas demand is driven by economic activity. Oil demand reached 86.3 million barrels per day ("bpd") in the first quarter of 2010. India has experienced some of the most significant growth in oil and gas demand over the past 10 years, growing by 26% in the past five calendar years. In the calendar year 2009, Indian oil demand was approximately 3.31 million bpd (*Source: IEA Oil Market Report, April 2010*). Offshore oil and gas production in India has increased significantly in recent years, with Indian offshore oil production reaching approximately 440,000 bpd in the calendar year 2009 (*Source: Ministry of Petroleum and Natural Gas*).

Offshore support vessels and drilling units are engaged in supporting the various stages of exploration, development and production of oil and gas from offshore locations. The demand for support vessels and drilling units is affected by the level of offshore activity in production, development and exploration which is, in turn, influenced by a range of economic factors including, oil and gas price trends as well as supply and demand. The location and depth of oil fields is also an important factor in the industry, with a trend towards increased activities in more challenging and deeper environments. The global demand for offshore support vessels declined in the calendar year 2009 as the economic downturn led to reduced global oil demand, oil prices and offshore E&P activity. Oil prices have since recovered and E&P spending is expected to increase in the calendar year 2010 along with offshore activity.

As of the beginning of March 2010 there were 4,668 offshore service vessels in the fleet operating globally, including 2,446 anchor handling tug cum supply vessels ("AHTSVs"), 1,945 platform supply vessels ("PSVs") and 268 multi-purpose supply and support vessels ("MPSSVs"), dive support vessels ("DSV") and remotely operated vehicle support vessels (ROVSVs). There were 902 mobile drilling units ("MDUs") in the global fleet in March 2010. In most of the sectors of the industry, there is a historically large order book of vessels and drilling units under construction which may, in the short term, make the charter environment challenging as new vessels are completed and delivered.

The value of support vessels and drilling units and their charter rates are sensitive to changes in the supply and demand of vessel unit capacity. Competition in the markets for services of offshore support vessels and drilling units is based primarily on charter rates, location, technical specification, and quality of the vessels or drilling units and the reputation of the vessel operators. Utilisation rates, day rates and the value of vessels and drilling units reached a historic high in the middle of the calendar year 2008, but fell significantly in the calendar year 2009 as the economic downturn led to reduced oil demand, lower oil prices and reduced offshore E&P activity. A significant part of the decline in day rates and asset values occurred in the six months immediately following the financial crisis in September 2008. Since September 2009, the offshore support vessel and drilling unit markets have improved and if E&P expenditure growth and oil prices remain firm this recovery is expected to continue.

The Offshore Oil and Gas Market

Global Oil Demand

Oil is one of the world's most important energy sources and the offshore industry plays a vital role in meeting global demand. In the calendar year 2008, oil accounted for approximately 34.8% of total energy consumption in the world (*Source: BP Statistical Review of World Energy, 2009*). Oil demand grew steadily at an annual compound growth rate of 1.2% between the calendar years 1999 and 2009, from approximately 76.2 million bpd to 84.9 million bpd, primarily as a result of global economic growth. The economic slowdown experienced in the calendar year 2008 and much of the calendar year 2009 had an impact on overall oil demand, with global demand falling 1.4% in the calendar year 2009. However, beginning January 2010, the IEA has been revising its demand forecasts for the calendar year 2010 upward, the IEA now projects a rise in demand of 1.7 million bpd, to 86.6 million bpd, subject to anticipated global economic recovery. Approximately 30.0% of global oil demand in the calendar year 2009 was estimated to have been met by offshore production (*Sources: IEA Oil Market Report, April 2010, IEA Annual Statistical Bulletin, 2009 and Clarkson Research estimates*).

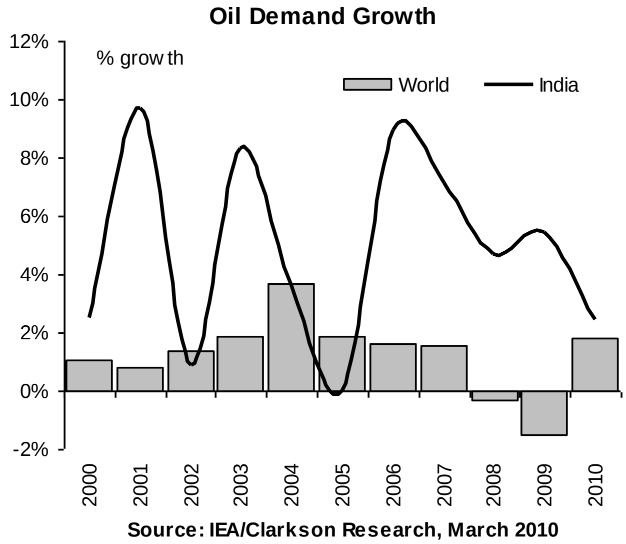
The table below shows the growth in oil demand since 1999, as well as the IEA's current scenario for growth for the calendar year 2010.

Global Oil Demand

	Calendar Year												
Region	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010(f)**	**CAGR 1999-2009)***
	Million bpd (except percentages)												
North America (including Mexico)	23.81	24.07	24.07	24.14	24.56	25.41	25.58	25.38	25.47	24.17	23.29	23.40	-0.2%
OECD Europe	15.36	15.22	15.38	15.33	15.46	15.53	15.66	15.67	15.34	15.33	14.50	14.39	-0.7%
Non-OECD Asia (excluding China and India)	5.23	5.29	5.45	5.60	5.71	6.12	6.23	6.25	6.54	6.52	6.64	6.88	3.1%
China	4.29	4.55	4.67	5.02	5.55	6.42	6.69	7.25	7.57	7.89	8.51	9.12	8.7%
India	2.15	2.34	2.29	2.40	2.49	2.57	2.57	2.78	3.00	3.14	3.31	3.38	5.2%
OECD Pacific	8.73	8.65	8.55	8.49	8.63	8.52	8.59	8.45	8.37	8.07	7.68	7.57	-1.6%
Middle East	4.82	4.95	5.14	5.27	5.38	5.78	6.07	6.23	6.53	7.10	7.23	7.59	5.2%
Latin America	4.91	4.89	4.92	4.87	4.78	5.07	5.21	5.39	5.69	5.91	5.96	6.17	2.6%
Former Soviet Union	3.72	3.77	3. 80	3.78	3.88	3.88	3.91	4.03	4.15	4.16	3.91	4.10	1.1%
Africa	2.47	2.46	2.52	2.61	2.67	2.78	2.93	2.94	3.07	3.18	3.20	3.28	3.2%
Others	0.62	0.61	0.68	0.68	0.72	0.72	0.73	0.74	0.76	0.74	0.72	0.72	1.7%
Global Total	**76.11**	**76.80**	**77.47**	**78.19**	**79.83**	**82.80**	**84.17**	**85.22**	**86.51**	**86.21**	**84.93**	**86.60**	**1.4%**
y-o-y growth (%)	2.2%	0.9%	0.9%	0.9%	2.1%	3.7%	1.7%	1.2%	1.6%	-0.3%	-1.5%	2.0%	

Sources: IEA Oil Market Report, April 2010 and IEA Annual Statistical Bulletin, 2009

Oil demand growth has been primarily driven by Asian economic growth, particularly in non-OECD countries such as India and China. As a result of the rapid growth of the Chinese economy in the past decade, Chinese oil demand is estimated to have grown from 4.3 million bpd in 1999 to 8.5 million bpd in 2009. The IEA estimates that Chinese oil demand will grow by an average of 0.6 million bpd in 2010, in part due to the building of the Chinese strategic oil reserve. Over the same 10-year period, the Middle Eastern oil demand grew by 2.9 million bpd to 7.2 million bpd. One of the fastest growing areas of oil demand has been India, whose consumption grew by 1.2 million bpd, to 3.3 million bpd between 1999 and 2009. The graph below shows year-on-year growth in Indian consumption compared to growth in global demand (*Sources: IEA Oil Market Report, April 2010 and IEA Annual Statistical Bulletin, 2009*).



Global Gas Demand

Over the last two decades, gas has been one of the world's fastest growing energy sources. In the calendar year 2008, gas accounted for approximately 24.0% of the world's energy consumption (*Source: BP Statistical Review of World Energy, June 2009*). According to the BP Statistical Review 2009, gas represented the third largest global energy source, after oil and coal. Gas is used primarily as a heating source and to generate electricity. Consumption of gas is expected to continue to rise as a result of a number of factors including global economic growth and increasing energy demand, the fact that gas is a cleaner burning fuel than coal or oil, wide applicability of gas as a fuel source and market deregulation. The table below shows the growth in oil consumption between the calendar years 1998 and 2008.

Global Gas Consumption

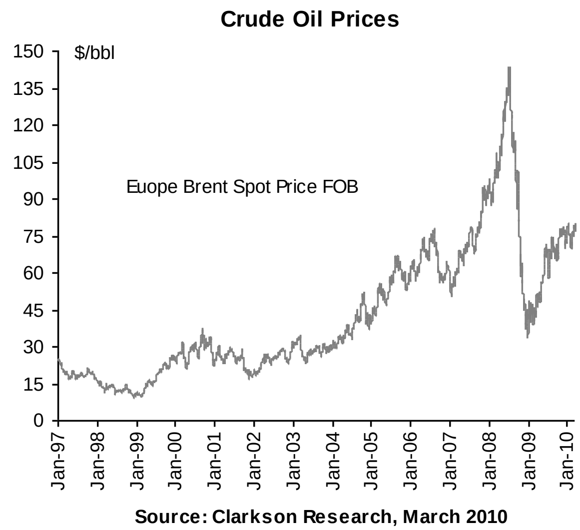
	Calendar Year											
billion cbm (except percentages)	**1998**	**1999**	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**CAGR (1998-2008)***
North America	753	759	794	759	787	779	782	775	772	812	824	0.9%
Southern and Central America	90	90	95	100	101	106	117	124	135	138	143	4.8%
Europe and Eurasia	945	968	997	1,010	1,029	1,054	1,087	1,111	1,132	1,138	1,144	1.9%
Middle East	175	181	187	207	218	229	247	279	291	303	327	6.5%
Africa	50	53	57	63	65	72	77	79	84	89	95	6.7%
Asia Pacific	256	272	295	315	329	356	372	402	428	457	485	6.6%
of which India	24	25	26	26	28	30	32	36	37	40	41	5.4%
World	**2,268**	**2,323**	**2,425**	**2,453**	**2,530**	**2,595**	**2,684**	**2,770**	**2,843**	**2,938**	**3,019**	**2.9%**
y-o-y growth (%)		2.4	4.4	1.2	3.1	2.6	3.4	3.2	2.6	3.4	2.7	2.9%

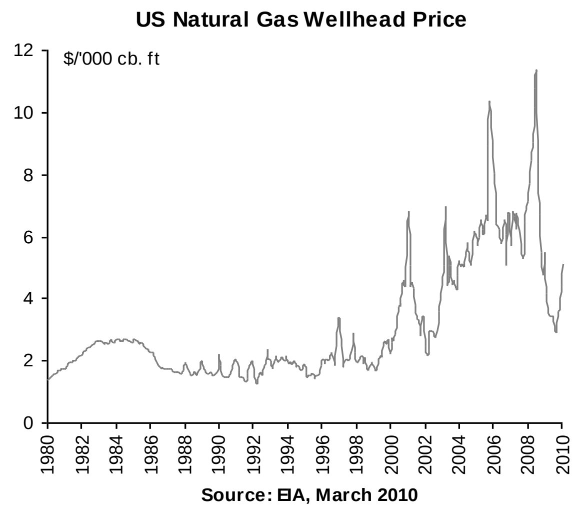
Source: BP Statistical Review of World Energy, 2009

*Compound Annual Growth Rate over time specified.

Oil and Gas Prices and E&P Expenditure

The demand for offshore support vessels, drilling and oil services is fundamentally driven by the E&P expenditure of oil and gas companies. E&P expenditure depends on the cash flow of oil and gas producers, which, historical data shows, is primarily determined by oil and gas prices and production volumes. Generally higher, or higher expectations of, oil and gas prices will result in greater demand for offshore drilling services and lower oil and gas prices will result in reduced demand for offshore drilling services. The following charts show the price movements of crude oil and natural gas, for the periods indicated.





Offshore E&P activity, and the demand for offshore support vessels and offshore drilling services, are also influenced by a variety of economic and political factors including worldwide demand for oil and gas, production levels, governmental policies regarding exploration and development of reserves, the ability of OPEC to set and maintain production levels and pricing, the level of production of non-OPEC countries and weather conditions. Volatility in oil and gas prices can produce wide swings, with lag effect, in the levels of overall E&P activity and affect the demand for supply vessels and drilling services. Oil prices fluctuated greatly in the calendar year 2008, with a rapid and significant drop from the calendar year 2008 to the calendar year 2009, marked by a high of US$ 145.29 per barrel (based on the price of WTI crude oil as quoted by Bloomberg) on July 3, 2008 to a low of US$ 33.98 per barrel on February 12, 2009. This price fall, combined with the wider impact of the financial crisis, affected capital expenditure for E&P companies in the calendar year 2009 and resulted in the reduction of the demand for offshore support and drilling services. In recent months oil prices have stabilised between US$ 70.00 to US$ 85.00 per barrel. Agencies such as the EIA believe that oil prices will remain at relatively stable prices above current price levels (*Source: EIA, International Energy Outlook, December 2009*). This would be positive for the medium and long term trends in offshore activity, as the current prices have stimulated an increase in E&P activities, as seen so far in the calendar year 2010. The chart below shows the estimated E&P expenditure for the periods indicated.

Summary of Oil and Gas Exploration and Production Expenditures

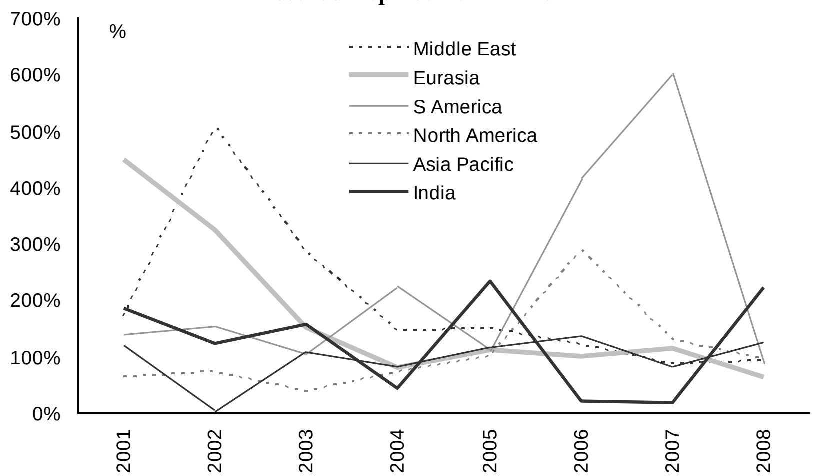
	Calendar Year				
	2008	2009E	2010E	2009/2010 Year-to-Year Change (%)	Companies Surveyed
	(US$ in million)				
U.S. spending	106,296	71,185	79,495	11.7	197
Canadian spending	28,669	18,514	22,847	23.4	126
International spending	318,597	305,072	337,039	10.5	134
Worldwide spending	453,363	394,771	439,381	11.3	387

Source: Barclays Capital, December 2009

Global offshore capital expenditure (or the expenditure required to bring new capacity onstream) is estimated to have decreased in the calendar year 2009, which is expected through the calendar year 2010, due to reduced activity and lower upstream costs. Offshore operating expenditure (or the spending required to operate new production capacity as well as operate existing capacity) is also estimated to have fallen in the calendar year 2009. However, a return to a more stable oil price environment has stimulated an increase in the calendar year 2010. E&P budgets, and global offshore capital expenditure and operating expenditure are expected to resume growth in the calendar years 2010 and 2011.

Increased focus on maintaining reserve replacement ratios ("RRR"), which are used to measure the rate of net addition of oil and gas as compared to production, has led to an increasing focus in oil exploration, noticeably by national oil companies. This is reflected in increased spending at the exploration stage. The following charts set out the regional reserve replacement ratios and proved oil reserves in the major oil producing regions for the periods indicated.

Reserve Replacement Ratio



Source: Clarkson Research, BP Statistical Review of World Energy 2009

Region	Proved Oil Reserves – Calendar Year 1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	R/P Ratio (2008)
	Thousand million barrels										
North America	69	69	67	65	62	61	61	70	71	71	14.8
Southern and Central America	98	98	99	100	100	103	103	111	124	123	50.3
Europe & Eurasia	108	109	128	141	144	143	144	144	\145	142	22.1
Middle East	686	693	699	731	746	750	754	756	755	754	78.6
Africa	85	93	97	102	112	114	117	117	125	126	33.4
Asia Pacific	43	43	43	41	41	40	41	42	41	42	14.5
of which: India	5.0	5.3	5.5	5.6	5.7	5.6	5.9	5.7	5.5	5.8	20.7
Global Total	**1,089**	**1,104**	**1,133**	**1,180**	**1,206**	**1,211**	**1,220**	**1,241**	**1,261**	**1,258**	42.0
y-o-y growth	1.9%	1.5%	2.6%	4.1%	2.2%	0.4%	0.7%	1.7%	1.7%	-0.2%	

Source: BP Statistical Review of World Energy, 2009

Offshore Oil and Gas Production

The prominence of production from offshore oilfields began in the 1960s when oil and gas producers invested heavily in developing the shallow water fields beneath the Gulf of Mexico and the Arabian Gulf. Offshore production rose rapidly from that period, particularly in the North Sea. Most producing regions now possess significant offshore production capacity, with the Gulf of Mexico, the North Sea, South East Asia, West Africa, Brazil and the Middle East being the main regions for offshore E&P activities. According to the latest available field production figures collected by Clarkson Research, approximately one third of the current oil production is from offshore oilfields.

Global Oil Production

Region	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**Estimated Offshore**	**% Offshore**
	Calendar Year											
	Million bpd (except percentages)											
Middle East	21.45	20.83	19.46	20.85	21.99	22.34	22.52	22.05	22.94	21.19	7.36	35%
North America (including, Mexico)	14.25	14.36	14.47	14.62	14.58	14.14	14.21	14.27	13.94	14.26	4.10	29%
Former Soviet Union	7.94	8.58	9.39	10.33	11.23	11.64	12.25	12.77	12.82	13.29	1.15	9%
West and South Africa	7.10	7.08	7.13	7.71	8.49	9.07	9.20	9.39	9.46	8.92	4.20	47%
Latin America	6.62	6.61	6.53	6.39	6.65	6.98	6.95	6.83	6.98	6.95	2.88	41%
Europe (North Sea)	6.80	6.67	6.61	6.32	6.08	5.61	5.18	5.01	4.77	4.52	4.20	93%
China	3.23	3.30	3.39	3.41	3.48	3.62	3.67	3.73	3.79	3.79	0.59	16%
India Sub-Continent	0.75	0.75	0.79	0.80	0.81	0.77	0.79	0.81	0.81	0.80	0.46	57%
Asia and Australasia	2.79	2.86	2.82	2.79	2.87	2.82	2.81	2.69	2.85	2.81	1.37	49%
Others	6.15	6.25	6.43	6.62	7.01	7.46	7.83	8.11	7.99	8.21	0.07	1%
Total	**77.08**	**77.29**	**77.02**	**79.84**	**83.19**	**84.45**	**85.41**	**85.66**	**86.35**	**84.74**	**26.39**	**29%**
y-o-y growth	4.0%	0.3%	-0.3%	3.7%	4.2%	1.5%	1.1%	0.3%	0.8%	-1.9%		

Source: Clarkson Research and IEA, March 2010. Estimated Offshore production and % based on 2008 figures.

Note: Figures include crude oil, shale oil, oil sands and NGLs. Excludes liquid fuels from other sources such as biomass and coal derivatives.
Total includes processing gains, which are increases due to addition of other products during processing.

The depletion of oil reserves in easily accessible and shallow-water locations (up to 1,000 metres) is restricting opportunities for significant new additions to reserves in these areas. This has compelled oil and gas producers to develop production capacity in deep-water offshore locations (above 1,000 metres up to 1,500 metres). E&P projects in remote, deepwater locations can be complex and expensive, but high oil and gas prices, as well as developments in E&P technology, have made deepwater offshore one of the fastest growing sectors within the oil and gas industry. Of the 4,404 offshore oil and gas fields tracked by Clarkson Research where water depth data is available as of March 2010, 2,814 are in production, 203 are being developed or under construction, and 1,387 have been reported as probable or possible future developments. Out of the offshore oilfields in production, only 9.0% are in waters depths in excess of 500 metres, while 26.0% of the oilfields under construction as of March 2010 are in deep water. The following table sets out the total number of offshore oil and gas oilfields currently under production, in development or construction and reported having potential for oil and gas production.

Global Oil and Gas Field Developments

Regions	**Production**		**Development/ Construction**		**Potential**		**Total**	
	less than 500 metres	**more than 500 metres**	**less than 500 metres**	**more than 500 metres**	**less than 500 metres**	**more than 500 metres**	**less than 500 metres**	**more than 500 metres**
North America	735	155	13	23	48	83	**796**	**261**
Latin America	118	26	18	10	21	28	**157**	**64**
West Africa	300	44	10	12	59	95	**369**	**151**
NW Europe	622	2	40		318	16	**980**	**18**
Mediterranean	155	8	14	5	35	24	**204**	**37**
Middle East	63		6		9		**78**	
Indian Sub-Continent	27	2	20		52	33	**99**	**35**
Asia Pacific	550	7	30	2	493	73	**1,073**	**82**
Grand Total	**2,570**	**244**	**151**	**52**	**1,035**	**352**	**3,756**	**648**

Source: Clarkson Research, March 2010

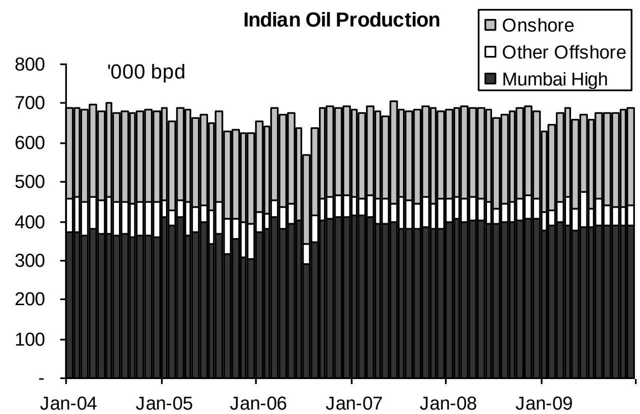
Potential fields include discoveries, potential and probable developments

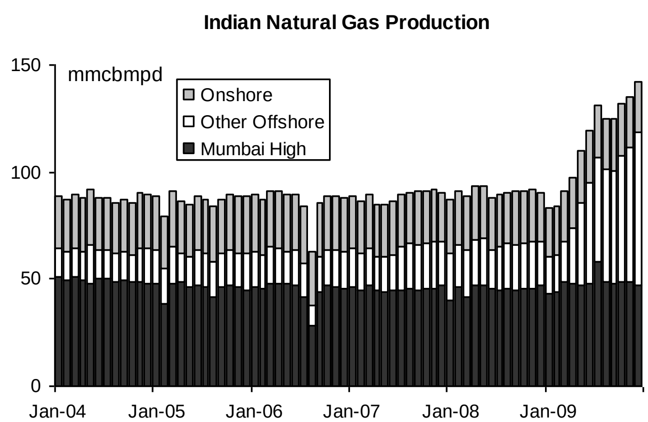
Does not include fields where water depth is not reported

Indian Offshore Oil and Gas Production

Overview of Indian Oil and Gas Market

In the calendar year 2009, Indian oil production reached approximately 670,000 bpd of which approximately 442,000 bpd was produced offshore. In the same period, Indian natural gas production totalled approximately 114 million cubic metre per day, of which 90 million cubic metres per day was from offshore fields (*Source: Government of India, Ministry of Petroleum and Natural Gas*). Oil production has been fairly constant for the past few years. However, since the start up of new gas production capacity in the second quarter of the calendar year 2009, offshore gas production has grown significantly.





Since the launch of the GoI's New Exploration Licensing Policy ("NELP") in 1999, exploration licences have been awarded through a competitive bidding system under which all entities, including government-owned companies, have to compete to secure petroleum exploration licences. One of the stated aims of the GoI has been to encourage the participation of foreign and Indian private sectors companies in exploration and development activities to supplement the efforts of national oil companies in narrowing the gap between energy supply and demand, thus enhancing the country's energy security. Between 1998 and 2008 combined Indian oil and gas consumption grew by over 1 million bpd (oil and oil equivalent). Over the same period Indian oil and gas production grew by just 78,000 bpd. This has led to a significant increase in oil imports into the country, sourced primarily from the Middle East.

Eight rounds of bidding have been successfully concluded under NELP. After the seventh NELP round, 203 production sharing contracts had been executed and an area comprising 46.0% of the Indian sedimentary basin area was awarded for exploration (*Source: Ministry of Petroleum and Natural Gas, Economic Division (Economic Editors' Conference, November 4, 2009*). The eighth NELP round was approved by the Indian Government in

March 2010, with a further 33 of 70 blocks being awarded. The ninth round of NELP is scheduled to take place in the second half of 2010, before an Open Acreage Licensing Policy ("OALP") is adopted in 2011. The aim of OALP is to accelerate the pace of oil and gas exploration activity by granting oil and gas companies greater flexibility in selecting blocks, as well as allowing bids throughout the year.

At the start of April 2009, the Ministry of Petroleum and Natural Gas estimated that investments of US$ 11.9 billion had been made by Indian and foreign companies in domestic oil and gas exploration, of which US$ 5.5 billion was on hydrocarbon exploration and US$ 6.4 billion was on development of discoveries. Looking ahead, if global economic growth recovers, crude oil and natural gas prices remain firm and stable, and as national governments aim to secure energy security, many market participants expect exploration and development activities to increase with participants seeking to capitalise on new discoveries and potential fields, particularly in the Asian offshore regions. This could result in further investments in the Indian market.

Indian Offshore Oil and Gas Fields

Indian offshore oil production and exploration is based in two main regions. Offshore oil production to the west of India is centred on the Mumbai High oil field, which commenced production in 1976. This oil field is operated by Oil and Natural Gas Corporation Limited, and is located 160 kilometres offshore in water depths of approximately 85 metres. In 2009, oil and condensate production in the Mumbai region averaged approximately 346,000 bpd. This accounted for approximately 50.0% of India's total oil production, and 80.0% of India's offshore oil production.(*Source: Ministry of Petroleum & Natural Gas, Economic Division*).

To the east of India, significant deepwater gas discoveries have been made in the Krishna Godavari basin, off the coast of the state of Andhra Pradesh. The first major discovery was made in the KG-DWN-98/3 exploration block in the D6 field (Dhirubhai 1-3) by Reliance Industries Limited in 2002. Commercial production commenced in 2009, and it is envisaged that at peak production this will reach 80 million metric standard cubic metre per day ("mmscmd") (*Source: Ministry of Petroleum and Natural Gas*). The field is located approximately 43 kilometres offshore in water depths of approximately 1,545 metres. Gas from the field is transported to shore via subsea completion and pipeline. The KG basin is now one of the main exploration and production regions of India with a number of other discoveries and potential field developments.

As of March 2010, Clarkson Research has tracked 144 Indian offshore oilfields, of which 28 are in the production stage, 20 are under construction or development and 95 are potential fields for development. The majority of fields currently in production are in shallow waters of less than 500 metres. The fields under construction or development are located in water depths of less than 500 metres but new discoveries have tended to be in deeper waters. Of the 88 fields earmarked for potential future development (where water depth information is available), 22 are in deep waters (between 500 metres and 1,500 metres) and 11 in ultra deep-water depths (more than 1,500 metres). The 11 potential fields in ultra-deep water settings are all located in the KG Basin. New developments in the deep waters of eastern India are expected to drive significant growth in capital expenditure over the coming years.

The Offshore Support Vessel, Drilling and Oil Services Industries

The Offshore Support Vessel Industry

The offshore support vessels industry deploys vessels to serve exploratory and developmental drilling rigs and production facilities and support offshore construction and subsea maintenance activities. The industry employs various types of vessels, referred to broadly as offshore support vessels that primarily support the construction, positioning and ongoing operation of offshore oil and gas drilling rigs and platforms. Services provided by companies in this industry are performed in numerous locations worldwide, but are generally concentrated in relatively few offshore regions with high levels of exploration and development activity such as Brazil, the Gulf of Mexico, Middle East, the North Sea, South East Asia and the West Africa.

Demand for these vessels is affected by the level of offshore exploration and drilling activities, which is in turn influenced by a range of economic and political factors. Vessels operate in a highly competitive market where the key competitive factors are pricing and availability of equipment to meet customer's needs. Other factors, such as service quality, reputation, local knowledge and the ability to provide complex logistical support are also important.

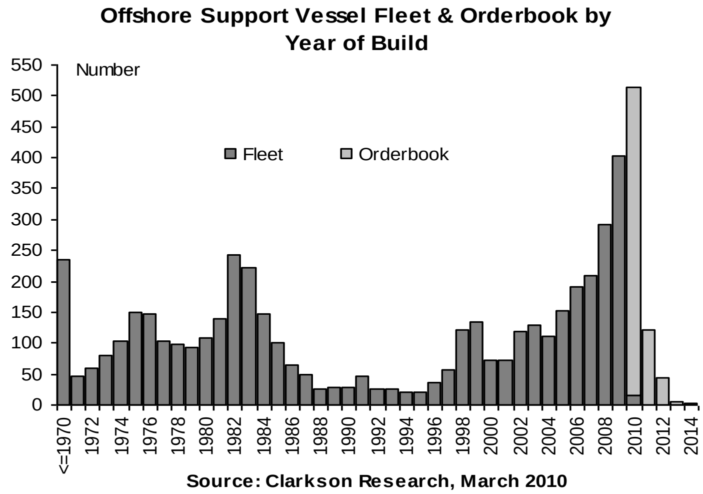
The following table gives an overview of the activities of offshore support vessels at each stage of the oil production process. In practice the divisions between the vessel groups are not always clear, and many vessels are capable of performing several duties depending on the equipment they carry and market conditions at the relevant time.

Summary of the activities requiring the services of offshore support vessels

	Exploration	**Development**	**Production**
Length of Typical Cycle	**3 to 5 years**	**2 to 4 years**	**5 to 55 years**
Description	• Collection of survey data. • Analysis and interpretation. • Identification of oil and gas reserves.	• Construction and installation of production platforms, pipelines and equipment. • Preparation for production.	• Management of oil and gas production. • Operations and Maintenance. • Retrofit work.
Drivers	• Oil price levels, with approximate one year lag. • Requirement to replenish proven reserves.	• Global oil and gas demand. • Requirement to monetise investment in oil and gas fields. • Oil price levels.	• Global oil and gas demand.
Vessels	• Seismic survey and support hydrographic survey (for pipeline routes). • ROV Support Vessels • PSV/Supply, Crewboats • Chase boats • AHTV, AHTSV, MPSSV, Tugs	• Derrick/Crane Vessels • Cable- & Pipe-lay vessels • Heavy Lift Transport • Offshore Dredgers • Accommodation units • PSV/Supply, Crewboats • AHTV, AHTSV, MPSSV, Tugs	• AHTSV, Tugs • PSV/Supply • ERRV • Crewboats • Accommodation Units • MPSSV/Production Support Vessels
Support Services	• Seismic operations, deployment of spreader lines • Refueling of other vessels • Chase boat activities • Transportation of crew and supplies • Rig moving	• Diving, Site Survey and Preparation Services • Installation of platforms and associated infrastructure • Transport of platform jackets, topside modules and/or MPUs • Anchor handling and general towing • Transportation of crew and supplies	• Anchor handling • Transportation of bulk and deck cargo • Off-take tanker handling • Crew / supply transportation • Inspection and maintenance support services
Risk of reduced activity due to oil price correction	**High**	**Medium**	**Low**

Source: Clarkson Research, March 2010

The offshore support vessel sector saw limited fleet expansion activities between the calendar years 1983 and 2005 but has recently seen an increase in the number of new vessels and tonnage as a result of a major phase of investment in new vessels between the calendar years 2006 and 2008. Close to 400 new vessels were delivered globally in the calendar year 2009, with another 500 scheduled for delivery in 2010, although cancellations and delays may impact this number. However, despite the large number of new vessels, over 25.0% of the fleet is over 30 years old.



Note: The above includes AHTSVs, AHTVs, PSVs, supply boats, MPSSVs, DSVs and ROVSVs.

Types of Offshore Support Vessels

In practice, the divisions between the vessel groups are not always clear, and many vessels are capable of performing several duties depending on the equipment they carry and market conditions at any given time. The following table contains the summary of the types and functions of offshore support vessels.

Summary of the Roles of Offshore Support Vessels

				Typical Role		
Vessel Type	**Fleet**	**Orderbook**	**Key features**	**Exploration**	**Development**	**Production**
AHTSV	2,446	376	• Horsepower, winch size and wire storage capacity. • Large aft decks for anchor handling and towing operations as well as deck cargo. • Dynamic Positioning.	Towing, positioning and mooring drilling rigs, lifting and setting anchors on the sea bottom	Towing, positioning and mooring production facilities.	Delivery of cargoes to supply oil and gas platforms.
PSV	1,954	210	• Deadweight, available deck area and below-deck capacity.	Storage and transport of mud and cement used in the drilling process, equipment, water and fuel oil.	Transportation of deck cargo such as pipes, equipment and spares, and tank cargoes such as water and fuel oil.	Transportation of deck cargo such as pipes, equipment and spares, and tank cargoes such as water and fuel oil.
MPSSV, DSV and ROVSV	268	87	• Dynamic positioning. • Extra accommodation. • Crane or A-frame, Moonpool	Can be equipped to perform survey duties	Support construction and installation of platforms, pipelines and subsea infrastructure	Support inspection, repair and maintenance on existing platforms, pipelines and cables

Source: Clarkson Research, March 2010

For further information on the characteristics and functions of the above offshore support vessels, see "Our Business—Our Existing Fleet" on page 96.

Demand for Offshore Support Vessels

The demand for offshore support vessels is dependent by a number of factors that are discussed earlier, including:

- economic activity and global oil and gas demand;
- levels of drilling activity;
- levels of offshore activity;
- oil and gas prices and E&P spending;
- location of oil fields and water depth;
- decommissioning or refurbishment of rigs; and
- availability of offshore support vessels.

In particular, the demand for AHTSVs and PSVs is influenced by the number and type of drilling and production units, operating environment, the water depth and the distance from shore.

Supply of Offshore Support Vessels

The effective supply of offshore support vessel capacity is determined by the size of the existing fleet, the rate of delivery of new vessels, scrapping and casualties, the number of vessels undergoing repair or upgrade work and the amount of tonnage of vessels in lay-up, constituted by idle vessels that are available for trading after a period of decommissioning or refurbishment. The total supply of the offshore vessel market is a critical determinant of pricing for offshore support vessel services. The following table provides a summary of the offshore support vessel fleet:

Summary of the Offshore Support Vessel Fleet & Orderbook

Type	Fleet No.	Ave. Age	% over 25 years	Obook No.	% of fleet on order	Year of Delivery			2009 non-delivery rate *
						2010	2011	2012+	
Anchor Handling Tug / Supply >16,000 BHP	138	6.3	3%	77	56%	55	20	2	56%
Anchor Handling Tug / Supply 12-16,000 BHP	178	12.5	21%	44	25%	35	8	1	28%
Anchor Handling Tug / Supply 8-12,000 BHP	304	16.5	42%	63	21%	50	11	2	37%
Anchor Handling Tug / Supply 4-8,000 BHP	1,237	17.7	46%	157	13%	135	22	0	33%
Anchor Handling Tug / Supply <4,000 BHP	568	28.4	76%	0	0%	0	0	0	0%
Anchor Handling Tug / Supply	**2,446**	**18.9**	**48%**	**376**	**15%**	**302**	**68**	**6**	**30%**
Platform Supply & Supply >4,000 DWT	160	6.0	1%	81	51%	54	10	17	13%
Platform Supply & Supply 3-4,000 DWT	290	6.4	3%	76	26%	51	18	7	41%
Platform Supply & Supply <3,000 DWT	1,242	21.0	50%	29	2%	17	9	2	0%
Platform Supply & Supply	**1,954**	**17.6**	**40%**	**210**	**11%**	**129**	**40**	**39**	**24%**
MSV, DSV & ROV Support	**268**	**12.7**	**20%**	**87**	**32%**	**69**	**14**	**4**	**45%**
TOTAL	**4,668**	**18.0**	**43%**	**673**	**14%**	**500**	**122**	**49**	**31%**

Source: Clarkson Research, March 2010.

Totals include vessels where size units are unreported.

* Non-deliveries are the vessels that were expected to be delivered according to the January 2009 orderbook schedule, but due to delays, cancellations, re-negotiations of contracts and new market information have not yet entered the fleet. Going forward, the orderbook will be influenced by delays, cancellations and the re-negotiation of contracts. Due to these technical and contractual issues, there is currently considerable uncertainty surrounding the orderbook. The figures quoted above relate to the orderbook as at March 1, 2010 and take no account for these potential delivery problems.

Order Book of Offshore Support Vessels Under Construction

The level of construction of new vessels, at any given time, is dependent on the construction costs in relation to the current and anticipated market conditions. The industry vessel order book for new vessel construction indicates the number of confirmed construction contracts for new vessels that are scheduled to be delivered, which in turn indicates how the global supply of vessels will develop over the next few years. As of the beginning of March 2010, the global offshore support vessel order book stood at 673 units, equivalent to 15.0% of the existing fleet, a historically high level. 500 vessels are due for delivery by the end of the calendar year 2010. The outstanding order book includes some vessels that were not delivered in the calendar year 2009 and have been re-scheduled to be delivered in the calendar year 2010.

It is anticipated that the industry will face a number of challenges in the delivery of the existing vessel order book. The construction of a proportion of vessels on order have been contracted at shipyards or fabricators who are new entrants in the shipbuilding industry. Some are currently under construction, known as a greenfield shipyards, or have delivered their first vessels only in the past two years. Some of these projects have been reported to be experiencing technical and financial difficulties. It is expected that the construction of some vessels may be delayed. Owners with vessels on order are also experiencing financing problems as a result of the reduced charter markets, declines in asset values and lack of bank financing. In the calendar year 2009, approximately 31.0% of the offshore support vessel order book did not deliver on schedule, in part due to delays in construction and cancellations of orders. It is likely that financing has not been secured for a significant number of vessels on the order book. Despite anticipated delays and cancellations, there remains a considerable number of vessels to be delivered within the next few years. Further, some of the vessels on order from owners with financing issues may continue to be built and resold by the shipbuilders. The expected increase in the supply of vessels caused by the new deliveries may put downward pressure on charter rates and vessel prices.

The offshore support vessel order book shows a trend of owners preferring to construct larger vessels. This in part reflects growing demand for vessels to supply offshore developments located in more difficult operating environments associated with deepwater fields, where complex exploration and production projects often require specialised equipment and higher volumes of supplies.

Global Fleet of Offshore Support Vessels

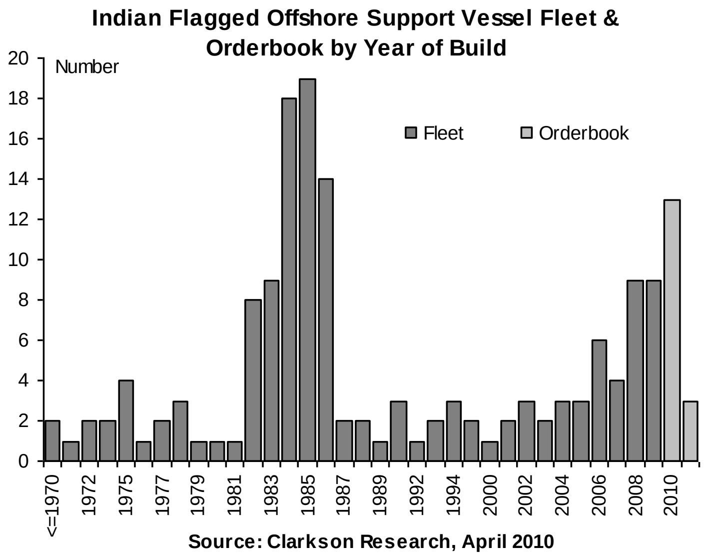
The current AHTSV and AHTV fleet operating globally stands at 2,446 ships with an average age of 18.9 years. As of March 2010, the order book for the construction of new AHTSVs and AHTVs stood at 376 vessels, equivalent to 15.4% of the fleet in terms of vessel numbers. A majority of ships in the existing global AHTSV and AHTV fleet and on order have engine capacities that are below 8,000 bhp. Larger vessels with engine capacities are over 12,000 bhp account for 12.9% of the existing global fleet, and 32.2% of the order book as of March. Many of these modern AHTSVs incorporate comprehensive environmental protection and safety features and will be built with enhanced capabilities that will allow these vessels to support deep water E&P activities. The platform supply vessel fleet has a similar structure. The average age of the global PSV fleet is 17.6 years, with approximately 40.0% of PSVs aged over 25 years. As of March 2010, there were 1,954 PSVs in the global fleet, with 210 new vessels on the order book. PSVs with engine capacities of over 3,000 dwt accounted for 23.0% of the fleet, but 74.8% of the PSV order book. The large number of MPSVs also reflects growing demand for vessels that are able to support complex deep water operations. The combined multi-purpose, DSV and ROVSV fleet operating globally consists of 268 vessels. This is a relatively younger fleet, with an average age of 12.7 years, and approximately 70.0% of vessels under the age of 10 years. As of March 2010, the order book constitutes 32.5% of the fleet, reflecting demand for versatile vessels with cranes and ROV capacity.

Ownership Pattern of Offshore Support Vessels

The ownership of the offshore support vessel fleet is relatively fragmented, with the top 25 owners accounting for approximately 31.0% of the fleet operating globally. The majority of owners focus on regional markets, namely Brazil, the Gulf of Mexico, Middle East, the North Sea, South East Asia and the West Africa. While there is some vessel migration between regions, key factors such as mobilisation costs, vessel suitability and cabotage laws, which impose restrictions on foreign-flagged vessels, limit migration between the regions. Since the 1990s, expansion and joint ventures have seen a number of larger ownership groups acquire a global presence. These have typically been U.S.-based publicly traded offshore support vessel providers whose operations have been historically focused on the Gulf of Mexico but later expanded to other geographical regions by purchasing vessels employed in other markets. Further consolidation may impact the competitive environment for offshore support vessels suppliers in particular markets.

The Indian Offshore Support Vessel Market

According to Clarkson Research, there are 150 Indian flag offshore support vessels. The following charts show the age profile of the fleet of Indian flag offshore support vessels.



The following table sets out information on the ownership pattern of the fleet of Indian flag offshore support vessels.

Top Owners of the Indian Flagged Offshore Support Fleet

Owner	Owner Country	Number of vessels
ONGC	India	31
Great Offshore Ltd	India	27
Shipping. Corp. of India	India	13
Greatship India	India	11
Garware Offshore	India	10
Samson Maritime Ltd.	India	8
Varun Shipping Co.	India	7
TAG Sealogistics	India	5
KEI-RSOS	India	4
Essar Shipping	India	3
Raj Shipping Agencies	India	3
SE Asia Marine	India	3
Others	India	25
Total		**150**

Source: Clarkson Research, March 2010
Note: Fleet data of the Company has been sourced from the Company. Please note data may differ from other data agencies. Includes AHTSVs, AHTVs, PSVs, supply boats, MPSSVs, DSVs and ROVSVs

Trends in the Offshore Support Vessel Markets

As with the global offshore support vessel markets, the Indian offshore support vessel industry is directly affected by the demand for these services and the supply of vessels capable of performing the required functions. The supply of vessels is influenced by the number of new deliveries entering the market, as well as the removal of older units. The demand for such vessels is governed by the level of global offshore E&P activities. This, in turn, is influenced by a number of factors, including oil and gas prices and the exploration budgets of offshore E&P companies.

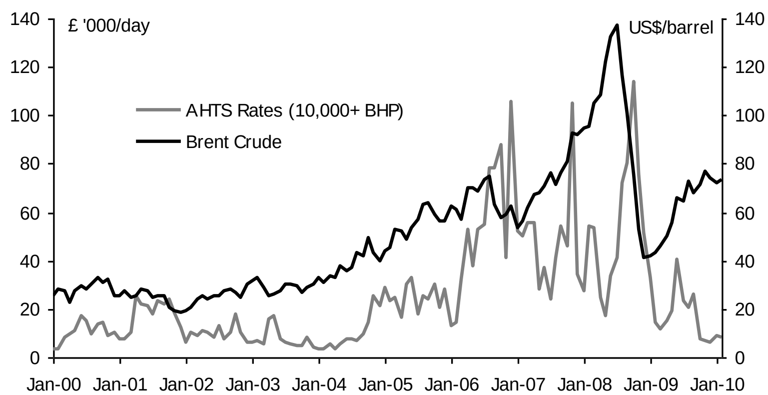
Each regional market is affected by different factors, such as that area's unique blend of political, operating and economic factors. The availability of vessels in a particular geographical region also affects both day rates and utilisation rates. The circumstances which limit vessel migration between regions, such as mobilisation costs, vessel suitability and cabotage laws have resulted in the segmentation of the various offshore support vessel markets, each into a distinct market.

In India, the majority of offshore support vessels are chartered under arrangements where customers charter or lease the vessels at daily rates of hire, with charter periods varying from several days to several years. Charterers include major integrated oil companies, large independent E&P companies, emerging independent oil and gas producers and construction companies.

Offshore Support Vessel Market Rates and Prices

Charter rates in the offshore support vessels reflect the balance between the supply and demand for offshore support services. The chart below illustrates the movement of the offshore support vessel the spot market, *i.e.* charters of less than 30 days in the North Sea, over the past decade. Unlike other regional markets, the North Sea market is characterised by transparency in reporting charter rates in its market. The volatility of the market over the past four years reflects variable demand for offshore support services, underpinned by movements in oil prices. Rates peaked in the final quarter of the calendar year 2008, with average levels exceeding £100,000 per day. However, day rates fell sharply and are currently below £10,000 per day, as a decline in demand coincided with a large number of newly constructed vessels, or newbuildings entering the market. During the past six months, a number of vessels in this region went into lay-up or moved to alternative markets, such as West Africa.

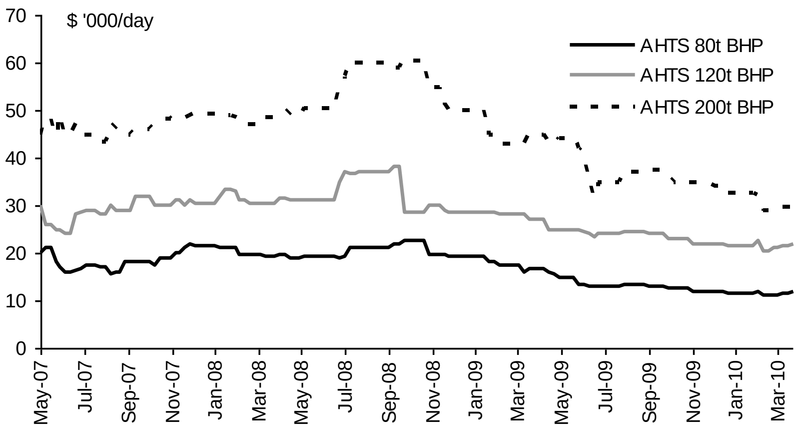
North Sea AHTS Daily Charter Rates and Oil Price



Source: Clarkson Research, March 2010

According to Clarkson Research, benchmark rates obtained from H.Clarkson brokers suggest that a 200 ton bollard pull AHTSV could achieve a one-year rate of US$ 29,500 per day as of March 2010, although lack of activity makes this difficult to test. This compares to a peak rate in September 2008 of US$ 60,000 per day, with the majority of this correction coming in the six months immediately following the financial crisis. The following chart illustrates the movements in charter rates for AHTSVs.

One Year AHTS Timecharter Rates

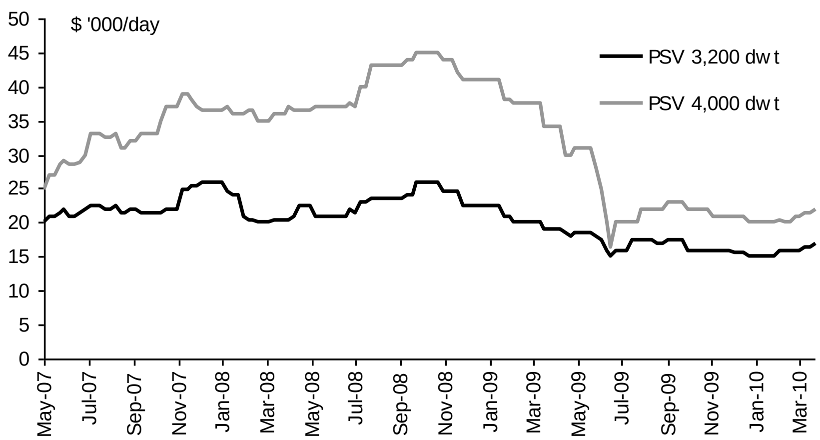


Source: Clarkson Research, March 2010

Note: The vessels used in these time charter estimates are standard modern vessels in this market sector. Clarkson Brokers estimate the weekly timecharter rates for standard vessels based on transactions and ongoing negotiations associated with vessels of similar size, on which they have been able to obtain information. There is often a bid offer spread between owners and charterers, and the above reflects published owners prices. Figures are intended to reflect "global averages". There is no guarantee that current rates are sustainable and rates may increase or decrease significantly over short periods of time.

Benchmark rates provided by Clarkson Brokers suggest that a 3,200 dwt PSV would command a one year charter rate of around US$ 16,950 per day. The following chart illustrates this, and the movements in charter rates for PSVs.

One Year PSV Timecharter Rates



Source: Clarkson Research, March 2010

Note: The vessels used in these time charter estimates are standard modern vessels in this market sector. Clarkson Brokers estimate timecharter rates each week for these standard vessels, which is informed by transactions and ongoing negotiations associated with vessels of similar size. There is often a bid offer spread between owners and charterers, and the above reflects published owners prices. Figures are intended to reflect "global averages". There is no guarantee that current estimated rates are correct or sustainable and rates may fluctuate significantly over short periods of time.

The strength of the market over the calendar years 2007 and 2008 was also reflected in asset values, with both newbuilding and second hand prices reaching relatively levels. Since the economic downturn in the second half of the calendar year 2008 and for much of the calendar year 2009, the prices for offshore support vessels have fallen.

Offshore Drilling Services Industry

The offshore drilling services industry provides oil and gas companies with the means to drill wells offshore through the leasing of fixed production platforms and MDUs. The market for offshore drilling services is fundamentally driven by the exploration, development and production expenditures of oil and gas companies and the availability of offshore drilling units. Industry exploration, development and production expenditures depend on the cash flow of oil and gas producers, which is primarily determined by oil and gas prices and production volumes.

Types of Mobile Drilling Units

We operate only in the MDU sector of the offshore drilling services industry. The following chart contains a summary of the different types of MDUs, their key features and the global MDU fleet as of March 2010.

Summary of the Roles of Mobile Drilling Units

Vessel Type	Number of units	Order Book	Water Depth Range (feet)	Key features
Jack	474	71	Up to 500	A self elevating drilling platform whose legs rest on the sea bed when drilling. These are limited to shallow waters.
Semi-submersible	196	37	Up to 12,000	Floating platform that maintains its position over a well through the use of an anchoring system or dynamic positioning system.
Drillship	52	37	Up to 12,000	Similar to semi-submersibles, but greater capacity and mobility makes drillships well suited to offshore drilling in remote areas.

Source: Clarkson Research, March 2010

The most common drilling unit is the jack-up rig, which is a self-elevating drilling platform with three or four "legs" resting on the sea bed when drilling. Jack-up rigs are typically towed to and from drilling sites. Jack-ups are the most commonly used drilling unit, representing over half of the global fleet.

Semi-submersible rigs are floating platforms that are ballasted down on location so that much of their hull is below sea level, providing it a considerable degree of stability. They can be positioned either by mooring lines or with dynamic positioning. Drillships are ship-shaped self-propelled vessels with a drilling derrick amid ships over a "moonpool" through which drilling is performed. Most of these, including all those being built, use dynamic positioning for positioning, although some of the older units designed for use in water depths of less than 5,000 feet use conventional mooring systems. Both semi-submersible rigs and drillships can operate in deepwater environments, with greater capacity and mobility than jack-up rigs, making them well suited to offshore drilling in remote areas.

Order Book of the Mobile Drilling Unit Sector

The MDU sector has attracted a large volume of investment in construction of new drilling units over the past 5 years. As of March 2010, there were 152 units on order, equivalent to approximately 17.0% of the current fleet. The drillship order book constitutes approximately 70.0% of the fleet as of March 2010, which reflects anticipated demand for drilling units capable of drilling in more remote, deepwater locations. In contrast, the jack-up rig order book accounts for approximately 15.0% of the fleet as of March 2010. The age profile of the global jack-up rig fleet shows that a large number of older units are still in the fleet, with approximately two-thirds of units aged at least 25 years.

Demand and Supply of Mobile Drilling Units

The demand for and supply of MDUs are generally subject to the same factors affecting the offshore support vessel industry. Similarly, although MDUs are mobile and can be moved from one region to another, the cost of moving such units and the availability of rig-moving vessels limit the extent to which this occurs in the industry. The following table shows the geographical distribution of the MDU fleet as of March 2010.

Regional Distribution of Offshore Drilling Units

Region	Jack Up	Semi-Sub	Drill Ship	Barge/ Tender	Total

North America	115	40	8	82	**245**
Latin America	16	47	13	46	**122**
West Africa	31	21	12	15	**79**
North and Western Europe	40	38	1	1	**80**
Mediterranean	41	13	2	1	**57**
Middle East	105	2	1	1	**109**
Indian Sub-Cont	33	4	8	1	**46**
Asia Pacific	86	31	7	33	**157**
Total	**474**	**196**	**52**	**180**	**902**
Average Age	23.0	23.9	18.4	23.0	22.9
Order Book	71	37	37	7	**152**
Order Book as % of Fleet	15%	18%	72%	4%	**17%**
Total	**545**	**233**	**89**	**187**	**1,054**

Source: Clarkson Research, March 2010
Total includes units with unknown location.
Barge Tender = Drill Barge, Drilling Tender.

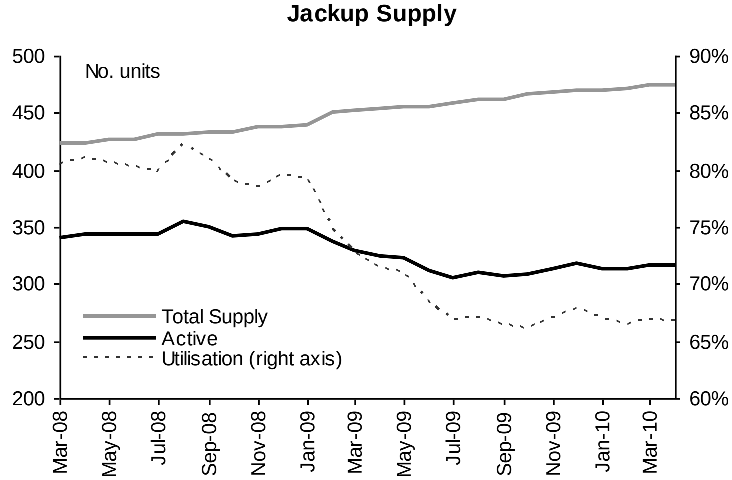
Demand and Supply of Jack-Up Rigs

Utilisation rates and day rates for the global jack-up rig fleet declined sharply following the drop in demand arising from the downturn in oil and gas prices from the final quarter of the calendar year 2008. The extent of the declines varied according to region and unit specification. The older, shallow-water jack-ups experienced the steepest decline in utilisation rates and day rates. The following charts show the geographical distribution of jack-up rigs as of March 2010, as well as recent trends in global jack-up supply and utilisation. Day rates have followed a similar pattern to utilisation rates. Following a sharp reduction in levels during the first half of the calendar year 2009, rates have levelled off. In the Indian offshore market, reported rates between the fourth quarter of the calendar year 2008 and the first quarter of 2010 for jack-up rigs capable of operating in water depths of up to 300 feet have ranged from US$ 140,000 per day to US$ 60,000 per day. Reported rates for units capable of operating in water depths of up to 375 feet have ranged from approximately US$ 200,000 per day to US$125,000 per day.

Regional Distribution of Jack-Up Drilling Units

No. Units	Active	Inactive	Total	% Active
USA Gulf of Mexico	29	56	**85**	34%
Mexico Gulf of Mexico	26	3	**29**	90%
Canada	1		**1**	100%
North America	**56**	**59**	**115**	**49%**
Caribbean	6	3	**9**	67%
E.C. South America	4	3	**7**	57%
South & Central America	**10**	**6**	**16**	**63%**
West Africa	**16**	**15**	**32**	**50%**
North Sea	27	8	**35**	77%
Western Europe	1		**1**	100%
Baltic	1	1	**2**	50%
Russian Arctic	1	1	**2**	50%
North & West Europe	**30**	**10**	**40**	**75%**
Mediterranean	24	5	**29**	83%
Caspian/Black Sea	8	4	**12**	67%
Mediterranean	**32**	**9**	**41**	**78%**
Middle East	73	31	**104**	70%
East Africa	1		**1**	100%
India Subcontinent	32	1	**33**	97%
Middle East & India	**106**	**32**	**138**	**77%**
SE Asia	31	22	**53**	58%
China	28	3	**31**	90%
Australasia	2		**2**	100%
Asia Pacific	**61**	**25**	**86**	**71%**
Total	**317**	**157**	**474**	**67%**

Source: Clarkson Research, March 2010
Total includes units with unreported location



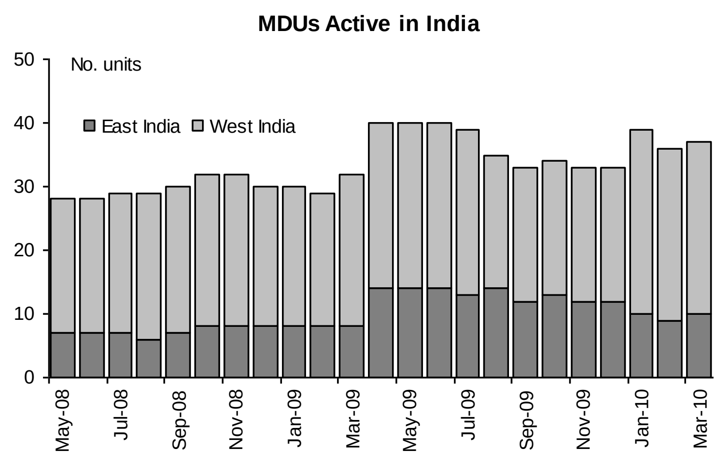
Source: Clarkson Research, March 2010

Ownership Pattern of Mobile Drilling Units

There are over 100 offshore rig-owning companies globally but the top five rig-owning companies are all U.S. drilling contractors. The top 25 operators account for approximately 70.0% of the MDUs in the global fleet and order book. In the jack-up rig sector, eight of the top 10 operators are based in the United States.

The Indian Mobile Drilling Unit Market

As of March 2010, there were 33 jack-up rigs, four semi-submersible rigs, nine drillships and one drill barge operating in India. The deployment of nine drillships out of a total global fleet of 53 as of March 2010 indicates the growing importance of deepwater exploration in India. The following chart shows the number of MDUs active in India as of the dates indicated.



Source: Clarkson Research, March 2010

Increased drilling activity is expected to increase demand for drilling units, depending on the type of structure, operating environment, distance offshore and activity level. The order book for Indian MDU operators includes two rigs under construction in India for Essar Oilfields Limited, one jack-up rig for Great Offshore Limited, one drillship and one cylindrical floating drilling unit for ONGC, which have been contracted to be deployed to India and one drillship for Reliance Industries, which is under construction in South Korea and will be deployed to India upon its scheduled delivery in October 2010.

OUR BUSINESS

Overview

We are one of India's largest offshore oilfield services providers. Our fleet has grown from one vessel as of March 31, 2007 to 14 vessels (excluding one vessel which has been contracted for sale) and two rigs currently. In addition, our total income increased to Rs. 5,373.68 million for the nine months ended December 31, 2009 from Rs. 216.65 million for the financial year 2007. We believe we are one of India's fastest growing offshore oilfield services provider in terms of growth of fleet and revenue.

We operate a fleet of offshore support vessels and jack-up rigs, which provide marine logistics and drilling services to support the offshore oil and gas exploration and production ("E&P") activities of our clients. The majority of our fleet operates in India. We also have vessels operating and servicing E&P companies in other jurisdictions, such as Mexico, South Africa and Southeast Asia. Since our incorporation in 2007, we have also operated in the Middle East, the Mediterranean Sea and the North Sea.

Our offshore logistics services entail the chartering of our 14 support vessels for E&P operations. Our vessels transport a diverse range of materials and equipment, as well as personnel to and from offshore oil and gas installations. Some of our offshore support vessels have anchor handling and towing capabilities and are used in transportation, relocation and positioning of offshore drilling rigs.

Our offshore drilling services entail the chartering of two jack-up rigs to E&P companies for drilling activities. Jack-up rigs are typically used for exploratory and developmental oil and gas drilling and oil well workover operations in shallow waters.

We intend to commence the business of offshore construction and have commissioned the construction of seven vessels that are capable of offering a wide range of offshore construction services, after being appropriately equipped and fitted. These vessels are scheduled to be delivered to us over the course of the financial years 2011 and 2012. Offshore construction services generally involve the provision of support services for construction, installation, repair and maintenance of subsea infrastructure, which may involve the deployment of divers and underwater remotely operated vehicles ("ROVs").

We are a subsidiary of our Promoter, The Great Eastern Shipping Company Limited ("GESCO"), one of India's largest shipping companies. GESCO has over six decades of experience in the shipping business of transporting oil, petroleum products, gas and dry bulk commodities.

We have two wholly-owned subsidiaries in Singapore, Greatship Global Offshore Services Pte. Ltd. ("GGOS") and Greatship Global Energy Services Pte. Ltd. ("GGES"). GGES focuses on the offshore drilling services business. It currently owns one jack-up rig, and has in-chartered another jack-up rig, on a bareboat basis. Both these jack-up rigs are currently operated by the Company. GGOS currently owns one offshore support vessel and has two vessels under sale and leaseback arrangements. We intend to develop GGOS into a multi-national offshore and subsea construction services provider.

Our fleet of owned, leased and in-chartered vessels and rigs has grown in size and capability from one vessel as of March 31, 2007 to 14 vessels and two rigs currently. We operate a fleet comprising five platform supply vessels ("PSVs"), eight anchor handling, towing cum supply vessels ("AHTSVs"), one multi-purpose platform supply vessel ("MPSSV") and two jack-up rigs. For further details, see "—Our Existing Fleet" on page 96. We expect take delivery of nine vessels, comprising three remotely operated vehicle support vessels ("ROVSVs"), two MPSSVs, two multi-purpose support vessels ("MSVs") and two AHTSVs by March 2012. For further details, see "—Our Fleet and Services Expansion Plans" on page 101.

We generate the majority of our revenues by chartering our vessels and rigs on a day rate basis under time charters. Under such charters, we typically retain operational control over chartered vessels and rigs and are responsible for ordinary operating expenses, maintenance, repairs, wages and certain insurance, while our customers are typically responsible for other expenses, such as fuel costs.

Our total income was Rs. 3,159.40 million and Rs. 5,373.68 million, for the financial year 2009 and for the nine months ended December 31, 2009, respectively. Our net profit after tax was Rs. 474.51 million and Rs. 656.44 million, for the financial year 2009 and for the nine months ended December 31, 2009, respectively.

Competitive Strengths

We believe the following are our core competitive strengths:

Diverse, young and technologically advanced fleet

Our fleet comprises a diverse range of modern and technologically advanced offshore support vessels and rigs. We believe we operate one of the youngest fleet in the offshore oilfield services industry in India. As of January 1, 2010, (i) the average age of the PSV fleet globally was approximately 17.6 years, while the average age of our PSVs was approximately 4.3 years; (ii) the average age of the AHTSV fleet globally was approximately 18.9 years, while the average age of our AHTSVs was approximately 0.9 year; and (iii) the average age of our industry's jack-up rigs globally was approximately 23.0 years, while the average age of our jack-up rigs was approximately 0.2 year. *(Source: Global and Indian Offshore Service Vessel & Drilling Market, Clarkson Research Services Limited, March 2010)* By commissioning the construction of additional ROVSVs, MPSSVs, MSVs and AHTSVs, which we expect to be delivered by March 2012, we will continue to maintain young and modern vessels and rigs.

Our new generation vessels have better functional capabilities and operate more efficiently than equivalent older vessels. Our vessels are designed to operate safely in complex and challenging environments with the use of sophisticated technologies. These technologies include dynamic positioning, roll reduction systems and controllable pitch thrusters, which allow our vessels to maintain position with minimal variance. Many of our vessels are also capable of being fitted with modern fire fighting technologies which, for some clients is a critical factor in contracting with an offshore services provider. In addition, one of our existing vessels contains, and four of the vessels we have commissioned to be built will contain, diesel-electric propulsion which improves fuel efficiency, thus reducing our customers' operating costs. Further, one of our existing vessels is, and nine of our vessels currently under construction will be, compliant with the Code of Safety for Special Purpose Ships, 2008 (the "SPS Code 2008"). We believe that these vessels, when delivered, will be among the first few vessels globally that are compliant with the SPS Code 2008. Such ships are considered special purpose ships, and are capable of carrying more than 12 additional special personnel tasked with specific duties on the ships, with the aim of achieving a higher level of safety for the ships and their personnel equivalent to that required by the International Convention for the Safety at Life of Sea, 1974. For further details, see "—Regulatory Matters—Code of Safety for Special Purpose Ships, 2008" below.

Newer vessels generally experience less downtime and require significantly less maintenance and scheduled drydocking costs compared to older vessels. We believe that due to complexities involved in offshore operations an increasing number of offshore contractors will prefer to hire newer and more modern vessels and rigs.

Preferential access to home market

Currently, eight of the 10 Indian flagged vessels in our fleet, comprising three PSVs and five AHTSVs, are deployed to customers in India. Additionally, we also operate two jack-up rigs in India. We believe that having a significant presence in our home market gives us an operational advantage. Under prevailing cabotage laws in India, Indian flag vessels enjoy certain preferential treatment in the coasting trade of India. In addition, Indian flag vessels are preferred by state-owned oil and gas companies. Under the terms of certain tenders for vessels that we have or may bid for, ONGC has granted or will grant Indian bidders a price preference of up to 10.0% over the lowest acceptable price of international bidders. This is subject to the Indian bidder subcontracting no more than 50.0% of the value of the works to foreign contractors. In addition, under certain tender documents, Indian flag vessels are granted the first right of refusal to offer their services at the lowest price offered by international bidders. Similarly, tender documents for jack-up rigs often contain price preference provisions, and Indian bidders are granted a price preference of up to 10.0% over the lowest acceptable price of international bidders, provided no more than 80.0% of the value of the works is subcontracted to foreign contractors**.** We believe that such preferential measures offer us a degree of protection against competition from foreign flag vessels. We have in the past taken and will continue to take advantage of India's cabotage laws in order to ensure maximum utilisation of our vessels and rigs in India.

Demonstrated capability to operate in geographically diverse markets

The majority of our fleet operates in India. We also have vessels operating and servicing E&P companies in other jurisdictions, such as Mexico, South Africa and Southeast Asia. Since our incorporation in 2007, we have also operated in the Middle East, the Mediterranean Sea and the North Sea. We believe that our ability to operate in various geographical markets enables us to capitalise on differences in demand and day rates in the markets we operate in, which vary from one market to another. In addition, we believe that maintaining operations in the major offshore oilfield markets will help boost our market presence in those areas where an important pre-qualification criterion is past experience of operating in that geography.

Established brand and patronage

We are a subsidiary of our Promoter, GESCO, one of India's largest shipping companies. GESCO was incorporated in 1948 and has since grown into a company with a consolidated turnover of Rs. 43,428.80 million for the financial year 2009 and a market capitalisation of Rs. 44,803.63 million as of March 31, 2010. Our Promoter owns and operates a large fleet of oil and petroleum product tankers, gas carriers and bulk carriers and has reputable clientele, which comprise leaders in the international and Indian maritime industry, including some of the world's leading international oil companies and state-owned and private sector companies in India. As we are a relatively new entrant in our industry, GESCO's financial strength and brand reputation has helped us qualify for bids with India's major oil and gas exploration companies. For example, to qualify to bid for contracts with our largest customer, ONGC, a bidder that is relatively newly organised who cannot in its own right meet the financial capability criterion of the tender, may qualify if the average annual turnover of the bidder and its parent, in the recent past financial years, was more than 50.0% of the annualised value of the bid. GESCO has also provided performance guarantees with respect to some of our contracts with ONGC. Additionally, GESCO has, in some cases, provided corporate guarantees for us to enable us to incur debt and performance guarantees to shipyards to facilitate our vessel construction orders. We believe that our Promoter's success in operating through industry cycles over the course of six decades has created a good brand image for GESCO. Historically, we have benefited not only from the managerial guidance of our Promoter, but also from its established business relationships and widespread brand recognition throughout India. We intend to continue to leverage our relationship with GESCO to grow our business.

Experienced management team

Our management team has significant experience in the domestic and international marine transportation and oil and gas industry. Our key managerial personnel also have significant oil and gas, shipping, marine engineering and ship building experience. The Chairman of our Company, Bharat K. Sheth, has over 28 years of experience in the shipping industry and has been associated with our Promoter since 1981. Our Managing Director, Ravi K. Sheth, has over two decades of experience in the shipping industry and has been associated with our Promoter since 1990. Through the extent of their experience, our management has built a network of contacts with clients and intermediaries in the marine support and transportation services industry and have demonstrated their ability in bidding for and being awarded contracts for marine supply and transportation services. The rapid growth of our fleet and business over the past three financial years is testament to the experience and leadership of our management team.

Our Business Strategy

Maintain a diverse, young, modern and technologically advanced fleet

We believe that the diversity and the technologically advanced nature of our fleet enables us to provide offshore exploration and production operators with a broad range of offshore oilfield services across the markets in which we operate. New generation vessels have better functional capabilities and operate more efficiently than older vessels. These technologies include dynamic positioning, roll reduction systems and controllable pitch thrusters, and modern fire fighting technologies. We anticipate that further exploration and development activity will take place in shallow water and deep water regions, and as a result, demand for our vessels will continue to be strong.

In order to cater to the increased E&P activities in the markets we operate in, we have commissioned the building of nine offshore support vessels that can provide the functional flexibility for the varied needs of our clients. When we take delivery of all our vessels currently under construction, we expect that the average age of our entire fleet will be approximately three years and our fleet will comprise 22 vessels and one rig, as of the end of the financial year 2012.

Expand our service offerings within our business operations

We currently provide only offshore logistics and offshore drilling services, while the offshore oil and gas E&P industry utilises a variety of other services. We intend to expand our services by offering offshore construction services. Offshore construction services typically involve the provision of support services for construction, installation, repair and maintenance of subsea infrastructure which may involve the deployment of divers and ROVs. Offshore construction services are highly specialised in nature and require substantial technical and operational expertise and experience. To gain experience in this sector, we aim to partner with companies with established reputations in the offshore construction sector to offer our services. We have also commissioned the construction of seven vessels, comprising three ROVSVs, two MPSSVs and two MSVs, by March 2012, which are intended to be used to support our offshore construction business.

Build upon existing relationships

Our experience in the various markets where we have, in the recent past, participated in spot contracts, has indicated that E&P companies operating in that region prefer to contract with companies with whom they have contracted before. While we cannot guarantee that our customers will contract with us in the future, our existing relationships with E&P companies may become a determining factor in winning contracts in the future. In addition, we believe that this will enhance our understanding of the technical and day-to-day operational requirements of such customers, thereby enabling us to continuously improve the quality of our services to them. As a result, we intend to continue to work with a wide range of E&P companies in order to ensure that we have the opportunity to work with them repeatedly.

Identity and focus on profitable markets

Our goal is to continue to efficiently deploy our vessels and services in profitable markets, with an emphasis on regions that have strong long-term growth fundamentals, favourable contracting terms and potential to enter into longer term contracts. We intend to focus on the markets in which we currently operate or have historically operated by enhancing the presence of our fleet in those regions. From time to time we have and we will selectively target additional markets where we can supply services under longer term contracts, such as Australia, South America and West Africa. At the same time, we will endeavour to secure long-term contracts under which we can also provide value-added services, such as subsea construction services, in those markets, to achieve higher profit margins.

Leverage our Singapore subsidiaries to acquire and operate certain international business

We intend to leverage our wholly-owned Singapore subsidiaries, GGOS and GGES, as part of our strategy to expand our service offerings in certain international markets. Certain regions have restrictions, including cabotage laws that are applicable to offshore oilfield service providers that impact their ability to operate in those regions for extended periods. These restrictions include hiring a local crew, ship being locally built and ship ownership to be local. Singapore flag vessels are subject to less stringent crewing requirements compared to Indian flag vessels and we benefit by retaining the flexibility to operate our Singapore flag vessels in such regions. Singapore flag vessels permit the use of all nationalities as crew, which gives us a wider pool of resources to choose from, permits suspension of flag, which enables us to comply with flag restrictions that certain countries may have, benefits through the double tax avoidance treaty that Singapore has with most countries in the world within the territorial waters of which we intend to operate and also has favourable laws that permit us to finance our fleet through optimal financing structures.

Manage our risk profile through a balance of long-term and short-term charters

We seek to balance our portfolio of customer contracts by entering into both long-term and short-term charters. Long-term charters, which contribute to higher utilisation rates, provide us with more predictable cash flow. Short-term charters provide the opportunity to benefit from increasing day rates under favourable market conditions. Currently, 12 of our 14 vessels operate under long-term charters, the initial terms of which range from one to five years. Our jack-up rigs are typically committed under long-term contracts of no less than three years. Approximately 79.1% and 93.1% of our total income for the financial year 2009 and the nine months ended December 31, 2009, respectively, was derived from charters longer than six months, which were predominantly in India, Mexico and South Africa. Our remaining charters during these periods were in the Middle East, the North Sea and Southeast Asia, which were spot charters. We intend to retain a large part of our fleet on long-term contracts, while maintaining a balance between short-term and long-term contracts to enable pricing at different points in our business cycles. In addition, short-term contracts allow us to develop relationships with new clients and take advantage of firm markets.

Expand our service offerings and fleet through acquisitions and joint ventures

Where suitable opportunities arise, we intend to acquire or partner with companies that we believe will enhance our business, fleet size, revenues and profitability. We may execute strategic acquisitions to expand our service offerings and fleet size in our core market, India, as well as overseas. In certain overseas markets, we may enter into joint ventures with local partners, to benefit from cabotage laws. We envisage that such arrangements may entail the transfer of some of our vessels to locally incorporated joint venture companies, with an option to re-acquire the vessels upon certain contingencies, such as termination of the joint venture or the underlying charter contracts.

Our Existing Business

Our existing business comprises offshore logistics services and offshore drilling services. We are yet to commence offshore construction services. Our offshore logistics business accounted for Rs. 2,927.03 million, or 92.6%, and Rs. 2,739.15 million, or 51.0%, of our total income for the financial year 2009 and the nine months ended December 31, 2009, respectively. We commenced our offshore drilling services business in March 2009. This business accounted for Rs. 2,577.50 million, or 48.0%, of our total income for the nine months ended December 31, 2009.

Offshore Logistics

Offshore oil and gas exploration, development and production activities are dependent on efficient logistical support. Our current operating offshore support fleet comprises five PSVs, eight AHTSVs, one MPSSV. We charter our vessels to our clients, who are E&P companies, for the provision of logistics services to offshore rigs and platforms, in the exploration and production of oil and gas. Offshore support vessels form an important component of the supply chain and are used to perform supply, support and towing services for offshore oil and gas operators, often under harsh weather and sea conditions.

Our vessels transport supplies, drilling equipment and personnel from a supply base to our customers' drilling sites and offshore oilfield facilities. Supplies include materials such as fuel, water, liquid mud, various fluids pipes, equipment and chemicals used in drilling, and other dry cargo, including food and daily provisions for the sustenance of offshore oilfield personnel. We also operate support vessels which are capable of providing anchor handling and towing services, to tow and position drilling rigs. Such vessels tow oil rigs from one drilling location to another, as required by the operators of the field and in anchoring these rigs to their intended positions.

The more sophisticated offshore support vessels in our fleet can be modified and equipped to provide support services in the construction, installation and repair of offshore facilities, the deployment of underwater ROVs as well as support in subsea construction activities. We aim to leverage our experience, customer relationships and vessels to offer our services in the subsea construction market upon the delivery of our vessels that are under construction. For further details, see "—Our Fleet and Services Expansion Plans" on page 101.

Offshore Drilling Services

We also provide offshore drilling services to our customers, which involve the chartering and operation of jack-up rigs to offshore E&P companies for drilling offshore wells and maintenance, or "workover" of oil wells. Our drilling assets are owned by our Singapore Subsidiary, GGES. GGES currently owns one jack-up rig and has in-chartered another jack-up rig on a bareboat basis.

The oil and gas well drilling process involves several stages. First, a starter hole is drilled to a pre-determined depth where seismic survey and other geological data indicate the presence of an oil or gas reservoir. A rotating mechanism called a drilling rig comprising a swivel, Kelly (or top drive in the case of newer rigs), turntable, drill pipe, collar and drill bit is then placed in the vicinity where the starter hole was drilled, for drilling an oil well. As the hole of the oil well is drilled deeper, the drill pipe is lengthened by adding 10-metre sections, known as "joints". As drilling progresses, drilling fluid (or "mud") is pumped down the hole to lubricate the drill bit and remove cuttings, such as rocks, during the drilling process. Drilling fluid also controls well pressure and ensures the integrity of the wall of the wellbore. Drilling fluid design is complex and the compounds and mixtures used are varied to meet the needs of a particular well, drilling process or for production preparation. Our customers arrange for the supply of the appropriate drilling fluid components and our systems are capable of mixing and operating most drilling fluids.

Once the desired depth or stage is reached, the drill bit, collar and drill pipe are removed and a metal casing pipe (or "casing") is lowered into the hole to prevent it from collapsing. Cement is then pumped into the annular space between the outside of the casing and the wall of the hole in a process known as "cementing", which is performed using our rigs' high pressure cementing unit. This process is designed to support and strengthen the casing of exploration and development wells against geological pressures and unexpected pressure increases encountered during drilling. The cement is then allowed to harden and is tested for hardness, alignment and proper seals. Every well has unique cementing requirements (such as density, thickening time and strength) and each type of cement mixture is tailored accordingly. Our customers arrange for the supply of the appropriate cement ingredients and our cementing units are capable of mixing and operating most cement mixtures. Throughout the drilling process, a well is progressed in stages alternating between drilling, casing and cementing.

The jack-up rigs in our fleet are the new generation rigs, with advanced technical systems such as variable frequency drives, top-drive drilling systems, which increases efficiency by enabling them to drill with drill pipes over 30 metres in length as opposed to the standard pipes of 10 metres in length as in the case of conventional rigs. The top-drive drilling system also allows the drill pipe to rotate while entering or exiting a well hole, which increases safety and drilling efficiency. While older jack-up rigs in the industry are fitted with two mud pumps, both our modern jack-up rigs have three high-pressure mud pumps each, thereby improving efficiency and operational capability.

Rock cuttings from drilling fluid are periodically analysed. When they reveal material indicating the presence of oil or gas reservoir rock and more detailed tests are performed, including well logging (whereby sensors are lowered into the hole to take measurements of the rock formations), drill-stem testing (whereby pressure in the hole is measured) and core sampling (whereby samples of rock are extracted and analysed for characteristics of reservoir rock). We assist our clients with the collection of data and materials, the installation of sensors and other recording or sampling equipment, as well as other logging activities to enable them to process and analyse reservoir and well information, and plan drilling operations accordingly.

Once our customers are able to ascertain the presence of oil and gas, drilling is continued until the final depth is reached and the "well completion" process is carried out to allow oil to flow into the casing in a controlled manner. A mechanism loaded with explosive charges, called a perforating gun, is introduced into the well to the production depth. The detonations from this mechanism create perforations, or holes, in the casing, through which oil can flow or gas can pass from the oil reservoir. After the casing has been perforated, a small-diameter pipe is lowered into the hole as a conduit for oil and gas to flow up the well. A device called a packer is run down the outside of the pipe. When the packer is set at the production level, it is expanded to form a seal around the outside of the pipe. Finally, a structure comprising an assembly of valves, spools, and fittings called a "Christmas tree" is attached to the top of the pipe and connected to the top of the casing head. The Christmas tree allows controlled flow of oil or gas from the well.

Once oil and gas is flow tests are completed, the rig is removed from the drilling site and an oil and gas production equipment is installed to extract the oil and gas from the well. Our jack-up rigs are capable of installing requisite casing and other pipes as well as delivering reservoir treatments where required to increase the productivity of a production well.

After a well begins production, our rigs can provide follow-up maintenance, or "workovers", to increase the productivity and extend the lifespan of a well. Workovers typically involve applying processes, chemical treatments or materials to the reservoir area, and may include removing and replacing the well casing and downhole equipment. When an existing oil reservoir loses its potential, its casing is cut, removed and the oil well is sidetracked with another hole with the help of advanced directional drilling technology. Our rigs are capable of carrying out such tasks for our customers.

Our Existing Fleet

Our fleet of offshore support vessels and drilling rigs currently comprises five PSVs, eight AHTSVs, one MPSSV and two jack-up rigs.

The following table sets forth a summary of key information regarding our fleet of vessels:

Name of vessel	Type of vessel	Area of operation	Year built and shipyard	Deadweight (Tons)	Flag state	Dynamic positioning	Fire fighting capability	BHP	Bollard Pull (Tons)
Vessels:									
Greatship Aarti	80T AHTSV	India	2009 Labroy Shipbuilding & Engineering Pte. Ltd.	1,650	India	DP II	FiFi I	7,080	82.14
Greatship Abha (1)	80T AHTSV	Southeast Asia	2009 Colombo Dockyard PLC	2,054	Singapore	DP II	FiFi I	7,080	85.00
Greatship Aditi (1)	80T AHTSV	India	2009 Colombo Dockyard PLC	2,057	Singapore	DP II	FiFi I	7,080	90.40
Greatship Ahalya	80T AHTSV	India	2009 Labroy Shipbuilding & Engineering Pte. Ltd.	1,643	India	DP II	FiFi I	7,080	84.68
Greatship Akhila	80T AHTSV	India	2009 Labroy Shipbuilding & Engineering Pte. Ltd.	1,639	India	DP II	FiFi I	7,080	81.66
Greatship Amrita	80T AHTSV	India	2008 Colombo Dockyard PLC	2,045	India	DP II	FiFi I	7,080	86.60
Greatship Anjali	80T AHTSV	South Africa	2008 Colombo Dockyard PLC	2,188	India	DP II	FiFi I	7,080	86.40
Greatship Asmi	80T AHTSV	India	2009 Labroy Shipbuilding & Engineering Pte. Ltd.	1,634	India	DP II	FiFi I	7,080	89.40
Greatship Dhriti	PSV	Mexico	2008 Brattvaag Skipsverft AS	3,318	India	DP II	FiFi I	5,379	-
Greatship Dhwani	PSV	India	2008 Brattvaag Skipsverft AS	3,315	India	DP II	FiFi I	5,376	-

Greatship Dipti	PSV	India	2005 Brevik Construction AS	3,229	India	DPII	–	5,376	-
Greatship Disha	PSV	India	1999 Aker Brevik	3,096	India	DP I	–	5,378	-
Greatship Maya[2]	MPSSV	Australia	2009 Keppel Singmarine Pte. Ltd.	4,252	Singapore	DP II	Optional	*	-
Skandi Falcon [3]	PSV	India	1990 Brattvaag Yard	3,100	Norway	DP I	-	6,600	-
Vessels that have been contracted for sale:									
Greatship Diya [4]	PSV	India	2003 Aker Aukra	3,350	India	DP I	–	5,500	-

(1) Under sale and leaseback arrangements.
(2) This vessel has been chartered on a bareboat basis to GC Rieber Shipping Asia until December 2011 with three yearly extension options with a purchase option at the end of five years.
(3) In-chartered on a time charter basis until August 2010.
(4) We have contracted to sell this vessel and we will complete the sale and deliver this vessel to its buyer in the first quarter of the financial year 2011.
* This vessel is powered by a diesel electric engine. The generator has engine power of 11,437 BHP (4 x 2859 BHP). Its azimuth propellers have total power of 6,970 (2 x 3,485 BHP) and its bow thrusters have total power of 4,222 BHP (3 x 1,407 BHP).

The following table sets forth a summary of key information regarding our fleet of rigs:

Name of rig	Type of rig	Area of operation	Year built and shipyard	Flag state	Operating water depth	Drilling depth
Rigs:						
Greatdrill Chetna[1]	Jack-up rig	India	2009 Keppel FELS Ltd. Singapore	Singapore	Up to 350 feet	Up to 30,000 feet
Greatdrill Chitra	Jack-up rig	India	2009 Keppel FELS Ltd. Singapore	Singapore	Up to 350 feet	Up to 30,000 feet

(1) In-chartered on a bareboat basis until March 2012.

As of January 1, 2010, the average age of our vessels and rigs was approximately 1.77 years and the average age of our entire fleet will be three years as of the end of the financial year 2012, when we take delivery of our vessels currently under construction. In our industry, the age of a vessel or rig is determined based on the date of construction, provided that the vessel or rig has not undergone a substantial refurbishment. As of January 1, 2010, none of our vessels and rigs has undergone any refurbishment.

Platform Supply Vessels

We have five PSVs, one of which, the *Skandi Falcon*, has been in-chartered on a time charter basis. For further details, see "—Charters" on page 100. PSVs are designed to deliver cargo to offshore drilling and production sites. They also provide logistical support during offshore construction work. These vessels are designed for optimum capacity, and are distinguished by their (i) deadweight; (ii) available deck area, for the transportation of deck cargo such as pipes, equipment and spares; and (iii) below-deck capacity for the storage of mud and cement used in the drilling process and tank storage for water and fuel oil. These vessels are used in most of offshore markets, including India. We believe we operate a relatively young fleet of PSVs, with an average age of 4.3 years as on January 1, 2010.

Our PSVs:

- range in size from 71 metres to 75 metres in length and from 3,115 tons to 3,350 tons in deadweight tonnage;

- are suited for supporting large concentrations of offshore production locations because of their large deck space and below-deck capacities to carry deck cargo, cement, fuel oil, drilling chemicals, drinking water, drill water, drilling mud as well as fresh water generation capability; and

- serve various types of drilling rigs and platforms, including drillships, fixed platforms, floating production storage and offloading units and semi-submersible rigs.

All our PSVs are equipped with dynamic positioning systems, enabling us to accurately manoeuvre our PSVs and automatically maintain their positions and headings at sea by computerised systems which control the propellers and thrusters of the PSVs. Position reference sensors, combined with wind sensors, motion sensors and gyro compasses, provide information to the computer pertaining to the vessel's position and the magnitude and direction of environmental forces affecting its position. With dynamic positioning, these vessels are able to either lock themselves at an absolute position at sea, or relative to a moving object, such as another vessel. We have two PSVs with Class I dynamic positioning and three PSVs with Class 2 dynamic positioning. There is an increasing demand for vessels with dynamic positioning technology and we believe that owning and operating a fleet of PSVs with such technology, especially Class 2 dynamic positioning, gives us an advantage over vessels without dynamic positioning systems. Two of our PSVs also have fire fighting capability.

Currently, we have four PSVs servicing the Indian market and one servicing the Mexican market. Additionally, we also own and operate Greatship Diya, which we have contracted to sell. Greatship Diya is one of our relatively older PSVs, and we expect to deliver this vessel to its buyer in the first quarter of the financial year 2011. The following table provides certain information relating to our current PSV charter parties:

Name of PSV	Area of operation	Expiry of initial term	Customer
Greatship Disha	India	June 2012	ONGC
Greatship Dipti	India	April 2012	ONGC
Greatship Dhriti	Mexico	September 2010	Oceanografia S.A.
Greatship Dhwani	India	March 2013	ONGC
Skandi Falcon(1)	India	August 2010	A private sector company

(1) In-chartered on a time charter basis.

Anchor Handling, Towing cum Supply Vessels

We have eight AHTSVs, of which we have entered into sale and leaseback arrangements for two AHTSVs. For further information on vessels which we have sold and in-chartered on a bareboat basis, see "—Sale and Leaseback Arrangements" on page 100. Vessels in our current fleet of AHTSVs have minimum bollard pull (or pulling force that a ship has on another ship or object) of 80 tons. AHTSVs are specifically designed for anchor handling operations, with open sterns for the decking of anchors. These vessels are employed primarily for the towing, positioning and mooring of drilling rigs and production facilities, and the lifting and setting of anchors on the seabed. The defining characteristics of AHTSVs are their engine power, measured in brake horsepower or "bhp" and the size of their winches in terms of "line pull" and wire storage capacity. AHTSVs also possess large aft decks, which are utilised during anchor handling and towing operations and to carry deck cargo. The stern of the vessel is open to the sea, with a stern roller fitted to enable the vessel to recover and deploy anchors, while maintaining a clear area for the vessel's tow wire. Due to these attributes, AHTSVs are also capable of performing a variety of functions, often in demanding environments. From time to time, when not performing anchor handling and towing services, our AHTSVs also function as PSVs, as well as serve as standby rescue and fire-fighting vessels for oil spill response and recovery efforts.

AHTSVs are required to maintain position and heading to a very high degree of accuracy, and are fitted with powerful thrusters that provide increased manoeuvring capabilities during slow speed or static operations alongside platforms and oil rigs. Dynamic positioning systems aid continued operation in adverse weather conditions, especially in deep-water installations. The larger open deck space and greater storage and offloading capacity also increase efficiency for servicing installations remotely from an onshore infrastructure, using AHTSVs. Generally, only larger, more powerful AHTSVs can service rigs in deepwater. We believe our fleet of AHTSVs are among the youngest in the world, with an average age of 0.9 year as of January 1, 2010.

Our AHTSVs:

- have large brake horsepower engines (generally averaging approximately 7,000 bhp);
- are fitted with specialised equipment such as anchor windlasses for anchor handling towing winches
- are capable of accommodating between 26 and 30 personnel; and
- have Class 2 dynamic positioning technology and fire fighting capability.

Currently, we have six AHTSVs servicing the Indian market and one each servicing the Southeast Asian and South African market. The following table provides certain information relating to our current AHTSV charter parties:

Name of AHTSV	Area of operation	Expiry of initial term	Customer
Greatship Anjali	South Africa	May 2010	Marine Delivery Pte. Ltd.
Greatship Amrita	India	March 2013	ONGC
Greatship Akhila	India	April 2012	ONGC
Greatship Asmi	India	March 2011	ONGC
Greatship Ahalya	India	February 2011	Hercules Marketing International
Greatship Aarti	India	October 2012	ONGC
Greatship Abha(1)(2)	Southeast Asia	-	-
Greatship Aditi(2)(3)	India	May 2010	A private sector company

(1) Operating in the spot markets
(2) Under sale and leaseback arrangements
(3) Operating under short term charters

Multi-Purpose Platform Supply and Support Vessel

MPSSVs have a larger deck area and higher under deck cargo carrying capacities, and as a result, these vessels are preferred over mid-sized PSVs for logistical support in deep water locations further from the shore. MPSSVs also have larger accommodation space, enabling carrying larger numbers of personnel to and from the offshore location. Larger accommodation capacity is essential as along with routine logistical support, these vessels are used for construction support activities which typically require additional specialised crew on board along with usual marine crew. MPSSVs can also be used to support other activities including offshore construction, inspection, maintenance and repair activities for subsea infrastructure, and diving support. To undertake these activities, these vessels can be fitted with a large crane and helideck and ROV handling equipment. They also have a provision for a moonpool which can be used for safe diving operations and in lowering ROV and other equipment for subsea operations.

We currently have one multi-purpose platform supply and support vessel, *Greatship Maya*. This vessel was built by Keppel Singmarine Pte. Ltd., in compliance with the SPS Code 2008 and is equipped with thrusters to achieve Class 2 dynamic positioning capability. *Greatship Maya* is one of the first few offshore support vessels in the world to be certified as a "special purpose ship" under the SPS Code 2008, as it meets stringent standards for safety and stability for vessels carrying more than 12 specialised personnel. This vessel has been chartered out on a bareboat basis to GC Rieber Shipping Asia until December 2011 with three yearly extension options with a purchase option at the end of five years. *Greatship Maya* can be modified and fitted with the necessary equipment according to our its charterer's requirements. During its construction, the vessel was customised and fitted with equipment belonging to GC Rieber Shipping Asia to perform geotechnical works. The specialised equipment will be removed by GC Rieber Shipping Asia upon the expiry of the bareboat charter.

Jack-up rigs

We currently operate two jack-up rigs, one of which is in-chartered on a bareboat basis until March 2012. Jack-up rigs are self-elevating drilling platforms equipped with legs that are lowered to the ocean floor until a foundation is established to support the drilling platform. The rig hull includes the drilling rig, jacking system, crew quarters, loading and unloading facilities, storage areas for bulk and liquid materials, helideck and other related equipment.

Our jack-up rigs are used for drilling in water depths from 20 feet up to a maximum of 350 feet. The water depth limit of a particular rig is principally determined by the length of the rig's legs. A jack-up rig is towed to the drill site with its hull floating in the sea, as a vessel, with its legs retracted. When positioned over a drill site, the legs are lowered until they rest on the seabed and jacking continues until the hull is elevated above the surface of the water. After the completion of drilling operations, the hull is lowered until it floats in the water and the legs are retracted for relocation to another drill site.

Our jack-up rigs are newly constructed and we believe are technically superior to a majority of other jack-up rigs in operation in the world. Our jack-up rigs are:

- capable of drilling to maximum depths of 30,000 feet, compared to a majority of standard jack-up rigs in the global market that typically have the capability to drill to depths ranging from 20,000 to 25,000 feet; and

- equipped to operate in maximum water depths of up to 350 feet compared to a majority of standard jack-up rigs in the global market that typically have the capability to operate in water depths of approximately 250 feet.

In addition, the *Greatdrill Chetna* is equipped to operate in high-temperature (greater than 150ºC) and high-pressure (greater than 10,000 psi downhole) conditions.

We believe the above features increase our rigs' operational versatility and provide value to our clients.

Currently, both of our jack-up rigs are deployed in India, under contracts with ONGC. The following table provides certain information relating to our drilling contracts:

Name of rig	**Area of operation**	**Expiry of initial term**
Greatdrill Chitra	India	December 2014
Greatdrill Chetna(1)	India	March 2012

(1) In-chartered from Mercator Offshore Limited

Charters

We currently in-charter one jack-up rig, the *Greatdrill Chetna*, on a bareboat basis. In a bareboat charter arrangement, the owner usually charters the vessel or rig to the charterer for a pre-agreed period of time at a daily charter rate. During this period, the charterer is responsible for all expenses relating to the operation and maintenance of the rig, including all transport costs, fuel costs, crew-related expenses, repair and maintenance costs and insurance. The owner usually has an obligation to share with the charterer the cost of certain modifications or repairs required to meet new classification society or safety requirements, where necessary. *Greatdrill Chetna* is owned by Mercator Offshore Limited and chartered on a bareboat basis by our Subsidiary, GGES. GGES has, in turn, bareboat chartered this rig to our Company, who has been awarded a contract by ONGC with an initial term until March 2012. The minimum term of the bareboat charter between GGES and Mercator Offshore Limited is three years, until February 2012, with a provision that it will be extended to match the term of our Company's contract with our customer on a back-to-back basis.

GGOS has in-chartered a PSV, *Skandi Falcon*, on a time charter basis from DOF Rederi AS ("DOF Rederi"), a subsidiary of DOF ASA. *Skandi Falcon* is now serving in India under a contract with a private sector company. The initial term of the charter from DOF Rederi is two years, until August 2010, with an option to extend for a further six months at the same daily hire rate, with a provision to match the term of the above-mentioned contract with GGOS on a back-to-back basis.

Sale and leaseback arrangements

We, through GGOS, have entered into sale and leaseback arrangements with Mount Trisul Offshore Pte. Ltd., a Singapore-based company, with respect to two AHTSVs, namely *Greatship Abha* and *Greatship Aditi*. These sale and leaseback arrangements entail the sale by us of the vessels to their buyers and the simultaneous leaseback, or in-chartering by us of the vessels, on a bareboat basis. We entered into these arrangements while the vessels were under construction in January 2009. The leaseback period for each of the vessels is eight years and at the end of this term, we have the option to re-purchase these vessels at an agreed purchase price, determined on the basis of the book value of the vessel at the time. *Greatship Abha* and *Greatship Aditi* were delivered directly to GGOS upon their completion in February 2009 and June 2009, respectively.

Our Fleet and Service Expansion Plans

In line with our goal to becoming an integrated offshore oilfield services provider which offers comprehensive supply and support services to our customers, we plan to extend our service offerings to cover subsea construction. We believe that the subsea activities undertaken by oil and gas operators, such as subsea construction, inspection, maintenance and repair of subsea infrastructure offer opportunities to expand our services offerings and improve profit margins. Activities undertaken in subsea oil and gas fields require specialised equipment and our vessels will need to be equipped with additional equipment such as subsea crane, diving systems and ROVs for deeper water depths.

We intend to offer offshore construction services and have commissioned the construction of a new fleet of MSVs, ROVSVs and MPSSVs, which are capable of providing a multitude of support services to offshore construction in the exploration and production of oil and gas. We envisage that by the financial year 2012, we will own and operate eight modern offshore support vessels comprising three MPSSVs, two MSVs and three ROVSVs. These vessels, when equipped, will be capable of participating in subsea construction activities. Because of pre-qualification requirements in this business, we intend to gain the necessary experience and expertise in subsea construction by entering into strategic partnerships or joint ventures with companies who specialise in such services. At the same time, we intend to leverage on such strategic partnerships and joint venture relationships to obtain charters for our fleet of new vessels which are capable of undertaking subsea construction activities.

In addition to our fleet of new MSVs, ROVSVs and MPSSVs, we have also commissioned the construction of two 150 ton AHTSVs, which are larger than our existing AHTSVs and are capable of operating in greater water depths. Four of the vessels that we have commissioned, comprising two MSVs and two MPSSVs, will contain diesel-electric propulsion which improves fuel efficiency, thus reducing our customers' operating costs. Further, all our nine vessels that are currently under construction, comprising two MSVs, three ROVSVs, two MPSSVs and two 150 ton AHTSVs, will be compliant with the SPS Code 2008. For further details, see "—Regulatory Matters—Code of Safety for Special Purpose Ships, 2008" below.

The following table sets forth a summary of key information regarding our fleet of vessels which are under construction:

Name of vessel	Type of vessel	Expected period of delivery (Shipbuilder)	Deadweight	Flag state	Dynamic positioning	Fire fighting capability	BHP	Bollard Pull (Tons)
Greatship Mamta	MPSSV	First quarter of the financial year 2011 (Keppel Singmarine Pte Ltd)	4,300	Singapore	DP II	Optional	**	-
Greatship Manisha	MPSSV	Second quarter of the financial year 2011 (Keppel Singmarine Pte Ltd)	4,300	Singapore	DP II	Optional	**	-
Greatship Laxmi	MSV	Second quarter of the financial year 2011 (Mazagon Dock Limited)	4,000	Singapore	DP II	Optional	**	-
Greatship Leela	MSV	Third quarter of the financial year 2011 (Mazagon Dock Limited)	4,000	Singapore	DP II	Optional	**	-

Name of vessel	Type of vessel	Expected period of delivery (Shipbuilder)	Deadweight	Flag state	Dynamic positioning	Fire fighting capability	BHP	Bollard Pull (Tons)
Greatship Ramya	ROVSV	Second quarter of the financial year 2011 (Colombo Dockyard PLC)	3,600	Singapore	DP II	Optional	6,220	-
Greatship Rohini	ROVSV	Third quarter of the financial year 2011 (Colombo Dockyard PLC)	3,600	India	DP II	Optional	6,220	-
Greatship Rashi	ROVSV	Fourth quarter of the financial year 2011 (Colombo Dockyard PLC)	3,600	India	DP II	Optional	6,220	-
Greatship Shakti	150T AHTSV	First quarter of the financial year 2012 (Drydocks World Singapore Pte Ltd.)	2,950	India	DP II	FiFi I	12,064	150.00[#]
Greatship Shanti	150T AHTSV	Second quarter of the financial year 2012 (Drydocks World Singapore Pte Ltd)	2,950	India	DP II	FiFi I	12,064	150.00[#]

** This vessel is powered by a diesel electric engine. The generator has engine power of 10,938 (2 x 3,485 BHP + 2 x 1,984 BHP). Its azimuth propellers have total power of 6,970 (2 x 3,485 BHP) and its bow thrusters have total power of 4,222 BHP (3 x 1,407 BHP).

Expected bollard pull.

Anchor Handling, Towing cum Supply Vessels

We have commissioned the construction of two new AHTSVs to bolster our current fleet of AHTSVs. Our new AHTSVs will be larger and will have more bollard pull and capacity than the AHTSVs in our existing fleet. Our new AHTSVs can be deployed in harsher waters including, the North Sea and may be used for moving and positioning deep water rigs.

Multi-Purpose Platform Supply and Support Vessel

We have commissioned the construction of two MPSSVs. We have already taken delivery of a 50-ton crane and have also ordered a helideck which would be fitted on one of our MPSSVs under construction, *Greatship Mamta*.

Remotely Operated Vehicle Support Vessels

ROVSVs are vessels that support operations in construction and IRM activities. We have three ROVSVs under construction and expect delivery of these vessels between now and the last quarter of the financial year 2011.

Our ROVSVs have been designed to serve as multi-purpose support vessels that provide superior platforms for a variety of general construction tasks. ROVSVs are similar to and have all the capabilities of PSVs, with the additional feature of ROV operations support capability. It is also capable of accommodating more personnel compared to PSVs. Each of our ROVSVs will have Class 2 dynamic positioning and most of such vessels have optional fire-fighting capability, and will be equipped with capstans, tugger winches and deck cranes. Our ROVSVs will be built with strengthened decks for the installation of a 50-ton crane and other capabilities such as helidecks to support our customers' operations. These vessels will also have ROV support capabilities as they will be fitted with removable bulwarks, ROV plug-in systems and optional moonpool.

Multi-Purpose Support Vessels

Multi-purpose support vessels are vessels that support operations in construction, survey and trenching activities. They are characterised by large accommodations, large cranes (over 100 tons) and are usually equipped with diving systems and ROVs. We have two MSVs under construction and expect delivery of these vessels between now and the last quarter of the financial year 2011. Each of our MSVs will have Class 2 dynamic positioning and optional fire-fighting capability.

Market Areas

The majority of our fleet operates in India. We also have vessels operating and servicing E&P companies in other jurisdictions, such as Mexico, South Africa and Southeast Asia. Since our incorporation in 2007, we have also operated in the Middle East and the North Sea. We intend to execute our strategy to expand our international presence into Australia, South America and West Africa. As of December 31, 2009, we had four vessels operating in the international markets, with Rs. 1,173.69 million, representing 22.1% of our total charter hire income attributable to international operations, as of the nine months ended December 31, 2009. We expect our existing fleet to grow by nine vessels over the next two years, which we believe will allow us to expand our services and reach to other regions, especially where subsea activity has experienced significant growth in recent years. We continually evaluate our vessel composition and level of activity in each of these regions as well as other market areas for possible future strategic development. Where necessary, we may enter into joint ventures with local partners in other jurisdictions and transfer some of our vessels to locally incorporated joint venture companies, in order to change the flag of the vessels to take advantage of local cabotage laws.

India

Currently, offshore oil and gas activity in India are concentrated in the Mumbai High oilfield in the Mumbai basin. We expect that the recent discoveries of oil and gas by our customers, ONGC and RIL, in the Krishna Godavari basin ("KG basin") off the coast of Andhra Pradesh in India, to continue to strengthen the demand for offshore oilfield services in the Indian market. Indian state-owned oil companies have maintained their exploration, development and production activities despite oil and gas price volatility since late 2008. Such companies generally enter into long-term charters for offshore logistics and drilling services. We anticipate that state-owned companies will continue to invest in their oil and gas exploration, development and production activities, which will have a positive effect on the demand for offshore marine services. As of March 31, 2010, we had committed four PSVs, six AHTSVs and two jack-up rigs to the Indian market.

International

We currently operate one PSV in Mexico under a two-year contract with Oceanografia S.A., operating from Ciudad del Carmen. We currently have one AHTSV with Marine Delivery Pte. Ltd. serving offshore production activities, operating out of Mossel Bay in South Africa. The end users of these vessels are PEMEX and PetroSA, the national oil companies of Mexico and South Africa, respectively. A majority of Mexican and South African oil and gas operations are carried out in their respective countries by PEMEX and PetroSA, respectively. In addition, we also have one AHTSV operating in the spot markets of Southeast Asia. In the past, we had three AHTSVs operating in the spot market in the Middle East and one PSV in the North Sea spot market.

Customers and Charter Term

The principal customers for offshore oilfield services providers including us are national oil companies, major integrated oil companies, large independent oil and gas exploration and production companies, construction companies and emerging oil and gas companies. We earn and recognise revenues primarily from the time charter and bareboat charter our vessels to our customers based upon daily rates of hire. Under a time charter, we provide a vessel to a customer and are responsible for all operating expenses, except fuel generally. Under a bareboat charter, we provide a vessel to the customer and the customer assumes responsibility for all operating expenses and assumes all risk of operation, including commercial and technical risks. Vessel charters may range from a few days to several years. Revenues from time charters and bareboat charters are recorded and recognised as services are provided.

Terms of our vessel charter parties

Form of contract

Our largest customer presently is ONGC. The charter parties we have entered into with this customer for the hire of our vessels are standard form charter party used by ONGC. We endeavour to enter into industry standard forms, such as The Baltic and International Maritime Council ("BIMCO") form of uniform time charter party for offshore support vessels and such as standard form "SUPPLYTIME 2005" and standard form "SUPPLYTIME 89", with modifications, with our other customers.

Scope of work, duration and location

Our vessel charters in India include periods ranging from a few months to long-term contracts of up to five years. Some of our charters in the other markets are short-term contracts or spot contracts . We have 12 of our fleet committed under time charters of various lengths and two vessels operating under short-term or spot contracts. Some contracts contain options, at the customer's sole discretion, to extend the charter for a specified length of time at a specified rate. Some of our charter parties have options for our customers to extend the period of charter at the same rate as the day rate applicable during the initial term.

Each of our charter parties specifies the objectives of the contract and scope of work to be undertaken by our vessels. For example, the scope of work for most of our PSVs include the transportation of personnel and materials between an onshore base and offshore facilities, the performance of standby and rescue operations, the carrying out of routine surveillance for safety and security and the carrying out of field work within the natural capabilities of the vessel in question. Our PSV charter parties also specify that the vessels have to be available on a 24-hour basis. The scope of work for our more sophisticated vessels, such as our AHTSVs is usually stated in more detail and depend on the purposes for which our AHTSVs are hired. The location or geographical area where the services are to be performed are stated in the charter parties. This may either be a relatively small area within the waters of a particular country or a much larger area covering the same customer's offshore facilities spread across several countries.

Day rates and compensation

Our charter parties generally require our vessels to be available continuously on a 24-hour basis during the term of hire. The amount payable to us is calculated based on the day rate set out in the charter parties. Our charter parties also specify amounts payable to us during periods when the vessel is not operating or in other pre-agreed circumstances. Such pre-agreed circumstances include mobilisation, demobilisation, repair or *force majeure* events. Certain of our charter parties provide that a lump sum amount is payable to us in consideration of mobilisation and/or demobilisation of the relevant vessel. Our charter parties usually provide for our customers to pay us within 30 to 60 days of our invoices.

When our vessels are not able to operate due to reasons attributable to us, such as negligence or breach of contract, or other events or circumstances within our control, no day rate is usually payable. Such circumstances may include periods of drydocking, breakdown, labour disputes, or strikes or crew insufficiency.

The table below shows our contract coverage if none of the option periods are exercised by our customers and if all of the option periods are exercised by our customers, as well as a summary of the average terms and day rates of those contracts, for the periods indicated, based on existing contracts:

	Financial Year 2011		**Financial Year 2012**	
Type of vessel	**% total days available**	**Average day rate (US$)**	**% total days available**	**Average day rate (US$)**
Without exercise of options:				
PSVs and MPSSVs[1]	89.3	19,131.13	74.5	16,658.05
AHTSVs	64.0	12,941.25	43.2	13,659.00
With options:				
PSVs and MPSSVs[1]	90.2	20,827.19	80.0	16,750.70
AHTSVs	66.7	12,815.84	45.1	13,459.36

(1) This reflects the bareboat charter rate.

Due to changes in market conditions since the commencement of contracts, average contracted day rates could be more favourable or less favourable compared to market rates at any one point in time. The percentage of revenues attributable to an individual customer varies from time-to-time, depending on the level of exploration and development activities undertaken by that customer, the availability and suitability of our vessels for the customer's projects, and other factors, many of which are beyond our control. ONGC remains our single largest customer, and income from charters with this customer represented approximately 61.2% and 23.6% of consolidated charter hire income for the nine months ended December 31, 2009 and for the financial year 2009, respectively. The loss of this customer would have an adverse effect on our results of operations.

Termination

In circumstances where operations are interrupted or suspended for a specific period of time due to our default or *force majeure*, our customers usually have the right to terminate the contract without any obligation to pay us any compensation for termination. Typically, our customers also have the right to terminate our contracts upon the occurrence of certain other circumstances such as unsatisfactory performance by us, loss, destruction or requisition of the vessel or our insolvency or winding-up or equivalent event, and we are not entitled to any compensation for termination in such circumstances. Certain of our contracts grant our customers the option to terminate the relevant contract at any time upon relatively short notice and after paying a settlement sum and/or demobilisation charge.

Costs

We are typically responsible for the operating costs of our vessels, such as crew wages, vessel maintenance, insurance and spare parts. We are also generally responsible for all taxes for which we are liable by reason of performing our contracts, as well as for import or export licence fees and stamp duty. Our charter parties do not usually provide adjustments to the day rate on account of our costs increasing or decreasing unless agreed upon a case-by-case basis.

Liabilities

Our charter parties typically provide that our clients indemnify us for injury and loss caused to their property and personnel, even if caused due to our negligence (other than gross negligence or wilful misconduct) and we typically provide a reciprocal indemnity to our clients with respect to our property and personnel. However, in some charter parties, we are required to indemnify our clients for personal injury to persons, damage to equipment or property, or certain types of pollution arising out of our acts. While we may receive reciprocal indemnity from some of our clients (except when damage is caused as a result of our negligence), we generally endeavour to obtain insurance to cover such risks where such reciprocal indemnity is not available. However, in some cases, we may not be able to obtain suitable insurance.

Our charter parties also typically provide that neither we nor our clients would be liable for any consequential or indirect damages or loss of anticipated profits sustained by the other party. Many of our charter parties are backed by a performance bond or by a guarantee, including, if required, corporate guarantees provided by us and our Promoter in our customers' favour.

Terms of our drilling contracts

Both our jack-up rigs are currently operating under contracts our Company has entered into with ONGC. We have entered into intra-group arrangements under which our jack-up rigs are in-chartered by our Company from GGES on a bareboat basis, and then chartered out to our customer.

Form of contract

Our contracts to provide offshore drilling services to ONGC are obtained through competitive bidding against other contractors. The terms and provisions of both our current drilling contracts are based on this customer's standard form of contract. However, in our industry generally, the terms and provisions of each contract with different customers are individually negotiated with the customer on a case-by-case basis and may therefore terms of our contracts may vary significantly, depending on our customers.

Scope of work, duration and location

A day rate drilling contract generally extends over a period of time to cover either the drilling of a single well or group of wells, or to cover a stated term. The initial terms of our contracts are for periods ranging from three to five years. The initial term of our drilling contracts will be automatically extended under the same rates, terms and conditions to cover the time necessary to complete works with respect to a well in progress at the end of the initial term.

Each drilling contract defines the pre-determined geographical area within which drilling operations are conducted. This may either be a relatively small area within the waters of a particular country or a much greater area covering the waters of several different countries.

Factors affecting day rates

Our drilling contracts generally require us to conduct drilling operations continuously during the term of the contract. The amount payable to us is calculated as a multiple of the applicable day rate and the time spent by the jack-up rig on hire in that mode or status, typically calculated to the nearest half hour.

The applicable day rates vary depending on the mode and status of the relevant rig. Higher day rates are generally payable while the relevant rig is operating, and this is usually referred to as the "operating day rate". Depending on the terms of the relevant drilling contract, lower day rates apply during periods when the relevant rig is not operating due to adverse weather conditions affecting operations, when operations are interrupted or restricted by events and circumstances beyond our control and while we are awaiting material or orders from our customer, during which we are paid lower a "non-operating day rate" or when the rig is being moved from one drilling location to another, during which we are paid a "moving day rate". Drilling contracts would also state whether the day rate is payable where drilling operations are interrupted or restricted due to our fault, negligence or breach of contract, or other events or circumstances, such as periods of drydocking, breakdown due to loss of or damage to equipment, repairs, inspections or surveys requiring suspension of drilling operations, during which we would be paid a lower day rate known as a "breakdown day rate". Certain of our drilling contracts provide for a one-time, lump sum amount payment to us as partial reimbursement in respect of mobilisation and/or demobilisation expenses.

Our drilling contracts provide for us to invoice our customers at the end of a calendar month for work performed during that month, and for customers to pay us within 15 Working Days of the invoice.

The table below shows our contract coverage for the periods indicated:

	Financial Year 2011		**Financial Year 2012**	
Particulars	**% total days available**	**Average day rate U.S.$**	**% total days available**	**Average day rate U.S.$**
Jack-up rigs	100.0	147,042.50*	100.0	146,977.23*

* Based on estimated day rates under different conditions

Termination

In circumstances where drilling operations are suspended for an extended period of time due to our default or *force majeure*, the customer usually has the right to terminate the drilling contract without any obligation to pay us any compensation for termination. Our customer also has the right to terminate our drilling contracts upon the occurrence of certain other circumstances such as our unsatisfactory performance, loss or destruction of the rig, breach of any material provision of the drilling contract, our insolvency or winding-up or equivalent event, and we are not entitled to any compensation for termination in such circumstances. Our contracts grant our customer the right to terminate the contract, or otherwise intervene in the performance of our contract, if they believe that we are not performing our obligations in a satisfactory manner or in accordance with industry standards, and we are not entitled to any termination compensation in such circumstances. Our contracts also grant our customers a discretionary right to terminate the relevant contract at any time upon relatively short notice.

Costs

We are responsible for the operating costs of our rigs, such as crew wages, rig maintenance, insurance and spare parts. We are also responsible for all taxes for which we are liable by reason of performing our contracts, as well as for import or export licence fees and stamp duty. Our drilling contracts do not usually provide for adjustments to the day rate on account of our costs increasing or decreasing unless agreed on a case-by-case basis.

Mobilisation and additional customer requirements

Our drilling contracts define the technical specifications of the rig, and the equipment, required by the customer to conduct drilling operations. Our customer usually also require certain of their own equipment and personnel to be installed and present on our rigs for the duration of the drilling contract.

Significant time may therefore be required to complete the work needed to prepare a rig for operations in accordance with a specific drilling contract. In addition, a customer may require us, under the terms of the drilling contract, to meet particular health, safety, environmental and quality standards, and to comply with related codes of conduct and operating systems. We are usually also required to pay for and maintain insurance in compliance with the requirements of our customer for the duration of the contract. In addition, we are generally responsible for obtaining any licenses, permits, certifications and authorisations required to conduct our drilling operations, and for importing and exporting our rigs, personnel and equipment.

Liabilities

Our drilling contracts provide that we indemnify our customer against all claims on account of injury or death of our employees, even if caused by the negligence of our customer, and we receive reciprocal indemnity from our customer. We are liable for pollution which originates above the surface of the water and costs relating to controlling oil wells that have gone out of control (or “blowout”), up to agreed monetary caps. Our customer will assume liability for all underground damage, other incidents of pollution and for amounts higher than the agreed monetary caps.

Our drilling contracts provide that neither party shall be liable for any consequential damages, which includes the loss of profits, production and business opportunities, even if such damage arises from the fault of the other party. Under our drilling contracts, performance of our obligations is backed by a performance bond or by a guarantee, including, if required, corporate guarantees provided by us and our Promoter.

Sales and Marketing

Most of our marketing activities are conducted by our own sales and marketing personnel. However, in certain jurisdictions, we also work with external agents and advisors to assist us in our marketing efforts. If an agent successfully assists us in winning a contract, we pay the relevant agent a commission calculated as a percentage of the gross day rate of the contract. From time to time, we also enter into marketing agreements with individuals or companies involved in the offshore oilfield services for the marketing of our services.

Typically, exploration and production oil and gas company will solicit from the market expressions of interest or tenders for bids, to which we respond or bid, as the case may be. Bids are usually prepared to address two principal areas, namely technical capability and pricing. In terms of technical capability, we submit the technical features of the proposed, and most suitable, vessel from our available fleet to perform the type of work required, together with a comprehensive description of our credentials. A potential customer will then draw up a short-list based on the technical capability statements received and then evaluate the pricing terms offered. Subject to any other relevant commercial considerations, the contract is normally awarded to the short-listed bidder whose proposal has the lowest pricing. However, this procedure is not always followed and contracts are occasionally awarded based on negotiations without a formal tendering process.

In other instance, we will, either directly or through an agent, approach a potential customer that we believe is seeking offshore oilfield services which we offer.

Vessel Maintenance

We incur routine drydock inspection, maintenance and repair costs under Indian regulations and to maintain the relevant certifications for our vessels. For further details in relation to certification of vessels, see "Government Approvals" on page 275. In addition to complying with these requirements, we also have our own comprehensive vessel maintenance programmes that we believe allows us to continue to provide our customers with safe, reliable and efficient vessels. For the nine months ended December 31, 2009, the average number of days during which our operating vessels were drydocked was 41 days. Drydocking needs to be done twice in five years with one special survey conducted along with the scheduled drydock every five years. The gap between two drydocks cannot be more than three years. For some of our vessels which are built with a 60-month paint scheme and in compliance with other requirements, an in water survey can be done instead of a drydock.

We incurred approximately Rs. 10.26 million, Rs. 28.82 million, and Rs. 41.06 million in drydocking costs for the financial years 2008 and 2009 and the nine months ended December 31, 2009, respectively.

Health, Safety, Quality and Environment

We are committed to maintaining high standards of occupational health, safety and environmental protection. Due to the nature of our operations we conduct, we are subject to various internal and external safety audits to ensure compliance with health, safety and environmental protection laws and regulations, and to maintain effective waste prevention and reduction capabilities. We have taken a number of initiatives, such as implementing systems covering formal safety management, comprehensive incident and 'near miss' reporting and investigation and emergency response. Further, we conduct regular safety and environmental audits and provide systematic health and safety training for our employees. We are proactive in establishing policies and operating procedures for safeguarding the environment against any hazardous materials aboard our vessels and at shore base locations. Whenever possible, hazardous materials are maintained or transferred in confined areas in an attempt to ensure containment if accidents occur. In addition, we have established operating policies that are intended to increase awareness of actions that may harm the environment.

Our safety management systems comply with the International Management Code for the Safe Operation of Ships and for Pollution Prevention, as required by the International Convention for the Safety of Life at Sea, 1974. Our fleet complies with International Ships and Port Facility Security Code. We have completed our second annual audit for verification towards ISO 9001:2008 (Quality Management System) in the financial year 2009, and have been certified for ISO 14001:2004 (Environmental Management System) and OHSAS 18001:2007 (Occupational Health and Safety Management System) by Det Norske Veritas. For the financial year 2010, we experienced nil loss time injury, pollution incident and security related incidents.

Regulatory Matters

Government and Environment Regulation

Our operations are significantly affected by a variety of Indian and international laws and regulations governing worker health and safety and the manning, construction and operation of vessels. Our regulators have established safety criteria and are authorised to investigate vessel accidents and recommend improved safety standards. They also regulate and enforce various aspects of marine offshore vessel operations, including classification, certification, routes, drydocking intervals, manning requirements, tonnage requirements and restrictions, hull and shafting requirements and vessel documentation.

During the ordinary course of business, our operations are subject to a wide variety of environmental laws and regulations. We have complied with existing governmental regulations which regulate the discharge of materials into the environment, or otherwise relating to the protection of the environment.

In various countries in which we operate, including India, vessel trade or marine transportation between two ports or places within a country, is subject to rules known as "cabotage laws", which regulate maritime cabotage or coasting trade. Cabotage laws restrict maritime cabotage to domestic flag vessels qualified to engage in the coasting trade of that country. There are similar laws in other countries in which we operate, which currently restrict our ability to operate in those countries. Such laws also require vessels engaged in marine transportation between two points in those countries to be owned and controlled by citizens, manned by local crew, or locally built. For further details, see "Regulations and Policies" on page 113.

Code of Safety for Special Purpose Ships, 2008

In May 2008, the Maritime Safety Committee of the IMO, adopted the SPS Code 2008 as part of its endeavour to improve safety standards on merchant vessels engaged in works of a specialised nature, which may require to carry special personnel, who are neither crew members nor passengers. This code sets out the design criteria, construction standards and other safety measures for such ships, known as special purpose ships. Each special purpose ship which has been constructed in compliance with the SPS Code 2008 would be issued with a Special Purpose Ship Safety Certificate.

The SPS Code 2008, which took effect on May 13, 2008, is a non-mandatory code. The IMO encourages the contracting governments of the SPS Code 2008 to take appropriate steps to give effect to this code. Currently, Australia, Cyprus, India, Singapore and the United Kingdom require compliance with the SPS Code 2008, while Norway has issued guidelines for progressive compliance towards an anticipated full compliance with this code. In India, the SPS Code 2008 has been adopted by the DG Shipping, as a result of which offshore support vessels registered or working in Indian waters that carry more than 12 special personnel must be special purpose ships that comply with the SPS Code 2008. Special personnel are personnel tasked with particular operational duties of a ship, who are considered neither crew members nor passengers, and are carried in addition to persons required for the normal navigation, engineering and maintenance of the ship or engaged to provide services for the persons carried on board.

As governments in various jurisdictions gradually adopt the SPS Code 2008 for the enhanced safety it affords, we believe that SPS Code 2008 compliant special purpose ships have the added advantage of being able to operate worldwide. As the SPS Code 2008 took effect as recently as May 2008 and given the time required for the construction of new vessels, there are currently a limited number of vessels globally that comply with SPS Code 2008. Similarly, there are currently very few ship designs that comply with the SPS Code 2008. We believe that vessels that comply with SPS Code 2008 would have much higher level of acceptance in most offshore support vessel markets. All our commissioned vessels capable of accommodating more than 50 persons that have been, or will be, delivered subsequent to December 2009, are or will be fully compliant, with the SPS 2008 Code. By the end of the financial year 2012, we expect to have 10 SPS Code 2008 compliant vessels in our fleet, comprising *Greatship Maya* and our nine vessels currently under construction.

Classification

Classification is the process of verifying ship standards against a set of requirements in the rules established by a classification society. For classification purposes, a ship is surveyed during its construction on the basis of design approval, tested before being taken into service and surveyed regularly during its whole operational life until it is scrapped. Every vessel's hull and machinery must be classed by the classification society authorised in its country or elected by its owner. The classification society ensures that the vessel is built, equipped and maintained in accordance with the society's rules and regulations which, among other things, incorporate IMO convention requirements with regard to safety and pollution. The class certificate is valid for five years, subject to periodic inspections. The following surveys are carried out by a surveyor of the classification society:

- annual survey, which is carried out yearly;
- intermediate survey, which are carried out every 2.5 years and can be carried out in a vessel's second or the third year; and
- renewal or special survey, which is carried out once every five years. This survey may be commenced at the fourth anniversary after the previous survey and progressed during throughout the year with a view to completion by the fifth anniversary. Vessels are also required to be drydocked twice during the special survey period for inspection of underwater parts. The period between any two drydocking must not be more than 36 months, unless the vessel qualifies for and undergoes an in-water survey.

Depending upon the type and age of a vessel and quality of ongoing maintenance, the scope of survey can range from a standard inspection to a more stringent enforcement such as steel thickness measurement. Defects found at such inspection have to be repaired to the satisfaction of the classification society before the vessel is allowed to be further used. In cases of older vessels where more wear and tear is typical, substantial amount of money may have to be spent for steel renewal or other repairs for compliance with the rules of a classification society and for the vessel to be maintained under classification.

A vessel's machinery a continuous survey of machinery is generally required, with 20.0% of a vessel's machinery to be surveyed every year so that all of a vessel's machinery is reviewed every five years. On some ships, the "engine survey" cycle is implemented for the survey of all machinery at an interval of five years.

Competition

We operate in a highly competitive industry. Competition in our industry primarily involves factors such as:

- quality and capability of vessels;
- ability to meet the customer's schedule;
- safety record;
- experience and reputation; and
- price.

We have numerous competitors in each of the geographical regions in which we operate, ranging from international companies that operate in many regions to smaller local companies that typically concentrate their activities in one specific region. Local companies in the countries in which we operate may have more domestic experience and better relationships with clients than we do. Such companies may also have an advantage over us as many governments favour, or effectively require contracts to be awarded to, local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Such policies may affect our ability to compete. We also compete with larger and financially stronger vessel and rig operators who may have greater brand recognition and reputation than us. Our competitors include, among others, Indian offshore oilfield services operators such as Great Offshore Limited, Garware Offshore Services Limited and Samson Maritime Limited, and international operators such as Tidewater Marine, Inc. and Seacor Marine, Inc.

Despite the competitive environment in which we operate, we believe that our operating capabilities and reputation enable us to compete effectively with other fleets in the market areas in which we operate. In particular, we believe that the relatively young age and advanced features of our vessels, our ability to manage our vessels with lower operating costs, and our steadily growing reputation as a reliable provider of services provide us with a competitive advantage.

Employees

As of December 31, 2009, we had 85 shore based permanent employees (excluding Directors) in India and overseas, including 63 operating personnel and 22 corporate, administrative and management personnel. None of our employees are represented by a union or employed pursuant to a collective bargaining agreement or similar arrangement. We have not experienced any strikes or work stoppages, and our management believes that we continue to enjoy good relations with our employees. Our vessel and rig crew is generally comprised of our own employees. In addition, we may also hire junior crew provided by local contractors in the relevant country of operation, depending on our personnel needs.

We provide our employees with periodic training and development to help them acquire knowledge and skills necessary for them to enhance their performance in their present and future roles with us. In addition to a base salary, our employees are rewarded with stock-based compensation through stock options. For further details, see "Capital Structure—Employee Stock Option Plan" on page 31.We also provide a number of benefits to our employees, such as medical expenses, interest subsidy on housing loans and healthcare. Our employees are also covered under specific insurance schemes, covering death or injuries sustained during the course of employment.

Insurance

The operation of our vessels is subject to various risks, such as catastrophic marine disaster, adverse weather conditions, mechanical failure, collision and navigation errors, all of which represent a threat to personnel safety and to our vessels and cargo. We maintain marine insurance coverage that we consider customary in the industry against certain of these risks.

We generally maintain the following coverage for our fleet of vessels and rigs:

- Hull and machinery coverage. This covers physical damage to our vessels and rigs, and the machinery and equipment carried onboard. Each policy covers the vessel's or rig's contribution to general average and salvage and part of collision liability with respect to damage to another ship. Coverage for our fleet under each hull and machinery policy is written based upon our insurable interest in the relevant vessel or rig, which is assessed at market value, as agreed annually upon between us and the insurer of the relevant policy.

- Protection and indemnity policy. This type of cover is obtained from mutual protection and indemnity clubs, such as The Shipowners' Mutual Protection and Indemnity Association (Luxembourg). This covers liabilities towards third parties while operating our vessels. personal injury and illness of a member of crew, collision with vessels, and oil pollution.

- War risk policy. This covers loss or damage to our vessels and rigs as a result of war or war-like conditions, including terrorism.

- Freight demurrage and defence. This type of insurance covers disputes under charter parties. We have legal costs insurance to cover the costs of legal and technical assistance to defend a dispute.

- Loss of hire insurance. We have obtained such coverage for our rigs, which covers us, subject to certain deductibles, for loss of hire income arising from damage to our rigs which is covered and recoverable under our hull and machinery insurance, or from damage which would have been recoverable if a deductible had not been agreed upon.

- Comprehensive general liability insurance. We have purchased this type of insurance for our rigs, as part of the requirements under our rig charters. This covers us against liabilities we have assumed pursuant to indemnities granted under our rig charters.

We believe that our current level of insurance is adequate for our business and consistent with industry practice, and we have not historically experienced a loss in excess of our policy limits. We may not be able to obtain insurance coverage in the future to cover all risks inherent in our business, or insurance, if available, may be at rates that we do not consider to be commercially reasonable.

Intellectual Property

Our Promoter, GESCO owns the " " trademark (the "AHB Flag Trademark"), and our Company holds a non-exclusive and non-transferable licence to use the AHB Flag Trademark pursuant to a trademark license agreement dated April 21, 2010 with GESCO (the "Trademark License Agreement"). Under the Trademark License Agreement, our Company has the right to grant sub-licenses to our Subsidiaries for the use of the AHB Flag Trademark, without the prior written consent of GESCO. We do not pay any licence fee for the use of the AHB Flag Trademark. The Trademark License Agreement is valid for a period of 15 years, until April 20, 2025. In the event that our Company ceases to be a subsidiary of GESCO, the Trademark License Agreement will be automatically terminated at the expiry of six months from the date of such cessation.

Our Offices

Our registered office is located at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai, India, at premises owned by our Promoter. We have not entered into any arrangements with, and do not currently pay rent to, our Promoter with respect to our use of such premises. Our corporate office is located at 101, Marathon Innova B2, Off Ganpatrao Kadam Marg, Lower Parel (West), Mumbai, India. We lease other facilities for our offices in Mumbai, Singapore and other jurisdictions where we have established branch or marketing offices.

REGULATIONS AND POLICIES

The following description is a summary of certain laws and regulations in India and Singapore, which are applicable to us. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

A. India

Maritime laws

Shipping is an international activity and is required to conform to various international regulations, treaties, conventions and other similar bilateral and multilateral agreements. India is a party to several conventions developed by the IMO and the United Nations Organisation and the ILO. The ILO also develops conventions and recommendations relating to the working conditions of seafarers, their safety, identity and other welfare measures for the seafaring community at large. To give effect to the requirements of such conventions, suitable statutory provisions have been made in the Merchant Shipping Act, 1958 ("Merchant Shipping Act"). The Merchant Shipping Act is also suitably amended as per the requirements of the conventions for giving statutory authority for the implementation of the provisions of these conventions.

The Merchant Shipping Act

The Merchant Shipping Act was enacted with an objective to foster the development of an Indian mercantile marine legislation to serve national interests and to establish a National Shipping Board for the registration of Indian ships and generally to amend and consolidate the law relating to merchant shipping. The Merchant Shipping Act is the principal legislation that applies to ships that are registered in India or which are required to be registered under this statute. It closely follows international maritime law. The Merchant Shipping Act provides for, among other things, regulations governing the transfer, mortgage and sale of ships, certification of competency of the officers, engagement and discharge of seamen, payment of wages to seamen, health and accommodation of seamen, the duties of the shipping masters, agreements with the crew, disputes between seamen and employers, inspection by shipping master of provisions, accommodation on board and a certificate of survey for passenger carrying ships. In addition, with a view to ensure safety of the vessels, the Merchant Shipping Act makes it compulsory to install life saving appliances, fire appliances as well as radio telegraphy, radio telephony and direction finder. The Merchant Shipping Act also contains provisions relating to safety and space requirements of unberthed passenger ships. The statute also sets out the requirements in relation to the following, among other things, dangerous goods and grain cargoes, collisions, accidents at sea and limitation of liability, wreck and salvage, and weights and measures on board. The Merchant Shipping Act also contains special provisions for control of Indian ships and other ships engaged in coasting trade.

Registration of Indian ships

Every Indian seagoing ship fitted with a mechanical means of propulsion (except a ship with mechanical means of propulsion of less than 15 tons net and employed solely in the coasts) is required to be registered under the Merchant Shipping Act. A ship entitled to fly the flag of a country needs to be registered in that country. The object of registration is to ensure that persons who are entitled to the privilege and protection of the Indian flag are able to obtain the privilege and protection. The registration affords evidence of title of the ship to those who deal with the property in question. It also gives protection to the members of the crew in case of casualties involving injuries and/or loss of life to claim compensation under the provisions of the Indian acts in Indian courts. A ship is not recognised as an Indian ship unless it is owned wholly by: (a) citizen of India; or (b) a company or body established by or under any Central or State legislation which has a principal place of business in India; or (c) is a duly registered or deemed to be registered cooperative society. An Indian ship which is required to be registered under the Merchant Shipping Act and which is not so registered, is not recognised as an Indian ship. The Merchant Shipping Act provides a list of ports at which the registration of ships can be done. An application for the registry of an Indian ship under the Merchant Shipping Act is followed by a survey of the ship in relation to its tonnage, build and other particulars. Further, the person to be registered as the owner of the ship is required to submit a declaration of ownership in the prescribed format. All Indian ships are required to obtain a license from the DG Shipping, before they are taken to sea from the port or place within or outside India.

Cabotage

Part XIV of the Merchant Shipping Act imposes restrictions on ships other than Indian ships or ships chartered by (a) citizen of India; or (b) a company or body established by or under any Central or State legislation which has a principal place of business in India; or (c) is a duly registered or deemed to be registered cooperative society, in engaging in coasting trade of India. Such ships are required to obtain a license from the Directorate General of Shipping prior to engaging in the coastal trading of India. In this regard, the Directorate General of Shipping, in the year 2002, issued the Guidelines for Grant of License to Foreign-Flag Vessels (the "Charter Guidelines") laying down the process for engaging foreign vessels in the Indian exclusive economic zone of India including its territorial waters and contiguous zone. The Charter Guidelines provides that any person who intends to charter foreign vessels for export/ import or for coasting trade or for implementation of projects, has to submit an enquiry to the INSA, providing the details in relation to the requirement of the vessel whereby INSA will provide an opportunity to Indian vessels to make an offer to such person submitting the enquiry. In terms of the Chartering Guidelines, in relation to the chartering of vessels through tender process, an Indian vessel owner who has shown the readiness to take up the job at the lowest price indicated by the foreign flag vessels, has the right of first refusal in such bidding process.

Seamen and Apprentices

Specific provisions in relation to the engagement, discharge and related matters pertaining to seamen and welfare of Seamen and Apprentices are contained under the Merchant Shipping Act. Seamen are required to be registered with the Director, Seamen's Employment Office. There are prescribed rules and regulations in relation to the maintenance of discipline on board of the ships. The safety and welfare of the seamen is regulated by the provisions of the Merchant Shipping Act. The Merchant Shipping Act, *inter alia*, contains the provisions in relation to the engagement of seamen on Indian ships and ships other than Indian ships at any port in India. The Merchant Shipping Act also sets out special provisions with regard to agreements with crew of Indian ships.

Directorate General of Shipping ("DG Shipping")

The DG Shipping is vested with statutory powers under section 7 of the Merchant Shipping Act. The DG Shipping has the power to make rules in relation to maritime administration. The DG Shipping deals with the matters concerning implementation of shipping policy and legislations, prevention of marine pollution, promotion of maritime education and training in co-ordination with the international maritime organisation, regulation of employment and welfare of seamen development of coastal shipping, augmentation of shipping tonnage, examination and certification of merchant navy officers, supervision and control of the allied departments and officer under its administrative jurisdiction. The DG Shipping may from time to time make rules and notify circulars as part of the administration of various matters related to shipping. As part of our operations, we are required to comply with such rules, circulars and notifications made by DG Shipping from time to time, as applicable.

Laws in relation to drilling operations

Oil and natural gas exploration activities are governed by the Oilfields (Regulation and Development) Act, 1948 ("Oilfields Act"), which provides for regulation of oilfields and development of mineral oil resources. The Oilfields Act vests GoI with the authority to make rules, including for regulating drilling and re-drilling of oil wells.

Further, the Petroleum and Natural Gas Rules, 1959 ("PNG Rules"), notified by GoI in pursuance of its authority under the Oilfields Act, that primarily deal with grant of Petroleum Exploratory Leases ("PELs") and Petroleum Mining Lease ("PMLs"). The PNG Rules prohibit prospecting or exploitation of any oil or natural gas unless a license or lease has been granted under the PNG Rules. Whilst a PEL entitles the licensee to an exclusive right to carry out information drilling and test drilling operations for petroleum in the area covered by the license, a PML entitles the holder with an exclusive right to conduct mining operations for petroleum and natural gas from the contract area. PELs and PMLs are granted by the MoPNG for offshore areas.

Petroleum & Natural Gas (Safety in Offshore Operations) Rules, 2008 ("Offshore Safety Rules")

Offshore Safety Rules, notified by the GoI in pursuance of its authority under the Oilfields Act provide regulations for maintaining safety in offshore oil and natural gas exploration, exploitation, production / drilling and matters connected therewith, in exercise of powers under Oilfeilds Act. These Offshore Safety Rules apply to all public sector undertakings, private / joint ventures companies operating in territorial waters, contiguous zone, continental shelf and exclusive economic zone of India in offshore upstream petroleum and natural gas sector. These rules seek to enhance safety levels, bring uniformity in safety standards across all companies, minimize production loss / accidents and optimize use of precious oil & gas resources of the country. Further, the Oil Industry Safety Directorate, has been designated as a competent authority to exercise the powers under the rules.

Among other things, the company or entity conducting offshore operations is required to maintain the offshore installation in a condition fit for the purpose, under foreseeable meteorological, oceanographic, environmental and sea-bed conditions during construction, installation and operation. The measures include to be taken by the company or entity include (a) an assessment of the design and construction of the installation in relation to the conditions under which it is to be installed and used; (b) designing, constructing, installing and maintaining the installation in accordance with recognized standards; and (c) maintaining a valid certificate of fitness for the installation.

Territorial Waters, Continental Shelf, Exclusive Economic Zone and other Maritime Zones Act, 1976 (the "Territorial Waters Act")

The Territorial Waters Act empowers the GoI to extend the application of any Central Government legislation to the territorial waters, continental shelf, exclusive economic zone and other maritime zones of India. Accordingly, the Territorial Waters Act provides for the grant by way of licenses or letter of authority by Government of India to explore and exploit resources of the continental shelf and exclusive economic zones.

Insurance

Marine Insurance Act, 1963

The Marine Insurance Act, 1963 ("MI Act") provides that the insurer shall undertake to indemnify the assured against the losses incidental to marine adventures. It is extended to protect the assured against any losses on inland waters or any land risk which may be incidental to any sea voyage. Further, it requires that the assured must be interested in the subject-matter at the time of the loss. In the event, the assured has no interest at the time of loss, such person could not acquire interest by any act or election after the assured person becomes aware of the loss. It is essential that the contract of marine insurance is embodied in the marine policy and such policy must be executed and issued either at the time when the contract is concluded or subsequently. The MI Act provides that the assured can avail different types of insurance including voyage policy, time policy, valued or unvalued policy, floating policy by ships and others.

Environmental Laws

The Environmental Protection Act, 1986, Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981 provide for the prevention, control and abatement of pollution. Pollution Control Boards ("PCBs") have been constituted in all the States in India to exercise the authority provided under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain approvals of the relevant State PCBs for emissions and discharge of effluents into the environment. The Hazardous Waste (Management and Handling) Rules, 1989 include waste oil and oil emulsions under the definition of hazardous wastes and impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such hazardous wastes properly including proper collection, treatment, storage and disposal. Every occupier and operator of the facility generating hazardous waste is required to obtain an approval from the PCB for collecting, storing and treating the hazardous waste.

Labour Legislations

As part of our operations, we are required to comply from time to time with the laws, rules and regulations in relation to the hiring and employment of labour. Labour legislation in India classifies persons into ‘employees’ and ‘workmen’ based on factors which, among others, include the nature of work and remuneration. While workmen are typically entitled to various statutory benefits including gratuity, bonus, retirement benefits and insurance protection, employees are governed by the terms of their employment contracts. The following is an indicative list of legislations which are applicable to our operations and workmen:

- Minimum Wages Act, 1948
- Contract Labour (Regulation and Abolition) Act, 1970
- Payment of Bonus Act, 1945
- Payment of Gratuity Act, 1972
- Employee State Insurance Act, 1948
- Employees Provident Fund and Miscellaneous Provisions Act, 1952
- Workmen’s Compensation Act, 1923
- Industrial Disputes Act, 1947
- Industrial Employment (Standing Orders) Act, 1946

B. Singapore

Singapore Jurisdiction and Sources of Law

In Singapore, the High Court (Admiralty Jurisdiction) Act, (Chapter 123) vests inherent jurisdiction in the Singapore High Court to adjudicate all legal disputes in connection with ships and the arrests of ships and for purposes connected therewith. The ownership, operation and management of ships are highly regulated, and are subject to international conventions which had been enacted into legislation, laws and regulations in force in Singapore in which our vessels operate and are registered, as well as other applicable codes, guidelines and standards recommended by the International Maritime Organisation (“IMO”), the flag state governments, classification societies and maritime industry organisations.

Maritime Port Authority of Singapore

The Maritime Port Authority of Singapore (“MPA”) was established pursuant to the Maritime Port Authority of Singapore Act (Chapter 170A). The MPA is tasked with creating an economic regulatory framework, exercise regulatory functions with regard to navigational and port security, prevention of marine pollution and the maintenance and regulation of ports. It has the general superintendence of all matters relating to merchant shipping and seamen and is authorised to execute and enforce the provisions of the MSA and of all relevant statutes in Singapore relating to merchant shipping and seamen, unless otherwise provided in such statutes. The MPA may take any legal proceedings under the MSA. The MPA may, with the approval of the minister of transportation, levy rates, charges due and fees for the use of services and facilities provided by the MPA.

Merchant Shipping Act (Chapter 179) of Singapore

Vessels in Singapore are required to be registered with the MPA under the Merchant Shipping Act (Chapter 179) of Singapore (the “MSA”). The MSA and subsidiary legislation passed thereunder set out various requirements relating to vessels which are registered in Singapore.

Vessel Registration

The MSA specifies certain technical requirements that need to be satisfied before a ship can be registered. These requirements include (but is not limited to) the tonnage of the vessel, the paid up capital of the companies that own the vessel and whether the vessel is in satisfactory condition. The name of the vessel is also subject to approval. Vessels which meet the relevant requirements specified are issued permanent certificates of registration by the MPA. A vessel may be provisionally registered and granted a provisional certificate of registry if the application has not been accompanied by the document of title, evidence of cancellation of any foreign registry, tonnage certificate and such other document as the MPA may decide. A provisional certificate is valid for a period of one year, at the end of which all other necessary certificates should be obtained to convert the provisional registration into a permanent registration. In order for such certificates to remain valid, our vessels must continue to maintain the "Certificates of Class" issued by the relevant classification societies upon completion of the surveys undertaken by them. These certificates of registration may be cancelled by the MPA if the vessel, its equipment or any matter to which it relates, no longer complies with the MSA or any applicable regulations promulgated thereunder. A vessel must be registered anew upon any change of ownership and upon material alteration to a ship. A Singapore vessel may be made a security for a loan or other valuable consideration. The instrument creating such mortgage must be in a prescribed form and the MPA must register the mortgage. A provisionally registered ship can be mortgaged provided that the proper mortgage registration procedure is followed. Under common law, the rights of unregistered mortgages are postponed to those of registered mortgages.

Safety of Life and Equipment

The MSA and subsidiary legislation thereunder regulate, among other matters, (i) the standards of construction and equipment of ships including the provision of life saving and fire fighting appliances and radio installations; (ii) the standards of accommodation for crew and passengers; (iii) the tonnage measurement of vessels; (iv) the determination of the load lines; (v) the loading and carriage of goods; (vi) the carriage of livestock; (vii) safety of navigation; (viii) the prevention of collision at sea; (ix) the safety, health and welfare of persons employed on ships; and (x) the manner, frequency of the survey or inspection and the issue, suspension, cancellation, extension and the period of validity of certificates or exemption certificates. Any vessel owner or master who contravenes the provisions will be guilty of an offence and will be liable on conviction to a fine and the vessel may be detained.
International conventions, such as the International Convention for the Safety of Life at Sea, provide for minimum standards for the construction, equipment and operation of vessels including the installation of fire-fighting systems and machinery and electrical equipment, which are essential for the safety of the vessel under various emergency conditions. The International Convention on Tonnage Measurement of Ships, 1969 establishes a universal tonnage measurement system. Ship tonnage often forms the basis for port and other dues, manning regulations, safety rules and registration fees. This convention provides for gross and net tonnages, both of which are calculated independently.

Terrorism and Security

Singapore has introduced and implemented measures aimed at enhancing the security of vessels used in international trade and associated port facilities in the face of terrorist threats. By way of the Merchant Shipping (Safety Convention) Regulations: Special Measures to Enhance Maritime Security, the International Ship and Port Facility Security Code ("ISPS Code") has been implemented in Singapore.

Among the various requirements are onboard installation of automatic information systems to enhance vessel-to-vessel and vessel-to-shore communications, onboard installation of ship security alert systems, the development of vessel security plans, and compliance with flag state security certification requirements.

Manning and Certification

The MSA and subsidiary legislation passed thereunder contain provisions relating to the manning of vessels by masters, officers and seamen. Such regulations include the number of qualified officers of various description, doctors and other personnel. These persons must have each attained prescribed standards of professional competence and must accordingly be certified as such. The minimum number of qualified deck and marine engineer officers of a particular class is also stipulated in the regulations. Prescription of employment terms such as accommodation, welfare, remuneration, and age restrictions of crew members are also provided for in the MSA. The MSA and the Maritime Offences Act (Chapter 170B) provide for disciplinary and criminal offences of seamen and the sanctions for such offences.

Singapore has also ratified the STCW Convention. The STCW Convention sets out certain minimum pre-requisites in terms of training, certification and watchkeeping for seafarers on a global level. The STCW Convention also extends to ships of non-party States when visiting ports of the signatories to the STCW Convention. Certificates of Competency ("COC") are issued to qualified personnel by their respective enforcement authorities. Singapore allows foreign officers and engineers, of certain countries, who hold valid and relevant foreign COC to serve onboard Singapore ships.

Environmental matters

Singapore vessels are required to comply with the requirements of the Prevention of Pollution at Sea Act (Chapter 243) ("PPSA") which gives effect to MARPOL, as amended to by the protocol of 1978. MARPOL is a convention introduced by IMO. The PPSA includes regulations aimed at preventing and minimising pollution from vessels by the discharge of oil, refuse, garbage, waste matter, trade effluent, plastics or marine pollutants. Such discharges or emissions may result from accidents or routine operations. Under the PPSA, vessels are required to keep a record of all discharges of oily mixtures and other discharges and to report any discharge of harmful substances. In the event of a discharge of such pollutants in Singapore waters, vessels are liable to pay for the costs of any measures taken by the MPA to remove or reduce the contamination caused by the pollution.

In addition to the pollutants described above, MARPOL sets out requirements regulating the emission of gases from ship exhausts and ozone depleting substances. Assessment for compliance with annex VI of MARPOL is also carried out by recognised classification societies.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated as Greatship (India) Limited on June 26, 2002 under the Companies Act, as a wholly-owned subsidiary of GESCO. Our Company received a certificate of commencement of business on July 15, 2002. On March 27, 2006, the main object clause of the Memorandum was amended to include the business of offshore oilfield services. Subsequently, in April 2006, our Company commenced operations in the offshore oilfield services sector. For details, please see "Our Business" on page 90.

Changes in the Name and Registered Office

There has been no change in the name of our Company or our Registered Office.

Main Objects of our Company

The main objects as contained in the Memorandum of Association are:

1. *To own, purchase, charter, hire or otherwise acquire, sell, exchange, let or otherwise deal with, operate, trade in or with steam, and other ships, boats and vessels, and conveyances of every description propelled of worked or capable of being propelled of worked, by steam, electricity, petrol, oil, gas, or any other motive power or power-producing substance, with all equipment and furniture, build steam and other ships and vessels and to employ the same in the carriage or conveyance by sea in or between any place or places or port or ports or on any seas, rivers, canals or elsewhere, of passengers, mails, troops, munitions of war, live stock, corn and other produce and of treasure and merchandise and food, articles and goods and things of all kinds, between such ports and places in India and abroad, as may seem expedient, and to establish, maintain and work, lines of steam and other ships, and conveyances between any ports, countries or places which may seem to the Company from time to time expedient, and to acquire any postal and other subsidies.*

2. *To undertake, carry on business activities and provide services of all types and descriptions including owning, operating, charter hiring of supply vessels, Tugs, Barges and all types of vessels related to offshore services and to apply for and acquire by purchase, lease, hire or license, exchange or otherwise, mineral and petroleum rights, grants, concessions, leases, licenses, claims, permits, wells or other interests in petroleum and mineral rights, mine and mining rights, to undertake activities related to drilling including deep water drilling, development drilling and production, offshore drilling, mining, bore for, raising, digging, working, quarry for, getting, extracting, taking, pumping, transmitting and dealing in any carry away of ores, coals, minerals, metals, earth, mineral oils, natural gas and all other liquid, solid or gaseous hydrocarbons in a free or other state including any substance which may be extracted from rocks or minerals by any process of destructive distillation.*

Amendments to the Memorandum of Association

Date of shareholders' resolution	Nature of Amendment
March 27, 2006	The main object clause of the Memorandum of Association was amended to include business of offshore oilfield services
March 27, 2006	Increase in authorised share capital from Rs. 500,000 divided into 50,000 Equity Shares to Rs.10,000,000 divided into 1,000,000 Equity Shares
September 18, 2006	Increase in authorised share capital from Rs. 10,000,000 divided into 1,000,000 Equity Shares to Rs. 265,000,000 divided into 26,500,000 Equity Shares
March 27, 2007	Increase in authorised share capital from Rs. 265,000,000 divided into 26,500,000 Equity Shares to Rs. 315,000,000 divided into 31,500,000 Equity Shares
May 22, 2007	Increase in authorised share capital from Rs. 315,000,000 divided into 31,500,000 Equity Shares to Rs. 651,000,000 divided into 65,100,000 Equity Shares

July 25, 2007	Clause V.B of the Memorandum of Association was substituted by the following new Clause V.B as under: "V.B) The Paid-up capital of the Company at any time shall be at least Rs. 5,00,000 divided into 50,000 equity shares of Rs. 10 each."
January 31, 2008	Increase in authorised share capital from Rs. 651,000,000 divided into 65,100,000 Equity Shares to Rs. 950,000,000 divided into 95,000,000 Equity Shares
August 18, 2008	Increase in authorised share capital from Rs. 950,000,000 divided into 95,000,000 Equity Shares to Rs. 1,170,000,000 divided into 95,000,000 Equity Shares and 22,000,000 Preference Shares
November 5, 2008	Increase in authorised share capital from Rs. 1,170,000,000 divided into 95,000,000 Equity Shares and 22,000,000 Preference Shares to Rs. 1,544,000,000 divided into 95,000,000 Equity Shares and 59,400,000 Preference Shares
March 20, 2009	Increase in authorised share capital from Rs. 1,544,000,000 divided into 95,000,000 Equity Shares and 59,400,000 Preference Shares to Rs. 1,830,000,000 divided into 95,000,000 Equity Shares and 88,000,000 Preference Shares
April 23, 2010	Increase in authorised share capital from Rs. 1,830,000,000 divided into 95,000,000 Equity Shares and 88,000,000 Preference Shares to Rs. 2,230,000,000 divided into 135,000,000 Equity Shares and 88,000,000 Preference Shares

Major events of our Company

Date	Event
June 2002	Incorporation of our Company
April 2006	Commencement of operations of offshore oilfield services
April 2006	Placed first orders for two PSVs with Brattvaag Skipsverft AS, Norway
August 2006	Delivery of the first vessel of our Company, a second hand PSV- 'Greatship Disha'
August 2006	Placed first orders for two 80 TBP AHTSVs with Colombo Dockyard Limited, Srilanka
October 2006	Incorporation of GGES in Singapore, as our Subsidiary
November 2006	Novation of Vessel Construction Agreement to GGES for a 350 feet Jack-up Rig under construction with Keppel Fels Yard, Singapore
May 2007	Incorporation of GGOS in Singapore as our Subsidiary
July 2007	GGOS placed orders for two new MPSSVs with Keppel Singmarine Pte. Ltd., Singapore
September 2007	GGOS placed orders for two new MSV with Mazagon Dock Limited, Mumbai
December 2007	GGOS placed an order for two ROVSVs on Colombo Dockyard Limited
April 2008	GGES entered into bareboat charter for in charter of a 350 feet Jack-up Rig – 'Greatdrill Chetna'
July 2008	Placed order for two 150 TBP AHTSVs with Drydocks World, Singapore
March 2009	GGES took delivery of its in-chartered Rig-'Greatdrill Chetna'
October 2009	GGES took delivery of Greatdrill Chitra, a 350 foot Jack-up Rig, from Keppel Fels Yard, Singapore
January 2010	Implementation of new ERP system 'SAP'

Subsidiaries

Our Company has four Subsidiaries. For details regarding the Subsidiaries of our Company, please see "Our Subsidiaries" on page 140.

Promoter

The Promoter of our Company is GESCO. For details, please see "Our Promoter, Promoter Group and Group Companies" on page 142.

Capital raising activities through equity or debt

For details regarding our capital raising activities through debt, please see "Financial Indebtedness" on page 254.

Our Shareholders

For details regarding our Shareholders, please see "Capital Structure" on page 26.

OUR MANAGEMENT

Under our Articles of Association we are required to have not less than three Directors and not more than 12 Directors. We currently have eight Directors.

The following table sets forth details regarding our Board as of the date of filing of the Draft Red Herring Prospectus:

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Bharat K. Sheth *(S/o Kanaiyalal Sheth)* *Non-Executive Chairman* *Address*: Flat no. 19-B, Manek 11 L.D. Ruparel Marg Mumbai 400 006 *Occupation:* Industrialist *Nationality:* Indian *Term:* Non-Retiring Director *DIN*: 00022102	52	*Other directorships* 1. The Great Eastern Shipping Company Limited 2. The Great Eastern Shipping Company (London) Limited 3. Sea Change Maritime LLC 4. North of England P&I Association Limited 5. Steamship Mutual Underwriting Association *Partnerships* 1. Bhiwandiwalla & Company 2. Safe Enterprises *Trusteeships* 1. Jyotsna & Kanu Sheth Charity Trust 2. Jyoti Bharat Sheth Family Trust
Ravi K. Sheth *(S/o Kanaiyalal Sheth)* *Managing Director* *Address*: Flat no. 12-B, Manek 11 L.D. Ruparel Marg Mumbai 400 006 *Occupation:* Industrialist *Nationality:* Indian *Term:* Non-Retiring Director *DIN*: 00022121	48	*Other directorships* 1. The Great Eastern Shipping Company Limited 2. Financial Technologies (India) Limited 3. A.H. Bhiwandiwalla Investments Private Limted 4. Artex India Private Limited* *x* 5. Greatship Global Holdings Ltd. 6. Greatship DOF Subsea Projects Private Limited *Partnerships* 1. Bhiwandiwalla & Company 2. Safe Enterprises *Trusteeships* 1. Jyotsna & Kanu Sheth Charity Trust 2. Jyoti Bharat Sheth Family Trust
P. R. Naware *(S/o Raghunath Naware)* *Executive Director*	57	*Other directorships* 1. The Greatship (Singapore) Pte. Ltd. 2. Greatship Global Energy Services Pte. Ltd.

<table>
<tr><th>Name, Father’s Name, Designation, Address, Occupation, Nationality Term and DIN</th><th>Age (in years)</th><th>Other Directorships/Partnerships/Trusts in which the Director is a trustee</th></tr>
<tr><td>Address: Flat No. 51, “Marble Arch”
52/5, TPS III, 5th Road
Santa Cruz (East)
Mumbai 400 055

Occupation: Service

Nationality: Indian

Term: Liable to retire by rotation

DIN: 00041519</td><td></td><td>3. Greatship Global Holdings Ltd.
4. Greatship Global Offshore Services Pte. Ltd.
5. Greatship DOF Subsea Projects Private Limited</td></tr>
<tr><td>Keki M. Mistry
(S/o Late Minoo Kaikushru Mistry)

Non-Executive Independent Director

Address: 702/703 Hasmukh Mansion,
7th Floor
39 Chitrakar Dhurandhar Marg
14th Road Junction, Khar (West)
Mumbai 400 052

Occupation: Service

Nationality: Indian

Term: Liable to retire by rotation

DIN: 00008886</td><td>55</td><td>Other directorships

1. Housing Development Finance Corporation Limited
2. HDFC Bank Limited
3. HDFC Developers Limited
4. HDFC Standard Life Insurance Company Limited
5. HDFC EGRO General Insurance Company Limited
6. HDFC Asset Management Company Limited
7. GRUH Finance Limited
8. Infrastructure Leasing & Financial Services Limited
9. Sun Pharmaceutical Industries Limited
10. The Great Eastern Shipping Company Limited
11. Next Gen Publishing Limited
12. Shrenuj & Company Limited
13. Torrent Power Limited
14. Griha Investments, Mauritius
15. India Value Fund Advisors Private Limited
16. Association of Leasing & Financial Services Companies
17. Intelnet Global Services Private Limited</td></tr>
<tr><td>Berjis Desai
(S/o Minoo Desai)

Non-Executive Independent Director

Address: Yezerina II, 740/741
Dadar Parsi Colony
Dadar, Mumbai 400 014

Occupation: Practising Lawyer

Nationality: Indian</td><td>56</td><td>Other directorships

1. Sterlite Industries (India) Limited
2. The Great Eastern Shipping Company Limited
3. NOCIL Limited
4. Praj Industries Limited
5. Emcure Pharmaceuticals Limited
6. Centrum Fiscal Private Limited
7. Capricon Studfarm Private Limited
8. Capricon Agrifarms & Developers Private Limited
9. Capricon Plaza Private Limited
10. Sabre Capital Investment Advisors Private Limited</td></tr>
</table>

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Term: Liable to retire by rotation *DIN*: 00153675		11. Equine Bloodstock Private Limited 12. Spring Healthcare Advisors Private Limited 13. Edelweiss Capital Limited 14. Eden Realtors Private Limited 15. Deepak Nitrite Limited 16. BioCnergy Europa B.V. 17. JSA Law Limited (Dubai) 18. JSA Lex Holdings Limited (Mauritius) *Partnerships* 1. J. Sagar Associates *Trusteeships* 1. Tamaso ma Jyotirgamaya Foundation 2. Trinayani Foundation, Mumbai 3. Nargisbanu Darabsha Baria Zoroastrian Foundation for Underpriveleged Children, Blind & Handicapped.
Vineet Nayyar *(S/o Sohan Lal Nayyar)* *Non-Executive Independent Director* *Address*: 5A Friends Colony (West) Mathura Road, New Delhi 110 065 *Occupation:* Service *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 00018243	71	*Other directorships* 1. Tech Mahindra Limited 2. Tech Mahindra (Americas) Inc 3. Tech Mahindra GmbH 4. Tech Mahindra (Thailand) Limited 5. Tech Mahindra Foundation 6. Tech Mahindra (Beijing) IT Services 7. Kotak Mahindra Old Mutual Life Insurance Limited 8. The Great Eastern Shipping Company Limited 9. Vidya Investments Private Limited 10. CanvasM Technologies Limited 11. Mahindra Holidays and Resorts India Limited 12. Vidya Education Investment Private Limited 13. Essel Social Welfare Foundation 14. Maurya Education Company Private Limited 15. Venturbay Consultants Private Limited 16. The Mahindra United World College of India 17. Mahindra Logisoft Business Solutions Limited 18. Satyam Computer Services Limited *Trusteeships* 1. Cathedral Vidya Trust 2. Mahindra Education Foundation 3. Vidya Education Foundation 4. Mahindra Satyam Foundation
Rajiv B. Lall *(S/o Krishen Behari Lall)*	52	*Other directorships* 1. Infrastructure Development Finance Company

Name, Father's Name, Designation, Address, Occupation, Nationality Term and DIN	Age (in years)	Other Directorships/Partnerships/Trusts in which the Director is a trustee
Non-Executive Independent Director *Address*: Sanghi House, 3rd Floor 94, Napean Sea Road Mumbai 400 006 *Occupation:* Service *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 00131782		Limited 2. IDFC Trustee Company Limited 3. IDFC Private Equity Company Limited 4. IDFC Projects Limited 5. IDFC Securities Limited 6. IDFC Capital Limited 7. IDFC Project Equity Company Limited 8. IDFC Asset Management Company Limited 9. National Securities Depository Limited 10. National Stock Exchange of India Limited 11. Spandana Sphoorty Financial Limited 12. Delhi Integrated Multi-Modal Transit System Limited 13. Dheeru Powergen Private Limited 14. Singapore Airport Terminal Services Pte. Ltd. 15. IDFC Capital (Singapore) Pte. Ltd.
Shashank Singh *(S/o Shailendra Kumar Singh)* *Non-Executive Independent Director* *Address*: Flat 8A, Sudhakar 26, Narayan Dabholkar Road Mumbai 400 006 *Occupation:* Service *Nationality:* Indian *Term:* Liable to retire by rotation *DIN*: 02826978	33	*Other directorships* 1. Apax Partners India Advisers Private Limited

* *An application has been made under section 560 of the Companies Act for striking off the name of the company from the registrar of companies*

Two of our Directors, Bharat K. Sheth and Ravi K. Sheth, are brothers. None of our other Directors are related to each other.

Under our Articles of Association, our Promoter has the right to nominate two Directors on the Board as long as our Promoter continues to hold at least 26% of our Company's share capital. Further, Bharat K. Sheth and Ravi K. Sheth, as long as they continue to be our Directors, shall not be liable to retire by rotation. For further details, please see "Main Provisions of the Articles of Association" on page 332.

Brief Biographies

1. Bharat K. Sheth

Bharat K. Sheth is the Chairman of our Company. He has been associated with our Company since incorporation and became the Chairman of our Company with effect from March 22, 2006. He completed his Bachelor of Science (Economics) with honours from St. Andrews University, Scotland in 1981. He has over 28 years of experience in the shipping industry. He is also the deputy chairman and managing director of our Promoter and has been associated with our Promoter since 1981.

2. Ravi K. Sheth

Ravi K. Sheth is the Managing Director of our Company. He has been associated with our Company since March 22, 2006 and was appointed Managing Director with effect from November 7, 2006. He holds a Bachelor's degree in Commerce from H.R. College, Mumbai, Maharashtra and a Master's degree in Business Administration from Babson College, Wellesley, USA. He has over 20 years of experience in the shipping industry. He co-founded Godrej Foods Limited and worked as its vice-president (finance) from 1985 to 1989. He is also an executive director of our Promoter and has been associated with our Promoter since 1989.

3. P.R. Naware

P.R. Naware is an Executive Director of our Company. He has been associated with our Company since incorporation and was appointed Executive Director with effect from November 7, 2006. He holds a Bachelor's degree in Science and a Bachelor's degree in Law from the University of Pune, Maharashtra. He has been an associate member of the Institute of Company Secretaries of India since 1983. He has over 35 years of experience in the field of legal and secretarial services, which includes over 20 years of experience in shipping industry. He joined our Promoter as its company secretary in the year 1987 and is presently the president (corporate). Prior to joining our Promoter, he worked with Kirloskar Oil Engines Limited as its company secretary.

4. Keki M. Mistry

Keki M. Mistry is a Non-Executive Independent Director of our Company. He was appointed a Director of our Company on December 4, 2007. He is a fellow member of the ICAI and a certified public accountant from the Michigan Institute, USA. He has over 30 years of experience in the field of banking and finance. He is also the vice-chairman and chief executive officer of Housing Development Finance Corporation Limited ("HDFC"). Prior to joining HDFC in 1981, he worked with Indian Hotels Company Limited. Besides his responsibilities with HDFC, he has been deputed on consultancy assignments to the Commonwealth Development Corporation in Thailand, Mauritius, the Caribbean Islands and Jamaica to review and evaluate the operations of mortgage financial institutions in these countries. He has also worked as a consultant for the Mauritius Housing Company in Mauritius, and for the Asian Development Bank, on the feasibility of establishing a secondary mortgage market in India.

5. Berjis Desai

Berjis Desai is a Non-Executive Independent Director of our Company. He was appointed a Director of our Company on December 4, 2007. He has a Master's degree in Law from the Cambridge University, UK and is a solicitor of The Bombay Incorporated Law Society since 1982. He is the managing partner of J. Sagar Associates. He also has extensive experience both as an arbitrator and counsel in international commercial and domestic arbitrations. He specialises in law relating to banking and finance.

6. Vineet Nayyar

Vineet Nayyar is a Non-Executive Independent Director of our Company. He was appointed Director of our Company on July 24, 2009. He has a Master's degree in Development Economics from Williams College, USA. He started his career with the Indian Administrative Service and has held various posts such as district magistrate, secretary – agriculture & rural development for the Government of Haryana and director – Department of Economic Affairs, Government of India. He has also worked with the World Bank for over 10 years on various assignments including being the chief for the Energy, Infrastructure and the Finance Divisions for East Asia and Pacific. He is the founding chairman and managing director of Gas Authority of India Limited and has served as the managing director of HCL Corporation and as the vice-chairman of HCL Technologies Limited. He is presently the vice-chairman and managing director of Tech Mahindra Limited and the executive chairman of Satyam Computer Services Limited.

7. Rajiv B. Lall

Rajiv B. Lall is a Non-Executive Independent Director of our Company. He was appointed Director of our Company on March 18, 2010. He holds a Bachelor's degree of Arts in Politics, Philosophy, and Economics from Oxford University, UK and a Ph.D in Economics from Columbia University, USA. He is the managing director and chief executive officer of IDFC. Prior to joining IDFC, he was associated with Warbug Pincus. He has over two decades of experience with leading global investment banks, multilateral agencies and academia. His areas of expertise include project finance, private equity/venture capital, international capital markets, trade and industrial policy issues with a focus on India and China. Previously, he was the executive director and head, Asian Economic Research, with Morgan Stanley Asia Limited, Hong Kong. He has held positions at the World Bank in Washington and the Asian Development Bank in Manila. He was also an assistant professor with Florida Atlantic University.

8. Shashank Singh

Shashank Singh is a Non-Executive Independent Director of our Company. He was appointed Director of our Company on May 3, 2010. He holds a Master's degree in Business Administration from Harvard Business School, USA and is a baker scholar, a first class degree in economics from Cambridge University, UK. He is a co-head of Apax Partners India Advisers Private Limited, the Indian office of Apax Partners. He joined Apax Partners in London in 2004, as part of the technology & telecoms team, and had focused on investments in the telecoms and IT services / BPO spaces. He has over six years of experience in private equity and four years of experience in strategic management consulting. Prior to joining Apax Partners, he was associated as a strategy consultant with Monitor Company, USA for four years in their London, Madrid, Amsterdam, Stockholm, Munich, Mumbai and Tel Aviv offices.

Terms of Appointment of the Chairman and the Executive Directors

Bharat K. Sheth

Bharat K. Sheth was appointed the Chairman of our Company on March 22, 2006. Pursuant to a resolution passed by our Board on May 1, 2008 and an approval dated February 16, 2009 from the Ministry of Corporate Affairs, Bharat K. Sheth was appointed a non- retiring Director of our Company. Bharat K. Sheth does not receive any remuneration from our Company. He is the deputy chairman and managing director of our Promoter. The following are the terms of appointment of Bharat K. Sheth as the deputy chairman and managing director of our Promoter:

Particulars	Remuneration
Salary	Rs. 20.70 million p.a.
Commission	Up to Rs. 82.80 million p.a.
Perquisites	(a) Transportation / conveyance facilities; (b) Telecommunication facilities at residence; (c) Leave encashment as per the rules of GESCO; (d) Reimbursement of medical expenses incurred for himself and his family; (e) Personal accident insurance cover as per the rules of GESCO; (f) Housing loan subject to the rules of GESCO; and (g) Fees of club subject to a maximum of two clubs.

Ravi K. Sheth

Ravi K. Sheth was appointed Managing Director of our Company for a period of five years with effect from November 7, 2006 to November 6, 2011 and as approved by the Shareholders of our Company pursuant to their resolution passed on March 27, 2007.

Our Company has entered into an agreement dated November 7, 2006 with Ravi K. Sheth in relation to his appointment as the Managing Director. Further, pursuant to a resolution passed by the Board on May 1, 2008 and an approval dated February 16, 2009 from the Ministry of Corporate Affairs, Ravi K. Sheth was appointed non- retiring Director of our Company. Ravi K. Sheth does not receive any remuneration from our Company. He is an executive director of our Promoter. The following are the terms of appointment of Ravi K. Sheth as the executive director of our Promoter:

Particulars	Remuneration
Salary	Rs. 14.00 million p.a.
Commission	Up to Rs. 56.00 million p.a.
Perquisites	(a) Transportation / conveyance facilities; (b) Telecommunication facilities at residence; (c) Leave encashment as per the rules of GESCO; (d) Reimbursement of medical expenses incurred for himself and his family; (e) Personal accident insurance cover as per the rules of GESCO; (f) Housing loan subject to the rules of GESCO; and (g) Fees of club subject to a maximum of two clubs.

For details of the agreement entered into with Ravi K. Sheth, please see "Service Agreements with the Managing Director" on page 128 below.

P.R. Naware

P.R. Naware was appointed an Executive Director of our Company pursuant to resolution passed by the Shareholders on March 27, 2007, for a period of five years with effect from November 7, 2006. He does not receive any remuneration from our Company. P.R. Naware is an employee of our Promoter. The following are the terms of appointment of P.R. Naware in our Promoter:

Particulars	Remuneration
Salary	Rs. 2.22 million p.a.
Commission/Performance Incentive Pay*	Rs. 4.55 million p.a.
Perquisites/Other Allowances	Rs. 6.68 million p.a.

* *Amount of performance incentive paid to P. R. Naware for fiscal 2009*

Service Agreement with the Managing Director

Our Company has entered into an agreement dated November 7, 2006 with Ravi K. Sheth for the appointment of Ravi K. Sheth as the Managing Director of our Company (the "MD Agreement"), for a term of five years commencing from November 7, 2006. The MD Agreement, *inter alia*, provides that the Managing Director shall be responsible for the general conduct and management of the whole business and affairs of the Company except matters which may be specifically required to be done by the Board or the general body of our Company as provided under the Articles of Association or Companies Act subject to the superintendence, control and direction of the Board of our Company and perform all acts considered necessary or proper in the ordinary course of business.

Under the MD Agreement, the Managing Director shall not be paid any sitting fees during his tenure. The MD Agreement further contains customary clauses in relation to confidentiality and representations and warranties by Ravi K. Sheth.

Payment or benefit to Directors of our Company

Our Company does not pay any sitting fees or other remuneration to our Directors. Sitting fees/other remuneration is paid to certain of our Directors by our Promoter, in their capacity as directors or employees of our Promoter. Our Company in the EGM held on August 18, 2009 has resolved to pay a commission to be decided by the Board, at a rate not exceeding five per cent of our Company's net profits to each of our Executive Directors, Ravi K Sheth and P.R. Naware. In the event that our Promoter discontinues payment of remuneration to our Executive Directors, our Company may pay sitting fee and/or other remuneration, in part or in full, to our Executive Directors. Further, the Company may, in the future, pay sitting fees and/or other remuneration to our Non-Executive Directors. The sitting fees/other remuneration paid to the Directors by our Promoter in Fiscal 2009 are as follows:

1. **Remuneration to Executive Directors:**

The aggregate value of salary and perquisites paid in Fiscal 2009 to our Executive Directors is set forth in the table below:

Sr. No.	Name of the Director	Salary (In Rs. million)
1.	Ravi K. Sheth	35.51
2.	P.R. Naware	12.04

2. **Remuneration to Non- Executive Directors:**

The details of the sitting fees and other payments paid to the Non-Executive Directors of our Company in Fiscal 2009 are set forth in the table below:

Sr. No.	Name of the Director	Remuneration (In Rs. million)
1.	Bharat K. Sheth	62.61
2.	Keki M. Mistry	1.08
3.	Berjis Desai	0.93
4.	Vineet Nayyar	0.75

No amount or benefit (non salary related) has been paid within the two preceding years or is intended to be paid or given to any of our Company's officers including our Directors and key management personnel, including benefits in kind for all capacities and contingent or deferred compensation. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company. Further, except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including our Directors and our key management personnel, are entitled to any benefits upon termination of employment.

No loans have been availed by our Directors or the key management personnel from our Company.

Shareholding of Directors

The shareholding of our Directors as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held
Ravi K. Sheth	2,103,550*
Bharat K. Sheth	50**
P.R. Naware	50**

* *Includes 50 Equity Shares held as a nominee of GESCO*
** *Equity Shares held as a nominee of GESCO*

Our Articles of Association do not require our Directors to hold any qualification shares.

Borrowing Powers of Board

Our Company, pursuant to an EGM held on February 22, 2010 has resolved that, in accordance with the provisions of the Companies Act, the Board is authorised to borrow from time to time, all such sum(s) of money (including by way of external commercial borrowings in foreign denominated currencies from any foreign sources/foreign countries as prescribed by the guidelines in this regard), as the Board may deem requisite for the purpose of our Company, not withstanding that the money(s) to be borrowed together with the money(s) already borrowed by our Company and outstanding (apart from the temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business) may exceed the aggregate of the paid-up capital and free reserves of our Company i.e. reserves not set apart for any specific purpose, and provided that the total amount borrowed / to be borrowed by the Board shall not, at any time, exceed the limit of Rs. 15,000 million.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the SEBI Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

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

Currently our Board has eight Directors and our Chairman is a Non-Executive Director. In compliance with the requirements of Clause 49 of the Listing Agreement, we have two Executive Directors and six Non-Executive Directors Independent Directors, on our Board.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Keki M. Mistry, *Chairman*;
2. Berjis Desai; and
3. Ravi K. Sheth.

The Audit Committee was constituted by a meeting of our Board held on January 23, 2007 and was reconstituted April 30, 2010. The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and Clause 49 of the Listing Agreement and its terms of reference include the following:

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

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

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

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

- Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act;
- Changes, if any, in accounting policies and practices and reasons for the same;
- Major accounting entries involving estimates based on the exercise of judgment by management;
- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements;
- Compliance with accounting standards;
- The going concern assumption;
- Any related party transactions i.e., transactions of our Company of material nature, with the Promoter or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of our Company at large; and
- Qualifications in the draft audit report.

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

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

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

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

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

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

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

l. Reviewing our Company's financial and risk management policies.

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

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

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

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

The Audit Committee is required to meet at least four times in a year under Clause 49 of the Listing Agreement.

Remuneration Committee

The members of the Remuneration Committee are:

1. Vineet Nayyar, *Chairman*;
2. Berjis Desai; and
3. Rajiv B. Lall.

The Remuneration Committee was constituted by our Board on April 30, 2010. The terms of reference of the Remuneration Committee include the following:

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

b. Perform such functions as are required to be performed by the Compensation Committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ("ESOP Guidelines"), as and when amended from time to time, in particular, those stated in Clause 5 of the ESOP Guidelines.

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

Shareholders'/Investors' Grievance Committee

The members of the Shareholders'/Investors' Grievance Committee are:

1. Vineet Nayyar, *Chairman*;
2. Rajiv B. Lall; and
3. P. R. Naware.

The Shareholders'/Investors' Grievance Committee was constituted by our Board on April 30, 2010. This Committee is responsible for the redressal of shareholder grievances.

The terms of reference of the Shareholders/Investors Grievance Committee of our Company include the following:

- To carry out such functions for the redressal of shareholders' and investors' complaints, including but not limited to, transfer of equity shares, non-receipt of balance sheet, non-receipt of dividends, and any other grievance that a shareholder or investor of the Company may have against the Company.

IPO Committee

The members of the IPO Committee are:

1. Ravi K. Sheth, *Chairman*;
2. P.R. Naware; and
3. Berjis Desai.

The IPO Committee was constituted by our Board at its meeting held on March 18, 2010. The terms of reference of the IPO Committee of our Company include the following:

a. To make all decisions in relation to the IPO like the issue size, number of shares (including reservations, if any), timing for the issue, objects to the issue, etc.

b. To decide on the timing, pricing and all the terms and conditions of the issue of the equity shares for the IPO, including the price, and to accept any amendments, modifications, variations or alterations thereto;

c. To appoint and enter into arrangements with the book running lead managers, underwriters to the Public Issue, syndicate members to the Public Issue, brokers to the Public Issue, escrow collection bankers to the Public Issue, registrars, legal advisors and any other agencies or persons or intermediaries to the Public Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the book running lead managers mandate letter, negotiation, finalisation and execution of the memorandum of understanding/Issue Agreement with the BRLMs, etc.;

d. To finalise and settle and to execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the final prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in relation to the IPO;

e. To open with the bankers to the Issue such accounts as are required by the regulations issued by SEBI;

f. To Issue advertisements in such newspapers as it may deem fit and proper about the future prospects of the company and the proposed issue conforming to the regulations issued by SEBI;

g. To authorise and approve the incurring of expenditure and payment of fees in connection with the IPO;

h. To demat the shares of the Company and enter into necessary agreement with CDSL and/or NSDL for dematerialisation of Company's equity shares and for admission of equity shares into CDSL and/or NSDL system, respectively;

i. To make applications to the FIPB, RBI and such other authorities as may be required for the purpose of allotment of equity shares to non-resident investors;

j. To finalise the basis of allocation and to allot the equity shares to the successful allottees as permissible in law, issue of share certificates in accordance with the relevant rules;

k. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose;

l. To make applications for listing of the Equity Shares in one or more stock exchange(s) for listing of the Equity Shares and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s);

m. To submitting undertakings/certificates or providing clarifications to the SEBI and the relevant stock exchanges where the Equity Shares are to be listed; and

n. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.

Vessel Committee

The members of the Vessel Committee are:

1. Bharat K. Sheth, *Chairman*;
2. Ravi K. Sheth; and
3. P.R. Naware.

The Vessel Committee was constituted by our Board at its meeting held on January 28, 2008. The Vessel Committee was constituted to consider and approve the acquisition / sale of vessels and to decide the yard/buyers/sellers. The terms of reference of the Vessel Committee of our Company include the following:

a. To negotiate and finalise the terms and conditions for acquisition / sale of vessels;

b. To negotiate, finalise and execute the shipbuilding contract(s), memorandum of agreement(s), and amendment(s) thereto (if any);

c. To execute power of attorney(s) in order to facilitate delivery of the vessels and complete the documentary closing;

d. To delegate any or all of the aforesaid powers to any officer(s) of the Company;

e. To authorise any officer(s) of the Company to do all such acts, matters, deeds and things and to execute all such deeds, agreements, undertakings and documents as may be necessary for the purpose of acquisition/sale of the vessels as aforesaid, including but not limited to:
    - To represent the Company to conclude the purchase/sale transaction and in that connection sign/counter sign and execute protocol of delivery and acceptance, bill of sale and any other documents, papers, assurances as may be required;
    - To take/give physical delivery of the vessels and do all such other acts and things as may be necessary in connection with the physical delivery;
    - To appear before any authorities and to make declarations etc;
    - To make declaration of ownership on behalf of the Company under the Merchant Shipping Act, 1958;
    - To apply to various authorities to change the flag of the vessel;
    - To receive sale consideration/pay purchase consideration of the vessels including additional monies receivable/payable towards ROB dues, observers cost, etc; and
    - To open and operate account(s) (including joint/escrow account with buyers/sellers) with any bank; to give instructions to the banks to release the funds held in such accounts, receive purchase money from buyers on behalf of the Company, transfer sale proceeds, disposal of interest accrued on such accounts, etc.

f. To authorize affixing common seal of the Company on any of the aforesaid documents.

Borrowing Committee

The members of the Borrowing Committee are:

1. Bharat K. Sheth, *Chairman*;
2. Ravi K. Sheth; and
3. P.R. Naware.

The Borrowing Committee was constituted by our Board at its meeting held on January 28, 2008. The terms of reference of the Borrowing Committee of our Company include the following:

a. To consider and approve the borrowings of our Company in one or more tranches;

b. To decide the lenders, terms and conditions for availing of such loans and credit facilities, including any amendments thereto as may be necessary;

c. To negotiate and finalise the terms with the lenders and also convey the Company's acceptance to the said terms;

d. To approve creation of security in favour of the lenders and authorize the necessary filing of the security created with the relevant authorities;

e. To negotiate, finalise and execute loan agreement and security documents and such other deeds, documents and writings as may be required in connection with the borrowing from the lenders;

f. To authorize affixing common seal of the Company on any of the aforesaid documents;

g. To delegate any or all of the aforesaid powers to any officer(s) of the Company; and

h. To authorise any officer(s) of the Company to do all such acts, matters, deeds and things and to execute all such deeds, agreements, undertakings and documents as may be necessary with respect to any borrowings for the Company.

Preference Share Committee

The members of this committee are:

1. Bharat K. Sheth, *Chairman*;
2. Ravi K. Sheth; and
3. P.R. Naware.

This committee was constituted by our Board at its meeting held on July 17, 2008. The terms of reference of this committee include the following:

a. To decide the issue of securities from time to time;

b. To decide the terms and conditions for the issue of securities as under:
    - issue price including premium
    - rate of dividend or interest
    - option of redemption and/or conversion; and
    - terms of redemption and/or conversion including the period, etc.

c. To convene an extra ordinary meeting of the shareholders to obtain the necessary approvals for the issue of securities;

d. To make any modifications, changes, variations, alterations or revisions in the terms and conditions of such issue without requiring any further Board approval;

e. To issue the offer letter for issue of any securities;

f. To issue and allot the Securities as per the terms and conditions of the issue;

g. To make, finalise and issue the certificates for the issue of Securities; and

h. To settle any question, difficulty or doubt that may arise in connection with the issue of securities and the terms and conditions of such issue and to do all such acts, deeds and things as the Committee may in its absolute discretion consider necessary, proper, desirable or appropriate for settling such question, difficulty or doubt.

Employee Stock Options Scheme

For details of our Company's employee stock option schemes, please see "Capital Structure" on page 26.

Interest of Directors

Our Directors do not receive any remuneration or fees for attending meetings of our Board or a Committee thereof. However, our Directors may be deemed to be interested to the extent of any fees and remuneration payable to them by our Promoter as well as to the extent of any reimbursement of expenses payable to them, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company or our Promoter.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to them under the Employee Reservation Portion or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares.

Our Directors have no interest in any property acquired by our Company within the preceding two years from the date of this Draft Red Herring Prospectus.

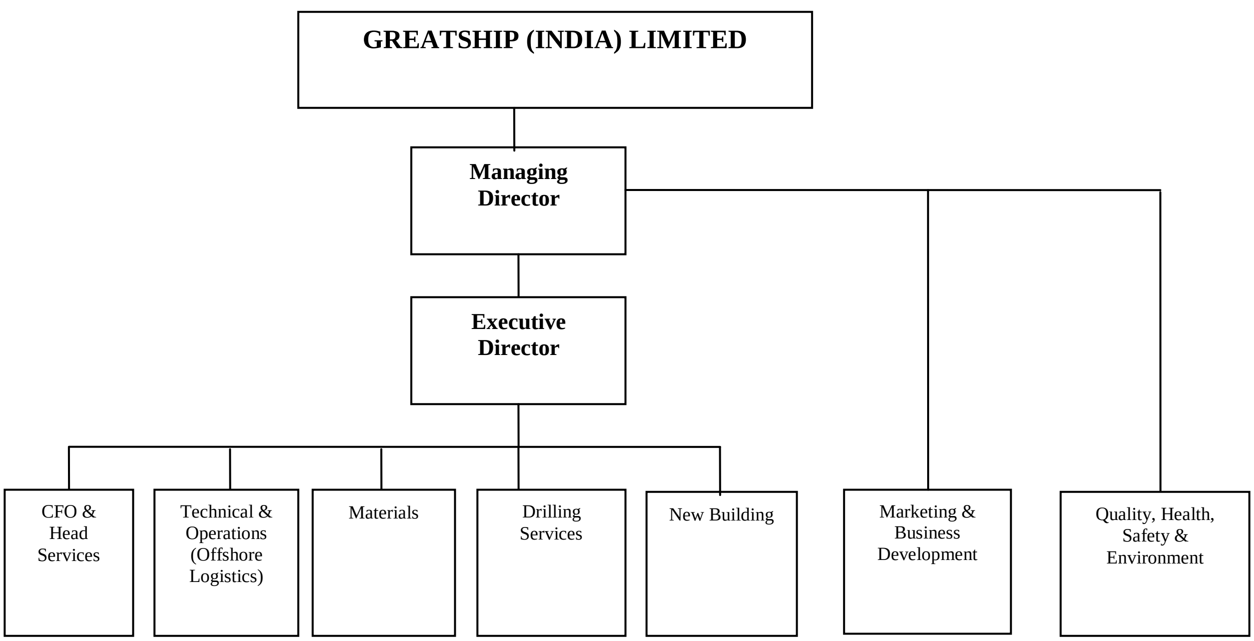
Except as stated in “Related Party Transactions” on page 148 and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which the Directors or the key management personnel were selected as directors or members of senior management.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/ Cessation	Reason
Tapas Icot	July 27, 2007	Appointment
Keki Mistry	December 4, 2007	Appointment
Berjis Desai	December 4, 2007	Appointment
Balan Wasudeo	October 1, 2008	Resignation
Vineet Nayyar	July 24, 2009	Appointment
Rajiv B. Lall	March 18, 2010	Appointment
K. J. Vesuna	April 23, 2010	Resignation
Tapas Icot	April 23, 2010	Resignation
Shashank Singh	May 3, 2010	Appointment

Management Organisation Chart



Key Management Personnel

Provided below are the details of our key management personnel, as of the date of this Draft Red Herring Prospectus. None of our key management personnel are related to each other. All our key management personnel, except Venkatraman Sheshashayee and P.V. Suresh, are the permanent employees of our Company. Venkatraman Sheshashayee is a director of our Subsidiaries, GGES and GGOS, and P.V. Suresh is an employee of GGOS. There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our key management personnel were selected as members of our senior management.

Ravi K. Sheth

For details please see "Our Management - Brief Biographies" on page 125.

1. **P. R. Naware**

For details please see "Our Management - Brief Biographies" on page 125.

2. **Alok Mahajan**

Alok Mahajan, 45, is the Chief Financial Officer and Head – Services. He has been associated with our Company since August 1, 2008. He holds a Bachelor's degree in Engineering and has a post graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He joined GESCO in 1990 and since then has served in various functions including executive assistant to managing director, accounts & MIS, strategic planning and sale & purchase. Currently he is in-charge of all support functions, including finance, accounting, human resources, information systems, and legal. He has about 23 years of overall work experience. The gross compensation paid to him during Fiscal 2009 was Rs. 3.91 million. His term of office expires on July 1, 2024.

3. **Nisha Nath Jain**

Nisha Nath Jain, 50, heads the quality, systems and training of our Company. He holds a Master (Foreign Going) certificate issued by the Mercantile Marine Department, GoI and has an experience of about 28 years as a sailing sea farer on various types of vessels including bulk carriers and tankers and on various types of offshore vessels. He has been associated with our Company since November 5, 2007. Prior to joining our Company, he worked with Great Offshore Limited. The gross compensation paid to him during Fiscal 2009 was Rs. 4.34 million. His term of office expires on September 2, 2018.

4. **K. S. S. Kowshik**

K. S. S. Kowshik, 42, heads the technical and operations of the offshore logistics services of our Company. He has a Bachelor's degree in Marine Engineering from Marine Engineering Research Institute, Kolkata, West Bengal and has an experience of about 19 years in the shipping industry. He has been associated with our Company since January 18, 2007. Prior to joining our Company, he was associated with Lloyd's Register of Shipping. The gross compensation paid to him during Fiscal 2009 was Rs. 3.99 million. His term of office expires on April 19, 2027.

5. **Satish Sinha**

Satish Sinha, 53, heads the technical and operations of the drilling services of our Company. He holds a Bachelor's degree in Mechanical Engineering from Bihar College of Engineering, Patna, Bihar and a diploma in Business Management from Indira Gandhi National Open University. He has about 26 years in of diversified experience in drilling and completions design and project engineering. He has been associated with our Company since May 5, 2009. Prior to joining our Company, he was associated with Transocean Limited. No compensation was paid to him during Fiscal 2009 as he was appointed on May 5, 2009. His term of office expires on June 27, 2016.

6. **Ajith Karunakaran**

Ajith Karunakaran, 47, heads the procurement department of our Company. He holds a Bachelor's degree in Mechanical Engineering and a Master's degree in Administrative Management from Kerala University, Kerala. He has an overall experience of about 24 years in the field of offshore oilfield services. He has been associated with our

Company since May 6, 2009. Prior to joining our Company, he was associated with Jindal Drilling and Industries Limited. No compensation was paid to him during Fiscal 2009 as he was appointed on May 6, 2009. His term of office expires on May 2, 2022.

7. Amisha Ghia

Amisha Ghia, 29, is the Company Secretary of our Company. She holds a Bachelor's degree in Commerce and is an associate member of the Institute of Company Secretaries of India since 2003. She also holds a Bachelor's degree in Law from the Bombay University, Maharashtra. She has seven years of experience in the field of legal and secretarial services. She has been associated with our Company since July 1, 2007. Prior to joining our Company she was associated with GESCO. The gross compensation paid to her during Fiscal 2009 was Rs. 1.45 million. Her term of office expires on March 9, 2041.

8. Venkatraman Sheshashayee

Venkatraman Sheshashayee, 46, is the executive director of our Subsidiaries in Singapore – GGES and GGOS and is overall in-charge of marketing and business development. He holds a Bachelor's degree in Marine Engineering and has a Post Graduate Diploma in Management from the Indian Institute of Management, Bangalore, Karnataka. He was associated with our Company as the Chief Operating Officer since April 1, 2006. Subsequently, he was transferred to our Singapore subsidiaries as executive director with effect from July 01, 2008. Prior to joining our Company, he was associated with GESCO. He has about 26 years of overall experience in shipping, finance, operations, marketing, sales, human resources and general management. The gross compensation paid to him during Fiscal 2009 was Rs. 14.08 million. His term of office expires on April 27, 2022.

9. P. V. Suresh

P. V. Suresh, 50, is an employee of GGOS since January 8, 2008 and heads the new building of all our vessels. He holds a Bachelor's degree in Marine Engineering and has completed Executive Masters in Business Administration from S.P Jain Institute of Management & Research, Mumbai, Maharashtra. Prior to joining our Company, he was associated with the Indian Register of Shipping as principal surveyor. He has about 27 years of overall experience in the shipping industry. The gross compensation paid to him during Fiscal 2009 was Rs. 6.01 million. His term of office expires on October 22, 2019.

Shareholding of key management personnel

Ravi K. Sheth holds 2,103,500 Equity Shares in his personal capacity and 50 Equity Shares as a nominee of GESCO. P.R. Naware holds 50 Equity Shares as a nominee of GESCO. None of the other key management personnel hold any Equity Shares in our Company.

Bonus or profit sharing plan of the key management personnel

Our key management personnel are paid performance incentive pay based on certain performance parameters of the key management personnel and our Company.

Our Company in the EGM held on August 18, 2009 has resolved to pay a commission to be decided by the Board, at a rate not exceeding five per cent of our Company's net profits to each of our Executive Directors, Ravi K Sheth and P.R. Naware. None of the other key management personnel is entitled to any profit sharing plan.

Interests of key management personnel

The key management personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business and the employee stock options held, if any. The key management personnel may be regarded as interested in the Equity Shares that may be Allotted to them under the Employee Reservation Portion. All of the key management personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributors in respect of the above-mentioned Equity Shares.

None of the key management personnel have been paid any consideration or benefit of any nature from our Company, other than their remuneration.

Changes in the key management personnel

The changes in the key management personnel in the last three years are as follows:

Name	Date of change	Reason for change
Amisha Ghia	July 1, 2007	Appointment
Nisha Nath Jain	November 5, 2007	Appointment
P. V. Suresh	January 8, 2008	Appointment
Alok Mahajan	August 1, 2008	Appointment
G. Shivakumar	September 16, 2008	Resignation
Satish Sinha	May 5, 2009	Appointment
Ajith Karunakaran	May 6, 2009	Appointment

OUR SUBSIDIARIES

Our Company has four Subsidiaries. None of our Subsidiaries have made any public or rights issue in the last three years and have not become sick companies under the meaning of SICA and are not under winding up. Other than as disclosed in the chapter "Our Promoter, Promoter Group and Group Companies", our Promoter has not disassociated itself from any of the companies during the preceding three years.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Interest of the Subsidiaries in our Company

None of our Subsidiaries hold any Equity Shares in our Company. We have entered into certain business contracts with our Subsidiaries. For details, please see "Related Party Transactions" on page 148.

1. Greatship Global Holdings Limited, Mauritius ("GGHL")

Corporate Information

GGHL was incorporated on May 30, 2007, in Mauritius under the relevant Mauritian legislation. The registered office of GGHL is situated at 6th Floor, Tower A, 1 Cybercity, Ebene, Mauritius. GGHL was incorporated to act as an international holding company.

Capital Structure

The issued and paid-up share capital of GGHL is US$ 152,201,774 divided into 152,201,774 ordinary shares of US$1 per ordinary share.

Shareholding Pattern

The shareholding pattern of GGHL is as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Greatship (India) Limited	152,201,774	100.00
	Total	**152,201,774**	**100.00**

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

Corporate Information

GGES was incorporated on October 23, 2006, in Singapore under the relevant Singapore legislation. The registered office of GGES is situated at 15, Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089 316. It is involved in the business of owning and operating offshore drilling units.

Capital Structure

The issued and paid-up share capital of GGES is US$ 68,964,161 divided into 1,077,565 ordinary shares of US$ 64 each ordinary share and one ordinary share of US$ 1.

Shareholding Pattern

The shareholding pattern of GGES is as follows:

Sr. No.	Name of the Shareholder	No. of Ordinary Shares	Percentage of total equity holding (%)
1.	GGHL	795,313	73.81

2.	Greatship (India) Limited	282,253*	26.19
	Total	**1,077,566**	**100.00**

* *Includes one ordinary share of US$ 1*

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

Corporate Information

GGOS was incorporated on May 8, 2007, in Singapore under the relevant Singapore legislation. The registered office of GGOS is situated at 15, Hoe Chiang Road, Tower Fifteen #06-03, Singapore 089 316. It is involved in the business of owning and operating of offshore vessels.

Capital Structure

The issued and paid-up share capital of GGOS is US$ 101,060,224 divided into 101,060,224 ordinary shares of US$ 1 each ordinary share.

Shareholding Pattern

The shareholding pattern of GGOS is as follows:

Sr. No.	Name of the Shareholder	No. of Ordinary Shares	Percentage of total equity holding (%)
1.	GGHL	101,060,224	100.00
	Total	**101,060,224**	**100.00**

4. Greatship DOF Subsea Projects Private Limited ("Greatship Subsea")

Corporate Information

Greatship Subsea was incorporated under the Companies Act on November 10, 2008. The registered office of Greatship Subsea is situated at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018. The main object of Greatship Subsea is to focus on subsea projects opportunities. Greatship Subsea was incorporated pursuant to a joint venture agreement dated September 8, 2008 with DOF Subsea Pte. Ltd. This joint venture agreement has been terminated by mutual consent on May 7, 2010.

Capital Structure

The authorised share capital of Greatship Subsea is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each and the issued and paid-up capital is Rs. 100,000 divided into 10,000 equity shares of Rs. 10 each.

Shareholding Pattern

The shareholding pattern of Greatship Subsea is as follows:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Percentage of total equity holding (%)
1.	Greatship (India) Limited	10,000	100.00
	Total	**10,000**	**100.00**

OUR PROMOTER, PROMOTER GROUP AND GROUP COMPANIES

Our Promoter

The Promoter of our Company is GESCO.

GESCO was incorporated on August 3, 1948 as a public limited company under the Companies Act, 1913. The registered office of GESCO is situated at Ocean House, 134/A, Dr. Annie Besant Road, Worli, Mumbai 400 018.

Principal Business of GESCO

GESCO is engaged in the shipping business of transporting crude oil, petroleum products, gas and dry bulk commodities.

Promoters of GESCO

For details, please see "Promoters of our Promoter" on page 144 below.

Shareholding Pattern as of March 31, 2010

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Shares held	% of Share holding
(A)	**Shareholding of Promoter**			
	and Promoter Group			
(1)	**Indian**			
(a)	Individuals/H.U.F	64	41,763,626	27.44
(b)	Central/State Government(s)	Nil	Nil	Nil
(c)	Bodies Corporate	8	3,896,857	2.56
(d)	Financial Institutions/Banks	Nil	Nil	Nil
(e)	Any Other (specify)			
	Sub-Total (A)(1)	**72**	**45,660,175**	**30.00**
(2)	**Foreign**			
(a)	Non Resident Individuals/			
	Foreign Nationals	Nil	Nil	Nil
(b)	Bodies Corporate	Nil	Nil	Nil
(c)	Institutions	Nil	Nil	Nil
(d)	Any Other (specify)	Nil	Nil	Nil
	Sub-Total (A)(2)	**0**	**0**	**0.00**
	Total holding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	**72**	**45,660,175**	**30.00**
(B)	**Public Shareholding**			
(1)	**Institutions**			
(a)	Mutual Fund/UTI	90	19,281,043	12.66
(b)	Financial Institutions/Banks	135	763,607	0.50
(c)	Central/State Government(s)	3	10,478	0.01
(d)	Venture Capital Funds	Nil	Nil	Nil
(e)	Insurance Companies	10	11,994,981	7.88
(f)	Foreign Institutional Investors	161	19,181,393	12.60
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil

(h)	Any Other - Multilateral & Bilateral Development Financial Institution - IFC Washington	2	1,052	0.00
	Sub-Total (B)(1)	**401**	**51,232,554**	**33.65**
(2)	**Non Institutions**			
(a)	Bodies Corporate	1,774	12,466,648	8.19
(b)	Individuals			
	i) Holding nominal share capital			
	upto Rs. 1 lakh	100,059	29,197,606	19.17
	ii) Holding nominal share capital			
	in excess of Rs. 1 lakh.	397	12,101,204	7.95
(c)	Any Other(specify)			
	Overseas Corporate Bodies	4	1494	0.00
	Non Resident Individuals	1,423	1,357,856	0.89
	Any Other(Foreign Nationals)	1	292	0.00
	Sub-Total (B)(2)	**103,658**	**55,125,100**	**36.20**
	Total public shareholding (B)=(B)(1)+(B)(2)	**104,059**	**106,357,654**	**69.85**
	TOTAL (A)+(B)	**104,131**	**152,047,761**	**99.85**
(C)	Shares held by Custodians and			
	against which Depository	2	241,923	0.16
	Receipts have been issued			
	GRAND TOTAL (A)+(B)+(C)	**104,133**	**152,289,684**	**100.00**

There has been no change in the control or the management of GESCO in the three years preceding the filing of this Draft Red Herring Prospectus.

Our Company confirms that the permanent account number, bank account number, company registration number and the address of the registrar of companies where GESCO is registered shall be submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

Interests of Promoter and Common Pursuits

Our Promoter is interested to the extent of its shareholding in and the promotion of our Company. For details on the shareholding of our Promoter in our Company, please see "Capital Structure" on page 26.

Certain directors and employees of our Promoter are also Directors of our Company or our Subsidiaries.

Further, our Promoter may be deemed to be interested in the Issue, to the extent of the portion of the Net Proceeds proposed to be utilized for the purpose of redemption of certain Preference Shares held by our Promoter. For further details, please see "Objects of the Issue" on page 43.

Except as stated in this Draft Red Herring Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Red Herring Prospectus in which our Promoter is directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with our Promoter including the properties purchased by our Company other than in the normal course of business.

Our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company. Our Company will adopt the necessary procedures and practices as permitted by law to address any conflict situation as and when they arise.

Payment of benefits to our Promoter

Except as stated in "Related Party Transactions" on page 148, there has been no payment of benefits to our

Promoter during the two years preceding the filing of this Draft Red Herring Prospectus.

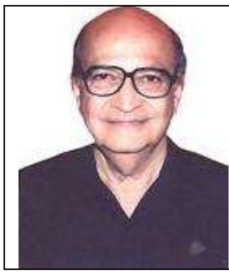
Companies with which our Promoter has disassociated in the last three years

Our Promoter has disassociated from the following companies by way of sale of its equity shares in these companies during the preceding three years because our Promoter has decided to focus on its core business.

1. Routes Travel Limited;
2. United Shippers Limited;
3. CGU Logistic Limited; and
4. Business Standard Limited.

Promoters of our Promoter

K.M. Sheth, Bharat K. Sheth and Ravi K. Sheth are the promoters of GESCO.

	**K. M. Sheth**, aged 78 years. He is a resident Indian national His driving license number is 66167. He does not hold a voter identification number. Address: 19-B, Manek, 11 L.D. Ruparel Marg, Mumbai – 400 006

K.M. Sheth is the executive chairman of GESCO. He has completed his first year in commerce from Sydenham College of Commerce, Mumbai. He has been guiding GESCO in its strategic and decision making policies. He is also on the board of the Indian National Shipowners' Association, Indian Register of Shipping and Britannia Steamship Insurance Association Limited, London.

	**Bharat K. Sheth** is the Chairman of our Company. He is a resident Indian national. For further details, please see "Our Management" on page 122. His driving license number is 597025. He does not hold a voter identification number.

	**Ravi K. Sheth** is the Managing Director of our Company. He is a resident Indian national. For further details, please see "Our Management" on page 122. His driving license number is 79/C/18074. He does not hold a voter identification number.

OUR PROMOTER GROUP

In addition to our Promoter named above, the following corporate entities form a part of our Promoter Group:

The following corporate entities form part of our Promoter Group:

(i) The Great Eastern Shipping Company London Limited;
(ii) The Greatship (Singapore) Pte. Ltd.; and
(iii) The Great Eastern Chartering LLC (FZC).

OUR GROUP COMPANIES

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

Our Group Companies are as follows:

1. The Great Eastern Shipping Company London Limited ("GESCLL")

Corporate Information

GESCLL was incorporated on January 15, 1985, in the United Kingdom. GESCLL is engaged in the business of shipping.

Interest of our Promoter

Our Promoter holds 16,000 ordinary shares of GBP 10 each, aggregating to 100% of the issued and paid-up equity share capital of GESCLL.

Financial Performance

The operating results of GESCLL for the last three fiscal years are as follows:

(US$ in Million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2009	March 31, 2008	March 31, 2007
1.	Equity Capital	0.30	0.30	0.30
2.	Reserves (excluding revaluation reserves) and surplus	3.54	8.93	8.66
3.	Income including other income	2.76	0.41	0.46
4.	Profit After Tax	(5.38)	0.27	0.03
5.	Earnings Per Share (face value GBP 10) (in US$)	(334.87)	16.98	2.12
6.	Net asset value per share (in US$)	240.06	576.83	560.85

2. The Greatship (Singapore) Pte. Ltd. ("GSPL")

Corporate Information

GSPL was incorporated on February 25, 1994, in Singapore. GSPL is engaged in the business of shipping agents and brokers.

Interest of our Promoter:

Our Promoter holds 500,000 ordinary shares of S$ 1 each, aggregating to 100% of the issued and paid-up equity share capital of GSPL.

Financial Performance

The operating results of GSPL for the last three fiscal years are as follows:

(S$ in Million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2009	**March 31, 2008**	**March 31, 2007**
1.	Equity Capital	0.50	0.50	0.50
2.	Reserves (excluding revaluation reserves) and surplus	1.03	1.04	0.90
3.	Income including other income	1.33	1.51	1.58
4.	Profit After Tax	0.05	0.20	0.25
5.	Earnings Per Share (face value S$ 1) (in S$)	0.09	0.31	0.49
6.	Net asset value per share (in S$)	3.06	3.08	1.89

3. The Great Eastern Chartering LLC (FZC) ("GECLLC")

Corporate Information

GECLLC was incorporated on November 1, 2004, in Sharjah, UAE. GECLLC is engaged in the business of inchartering of vessels (tankers and dry bulk carriers) and management of the commercial operation of these vessels.

Interest of our Promoter:

Our Promoter holds 1,499 ordinary shares of AED 100 each, aggregating to 99.93% of the issued and paid-up equity share capital of GECLLC.

Financial Performance

The operating results of GECLLC for the last three fiscal years are as follows:

(US$ in Million, except share data)

Sr. No.	Particulars	For the year ended		
		March 31, 2009	**March 31, 2008**	**March 31, 2007**
1.	Equity Capital	0.04	0.04	0.04
2.	Reserves (excluding revaluation reserves) and surplus	22.30	21.99	8.49
3.	Income including other income	145.81	119.83	33.89
4.	Profit After Tax	0.32	13.50	6.99
5.	Earnings Per Share (face value AED 100) (in US$)	211.77	8,998.58	4,662.87
6.	Net asset value per share (in US$)	14,896.59	14,684.82	5,686.25

Nature and Extent of Interest of Promoter and Group Companies

(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company.

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI

Neither our Promoter nor any of our Group Companies is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus *(c)* ***In transactions for acquisition of land, construction of building and supply of machinery***

Neither our Promoter nor any of our Group Companies is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Common Pursuits amongst the Group Companies and Associate Companies with our Company

There are no common pursuits amongst any of our Group Companies and our Company.

Related Business Transactions within the Group Companies and Significance on the Financial Performance of our Company

For details, please see "Related Party Transactions" on page 148.

Sale/Purchase between Group Companies, Subsidiaries and Associate Companies

For details, please see "Related Party Transactions" on page 148.

Business Interest of Group Companies, Subsidiaries and Associate Companies in our Company

We have entered into certain business contracts with our subsidiaries. For details, please see "Related Party Transactions" on page 148. None of our Group Companies and associate companies has any business interest in our Company.

Defunct Group Companies

None of our Group Companies remain defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Companies, during the five years preceding the date of filing the Draft Red Herring Prospectus with SEBI. None of our Group Companies fall under the definition of sick companies under SICA and none of them is under winding up.

Public issue or rights issue

None of our Group Companies has made any public or rights issue in the last three years preceding the date of filing the Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions, please see "Unconsolidated Financial Statements – Related Party Transactions" and "Consolidated Financial Statements – Related Party Transactions" on pages 185 and 232, respectively.

DIVIDEND POLICY

The declaration and payment of dividend, if any, will be recommended by our Board of Directors and approved by our shareholders at their discretion, subject to the provision of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, capital requirements and overall financial position of our Company. The Board may, from time to time, pay interim dividend. Our dividend policy in the past is not necessarily indicative of our dividend policy or dividend amounts in the future.

Our Company has not paid any dividend since its incorporation.

FINANCIAL STATEMENTS

AUDITOR'S REPORT

The Board of Directors,
Greatship (India) Limited
Ocean House, 134-A
Dr.Annie Besant Road, Mumbai 400 018.

Dear Sirs,

Re: Proposed initial public offer of equity shares having a face value of Rs. 10/- each for cash, at an issue price to be arrived at by the book building process (referred as the 'Offer').

1) We have examined the attached standalone financial information of **Greatship (India)** Limited ("the Company"), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date ("the ICDR Regulations"), the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') and in terms of our engagement agreed upon with the Company in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer document") for proposed issue of Equity shares of the Company.

2) This information has been extracted by the Management from the audited standalone financial statements of the Company for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and for the periods ended December 31, 2009 and December 31, 2008 which have been approved by the Board of Directors and except for the periods ended December 31, 2009 and December 31, 2008, adopted by the Members of the Company at the respective Annual General Meetings.

3) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the ICDR Regulations and terms of our engagement agreed with you, we report that:

   a) The Summary Statement of Assets and Liabilities (Standalone), as restated, of the Company as at December 31, 2009, December 31, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 examined by us, as set out in Appendix I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Standalone Statement of Assets and Liabilities and Statement of Profits and Losses, as restated. (Refer Appendix IV and V).

   b) The Summary Statement of Profits and Losses (Standalone), as restated, of the Company for the periods ended December 31, 2009 and December 31, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 examined by us, as set out in Appendix II to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Standalone Statement of Assets and Liabilities and Statement of Profits and Losses, as restated. (Refer Appendix IV and V).

   c) The Summary Statement of Cash Flows, as restated, of the Company for the periods ended December 31, 2009 and December 31, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 examined by us, as set out in Appendix III to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Standalone Statement of Assets and Liabilities and Statement of Profits and Losses, as restated. (Refer Appendix IV and V).

   The Summary Statement of Assets and Liabilities, Profits and Losses and Cash Flows, as restated, and more specifically described in paragraphs 3(a), 3(b) and 3(c) above are together hereinafter referred to as 'Restated Standalone Financial Information'.

d) Based on the above, we are of the opinion that the Restated Standalone Financial Information has been made after incorporating:

   i) Adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy adopted by the Company as at December 31, 2009 for all the reporting periods.

   ii) Adjustments for material amounts pertaining to previous years in the respective financial years to which they relate.

   iii) There are no extra-ordinary items that need to be disclosed separately in the accounts and no audit qualifications requiring adjustments.

e) We have also examined the following other financial information set out in the appendix prepared by the management and approved by the Board of Directors relating to the Company for the periods ended December 31, 2009 and December 31, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005

   i) Statement of Significant Accounting Policies, (Appendix IV)
   ii) Notes to the Statement of Assets and Liabilities and Statement of Profits and Losses, as restated (Appendix V)
   iii) Statement of Other Income, as restated (Appendix VI)
   iv) Statement of Investments, as restated (Appendix VII)
   v) Statement of Debtors, as restated (Appendix VIII)
   vi) Statement of Loans and Advances as restated (Appendix IX)
   vii) Statement of Secured and Unsecured Loan, as restated (Appendix X)
   viii) Statement of Significant transactions with Related Parties (Appendix XI)
   ix) Statement of Accounting Ratios, as restated (Appendix XII)
   x) Statement of Capitalisation as at December 31, 2009 and March 31, 2009 (Appendix XIII)
   xi) Statement of Tax Shelter (Appendix XIV)
   xii) Statement of Dividend paid (Appendix XV)

   In our opinion, the financial information contained in Appendix VI to XV of this report read along with the Significant Accounting Policies and Notes to the Statement of Assets and Liabilities and Statement of Profits and Losses, as restated (Refer Appendix IV and V) prepared after making adjustments and regroupings, as considered appropriate, have been prepared in accordance with Part II B of Schedule II of the Act and the ICDR Regulations.

4) The Company has not declared any dividends till date.

5) Our report is intended solely for use of the management and for inclusion in the Offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No. 32083
Firm Registration No. 104607W
Place: Mumbai
Date: March 18, 2010.

APPENDIX I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES (STANDALONE) -RESTATED

Rs. in Millions

	PARTICULARS	As at December 31,		As at March 31,				
		2009	2008	2009	2008	2007	2006	2005
A.	**Fixed Assets**							
	Gross Block	10,259.89	7,498.72	8,513.94	3,637.82	911.91	-	-
	Less: Accumulated Depreciation	(866.79)	(381.48)	(487.01)	(162.17)	(29.98)	-	-
	Net Block	9,393.10	7,117.24	8,026.93	3,475.65	881.93	-	-
	Ships under construction	589.12	1,041.35	886.91	955.29	608.62	-	-
	Net Block	**9,982.22**	**8,158.59**	**8,913.84**	**4,430.94**	**1,490.55**	**-**	**-**
B.	**Investments**	7,254.97	5,735.62	8,403.97	3,657.05	1,156.01	-	-
C.	**Foreign Currency Monetary Item Translation Difference Account**	-	2.43	-	-	-	-	-
D.	**Deferred Tax Assets**	4.20	-	-	-	-	-	-
E.	**Current Assets, Loans and Advances**							
	Inventories	444.47	-	198.70	-	-	-	-
	Sundry Debtors	1,422.01	484.58	632.50	194.23	51.59	-	-
	Cash and Bank Balances	1,326.38	494.61	681.25	213.54	303.79	0.49	0.48
	Loans and Advances	574.07	1,066.78	120.31	872.53	292.53	-	-
	Other Current Assets	1.68	3.30	6.74	2.41	6.32	-	-
		3,768.61	**2,049.27**	**1,639.50**	**1,282.71**	**654.23**	**0.49**	**0.48**
F.	**Liabilities and Provisions**							
	Secured Loans	6,571.87	5,270.73	5,974.45	2,500.91	640.79	-	-
	Foreign Currency Monetary Item Translation Difference Account	3.44	-	6.29	-	-	-	-
	Current Liabilities and Provisions	1,944.80	1,203.40	1,508.66	196.93	21.75	0.04	0.01
		8,520.11	**6,474.13**	**7,489.40**	**2,697.84**	**662.54**	**0.04**	**0.01**
G.	**Net worth**	**12,489.89**	**9,471.78**	**11,467.91**	**6,672.86**	**2,638.25**	**0.45**	**0.47**
H.	**Represented by**							
	1. Share Capital	1,741.00	1,081.00	1,741.00	651.00	265.00	0.50	0.50
	2. Application money - Warrants	59.07	59.07	59.07	59.07	-	-	-
	3. Employee stock options outstanding	22.13	16.87	18.88	7.44	-	-	-
	4. Reserves	10,667.69	8,314.84	9,648.96	5,955.35	2,373.25	(0.05)	(0.03)
	Net worth	**12,489.89**	**9,471.78**	**11,467.91**	**6,672.86**	**2,638.25**	**0.45**	**0.47**

APPENDIX II

SUMMARY STATEMENT OF PROFITS AND LOSSES (STANDALONE) – RESTATED

Rs. in Millions

PARTICULARS	Period ended December 31,		Year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Income							
Charter Hire	4,745.43	1,563.45	2,395.89	836.56	185.25	-	-
Total	**4,745.43**	**1,563.45**	**2,395.89**	**836.56**	**185.25**	**-**	**-**
Other Income	77.12	79.38	118.95	56.67	31.40	-	-
Total Income	**4,822.55**	**1,642.83**	**2,514.84**	**893.23**	**216.65**	**-**	**-**
Expenditure							
Staff Costs	717.67	222.39	364.98	137.53	63.98	-	-
Operating Expenses	2,624.07	438.14	892.03	139.04	25.73	-	-
Administration Expenses	131.67	110.03	141.44	106.85	30.81	0.03	-
Interest and Finance Charges	268.81	173.83	255.25	119.19	42.77	-	-
Depreciation	380.31	219.94	325.47	132.19	29.98	-	-
Total Expenses	**4,122.53**	**1,164.33**	**1,979.17**	**634.80**	**193.27**	**0.03**	**-**
Net Profit before tax and Extraordinary Items	**700.02**	**478.50**	**535.67**	**258.43**	**23.38**	**(0.03)**	**-**
Taxation	7.41	1.40	2.10	6.50	1.84	-	-
Net Profit before Extraordinary Items	**692.61**	**477.10**	**533.57**	**251.93**	**21.54**	**(0.03)**	**-**
Extra - Ordinary Items (net of Tax) Gain/(Loss)	-	-	-	-	-	-	-
Net Profit after Extraordinary Items	**692.61**	**477.10**	**533.57**	**251.93**	**21.54**	**(0.03)**	**-**
Transfer to Tonnage Tax Reserves us 115VT of Income Tax Act	-	-	160.00	85.00	3.50	-	-
Balance brought forward from previous year	558.49	184.92	184.92	17.99	(0.05)	(0.02)	(0.02)
Balance Carried Forward	**1,251.10**	**662.02**	**558.49**	**184.92**	**17.99**	**(0.05)**	**(0.02)**

APPENDIX III

STATEMENT OF CASH FLOWS (STANDALONE) – RESTATED

Rs. in Millions

PARTICULARS	Period ended December 31,		Year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
CASH FLOW FROM OPERATING ACTIVITIES :							
PROFIT BEFORE TAX:	**700.02**	**478.50**	**535.67**	**258.43**	**23.38**	**(0.03)**	**-**
Adjustment for:							
Depreciation	380.31	219.94	325.47	132.19	29.98	-	-
Interest income	(9.31)	(5.83)	(9.35)	(24.94)	(16.00)	-	-
Interest paid	268.81	173.83	255.25	119.19	42.77	-	-
Dividend income	(26.74)	(31.91)	(47.36)	(30.72)	(15.39)	-	-
Provision for Bad and Doubtful Debts	26.25	2.29	3.99	-	-	-	-
Bad Debts Written off	0.49	-	-	-	-	-	-
Employee Stock Option - Discount forming part of staff expenses	3.25	9.43	11.44	7.44	-	-	-
Loss on sale of current Investment	-	-	-	0.03	-	-	-
Profit/ Loss on sale of Fixed Assets	(0.04)	0.21	0.21	-	-	-	-
Diminution in value of investments	-	-	-	26.93	-	-	-
Diminution in value of investment written back	-	(26.72)	(26.93)	-	-	-	-
Loss on liquidation of subsidiary	-	26.87	26.87	-	-	-	-
Foreign exchange	(2.64)	101.74	38.72	(20.34)	3.30	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	**1,340.40**	**948.35**	**1,113.98**	**468.21**	**68.04**	**(0.03)**	**-**
Adjustment for:							
Trade & Other Receivables	(1,435.37)	(494.45)	94.45	(757.73)	(286.11)	-	-
Trade payables	792.01	489.70	750.56	93.66	21.71	0.04	-
CASH GENERATED FROM/(USED IN) OPERATIONS :	**697.04**	**943.60**	**1,958.99**	**(195.86)**	**(196.36)**	**0.01**	**-**
Taxes paid	(71.30)	(4.90)	(6.39)	(10.26)	(4.18)	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES :	**625.74**	**938.70**	**1,952.60**	**(206.12)**	**(200.54)**	**0.01**	**-**
CASH FLOW FROM							

PARTICULARS	Period ended December 31,		Year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
INVESTING ACTIVITIES :							
Purchase of Fixed Assets	(1,981.53)	(3,247.86)	(3,878.63)	(3,196.43)	(1,570.18)	-	-
Sale proceeds of Fixed Assets	0.36	0.74	0.74	-	-	-	-
Purchase of Investments	(451.00)	(4,218.89)	(10,325.51)	(7,648.52)	(2,325.75)	-	-
Sale proceeds of Investments	1,600.00	2,140.16	5,605.62	5,120.52	1,169.75	-	-
Interest income	14.00	4.95	5.03	24.94	9.68	-	-
Dividend income	26.74	31.91	47.36	30.72	15.39	-	-
NET CASH USED IN INVESTING ACTIVITIES :	**(791.43)**	**(5,288.99)**	**(8,545.39)**	**(5,668.77)**	**(2,701.11)**	**-**	**-**
CASH FLOW FROM FINANCING ACTIVITIES :							
Proceeds from issue of Share Capital	-	2,760.00	4,740.00	3,919.07	2,559.50	-	-
Proceeds from Long Term Borrowings	1,642.63	2,311.46	2,935.88	2,116.97	724.72	-	-
Repayment of Long Term borrowings	(512.69)	(242.32)	(386.73)	(132.98)	(34.29)	-	-
Interest paid	(264.99)	(185.92)	(239.71)	(123.53)	(42.77)	-	-
NET CASH FROM FINANCING ACTIVITIES :	**864.95**	**4,643.22**	**7,049.44**	**5,779.53**	**3,207.16**	**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**699.26**	**292.93**	**456.65**	**(95.36)**	**305.51**	**0.01**	**-**
OPENING CASH AND CASH EQUIVALENTS	667.29	210.64	210.64	306.00	0.49	0.48	0.48
CLOSING CASH AND CASH EQUIVALENTS	1,366.55	503.57	667.29	210.64	306.00	0.49	0.48
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**699.26**	**292.93**	**456.65**	**(95.36)**	**305.51**	**0.01**	**-**
CLOSING CASH AND CASH EQUIVALENTS	1,326.38	494.61	681.25	213.54	303.79	0.49	0.48
Effect of exchange rate changes (Loss / (gain))	40.17	8.96	(13.96)	(2.90)	2.21	-	-
	1,366.55	**503.57**	**667.29**	**210.64**	**306.00**	**0.49**	**0.48**

Appendix IV

SIGNIFICANT ACCOUNTING POLICIES (STANDALONE) :

(a) **Accounting Convention :**

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

(b) **Use of Estimates :**

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

(c) **Fixed Assets:**

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

(d) **Investments:**

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

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

(e) **Inventories :**

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

(f) **Borrowing Costs:**

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

(g) **Revenue Recognition:**

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

(h) **Operating Expenses :**

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

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

(i) **Employee Benefits :**

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Other Long Term Benefits

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

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

(j) **Depreciation :**

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

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

(k) **Asset Impairment :**

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

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

(l) **Foreign Exchange Transactions :**

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

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

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

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

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

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

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

(n) **Provision for Taxation :**

Tax expense comprises both current and deferred tax.

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

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

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

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

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

Appendix V

NOTES TO STATEMENT OF ASSETS AND LIABILITIES AND STATEMENT OF PROFIT AND LOSSES (STANDALONE)

1. Company Background :

Greatship (India) Limited was incorporated on June 26, 2002 and is registered in the State of Maharashtra. The Company is providing offshore oilfield services with the principal activity of operating mobile offshore drilling units and owning and operating offshore supply vessels.

2. Changes in accounting policies

Impact of changes in accounting policy and Previous Year adjustments

(Rs in Million)

Particulars	Period ended December 31		Year Ended March 31		
	2009	2008	2009	2008	2007
Net Profit/(Loss) after tax as per audited Financial Statement (A)	689.75	226.38	506.25	440.26	19.38
Restatement Adjustments on account of changes in Accounting Policies					
1 Exchange differences on long term monetary items relating to acquisition of depreciable capital assets reversed from P/L as per Government Notification dated 31 March 2009 revised- AS 11 (refer Note 2 a (i) and 3 a)	-	248.19	-	(123.86)	-
2 Gain / Loss on forward contracts credited / debited to Fixed Assets and Investments on adoption of principles of hedge accounting enunciated in AS 30. (Refer Note 2 a (ii) and 3 b)	-	-	-	(68.91)	-
3 Gain on cancellation of forward contracts entered into to hedge firm commitments and highly probable forecast transaction held in hedging reserve account (Refer Note 2 a (ii) and 3 c)	-	0.37	0.37	(5.56)	-
4 (Increase) / decrease in depreciation charge owing to adjustment 1 & 2 above. (Refer Note 3 d)	5.10	(17.06)	3.47	7.94	-
5 Reversal and amortisation of ancilliary borrowing costs. (Refer Note 3 e)	(2.52)	19.26	23.64	4.34	-
6 *Prior period adjustments :*					
(a) Income tax assessement for AY 2007-08 in December 2009. (Refer Note 3 f)	(2.14)	-			2.14
(b) Disallowance of Cenvat credit as per notice of Service tax department (Refer Note 3 g)	2.42	(0.04)	(0.16)	(2.26)	-
Total restatement adjustments (B)	**2.87**	**250.72**	**27.31**	**(188.32)**	**2.14**
Net Profit/(Loss) after tax - Restated (A) + (B)	**692.62**	**477.10**	**533.57**	**251.94**	**21.52**

a) For the year ended March 31, 2009 :

i) The Ministry of Corporate Affairs vide notification dated March 31, 2009 issued the Companies (Accounting Standards) Amendment Rules 2009, inserting paragraph 46 in Accounting Standard (AS) 11

"The Effects of Changes in Foreign Exchange Rates". Pursuant thereto, the Company exercised the option available under the said paragraph 46 retrospectively with effect from April 1, 2007 in respect of all long term foreign currency monetary items covered under the notification. Accordingly, losses arising from the effect of changes in foreign exchange rates on repayment of–loans and revaluation of the outstanding foreign currency loans including currency swaps relating to acquisition of depreciable capital assets amounting to Rs. 924.39 Mn for the year ended March 31, 2009 were added to the cost of such assets and in the case of other long-term monetary assets and liabilities, gains of Rs. 6.29 Mn were accumulated in the "Foreign Currency Monetary Item Translation Difference Account". Further as prescribed in the Notification, the corresponding foreign exchange gains of Rs. 118.19 Mn (net of depreciation of Rs. 5.67 Mn) for the year ended March 31, 2008 on monetary items relating to acquisition of depreciable capital assets had been reversed from the Profit and loss account balance of the previous year and deducted from the cost of such assets.

ii) The Company, with effect from April 1, 2008, adopted the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – 'Financial Instruments Recognition and Measurement', in accordance with the recommendation of the Institute of Chartered Accountants of India. Accordingly, forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps, which were designated as part of a hedging relationship and which qualified as effective hedges were accounted in accordance with the principles of hedge accounting and the unrealized gains or losses on such designated hedging instruments amounting to Rs. 577.03 Mn were recorded in the Hedging Reserve account as on March 31, 2009. There is no impact on the profit for the year consequent to the change, as in the previous years such exchange differences were accounted for on settlement alongwith the cash flow from the hedged transaction / commitment.

Further, in accordance with the principles of hedge accounting, foreign exchange gains of Rs. 97.65 Mn were transferred during the year ended March 31, 2009 from the Hedging Reserve account to the cost of the hedged assets upon acquisition.

b) For the period ended December 31, 2009 :

i) With effect from April 1, 2009, the Company has included ancilliary costs, namely arrangement fees / upfront fees, incurred in connection with the arrangement of borrowings as part of borrowing costs and amortised the same over the period of borrowing. Upto the previous year, such ancilliary costs were being charged to revenue in the period in which the borrowing was arranged. Consequent to the change, ancilliary borrowing costs amounting to Rs. 21.58 Mn have been carried forward for amortization over the loan period and the profit for the period is higher to that extent.

ii) With effect from April 1, 2009, the Company has changed the method of ascertainment of cost of inventory of stores and spares on board Rigs from first-in-first-out basis to the weighted average method, pursuant to implementation of the enterprise resource planning software. There is no material change in the valuation of inventory or impact on the profit for the period consequent to the change.

3. Restatement Adjustments :

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions, the Statement of Assets and Liabilities and the Statement of Profit and Loss for the years ended March 31, 2009, March 31, 2008, March 31, 2007 and the period ended December 31, 2008 have been restated to reflect the assets /liabilities and profits/ losses of the respective years on the basis of the revised uniform policy as follows:

a) foreign currency gain of Rs. 123.86 Mn and (loss) of Rs. (248.19) Mn on long term monetary items relating to acquisition of depreciable capital assets for the year ended March 31, 2008 and period ended December 31, 2008 respectively has been deducted from / added to the cost of such assets and reversed from the Profit and loss account for the year/ period. Also, during the period ended December 31, 2008, Rs. 452.49 Mn being the loss on long term monetary items relating to acquisition of depreciable capital assets was also added to the cost of fixed assets by reversal from the Hedging Reserve Account.

b) Gain / (loss) on forward contracts entered into for hedging of capital commitments in foreign currency amounting to Rs. 94.74 Mn and Rs. (25.83) Mn respectively have been credited / debited to Fixed Assets (including Ships under construction) and Investment in subsidiaries respectively in the restated Financial statements for the year ended March 31, 2008 in accordance with the change in accounting policy in 2009 adopting the principles of hedge accounting, as stated in para 2 (a) (ii) above.

   Also the unrealised gain / (loss) on derivative transactions as on March 31, 2008 and March 31, 2007 which were identified as cash flow hedges have been recorded in the Hedging Reserve account in the Unconsolidated Financial statements amounting to Rs. (92.64) Mn and Rs. 56.77 Mn in the said years respectively in accordance with the change in accounting policy in 2009 adopting the principles of hedge accounting, as stated in para 2 (a) (ii) above.There is no impact on the Statement of Profit and Loss for these years.

c) Gains on cancellation of forward contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions which were identified as cash flow hedges amounting to Rs. 5.56 Mn have been debited to the Profit and loss account for the year ended March 31, 2008 and held in the Hedging Reserve Account in accordance with the principles of AS 30. Of the same , Rs 0.37 Mn has been reversed from Hedging Reserve and transferred to the Profit and Loss Account during the period/year ended December 31, 2008 / March 31, 2009 on maturity of the contract.

d) The depreciation charge for the years ended March 31, 2009, March 31, 2008 and periods ended December 31, 2009, December 31, 2008 has been increased / (decreased) by Rs. (3.47) Mn, Rs.(7.94) Mn and Rs. (5.10) Mn, Rs. 17.06 Mn respectively due to the increase / decrease in the carrying cost of the depreciable capital asset consequent to the addition / deduction of exchange gains / (losses) as stated above.

e) The ancillary borrowing costs charged to revenue during the years ended March 31, 2009, March 31, 2008 and period ended December 31, 2008 amounting to Rs. 25.19 Mn, Rs. 4.64 Mn & Rs. 20.26 Mn respectively have been reversed and are being amortised over the period of borrowing as per the policy adopted in para 2 (b) (i) above. Consequent thereto, borrowing costs for the years ended March 31, 2009, March 31, 2008 and periods ended December 31, 2008 and December 31, 2009 have been restated as per the revised policy and the profit before tax for the said periods is increased/(reduced) by Rs. 23.64 Mn, Rs.4.34 Mn, Rs. 19.26 Mn and Rs. (2.52) Mn respectively.

f) During the period ended December 31, 2009, Income Tax assessment for the A.Y. 2007-08 was completed. Accordingly, effect of reversal of tax provision of Rs 2.14 Mn has been given in the period to which tax is related.

g) During the period ended December 31, 2009, Service tax department disallowed certain cenvat credit on input of Rs. 0.05 Mn for for the year ended March 31, 2008 and Rs. 0.16 Mn for the year ended March 31, 2009, claiming that such expenses are inadmissible towards claim against service tax liability, the same was paid alongwith the interest by the Company. The Company also received intimation from the Service tax department contending that the Company has availed 100% CENVAT credit instead of 20%, resulting into short payment of service tax of Rs. 2.21 Mn which has been provided in the books of account. Effect of this has been given in the period to which tax is related.

4. Contingent Liabilities :

Rs. in Millions

	As at December 31,		As at March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Guarantees given by bank	670.16	527.81	620.88	977.62	1,477.82	5.40	-
Corporate Guarantees given on behalf of subsidiary companies	16,513.41	5,167.00	11,003.69	10,044.07	1,085.00	-	-
Custom Duty for Import of vessel under provisional duty bond (Refer Note i below)	88.23	-	-	-	-	-	-
Service tax claim pending resolution (net) (Refer Note ii below)	5.51	-	-	-	-	-	-

Note i :

The Company imported a vessel under Bill of Entry for Home Consumption on October 7, 2009 by utilizing the SFIS credit certificate (DFCEC) for the customs duty payable of Rs. 88.23 Mn. The Deputy Commissioner of Customs, Mumbai, pending clarification sought by him from the Central Board of Excise and Customs, New Delhi, regarding clearance of the vessels under DFCEC Scheme, has made provisional assessment of the vessel, against security Bond issued by the Company for the full value of the vessel of Rs. 936.46 Mn.

Note ii :

The Company filed a service tax refund application dated March 24, 08 with the Assistant Commissioner of Service Tax, Division III, Mumbai Commissionerate for Service tax refund of Rs. 7.72 mn erroneously deposited from June 2007 to November 2007, on certain non taxable services. Subsequently the Company has received intimation from the Service tax department contending that the Company has availed 100% CENVAT credit instead of 20%, resulting into short payment of service tax of Rs. 2.21 mn, which has been provided in the books of Account, which will be finalized and settled depending on the final outcome of the refund application. The Management is of the opinion that the (net) refund claim of Rs. 5.51 mn is receivable and hence no provision is made in the books of account.

5. **Commitments :**

Arrears of fixed cumulative dividend on the redeemable preference shares is as under:

Rs. in Millions

	As at December 31,		For the year ended March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
For the year ended March 31, 2009	11.01	1.63	11.01	-	-	-	-
Dividend Distribution Tax on above	1.87	0.28	1.87	-	-	-	-
For the period ended December 31, 2009	49.73	-	-	-	-	-	-
Dividend Distribution Tax on above	8.45	-	-				
TOTAL	71.06	1.91	12.88	-	-	-	-

6. **Share Capital :**

During the year ended March 31, 2009, the Company had issued 88,000,000 7.5% Cumulative Convertible Redeemable Preference Shares of the face value of Rs. 10/- each at a premium of Rs. 20/- each on preferential basis under section 81 (1A) of the Companies Act, 1956 to the Holding Company, "The Great Eastern Shipping Company Limited". The holding company has confirmed that it will not exercise the option of conversion, hence, the said preference shares would be redeemed, in three tranches as under:

29,333,333 preference shares on December 31, 2011.
29,333,334 preference shares on December 31, 2012.
29,333,333 preference shares on December 31, 2013.

at a premium of Rs. 26/- per share payable on redemption. The premium payable on redemption has been provided on pro-rata basis for the expired period from the Securities Premium Account.

7. **Warrants against Share Capital :**

On February 20, 2008, the Company had issued and allotted 4,207,000 Warrants out of total 6,027,000 Warrants approved by the shareholders, on preferential basis to the promoter directors of the holding company, 'The Great Eastern Shipping Co. Ltd.'. The Warrant holders have the option to convert these Warrants into equal numbers of equity shares of Rs. 10/- each of the Company, at a price of Rs. 140.40/- per equity share. The Company has received an advance of 10% amounting to Rs. 59.07 Mn from the Warrant holders, the balance amount being payable at the time of applying for conversion of Warrants into equity shares. The said warrants shall become exercisable not earlier than three months prior from the date on which the Company proposes to file a Draft Red Herring Prospectus (DRHP) with SEBI for IPO ("Date") but not later than 30 days from the Date. In the event, the Company fails to file a DRHP by December 31, 2010, the Warrant holders will be entitled to exercise their Warrants into shares on any day after that date but not later than March 31, 2011. If the entitlement against the Warrants to apply for the Equity Shares is not exercised within 30 days from the Date or by March 31, 2011, as the case may be, the Warrants shall expire and any amount paid on such Warrants shall stand forfeited. The funds raised by issue of said equity warrants would be utilised for additional working capital requirements and general corporate purposes.

As on December 31, 2009, The Promoter Directors of the holding company have not exercised the option of conversion of above shares to equity. In view of the same it is shown under shareholders' funds in Appendix XIII.

8. Employee Stock Option Schemes :

All the ESOPs are in respect of Company's shares where each stock option is equivalent to one equity share. The Board of Directors had at their meeting held on July 24, 2009, cancelled the Employee Stock Options Scheme - ESOP 2008 – III. No grants had been made under this Scheme. The employee stock options of the Company are presently operated under four different Employee Stock Options Schemes for the employees of the Company (including employees of parent company and subsidiaries). As on December 31, 2009, 1,420,700 options were outstanding under the various schemes.

The details of the various schemes and movements during the nine months ended December 31, 2009 are summarized as under :

Sr.No.	PARTICULARS	ESOP 2007 - I	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II
1.	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	12/02/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08
4.	Options outstanding as on April 1, 2009	537,900	89,100	60,000	311,900
5.	Options granted during the period from April 1, 2009 to December 31, 2009	05/05/09- 46,700	-	-	05/05/09 – 81,400 24/07/09 – 32,900 23/10/09 – 201,200 28/12/09- 118,400
6.	Options cancelled/forfeited during the period from April 1, 2009 to December 31, 2009	-	-	-	58,800
7.	Options Exercised during the period from April 1, 2009 to December 31, 2009	--	--	--	--
8.	Options outstanding as on December 31, 2009	584,600	89,100	60,000	687,000
9.	Exercise Price	100	100	100	135
10.	Exercise period from the date of vesting	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later
11.	Exercisable at end of the period from April 1, 2009 to December 31, 2009	--	--	--	--
12.	Method of Settlement	Equity/Cash	Equity	Equity	Equity/Cash

13.	Vesting period from the date of grant	20% equally over a period of five years	One year	One year	20% equally over a period of five years
14.	Vesting conditions	Continued employment with the Company (includes transfer within group companies) and achievement of 80% of the budgeted profits for a year	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within Company and subsidiaries)and achievement of 80% of the budgeted profits for a year

(a) Modification of ESOP Schemes:

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

ii) Pursuant to the cancellation of the Employee Stock Options Scheme 2008 – III for grant of stock options to the employees of the floating staff of the Company and its subsidiaries, 1,110,000 stock options approved to be granted under ESOP 2008 – III were allocated to the ESOP 2008 – II, thereby increasing the total number of options to be granted to the employees of the Company and its subsidiaries under ESOP 2008-II from 600,000 to 1,710,000.

(b) The employee stock option schemes have been accounted based on the intrinsic value method.
The compensation expense amount which is the difference between exercise price of the option and the intrinsic value of shares amortised in the respective financial year / period is as under:

Rs. in Millions

	For the period ended December 31,		For the year ended March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Compensation expense amortised	3.25	9.43	11.44	7.44	-	-	-

The cumulative amount of Employee Stock Option expense amortised upto December 31, 2009 of Rs. 22.13 Mn is included under Shareholders' funds in Appendix XIII.

Had the compensation cost for the stock options granted been recognised, basis fair value method, the compensation expense to be amortised and impact on EPS (basic) and EPS (diluted) in each year / period would be as follows :

Rs. in Millions

	For the Period ended December 31,		As at March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**

PARTICULARS	For the Period ended December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Compesation expenses	1.22	0.31	0.74	14.56	-	-	-
EPS (Basic)	0.014	0.004	0.009	0.341	-	-	-
EPS (Diluted)	0.014	0.004	0.008	0.333	-	-	-

9. Fixed Assets :

a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided :-

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Capital Commitment	5,173.90	7,572.30	7,071.10	4,446.12	7,588.48	-	-

b) The amount of exchange (loss) / gain on account of fluctuation of the rupee against foreign currencies and (loss) / gain on hedging contracts (including on cancellation of forward covers), relating to long term monetary items and capital commitments for acquisition of depreciable capital assets added to the carrying amount of fixed assets in the respective financial years / periods is as under :

Rs. in Millions

PARTICULARS	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Exchange Gain / (loss) added to carrying amount of fixed assets	437.45	(717.60)	(909.29)	218.60	88.01	-	-

10. Cash and Bank Balances :

Balance with scheduled bank on deposit account represents the margin deposit placed with the bank, under a lien against the guarantees issued by the said bank are as follows :

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Cash & Bank Balances	-	-	-	115.10	190.00	-	-

11. Investments

i) In the financial year 2008-2009, the Company subscribed to the Memorandum of Association of Greatship DOF Subsea Projects Private Limited (GDSP) and accordingly subscribed to 1,000 shares in the capital of GDSP amounting to Rs. 0.10 Mn. GDSP was incorporated on November 10, 2008 to focus on the subsea projects opportunities in joint venture with DOF Subsea Pte. Ltd., Singapore. The joint venture partner has not invested in the company till date.

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

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

13. Taxation :

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

Deferred tax asset as at the period end is comprised of :

Rs. Mn

	Current period	Previous period
Unabsorbed business loss	(4.20)	-

14. Hedging Contracts :

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

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

Rs. in Millions

	As at December 31,		**As at March 31,**				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Mark to Market (loss) / gain	(250.92)	(534.68)	(577.03)	(87.08)	56.77	-	-

(i) Derivative instruments outstanding :

(a) Forward Exchange Contracts:

1) Forward Exchange Contracts:

Rs. in Millions

Details	**As at December 31,**		**As at March 31,**				
Forward Contracts – Purchased	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	-	1	-	3	-	-	-
Foreign Currency Value (in USD million)	-	10.00	-	15.00	-	-	-
Foreign Currency Value (in NOK million)	-	-	-	7.21	-	-	-
Amount recognised	-	24.43	-	(4.20)	-	-	-

Details	**As at December 31,**		**As at March 31,**				
Forward Contracts – Purchased	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
in Hedging Reserve (loss)/gain (Rs'Mn)							
Maturity Period	-	Upto 3 Months	-	Upto 9 Months	-	-	-

Details	**As at December 31,**		**As at March 31,**				
Forward Contracts – Sold	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	2	17	11	12	-	-	-
Foreign Currency Value (in USD million)	2.00	18.25	13.00	15.00	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	-	(75.30)	(68.84)	0.03	-	-	-
Maturity Period	Upto 2 Months	Upto 14 Months	Upto 11 Months	Upto 12 Months	-	-	-

2) Cross Currency Forward Exchange Contracts:

	As at December 31,		**As at March 31,**				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	5	9	9	5	7	-	-
Foreign Currency Value (in million)	-	-	-	-	-	-	-
Cross Currency Sterling Pound to US Dollar	-	-	-	-	11.40	-	-
Cross Currency Norwegian Krones to US Dollar	-	-	-	82.66	54.82	-	-
Cross Currency Euro to US Dollar	-	16.11	12.61	-	-	-	-
Cross Currency Singapore Dollar to US Dollar	55.42	60.38	60.38	-	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	(102.53)	(244.54)	(385.15)	(30.01)	23.98	-	-
Maturity Period	Upto 11 Months	Upto 23 Months	Upto 20 Months	Upto 8 Months	Upto 6 Months	-	-

(b) Forward Exchange Option Contracts

Cross Currency Forward Exchange Option Contracts :

	As at December 31,		As at March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	-	-	-	8	6	-	-
Foreign Currency Value (in million)	-	-	-	-	-	-	-
Cross Currency US Dollar to Sterling Pound	-	-	-	2.00	-	-	-
Cross Currency Norwegian Krones to US Dollar	-	-	-	79.53	84.92	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	-	-	-	31.12	32.78	-	-
Maturity Period	-	-	-	Upto 8 Months	Upto 16 Months	-	-

Interest rate swap contracts :

	As at December 31,		As at March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	4	2	2	2	-	-	-
Principal Notional Amount (USD million)	46.07	27.95	27.18	30.56	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	(79.40)	(86.65)	(89.64)	(58.07)	-	-	-
Maturity Period	Upto 92 Months	Upto 40 Months	Upto 37 Months	Upto 49 Months	-	-	-

(c) Interest portion of Currency swap contracts:

	As at December 31,		As at March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	5	5	5	2	-	-	-
Principal Notional Amount (USD million)	72.20	80.65	78.54	31.78	-	-	-
Principal Notional Amount (JPY million)	7,773.78	8,686.34	8,449.32	3,641.99	-	-	-

Details	As at December 31, 2009	2008	As at March 31, 2009	2008	2007	2006	2005
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	(69.00)	(161.71)	(1.49)	(31.52)	-	-	-
Maturity Period	Upto 107 Months	Upto 119 Months	Upto 116 Months	Upto 93 Months	-	-	-

(d) Currency swap contracts:

Details	As at December 31, 2009	2008	As at March 31, 2009	2008	2007	2006	2005
Total No. of contracts	5	5	5	2	-	-	-
Principal Notional Amount (USD million)	72.20	80.65	78.54	31.78	-	-	-
Principal Notional Amount (JPY million)	7,773.78	8,686.34	8,449.32	3,641.99	-	-	-

(ii) Unhedge Foreign currency exposures

Details	As at December 31, 2009	2008	As at March 31, 2009	2008	2007	2006	2005
Loan liabilities and Payables							
(USD in millions)	160.19	111.51	6.20	62.33	14.82	-	-
(GBP in millions)	0.06	1.06	0.74	-	-	-	-
(JPY in millions)	23.42	28.42	64.96	-	-	-	-
(NOK in millions)	-	0.54	0.09	-	-	-	-
(SGD in millions)	0.03	-	0.44	-	-	-	-
Other currencies (in millions)	0.56	0.63	0.42	-	-	-	-
Receivables							
(USD in millions)	29.25	4.73	-	-	-	-	-
(GBP in millions)	(0.15)	1.22	0.38	-	-	-	-
Bank Balances							
(USD in millions)	26.71	9.40	9.12	-	3.75	-	-
(GBP in millions)	0.48	0.35	1.51	-	-	-	-

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

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

a) Defined Contribution Plans :

Rs. in Millions

Details	For the period ended December 31, 2009	2008	For the year ended March 31, 2009	2008	2007	2006	2005
Contribution to Employees Provident Fund	2.51	1.20	1.75	0.61	-	-	-
Contribution to Employees Superannuation Fund	0.69	0.65	0.90	0.66	-	-	-

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

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

A) <u>Gratuity</u>

Actuarial Assumption for the Year	For the period ended December 31, 2009	2008	For the year ended March 31, 2009	2008	2007	2006	2005
a) Discount Rate (per annum)	7.6%	6.0%	6.0%	7.0%	7.5%	-	-
b) Rate of Return on Plan Assets	NA	NA	NA	NA	NA	-	-
c) Salary Escalation Rate	6.0%	4.0%	4.0%	10.0%	5.0%	-	-
d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	-	-
e) Withdrawal rate	3.0%	3.0%	3.0%	3.0%	0.5%	-	-
f) Expected average remaining service	14.92	14.77	20.93	22.59	21.25	-	-

Rs. in Millions

i) Change in Benefit Obligation :	For the period ended December 31, 2009	2008	For the year ended March 31, 2009	2008	2007	2006	2005
Liability at the beginning of the year	1.46	2.17	2.17	0.33	-	-	-
Interest Cost	0.07	0.11	0.15	0.02	-	-	-
Current Service Cost	1.72	0.65	0.95	1.50	0.33	-	-
Benefits Paid	-	-	-	-	-	-	-
Actuarial (Gain) / loss on Obligation	0.27	(1.79)	(1.82)	0.32	-	-	-
Liability at the end of the year	3.51	1.14	1.46	2.17	0.33	-	-

ii) Fair Value of Plan Assets :	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Fair Value of Plan Assets at the beginning of the year	-	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-	-
Employer's Contribution	-	-	-	-	-	-	-
Benefits Paid	-	-	-	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-

iii) Actual Return on Plan Assets :	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Expected Return on Plan Assets	-	-	-	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Actuarial Return on Plan Assets	-	-	-	-	-	-	-

iv) Amount Recognised in the Balance Sheet	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Liability at the end of the Year	3.51	1.14	1.46	2.17	0.33	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-
Difference	3.51	1.14	1.46	2.17	0.33	-	-
Unrecognised past Service Cost	-	-	-	-	-	-	-
Amount Recognised in Balance Sheet	3.51	1.14	1.46	2.17	0.33	-	-

v) Expenses Recognised in the Profit & Loss A/c	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Current Service Cost	1.72	0.65	0.95	1.50	0.33	-	-

Interest Cost	0.07	0.11	0.15	0.02	-	-	-
Acturial return on Plan Assets	-	-	-	-	-	-	-
Net Acturial (Gain) / Loss to be recognised	0.27	(1.79)	(1.82)	0.32	-	-	-
Expenses recognised in the P & L A/c	2.05	(1.03)	(0.71)	1.84	0.33	-	-

B) <u>Leave Wages</u>

Actuarial Assumption for the Year	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
a) Discount Rate (per annum)	7.6%	6.0%	6.0%	7.0%	7.5%	-	-
b) Rate of Return on Plan Assets	NA	NA	NA	NA	NA	-	-
c) Salary Escalation Rate	6.0%	4.0%	4.0%	10.0%	5.0%	-	-
d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	-	-
e) Withdrawal rate	3.0%	3.0%	3.0%	3.0%	0.5%	-	-
f) Expected average remaining service	14.87	14.85	14.45	22.59	21.25	-	-

Rs. in Millions

i) Change in Benefit Obligation :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Liability at the beginning of the year	0.62	0.60	0.60	0.19	-	-	-
Interest Cost	0.03	0.02	0.04	0.01	-	-	-
Current Service Cost	1.38	0.60	0.97	1.59	0.32	-	-
Benefits Paid	(0.04)	(0.41)	(0.10)	-	-	-	-
Actuarial (Gain) / loss on Obligation	(0.88)	(0.44)	(0.89)	(1.19)	(0.13)	-	-
Liability at the end of the year	1.10	0.37	0.62	0.60	0.19	-	-

Rs. in Millions

ii) Fair Value of Plan Assets :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**

Fair Value of Plan Assets at the beginning of the year	-	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-	-
Employer's Contribution	0.04	-	0.10	-	-	-	-
Benefits Paid	(0.04)	-	(0.10)	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-

Rs. in Millions

iii) Actual Return on Plan Assets :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Expected Return on Plan Assets	-	-	-	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Actuarial Return on Plan Assets	-	-	-	-	-	-	-

Rs. in Millions

iv) Amount Recognised in the Balance Sheet	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Liability at the end of the Year	1.10	0.37	0.62	0.60	0.19	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-
Difference	1.10	0.37	0.62	0.60	0.19	-	-
Unrecognised past Service Cost	-	-	-	-	-	-	-
Amount Recognised in Balance Sheet	1.10	0.37	0.62	0.60	0.19	-	-

Rs. in Millions

v) Expenses Recognised in the Profit & Loss A/c	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Current Service	1.38	0.60	0.97	1.59	0.32	-	-

Cost							
Interest Cost	0.03	0.02	0.04	0.01	-	-	-
Acturial return on Plan Assets	-	-	-	-	-	-	-
Net Acturial (Gain) / Loss to be recognised	(0.88)	(0.44)	(0.89)	(1.19)	(0.13)	-	-
Expenses recognised in the P & L A/c	0.52	0.18	0.11	0.41	0.19	-	-

c) **General Description :**

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

d) **Leave Encashment :**

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

16. Operating Lease :

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

Rs. in Millions

a) Total Future Minimum Lease payments	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
- Not later than 1 year							
Premises	43.39	27.52	31.60	26.42	-	-	-
Rigs	3,165.12	-	1,882.75	-	-	-	-
- Later than 1 year and not later than 5 years	-	-	-	-	-	-	-
Premises	86.92	65.96	76.13	91.58	-	-	-
Rigs	7,809.56	-	3,657.18	-	-	-	-
- Later than 5 years	-	-	-	-	-	-	-
Premises	-	-	-	-	-	-	-
Rigs	74.84	-	-	-	-	-	-

Rs. in Millions

b) Details	For the period ended	For the year ended March 31,

	December 31,						
	2009	2008	2009	2008	2007	2006	2005
Lease payments recognised in the statement of Profit & Loss Account	1,656.13	20.55	134.97	18.96	-	-	-

17. Segment Reporting :

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

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

APPENDIX VI

STATEMENT OF OTHER INCOME (STANDALONE) - RESTATED

Rs. in Millions

Sources of Income	Period ended December 31, 2009	Period ended December 31, 2008	Year ended March 31, 2009	Year ended March 31, 2008	Year ended March 31, 2007	Year ended March 31, 2006	Year ended March 31, 2005
Interest Received on							
- Loans given to subsidiary	1.00	-	-	-	-	-	-
- Bank Deposits - Term and Call Deposits	7.94	5.83	9.35	24.94	16.00	-	-
- Income Tax Refund	0.37	-	-	-	-	-	-
Dividend Received on Non Trade Investments	26.74	31.91	47.36	30.73	15.40	-	-
Agency Income	17.32	14.41	18.10	-	-	-	-
Liquidated damage fees for late delivery of vessels (net) (Non Recurring)	22.87	-	16.66	-	-	-	-
Provision for diminution in value of investment written back (Non Recurring)	-	26.72	26.94	-	-	-	-
Miscelleneous Income	0.88	0.51	0.54	1.00	-	-	-
Total	**77.12**	**79.38**	**118.95**	**56.67**	**31.40**		

APPENDIX VII

STATEMENT OF INVESTMENTS (STANDALONE) – RESTATED

Rs. in Millions

	As at December 31,		As at March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Subsidiaries / Joint Venture	6,864.29	5,404.57	6,764.45	3,140.09	810.32	-	-
Short Term Investments in Mutual Funds	390.68	331.05	1,639.52	543.68	345.69	-	-
Provision for decline in carrying value of Investments	-	-	-	26.72	-	-	-
Total	**7,254.97**	**5,735.62**	**8,403.97**	**3,657.05**	**1,156.01**	**-**	**-**
Aggregate book value of unquoted investments	**7,254.97**	**5,735.62**	**8,403.97**	**3,657.05**	**1,156.01**	**-**	**-**

APPENDIX VIII

STATEMENT OF DEBTORS (STANDALONE)– RESTATED

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Debts outstanding for a period exceeding six months							
- considered good	12.74	27.70	23.70	-	-	-	-
- considered doubtful	30.53	2.29	1.00	-	-	-	-
	43.27	**29.99**	**24.70**	**-**	**-**	**-**	**-**
Other debts							
- considered good	1,409.27	456.88	608.79	194.23	51.59	-	-
- considered doubtful	-	-	3.00	-	-	-	-
	1,409.27	**456.88**	**611.79**	**194.23**	**51.59**	**-**	**-**
Less: Provision for Doubtful Debts	(30.53)	(2.29)	(3.99)	-	-	-	-
Total	**1,422.01**	**484.58**	**632.50**	**194.23**	**51.59**	**-**	**-**

APPENDIX IX

STATEMENT OF LOANS & ADVANCES (STANDALONE) – RESTATED

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Advances recoverable in cash or in kind or for value to be received	118.51	96.06	74.40	33.15	0.75	-	-
Derivative Contracts Receivables (net)	-	-	-	-	56.77	-	-
Advance payments of income-tax (net of provision for tax)	67.69	9.56	10.34	6.10	2.34	-	-
Security / Other deposits	34.94	29.05	27.25	26.98	232.44	-	-
Advance to Subsidiaries	343.53	909.04	-	804.35	0.23	-	-
Agents Current Accounts	9.40	23.07	8.32	1.95	-	-	-
Total	**574.07**	**1,066.78**	**120.31**	**872.53**	**292.53**	**-**	**-**

APPENDIX X

STATEMENT OF SECURED AND UNSECURED LOANS (STANDALONE) – RESTATED

SECURED LOANS

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Foreign Currency Loans	6,571.87	5,270.73	5,974.45	2,500.91	640.79	-	-

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on Dec 31, 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
External Commercial Borrowings - HSBC - Greatship Dhriti	1,205.94	919.51	2-Sep-08	6MLibor+ 1.185%	20 Equal Consecutive semi annual instalments of 5% each of the sanctioned amount, first installment commencing from 2nd March 2009.	Mortgage of Vessel financed, assignment of swap contract, assignment of insurances and any requisition compensation and assignment of earnings*
External Commercial Borrowings - HSBC - Greatship Dhwani	855.78	728.73	10-Nov-08	6MLibor+ 1.185%	20 Equal Consecutive semi annual instalments of 5% each of the sanctioned amount, first installment commencing from 10th May 2009.	
External Commercial Borrowings - Societe Generale - Greatship Aarti	511.89	511.88	27-Aug-09	6MLibor+ 3.300%	16 consecutive half yearly instalments commencing from 27th Feb 2010 - The First three instalments 4.55% each of the sanctioned amount; next 12 installments of 5% each of the sanctioned amount and Final Installment of 26.35% of the sanctioned amount.	Mortgage of Vessels financed, corporate guarantee by The Great Eastern shipping Co Ltd, assignment of insurances and any requisition compensation, assignment of swap contract, assignment of its right, title and interest in the Charged Moneys and Charged Accounts, and assignment of earnings*
External Commercial Borrowings - Societe Generale - Greatship Ahalya	511.89	488.62	25-Jun-09	6MLibor+ 3.300%	16 consecutive half yearly instalments commencing from 25th December 2009 - The First three instalments 4.55% each of the sanctioned amount; next 12 installments 5% each of the sanctioned amount and Final Installment 26.35% of the sanctioned amount	

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on Dec 31, 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
External Commercial Borrowings - UOB - Greatship Amrita	637.63	490.48	4-Apr-08	6MLibor+ 1.000%	16 instalments falling at six monthly interval commencing from 4th October 2008 - The First Fifteen equal installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount.	Mortgage of Vessels financed , assignment of insurances and any requisition compensation and assignment of earnings*
External Commercial Borrowings - UOB - Greatship Anjali	712.35	461.62	28-Dec-07	6MLibor+ 1.000%	16 installments falling at six monthly interval commencing from 28th June 2008 - The First Fifteen equal installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount.	
External Commercial Borrowings - UOB - Greatship Dipti	1,178.50	759.45	25-Sep-07	6MLibor+ 1.050%	16 installments falling at six monthly interval commencing from 25th March 2008 - The First Fifteen equal installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount.	
External Commercial Borrowings - UOB - Greatship Akhila	562.14	534.04	24-Mar-09	6MLibor+ 1.800%	16 installments falling at six monthly interval commencing from 24th September 2009 - The First Fifteen installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount .	
External Commercial Borrowings - UOB - Greatship Asmi	562.14	534.04	4-May-09	6MLibor+ 1.800%	16 installments falling at six monthly interval commencing from 4th November 2009 - The First Fifteen installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned	

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on Dec 31, 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
					amount.	
FCNR - SBI - Greatship Disha	723.24	506.27	3-Aug-06	6MLibor+ 1.000%	20 Equal Consecutive semi annual installments commencing from 3rd Feb 2007 (Option of bullet repayment after 5 years if the rollover offered by lender in either USD or INR for the next five years is not acceptable.)	Mortgage of Vessels financed and Corporate guarantee by The Great Eastern Shipping Co Ltd.
FCNR - SBI – Diya	849.64	637.23	12-Apr-07	6MLibor+ 1.000%	20 Equal Consecutive semi annual installments commencing from 12th Oct 07 (Option of bullet repayment after 5 years if the rollover offered by lender in either USD or INR for the next five years is not acceptable.)	
		6,571.87				

** As per the loan agreement, it is to be executed only on occurance of event of default.*

Appendix XI

ANNEXURE : SUMMARY OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES – STANDALONE (AS-18)

(i) List of Related Parties
Parties where control exists:

a) Holding Company :
The Great Eastern Shipping Co. Ltd.

b) Subsidiary Companies:
Greatship Holdings B.V., Netherlands (Liquidated on July 17, 2008)
Greatship Global Holdings Ltd., Mauritius (Incorporated on May 30, 2007)
Greatship Global Energy Services Pte Ltd., Singapore (Incorporated on October 23, 2006)
Greatship Global Offshore Services Pte Ltd., Singapore (Incorporated on May 8, 2007)

c) Fellow - Subsidiary Companies:
The Great Eastern Chartering LLC (FZC), Sharjah
The Great Eastern Shipping Co. (London) Ltd., London
The Greatship (Singapore) Pte. Ltd., Singapore

d) Joint Venture Companies:
Greatship DOF Subsea Private Limited, Mumbai (Incorporated on November 10, 2008)

e) Key Management Personnel:

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

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
<u>Holding Company</u>							
Transaction During the year							
Issue of Share Capital							
The Great Eastern Shipping Company Limited	-	2,760.00	4,740.00	3,860.00	2,559.50	-	-
Purchase of Fixed Assets							
The Great Eastern Shipping Company Limited	-	0.90	0.90	0.22	0.99	-	-
Loan Taken & Repaid							
The Great Eastern Shipping Company Limited	-	-	-	-	986.26	-	-
Advances given / (received back)							
The Great Eastern Shipping Company Limited	(9.06)	30.28	(21.23)	-	-	-	-
Deposit Given							
The Great Eastern Shipping Company Limited	-	-	-	0.30	-	-	-
Interest paid on Loan							
The Great Eastern Shipping Company Limited	-	-	-	-	17.40	-	-
Reimbursement of Expenses							
The Great Eastern Shipping Company Limited	2.40	1.03	3.49	3.81	1.52	0.03	0.00
Outstanding Receivables / (Payables)	-	30.28	9.06	-	-	(0.04)	(0.00)
Guarantees received	2,143.87	1,356.41	1,400.10	3,216.70	1,554.60	5.40	-
The Great Eastern Shipping Company Limited							
<u>Subsidiary Companies</u>							
Transaction During the year							
Finance provided :							
Equity contribution to :							
Greatship Global Energy Services Pte Ltd	-	-	-	-	809.28	-	-
Greatship Holdings B.V.	-	-	-	815.62	1.03	-	-
Greatship Global Holdings Ltd.	99.86	2,363.82	3,740.02	2,276.95	-	-	-
Greatship DOF Subsea Private Limited	-	-	0.10	-	-	-	-
Share Application Money paid :							

PARTICULARS	As at December 31, 2009	As at December 31, 2008	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Greatship Global Holdings Ltd.	325.75	891.97	-	-	-	-	-
Assignment of receivables against advance liquidation proceeds :							
Greatship Global Holdings Ltd.	-	-	-	788.62	-	-	-
Loan Given & returned :							
Greatship Global Energy Services Pte Ltd	194.96	-	-	-	-	-	-
Loss on liquidation of subsidiary written off							
Greatship Holdings B.V.	-	26.87	26.87	-	-	-	-
Purchase of Inventories :							
Greatship Global Energy Services Pte Ltd	233.79	-	183.86	-	-	-	-
Agency Income :							
Greatship Global Offshore Services Pte Ltd	17.32	14.41	18.10	-	-	-	-
Interest Income on Loan :							
Greatship Global Energy Services Pte Ltd	0.99	-	-	-	-	-	-
Inchartering Expenses :							
Greatship Global Energy Services Pte Ltd	1,629.42	-	106.78	-	-	-	-
Greatship Global Offshore Services Pte Ltd	152.11	-	32.83	-	-	-	-
Reimbursement of Expenses :							
Greatship Global Energy Services Pte Ltd	38.40	0.82	5.61	14.86	-	-	-
Greatship Global Offshore Services Pte Ltd	-	1.83	1.83	-	-	-	-
Greatship Global Holdings Ltd.	-	-	-	0.29	-	-	-
Outstanding Receivables / (Payables) :							
Greatship Global Energy Services Pte Ltd	(733.60)	0.82	(296.25)	-	0.23	-	-
Greatship Global Offshore Services Pte Ltd	(19.67)	16.25	(36.98)	-	-	-	-
Greatship Global Holdings Ltd.	-	-	-	804.35	-	-	-
Greatship DOF Subsea Private Limited	-	-	(0.10)	-	-	-	-
Gurantees given							
Greatship Global Offshore	9,067.81	5,167.00	11,003.19	10,044.07	1,085.00	-	-

PARTICULARS	As at December 31, 2009	As at December 31, 2008	As at March 31, 2009	As at March 31, 2008	As at March 31, 2007	As at March 31, 2006	As at March 31, 2005
Services Pte. Ltd.							
Greatship Global Energy Services Pte Ltd	7,445.60	-	0.50	-	-	-	-
Fellow-Subsidiary Companies							
Agency Fees Paid :							
The Greatship (Singapore) Pte Ltd	0.05	-	0.03	-	-	-	-
Reimbursement of Expenses :							
The Greatship (Singapore) Pte Ltd	4.81	-	2.13	-	-	-	-
Outstanding Receivables / (Payables) :							
The Greatship (Singapore) Pte Ltd	-	-	(0.57)	-	-	-	-
Key Management Personnel							
Transaction During the year							
Share warrants issued	-	-	-	-	-	-	-
Bharat K Sheth	-	-	-	29.53	-	-	-
Ravi K Sheth	-	-	-	29.53	-	-	-
Remuneration							
Ravi K Sheth	15.75	-	-	-	-	-	-
P R Naware	3.00	-	-	-	-	-	-

APPENDIX XII

STATEMENT OF ACCOUNTING RATIOS (STANDALONE) – RESTATED

PARTICULARS	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Earnings Per Share - Basic	7.37	6.42	6.76	5.91	1.95	(0.56)	(0.05)
Earnings Per Share – Diluted	7.35	6.24	6.03	5.76	1.95	(0.56)	(0.05)
Return on Net Worth%	5.55%	5.04%	4.65%	3.78%	0.82%	(6.29)%	(0.58)%
Net Asset Value per equity share (Rs.)	127.60	107.23	121.54	102.50	99.56	8.93	9.49
Weighted Average number of equity shares outstanding during the year period	86,100,000	74,009,091	76,990,411	42,654,098	11,049,452	50,000	50,000
Total number of equity shares outstanding at the end of the year/period	86,100,000	86,100,000	86,100,000	65,100,000	26,500,000	50,000	50,000
Total number of Preference shares outstanding at the end of the year/period	88,000,000	22,000,000	88,000,000	-	-	-	-

Notes:

1 The ratios have been computed as below:

Earnings per share (Rs) = $\dfrac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of shares outstanding during the year/period}}$

Return on Net Worth(%) = $\dfrac{\text{Net profit after tax}}{\text{Net Worth excluding revaluation reserve at the end of the year/period}}$

Net asset value per equity share (Rs) = $\dfrac{\text{Net worth excluding revaluation reserve and preference share capital (including proportionate amount of securities premium and dividend on preference shares) at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$

2 Net profit, as appearing in the Statement of profits and losses, as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of standalone restated financial statements of the Company

3 Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share" issued by The Institute of Chartered Accountants of India.

APPENDIX XIII

STATEMENT OF CAPITALISATION (STANDALONE) – RESTATED

PARTICULARS	Pre-Issue (as at 31st Dec 09)	Pre-Issue (as at 31Mar 09)	Amount in Rs'Mn Post Issue *
Short term debt	-	-	
Long term debt	6,571.87	5,974.45	
Total debt	**6,571.87**	**5,974.45**	
Shareholders' funds			
- Equity Shares	861.00	861.00	
- Preference Shares	880.00	880.00	
- Application money - Warrants	59.07	59.07	
- Employee stock options outstanding	22.12	18.88	
- Reserves (excluding revaluation reserve)	10,667.69	9,648.96	
Total shareholders' funds	**12,489.88**	**11,467.91**	
Long term debt/equity	**0.53**	**0.52**	

Notes:

1 Share capital and reserves and surplus post issue can be calculated only on the conclusion of the book building process.

2 Refer note no 6, 7 and 8 of Appendix V - Notes to Statement of Assets and Liabilities and Profits and Losses

3 The long term debt/equity ratio has been ascertained on the basis of the total shareholders' funds as on December 31, 2009 and March 31, 2009 respectively. The debt/equity ratio is expected to change depending on the conversion of options to be exercised by the Preference Shareholders and the promoter directors to whom warrants against share capital have been issued.

APPENDIX XIV

STATEMENT OF TAX SHELTER (STANDALONE) – RESTATED

Rs. in Millions

		As at December 31,		As at March 31,				
	PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
	Profit before current and deferred taxes, as restated	700.02	478.50	535.67	258.44	23.38	(0.03)	-
	Weighted average tax rate (%)	33.99%	33.99%	33.99%	33.99%	33.66%	33.66%	35.88%
A	**Tax expense at weighted average rate (A)**	**237.94**	**162.64**	**182.07**	**87.84**	**7.87**	**-**	**-**
	Adjustments							
B	**Permanent Differences**							
	Tax impact of Tonnage Tax under section 115VW of the Act	(621.50)	(487.88)	(753.15)	(227.18)	(6.40)	-	-
	Cancellation Loss on Forward Contract for Investment	-	-	-	(25.83)	-	-	-
	Expenses disallowed	43.68	4.71	22.22	5.50	0.86	-	-
		-	-	-	-	-	-	-
	Dividend exempt u/s 10 (35) of the Act	(26.74)	(31.91)	(47.36)	(30.73)	(15.40)	-	-
	Total (B)	**(604.56)**	**(515.08)**	**(778.29)**	**(278.24)**	**(20.94)**	**-**	**-**
C	**Timing Differences**							
	Difference between book depreciation and tax depreciation	0.71	(0.26)	0.36	0.09	(0.01)	-	-
	Provision for Diminuition in value of investments	-	(26.72)	(26.94)	26.94	-	-	-
	Provision for retirement benefits	-	-	-	0.53	0.06	-	-
	Loss on liquidation of subsidiary	-	26.87	26.87	-	-	-	-
	Effect of tax losses claimed / utilsed	(96.04)	36.86	242.51	-	-	-	-
	Others	(0.18)	(0.18)	(0.18)	(0.18)	0.72	(0.01)	(0.01)
	Total (C)	**(95.51)**	**36.57**	**242.62**	**27.38**	**0.77**	**(0.01)**	**(0.01)**
D	**Net Adjustment (B) + (C)**	**(700.07)**	**(478.51)**	**(535.67)**	**(250.86)**	**(20.17)**	**(0.01)**	**(0.01)**
E	**Tax saving thereon (E)**	(237.95)	(162.65)	(182.07)	(85.27)	(6.79)	-	-
F	**Net Impact (A) + (E)**	**-**	**-**	**-**	**2.58**	**1.08**	**-**	**-**

	PARTICULARS	As at December 31,		As at March 31,				
		2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
G	**Incremental tax due to MAT**	**11.61**	-	**-**	-	-	-	-
H	**Total Current Tax**	**11.61**	**-**	**-**	**2.58**	**1.08**	**-**	**-**
	Provision for current domestic tax as per the books of accounts	**-**	-	**-**	5.50	3.25	-	-
	Provision for foreign taxes as per the books of accounts	**-**	**-**	**-**	(0.19)	2.13	-	-
	Total tax expenses as per the books of accounts	**-**	-	**-**	5.31	5.38	-	-

Notes:

The information pertaining to the 2004-05 to 2006-07 are as per assessment orders for the said years. The information pertaining to 2007-08 and 2008-09 are as per the Return of Income filed by the Company. The information pertaining to the periods ended 31st December, 2008 and 31st December, 2009 are as per computation of Income Tax.

APPENDIX XV

STATEMENT OF DIVIDEND PAID (STANDALONE)

Rs. in Millions

		Period ended December 31,		Year ended March 31,				
Class of Shares	**Face Value**	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Equity Shares								
- Interim								
- Final				_______________ NIL _______________				
Total								

The Board of Directors,
Greatship (India) Limited
Ocean House, 134-A
Dr.Annie Besant Road
Mumbai-400 018.

Dear Sirs,

Re: Proposed initial public offer of equity shares having a face value of Rs. 10/- each for cash, at an issue price to be arrived at by the book building process (referred as the 'Offer').

1) We have examined the attached consolidated financial information of **Greatship (India) Limited** ("the Company"), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part II of Schedule II of the Companies Act, 1956 ("the Act") and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date ("the ICDR Regulations"), the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India ('ICAI') and in terms of our engagement agreed upon with the Company in connection with the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus (collectively hereinafter referred to as "Offer document") for proposed issue of Equity shares of the Company.

2) This information has been extracted by the Management from the audited consolidated financial statements of the Company for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 and for the periods ended December 31, 2009 and December 31, 2008 which have been approved by the Board of Directors and except for the periods ended December 31, 2009 and December 31, 2008, adopted by the Members of the Company at the respective Annual General Meetings.

3) We did not audit the financials statements of certain subsidiaries for the periods ended December 31, 2009 and December 31, 2008 and for the financial years ended March 31, 2009, March 31, 2008 and March 31, 2007 whose financial statements reflect total assets of Rs.19736.99 million, total revenue of Rs.556.78 million and net cash outflow of Rs167.93 for the period ended December 31, 2009, total assets of Rs.10080.11 million, total revenue of Rs.489.31 million and net cash inflows of Rs.1313.22 million for the period ended December 31, 2008, total assets of Rs. 7467.88 million, total revenue of Rs. 644.48 and net cash inflows of Rs. 912.27 for the financial year ended March 31, 2009, total assets of Rs.3827.95 million, total revenue of Rs. 8.64 million and net cash inflows of Rs. 155.95 million for the financial year ended March 31, 2008, and total assets of Rs.791.20 million, total revenue of Rs. Nil and net cash inflows of Rs. 26.37 million for the financial year ended March 31, 2007. These financial statements have been audited by other auditors M/s. Shanker Iyer & Co., Certified Public Accountants, Singapore and M/s.UHY Heeralall, Certified Public Accountants, Mauritius, whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in the Restated Consolidated Financial Information is based solely on the report of the other auditors.

4) In accordance with the requirements of Paragraph B of Part II of Schedule II of the Act, the ICDR Regulations and terms of our engagement agreed with you, we report that:

    a) The Summary Statement of Assets and Liabilities (Consolidated), as restated, of the Company as at December 31, 2009, December 31, 2008, March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 examined by us, as set out in Appendix I to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities and Consolidated Statement of Profits and Losses, as restated. (Refer Appendix IV and V).

    b) The Summary Statement of Profits and Losses (Consolidated), as restated, of the Company for the periods ended December 31, 2009 and December 31, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 examined by us, as set out in Appendix II to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities and Consolidated Statement of Profits and Losses, as restated. (Refer Appendix IV and V).

c) The Statement of Cash Flows (Consolidated), as restated, of the Company for the periods ended December 31, 2009 and December 31, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006 and March 31, 2005 examined by us, as set out in Appendix III to this report are after making adjustments and regroupings as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Consolidated Statement of Assets and Liabilities and Consolidated Statement of Profits and Losses, as restated. (Refer Appendix IV and V).

The Summary Statement of Consolidated Assets and Liabilities, Consolidated Profits and Losses and Consolidated Cash Flows, as restated, and more specifically described in point 3(a), 3(b) and 3(c) above are together hereinafter referred to as 'Restated Consolidated Financial Information'.

d) Based on the above and also as per reliance placed on the reports submitted by the other auditors M/s. Shanker Iyer & Co., Certified Public Accountants, Singapore and M/s.UHY Heeralall, Certified Public Accountants, Mauritius, for the subsidiaries for the respective years, we are of the opinion that the Restated Consolidated Financial Information has been made after incorporating:

    i) Adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy adopted by the Group as at December 31, 2009 for all the reporting periods.

    ii) Adjustments for material amounts pertaining to previous years in the respective financial years to which they relate.

    iii) There are no extra-ordinary items that need to be disclosed separately in the accounts and no audit qualifications requiring adjustments.

e) We have also examined the following other financial information set out in the appendix prepared by the management and approved by the Board of Directors relating to the Company and its subsidiaries for the for the periods ended December 31, 2009 and December 31, 2008 and for the years ended March 31, 2009, March 31, 2008, March 31, 2007, March 31, 2006, and March 31, 2005.
    i) Consolidated Statement of Significant Accounting Policies (Appendix IV)
    ii) Notes to Consolidated Statement of Assets and Liabilities and Consolidated Statement of Profits and Losses, as restated (Appendix V)
    iii) Consolidated Statement of Other Income, as restated (Appendix VI)
    iv) Consolidated Statement of Investments, as restated (Appendix VII)
    v) Consolidated Statement of Debtors, as restated (Appendix VIII)
    vi) Consolidated Statement of Loans and Advances as restated (Appendix IX)
    vii) Consolidated Statement of Secured and Unsecured Loan, as restated (Appendix X)
    viii) Consolidated Statement of Significant transactions with Related Parties (Appendix XI)
    ix) Consolidated Statement of Accounting Ratios, as restated (Appendix XII)
    x) Consolidated Statement of Capitalisation as at December 31, 2009 and March 31, 2009 (Appendix XIII)
    xi) Consolidated Statement of Dividend paid (Appendix XIV)

In our opinion, the financial information contained in Appendix VI to XIV of this report read along with the Significant Accounting Policies and Notes to the Consolidated Statement of Assets and Liabilities and Consolidated Statement of Profits and Losses, as restated (Refer Appendix IV and V) prepared after making adjustments and regroupings, as considered appropriate, have been prepared in accordance with Part II B of Schedule II of the Act and the ICDR Regulations.

5) Our report is intended solely for use of the management and for inclusion in the Offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used for any other purpose except with our consent in writing.

For and on behalf of,
Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No. 32083
Firm Registration No.104607W
Date: March 18, 2010

APPENDIX I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES (CONSOLIDATED) - RESTATED

Rs. in Millions

	PARTICULARS	As at December 31,		As at March 31,				
		2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
A.	**Fixed Assets**							
	Gross Block	23,063.45	7,506.99	9,464.52	3,638.11	911.91	-	-
	Less: Accumulated Depreciation	(997.74)	(382.45)	(493.56)	(162.20)	(29.98)	-	-
	Net Block	22,065.71	7,124.54	8,970.96	3,475.91	881.93	-	-
	Ships under construction	6,396.11	9,439.20	12,826.15	4,601.66	1,373.31	-	-
	Net Block	**28,461.82**	**16,563.74**	**21,797.11**	**8,077.57**	**2,255.24**	**-**	**-**
B.	**Investments**	390.68	331.05	1,639.52	543.68	345.69	-	-
C.	**Foreign Currency Monetary Item Translation Difference Account**	-	2.43	-	-	-	-	-
D.	**Deferred Tax Assets**	4.20	-	-	-	-	-	-
E.	**Current Assets, Loans and Advances**							
	Inventories	461.33	-	198.69	-	-	-	-
	Sundry Debtors	1,559.89	594.14	801.49	194.23	51.59	-	-
	Cash and Bank Balances	2,254.07	1,989.62	1,776.78	396.90	330.16	0.49	0.48
	Loans and Advances	405.56	228.18	184.23	68.18	292.45	-	-
	Other Current Assets	1.67	3.30	6.74	2.47	6.32	-	-
		4,682.52	**2,815.24**	**2,967.93**	**661.78**	**680.52**	**0.49**	**0.48**
F.	**Liabilities and Provisions**							
	Secured Loans	18,354.41	7,652.94	11,826.40	2,500.91	640.79	-	-
	Foreign Currency Monetary Item Translation Difference Account	3.44	-	6.29	-	-	-	-
	Current Liabilities and Provisions	2,021.17	1,681.56	1,810.29	141.26	28.41	0.04	0.01
		20,379.02	**9,334.50**	**13,642.98**	**2,642.17**	**669.20**	**0.04**	**0.01**
G.	**Net worth**	**13,160.20**	**10,377.96**	**12,761.58**	**6,640.86**	**2,612.25**	**0.45**	**0.47**
H.	**Represented by**							
	1. Share Capital	1,741.00	1,081.00	1,741.00	651.00	265.00	0.50	0.50
	2. Application money – Warrants	59.07	59.07	59.07	59.07	-	-	-
	3. Employee stock options outstanding	22.13	16.87	18.88	7.44	-	-	-
	4. Reserves	11,338.00	9,221.02	10,942.63	5,923.35	2,347.25	(0.05)	(0.03)
	Net worth	**13,160.20**	**10,377.96**	**12,761.58**	**6,640.86**	**2,612.25**	**0.45**	**0.47**

APPENDIX II

SUMMARY STATEMENT OF PROFITS AND LOSSES (CONSOLIDATED) - RESTATED

Rs. in Millions

	Period ended December 31,		Year ended March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Income							
Charter Hire	5,316.65	2,051.94	3,044.53	836.56	185.25	-	-
Total	**5,316.65**	**2,051.94**	**3,044.53**	**836.56**	**185.25**	**-**	**-**
Other Income	57.03	76.47	114.87	56.80	31.40	-	-
Total Income	**5,373.68**	**2,128.41**	**3,159.40**	**893.36**	**216.65**	**-**	**-**
Expenditure							
Staff Costs	830.99	249.49	413.80	137.53	63.98	-	-
Operating Expenses	2,552.12	860.09	1,439.58	154.47	25.60	-	-
Administration Expenses	347.63	178.58	220.96	129.97	31.66	0.03	-
Interest and Finance Charges	469.60	173.83	277.09	119.19	42.77	-	-
Depreciation	509.49	220.82	331.36	132.22	29.98	-	-
Total Expenses	**4,709.83**	**1,682.81**	**2,682.79**	**673.38**	**193.99**	**0.03**	**-**
Net Profit before tax and Extraordinary Items	**663.85**	**445.60**	**476.61**	**219.98**	**22.66**	**(0.03)**	**-**
Taxation	7.41	1.40	2.10	6.50	1.84	-	-
Net Profit before Extraordinary Items	**656.44**	**444.20**	**474.51**	**213.48**	**20.82**	**(0.03)**	**-**
Extra - Ordinary Items (net of Tax) Gain/(Loss)	-	-	-	-	-	-	-
Net Profit after Extraordinary Items	**656.44**	**444.20**	**474.51**	**213.48**	**20.82**	**(0.03)**	**-**
Transfer to Tonnage Tax Reserves us 115VT of Income Tax Act	-	-	160.00	85.00	3.50	-	-
	-	-	-	-	-	-	-
Balance brought forward from previous year	532.76	145.75	145.75	17.27	(0.05)	(0.02)	(0.02)
	-	-	-	-	-	-	-
Transferred to Share Capital	-	72.50	72.50	-	-	-	-
Balance Carried Forward	**1,189.20**	**662.45**	**532.76**	**145.75**	**17.27**	**(0.05)**	**(0.02)**

APPENDIX III

STATEMENT OF CASH FLOWS (CONSOLIDATED) - RESTATED

Rs. in Millions

	Period ended December 31,		Year ended March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
CASH FLOW FROM OPERATING ACTIVITIES :							
PROFIT BEFORE TAX:	**663.85**	**445.60**	**476.61**	**219.98**	**22.66**	**(0.03)**	**-**
Adjustment for:							
Depreciation	509.49	220.82	331.36	132.22	29.98	-	-
Interest income	(8.34)	(6.63)	(10.17)	(25.07)	(16.00)	-	-
Interest paid	597.11	173.83	277.09	119.19	42.77	-	-
Dividend income	(26.74)	(31.91)	(47.36)	(30.72)	(15.39)	-	-
Provision for Bad and Doubtful Debts	26.25	2.29	3.99	-	-	-	-
Bad Debts Written off	0.50	-	-	-	-	-	-
Employee Stock Option - Discount forming part of staff expenses	3.25	9.43	11.44	7.44	-	-	-
Loss on sale of current Investment	-	-	-	0.03	-	-	-
Profit/ Loss Car	(0.74)	0.21	(0.12)	-	-	-	-
Diminution in value of investments	-	-	-	26.93	-	-	-
Diminution in value of investment written back	-	(26.72)	(26.93)	-	-	-	-
Loss on liquidation of subsidiary	-	76.18	76.18	-	-	-	-
Foreign exchange	79.69	141.04	38.73	(11.85)	3.31	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES :	**1,844.32**	**1,004.14**	**1,130.82**	**438.15**	**67.33**	**(0.03)**	**-**
Adjustment for:							
Trade & Other Receivables	(896.09)	251.12	(930.81)	30.58	(286.02)	-	-
Trade payables	202.32	801.51	941.21	96.97	28.37	0.04	-
CASH GENERATED FROM/(USED IN) OPERATIONS :	**1,150.55**	**2,056.77**	**1,141.22**	**565.70**	**(190.32)**	**0.01**	**-**
Taxes paid	(71.30)	(4.90)	(6.39)	(10.26)	(4.19)	-	-
NET CASH FROM/(USED IN) OPERATING ACTIVITIES :	**1,079.25**	**2,051.87**	**1,134.83**	**555.44**	**(194.51)**	**0.01**	**-**
CASH FLOW FROM INVESTING ACTIVITIES :							
Purchase of Fixed Assets	(8,786.65)	(7,242.86)	(13,121.19)	(6,078.35)	(2,334.87)	-	-

PARTICULARS	Period ended December 31, 2009	2008	Year ended March 31, 2009	2008	2007	2006	2005
Sale proceeds of Fixed Assets	0.36	0.74	-	-	-	-	-
Purchase of Investments	(357.94)	(2,408.92)	(5,183.24)	(4,560.98)	(1,540.73)	-	-
Sale proceeds of Investments	1,600.00	2,140.16	5,605.62	4,310.21	1,169.74	-	-
Interest income	13.03	5.75	5.91	25.07	9.68	-	-
Dividend income	26.74	31.91	47.36	30.72	15.40	-	-
NET CASH USED IN INVESTING ACTIVITIES :	**(7,504.46)**	**(7,473.22)**	**(12,645.54)**	**(6,273.33)**	**(2,680.78)**	**-**	**-**
CASH FLOW FROM FINANCING ACTIVITIES :							
Proceeds from issue of Share Capital	-	2,760.00	4,740.00	3,919.07	2,559.50	-	-
Proceeds from Long Term Borrowings	7,248.48	4,693.67	7,852.71	2,116.96	724.72	-	-
Proceeds from Finance Lease	860.90	-	940.65	-	-	-	-
Repayment of Long Term borrowings	(512.69)	(242.32)	(386.73)	(132.98)	(34.29)	-	-
Repayment of Finance Lease	(53.29)	-	(5.54)	-	-	-	-
Interest paid	(586.76)	(185.92)	(261.55)	(123.53)	(42.77)	-	-
NET CASH FROM FINANCING ACTIVITIES :	**6,956.64**	**7,025.43**	**12,879.54**	**5,779.52**	**3,207.16**	**-**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**531.43**	**1,604.08**	**1,368.83**	**61.63**	**331.87**	**0.01**	**-**
OPENING CASH AND CASH EQUIVALENTS	1,762.82	393.99	393.99	332.36	0.49	0.48	0.48
	-	-	-	-	-	-	-
CLOSING CASH AND CASH EQUIVALENTS	2,294.25	1,998.07	1,762.82	393.99	332.36	0.49	0.48
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :	**531.43**	**1,604.08**	**1,368.83**	**61.63**	**331.87**	**0.01**	**-**
CLOSING CASH AND CASH EQUIVALENTS	2,254.07	1,989.62	1,776.78	396.90	330.16	0.49	0.48
Effect of exchange rate changes (Loss / (gain))	40.18	8.45	(13.96)	(2.91)	2.20	-	-
	2,294.25	**1,998.07**	**1,762.82**	**393.99**	**332.36**	**0.49**	**0.48**

Appendix IV

SIGNIFICANT ACCOUNTING POLICIES:

(c) **Accounting Convention :**

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

(d) **Use of Estimates :**

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

(c) **Fixed Assets :**

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

(d) **Investments :**

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

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

(e) **Inventories :**

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

(f) **Borrowing Costs :**

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

(g) **Revenue Recognition :**

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

(h) **Operating Expenses :**

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

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

(ii) **Employee Benefits :**

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

(i) Defined Contribution Plan

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

(ii) Defined Benefit Plan

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

(iii) Other Long Term Benefits

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

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

(j) **Depreciation :**

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

Depreciation on Fixed Assets of subsidiaries is determined using the straight line method over the useful life of the assets based on technical evaluation of the expected useful life.

The estimated useful lives are as under :-

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

(k) **Asset Impairment :**

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

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

(l) **Foreign Exchange Transactions :**

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

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

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

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

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

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

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

(n) **Provision for Taxation :**

Tax expense comprises both current and deferred tax.

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

(iv) 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.

Appendix V

NOTES TO CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AND CONSOLIDATED STATEMENT OF PROFIT AND LOSSES

1) **Company Background :**

Greatship (India) Limited was incorporated on June 26, 2002 and is registered in the State of Maharashtra. The Company and its subsidiaries are providing offshore oilfield services with the principal activity of operating and owning mobile offshore drilling units and offshore supply vessels.

2) **Basis of Consolidation :**

The consolidated financial statements relate to Greatship (India) Limited and its wholly owned subsidiaries (collectively referred to as Group). The consolidation of accounts of the Company with its subsidiaries has been prepared in accordance with Accounting Standard (AS) 21 'Consolidated Financial Statements'. The financial statements of the parent and its subsidiaries are combined on a line by line basis and intra group balances, intra group transactions and unrealised profits or losses are fully eliminated.

In case of foreign subsidiaries, revenue items are consolidated at the average rates of exchange prevailing during the year. All assets and liabilities are converted at the exchange rates prevailing at the end of the period. Exchange gain / (loss) arising on conversion are recognized under foreign currency translation reserve.

3) **Information on subsidiaries :**

The subsidiary companies considered in the consolidated financial statements are:

Sr. No.	Name of the company	Country of Incorporation	Date of Incorporation	Percentage of Holding
1	Greatship Holdings B.V. (Liquidated on July 17, 2008)	Netherlands	November 22, 2006	-
2	Greatship Global Holdings Ltd. (GGHL) (subsidiary of GIL)	Mauritius	May 30, 2007	100%
3	Greatship Global Energy Services Pte. Ltd. (subsidiary of GGHL)	Singapore	October 23, 2006	100%
4	Greatship Global Offshore Services Pte. Ltd. (subsidiary of GGHL)	Singapore	May 8, 2007	100%
5	Greatship DOF Subsea Projects Private Limited	Mumbai	November 10, 2008	100%

4) The financial statements of the subsidiaries used in the consolidation are drawn upto the same reporting date as that of the Company.

5) **Changes in accounting policies**

Impact of changes in accounting policy and Previous Year adjustments :

(Rs in Million)

Particulars	Period ended December 31 2009	2008	Year Ended March 31 2009	2008	2007
Net Profit/(Loss) after tax as per audited Financial Statement (A)	653.57	193.48	447.20	410.31	18.66
Restatement Adjustments on account of changes in Accounting Policies					
1 Exchange differences on long term monetary items relating to acquisition of depreciable capital assets reversed from P/L as per Government Notification dated 31 March 2009 revised- AS 11 (refer Note 5 a (i) and 6 a)	-	248.19	-	(123.86)	-
2 Gain / Loss on forward contracts credited / debited to Fixed Assets and Investments on adoption of principles of hedge accounting enunciated in AS30. (Refer Note 5 a (ii) and 6 b)	-	-	-	(77.42)	-
3 Gain on cancellation of forward contracts entered into to hedge firm commitments and highly probable forecast transaction held in hedging reserve account (Refer Note 5 a (ii) and 6 c)	-	0.37	0.37	(5.56)	-
4 (Increase) / decrease in depreciation charge owing to adjustment 1 & 2 above. (Refer Note 6 d)	5.10	(17.06)	3.47	7.94	-
5 Reversal and amortisation of ancilliary borrowing costs. (Refer Note 6 e)	(2.52)	19.26	23.64	4.34	-
6 *Prior period adjustments :*					
(a) Income tax assessement for AY 2007-08 in December 2009. (Refer Note 6 f)	(2.14)	-			2.14
(b) Disallowanceof Cenvat credit as per notice of Servicetax department (Refer Note 6 g)	2.42	(0.04)	(0.16)	(2.26)	-
Total restatement adjustments (B)	**2.87**	**250.72**	**27.31**	**(196.83)**	**2.14**
Net Profit/(Loss) after tax - Restated (A) + (B)	**656.44**	**444.20**	**474.51**	**213.48**	**20.80**

a) For the year ended March 31, 2009 :

i. The Ministry of Corporate Affairs vide notification dated March 31, 2009 issued the Companies (Accounting Standards) Amendment Rules 2009, inserting paragraph 46 in Accounting Standard (AS) 11 "The Effects of Changes in Foreign Exchange Rates". Pursuant thereto, the Group exercised the option available under the said paragraph 46 retrospectively with effect from April 1, 2007 in respect of all long term foreign currency monetary items covered under the notification. Accordingly, losses arising from the effect of changes in foreign exchange rates on repayment of loans and revaluation of the outstanding foreign currency loans including currency swaps relating to acquisition of depreciable capital assets amounting to Rs. 924.39 Mn for the year ended March 31, 2009 were added to the cost of such assets and in the case of other long-term monetary assets and liabilities, gains of Rs. 6.29 Mn were accumulated in the "Foreign Currency Monetary Item Translation Difference Account". Further as prescribed in the Notification, the corresponding foreign exchange gains of Rs. 118.19 Mn (net of depreciation of Rs. 5.67 Mn) for the year ended March 31, 2008 on monetary items relating to acquisition of depreciable capital assets had been reversed from the Profit and Loss account balance of the previous year and deducted from the cost of such assets.

ii. The Group, with effect from April 1, 2008, adopted the principles of hedge accounting enunciated in Accounting Standard (AS) 30 – 'Financial Instruments Recognition and Measurement', in accordance with the recommendation of the Institute of Chartered Accountants of India. Accordingly, forward exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps, which were designated as part of a hedging relationship and which qualified as effective hedges were accounted in accordance with the principles of hedge accounting and the unrealized gains or (losses) on such designated hedging instruments amounting to Rs. (656.97) Mn were recorded in the Hedging Reserve account as on March 31, 2009. There is no impact on the profit for the year consequent to the change, as in the previous years such exchange differences were accounted for on settlement alongwith the cash flow from the hedged transaction / commitment.

Further, in accordance with the principles of hedge accounting, foreign exchange loss of Rs. 81.08 Mn were transferred during the year ended March 31, 2009 from the Hedging Reserve account to the cost of the hedged assets upon acquisition.

b) For the period ended December 31, 2009 :

i) With effect from April 1, 2009, the Group has included ancillary costs, namely arrangement fees / upfront fees, incurred in connection with the arrangement of borrowings as part of borrowing costs and amortised the same over the period of borrowing. Upto the previous year, such ancilliary costs were being charged to revenue in the period in which the borrowing was arranged. Consequent to the change, ancilliary borrowing costs amounting to Rs. 149.09 Mn have been carried forward for amortization over the loan period and the profit for the period is higher to that extent.

ii) With effect from April 1, 2009, the Group has changed the method of ascertainment of cost of inventory of stores and spares on board Rigs from first-in-first-out basis to the weighted average method, pursuant to implementation of the enterprise resource planning software. There is no material change in the valuation of inventory or impact on the profit for the period consequent to the change.

6) Restatement Adjustments :

In terms of Schedule VIII, Clause IX (9) of the SEBI (ICDR) Regulations, 2009 and other provisions, the Statement of Assets and Liabilities and the Statement of Profit and Loss for the years ended March 31, 2009, March 31, 2008, March 31, 2007 and the period ended December 31, 2008 have been restated to reflect the assets /liabilities and profits/ losses of the respective years on the basis of the revised uniform policy as follows:

a) foreign currency gain of Rs. 123.86 Mn and (loss) of Rs. (248.19) Mn on long term monetary items relating to acquisition of depreciable capital assets for the year ended March 31, 2008 and period ended December 31, 2008 respectively has been deducted from / added to the cost of such assets and reversed from the Profit and loss account for the year/ period. Also, during the period ended December 31, 2008, Rs. 452.49 Mn being the loss on long term monetary items relating to acquisition of depreciable capital assets was also added to the cost of fixed assets by reversal from the Hedging Reserve Account.

b) Gains / (losses) on forward contracts entered into for hedging of capital commitments in foreign currency amounting to Rs.103.19 Mn and Rs. (25.83) Mn respectively have been credited / debited to Fixed Assets (including Ships under construction) and Investment in subsidiaries respectively in the restated Financial statements of March 31, 2008 in accordance with the change in accounting policy in 2009 adopting the principles of hedge accounting as stated in para (ii) above.

Also, the unrealized gains or (losses) on derivative transactions as on March 31, 2008 and March 31, 2007 which were identified as cash flow hedges have been recorded in the Hedging Reserve account in the Consolidated financial statements amounting to Rs. (27.00) Mn and Rs. 56.76 Mn in each of the said years respectively in accordance with the change in accounting policy in 2009 adopting the principles of hedge accounting as statedin para 5(a)(ii) . There is no impact on the consolidated Statement of Profit and Loss for these years.

c) Gains on cancellation of forward contracts entered into to hedge foreign currency risk of firm commitments or highly probable forecast transactions which were identified as cash flow hedges amounting to Rs. 5.56 Mn have been debited to the Profit and loss account for the year ended March 31, 2008 and held in the Hedging Reserve Account in accordance with the principles of AS 30. Of the same, Rs 0.37 Mn has been reversed from Hedging Reserve and transferred to Profit and Loss Account during the period/year ended December 31, 2008 / March 31, 2009 on maturity of the contract.

d) The depreciation charge for the years ended March 31, 2009, March 31, 2008 and periods ended December 31, 2009 and December 31, 2008 has been increase / (decreased) by Rs. (3.47) Mn, Rs. (7.94) Mn and Rs. (5.10) Mn and Rs.17.06 Mn respectively due to the increase / decrease in the carrying cost of the depreciable capital asset consequent to the addition / deduction of exchange gains / (losses) as stated above.

e) The ancillary borrowing cost charged to revenue during the years ended March 31, 2009, March 31, 2008 and period ended December 31, 2008 amounting to Rs. 25.19 Mn, Rs. 4.64 Mn & Rs. 20.26 Mn respectively have been reversed and are being amortised over the period of borrowing as per the policy adopted in para 3 (b) above. Consequent thereto, borrowing costs for the years ended March 31, 2009, March 31, 2008 and periods ended December 31, 2008 and December 31, 2009 have been restated as per the revised policy and the profit before tax for the said periods is increased/(reduced) by Rs. 23.64 Mn, Rs.4.34 Mn, Rs. 19.26 Mn and Rs. (2.52) Mn respectively.

f) During the period ended December 31, 2009, Income Tax assessment for the A.Y. 2007-08 was completed. Accordingly the effect of reversal of tax provision of Rs 2.14 Mn has been given in the period to which tax is related.

g) During the period ended December 31, 2009, Service tax department disallowed certain cenvat credit on input of Rs. 0.05 Mn for the year ended March 31, 2008 and Rs. 0.16 Mn for the year ended March 31, 2009, claiming that such expenses are inadmissible towards claim against service tax liability, the same was paid alongwith the interest by the Company. The Company also received intimation from the Service tax department contending that the Company has availed 100% CENVAT credit instead of 20%, resulting into short payment of service tax of Rs. 2.21 Mn which has been provided in the books of account. Effect of this has been given in the period to which tax is related.

7) **Contingent Liabilities :**

Rs. in Millions

PARTICULARS	As at December 31,		As at March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
e) Guarantees given by bank	670.49	527.81	655.71	977.62	1,477.82	-	-
f) Corporate Guarantees given on behalf of subsidiary companies	16,513.41	5,167.00	11,003.69	10,044.07	1,085.00	-	-
g) Custom Duty for Import of vessel under provisional duty bond	88.23	-	-	-	-	-	-
h) Service tax claim pending resolution (net) (Refer Note II below)	5.51	-	-	-	-	-	-

Note i :

The Company imported a vessel under Bill of Entry for Home Consumption on October 7, 2009 by utilizing the SFIS credit certificate (DFCEC) for the customs duty payable of Rs. 88.23 Mn. The Deputy Commissioner of Customs, Mumbai, pending clarification sought by him from the Central Board of Excise and Customs, New Delhi, regarding clearance of the vessels under DFCEC Scheme, has made provisional assessment of the vessel, against security Bond issued by the Company for the full value of the vessel of Rs. 936.46 Mn.

Note ii :

The Company filed a service tax refund application dated March 24, 2008 with the Assistant Commissioner of Service Tax, Division III, Mumbai Commissionerate for Service tax refund of Rs. 7.72 Mn erroneously deposited from June 2007 to November 2007, on certain non taxable services. Subsequently the Company has received intimation from the Service tax department contending that the Company has availed 100% CENVAT credit instead of 20%, resulting into short payment of service tax of Rs. 2.21 Mn, which has been provided in the books of Account, which will be finalized and settled depending on the final outcome of the refund application. The Management is of the opinion that the (net) refund claim of Rs. 5.51 Mn is receivable and hence no provision is made in the books of account.

8) **Commitments :**

Arrears of fixed cumulative dividend on the redeemable preference shares is as under :

Rs. in Millions

	For the period ended December 31,		For the year ended March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
For the year ended March 31, 2009	11.01	1.63	11.01	-	-	-	-
Dividend Distribution Tax on above	1.87	0.28	1.87	-	-	-	-
For the period ended December 31, 2009	49.73	-	-	-	-	-	-
Dividend Distribution Tax on above	8.45	-	-				
Total	**71.06**	**1.91**	**12.88**	**-**	**-**	**-**	**-**

9) **Share Capital :**

During the year ended March 31, 2009, the Company had issued 88,000,000 7.5% Cumulative Convertible Redeemable Preference Shares of the face value of Rs. 10/- each at a premium of Rs. 20/- each on preferential basis under section 81 (1A) of the Companies Act, 1956 to the Holding Company, "The Great Eastern Shipping Company Limited". The holding company has confirmed that it will not exercise the option of conversion, hence, the said preference shares would be redeemed, in three tranches as under:

29,333,333 preference shares on December 31, 2011.
29,333,334 preference shares on December 31, 2012.
29,333,333 preference shares on December 31, 2013.

at a premium of Rs. 26/- per share payable on redemption. The premium payable on redemption has been provided on pro-rata basis for the expired period from the Securities Premium Account.

10) **Warrants against Share Capital :**

On February 20, 2008, the Company had issued and allotted 4,207,000 Warrants out of total 6,027,000 Warrants approved by the shareholders, on preferential basis to the promoter directors of the holding company 'The Great Eastern Shipping Co. Ltd.'. The Warrant holders have the option to convert these Warrants into equal numbers of equity shares of Rs. 10/- each of the Company, at a price of Rs. 140.40/- per equity share. The Company has received an advance of 10% amounting to Rs. 59,066,280/- from the Warrant holders, the balance amount being payable at the time of applying for conversion of Warrants into equity shares. The said warrants shall become exercisable not earlier than three months prior from the date on which the Company proposes to file a Draft Red Herring Prospectus (DRHP) with SEBI for IPO ("Date") but not later than 30 days from the Date. In the event, the Company fails to file a DRHP by December 31, 2010, the Warrant holders will be entitled to exercise their Warrants into shares on any day after that date but not later than March 31, 2011. If the entitlement against the Warrants to apply for the Equity Shares is not exercised within 30 days from the Date or by March 31, 2011, as the case may be, the Warrants shall expire and any amount paid on such Warrants shall stand forfeited. The funds raised by issue of said equity warrants would be utilised for additional working capital requirements and general corporate purposes.

As on December 31, 2009, The Promoter Directors of the holding company have not exercised the option of conversion of above shares to equity. In view of the same it is shown under shareholders' funds in Appendix XIII.

11) **Employee Stock Option Schemes :**

All the ESOPs are in respect of Company's shares where each stock option is equivalent to one equity share. The Board of Directors had at their meeting held on July 24, 2009, cancelled the Employee Stock Options Scheme - ESOP 2008 – III. No grants had been made under this Scheme. The employee stock options of the Company are presently operated under four different Employee Stock Options Schemes for the employees of the Company (including employees of parent company and subsidiaries). As on December 31, 2009, 1,420,700 options were outstanding under the various schemes.

The details of the various schemes and movements during the nine months ended December 31, 2009 are summarized as under :

Sr.No.	PARTICULARS	ESOP 2007 - I	ESOP 2007-II	ESOP 2008-I	ESOP 2008-II
1.	Date of Grant	10/08/07 28/01/08 05/05/09	28/01/08	12/02/08	23/10/08 19/03/09 05/05/09 24/07/09 23/10/09 28/12/09
2.	Date of Board Approval	23/01/07	20/11/07	28/01/08	28/01/08
3.	Date of Shareholders' Approval	27/03/07	21/11/07	31/01/08	31/01/08
4.	Options outstanding as on April 1, 2009	537,900	89,100	60,000	311,900
5.	Options granted during the period from April 1, 2009 to December 31, 2009	05/05/09-46,700	-	-	05/05/09 – 81,400 24/07/09 – 32,900 23/10/09–201,200 28/12/09- 118,400
6.	Options cancelled/forfeited during the period from April 1, 2009 to December 31, 2009	-	-	-	58,800

7.	Options Exercised during the period from April 1, 2009 to December 31, 2009	--	--	--	--
8.	Options outstanding as on December 31, 2009	584,600	89,100	60,000	687,000
9.	Exercise Price	100	100	100	135
10.	Exercise period from the date of vesting	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later	One year from the date of vesting/listing whichever is later
11.	Exercisable at end of the period from April 1, 2009 to December 31, 2009	--	--	--	--
12.	Method of Settlement	Equity/Cash	Equity	Equity	Equity/Cash
13.	Vesting period from the date of grant	20% equally over a period of five years	One year	One year	20% equally over a period of five years
14.	Vesting conditions	Continued employment with the Company (includes transfer within group companies) and achievement of 80% of the budgeted profits for a year	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the holding company 'The Great Eastern Shipping Co. Ltd.' (includes transfer within group companies)	Continued employment with the Company or subsidiaries (includes transfer within Company and subsidiaries)and achievement of 80% of the budgeted profits for a year

(a) Modification of ESOP Schemes:

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

ii) Pursuant to the cancellation of the Employee Stock Options Scheme 2008 – III for grant of stock options to the employees of the floating staff of the Company and its subsidiaries, 11,10,000 stock options approved to be granted under ESOP 2008 – III were allocated to the ESOP 2008 – II, thereby increasing the total number of options to be granted to the employees of the Company and its subsidiaries under ESOP 2008-II from 6,00,000 to 17,10,000.

(b) The employee stock option schemes have been accounted based on the intrinsic value method. The compensation expense amount which is the difference between exercise price of the option and the intrinsic value of shares amortised in the respective financial years / periods is as under:

Rs. in Millions

Details	For the period ended December 31, 2009	2008	For the year ended March 31, 2009	2008	2007	2006	2005
Compensation expense amortised	3.25	9.43	11.44	7.44	-	-	-

The cumulative amount of Employee Stock Option expense amortised upto December 31, 2009 of Rs. 22.12 Mn is included under Shareholders' funds in Appendix XIII.

Had the compensation cost for the stock options granted been recognised, basis fair value method, the compensation expense to be amortised and impact on EPS (basic) and EPS (diluted) in each year / period would be as follows :

PARTICULARS	For the Period ended December 31, 2009	2008	As at March 31, 2009	2008	2007	2006	2005
Compesation expenses	1.22	0.31	0.74	14.56	-	-	-
EPS (Basic)	0.014	0.004	0.009	0.341	-	-	-
EPS (Diluted)	0.014	0.004	0.008	0.333	-	-	-

12) **Fixed Assets :**

a) Estimated amount of contracts, net of advances paid thereon, remaining to be executed on capital account and not provided :-

Rs. in Millions

PARTICULARS	As at December 31, 2009	2008	As at March 31, 2009	2008	2007	2006	2005
Capital Commitment	13,207.72	26,479.50	19,953.98	23,101.92	14,262.77	-	-

b) The amount of exchange loss/(gain) on account of fluctuation of the rupee against foreign currencies and (gains) / losses on hedging contracts (including on cancellation of forward covers), relating to long term monetary items and capital commitments for acquisition of depreciable capital assets added to the carrying amount of fixed assets in the respective financial years / periods is as under :

Rs. in Millions

	For the period ended December 31, 2009	2008	For the period ended March 31, 2009	2008	2007	2006	2005
Exchange Gain / (loss) added to carrying amount of fixed assets	427.01	(716.42)	(1,106.24)	227.05	88.01	-	-

13) **Cash and Bank Balances :**

Balance with scheduled bank on deposit account represents the margin deposit placed with the bank, under a lien against the guarantees issued by the said bank are as follows:

Rs. in Millions

PARTICULARS	For the period ended December 31, 2009	2008	For the period ended March 31, 2009	2008	2007	2006	2005
Cash & Bank Balances	-	-	-	115.10	190.00	-	-

Balances with other banks on call/deposit accounts includes cash collateralized towards letter of credit facilities amounting as follows:

Rs. in Millions

PARTICULARS	For the period ended December 31, 2009	2008	For the period ended March 31, 2009	2008	2007	2006	2005
Cash collected towards letter of credit facilities	127.97	1,148.79	279.89	-	-	-	-

14) The balances of debtors and creditors are subject to confirmation.

15) **Taxation :**

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

16) **Hedging Contracts :**

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

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

Rs. in Millions

PARTICULARS	As at December 31, 2009	2008	As at March 31, 2009	2008	2007	2006	2005
Mark to Market (loss) / gain	(240.99)	(671.81)	(656.97)	(21.44)	56.77	-	-

i) Derivative instruments outstanding:

(a) Forward Exchange Contracts:

1) Forward Exchange Contracts (in USD million):

Details	As at December 31,		As at March 31,				
Forward Contracts - Purchased	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	-	1	-	3	-	-	-
Foreign Currency Value (in USD million)	-	10.00	-	15.00	-	-	-
Foreign Currency Value (in NOK million)	-	-	-	7.21	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	-	24.43	-	(4.20)	-	-	-
Maturity Period	-	Upto 3 Months	-	Upto 9 Months	-	-	-

Details	As at December 31,		As at March 31,				
Forward Contracts - Sold	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	2	17	11	12	-	-	-
Foreign Currency Value (in USD million)	2.00	18.25	13.00	15.00	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	-	(75.30)	(68.84)	0.03	-	-	-
Maturity Period	Upto 2 Months	Upto 14 Months	Upto 11 Months	Upto 12 Months	-	-	-

2) Cross Currency Forward Exchange Contracts :

	As at December 31,		As at March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Total No. of contracts	6	14	12	10	7	-	-
Foreign Currency Value (in million)	-	-	-	-	-	-	-
Cross Currency Sterling Pound to US Dollar	-	-	-	-	11.40	-	-
Cross Currency Norwegian Krones to US Dollar	-	-	-	82.66	54.82	-	-
Cross Currency Euro to US Dollar	7.17	26.71	23.21	14.00	-	-	-
Cross Currency Singapore Dollar to US Dollar	55.42	83.94	74.54	27.21	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	(87.41)	(303.32)	(465.09)	31.78	23.98	-	-
Maturity Period	Upto 11 Months	Upto 23 Months	Upto 20 Months	Upto 10 Months	Upto 6 Months	-	-

(b) Forward Exchange Option Contracts

Cross Currency Forward Exchange Option Contracts:

Details	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Total No. of contracts	-	-	-	9	6	-	-
Foreign Currency Value (in million)	-	-	-	-	-	-	-
Cross Currency US Dollar to Sterling Pound	-	-	-	2.00	-	-	-
Cross Currency Norwegian Krones to US Dollar	-	-	-	79.53	84.92	-	-
Cross Currency Euro to US Dollar	-	-	-	0.70	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	-	-	-	34.97	32.78	-	-
Maturity Period	-	-	-	Upto 8 Months	Upto 16 Months	-	-

(c) Interest rate swap contracts:

Details	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Total No. of contracts	8	3	3	2	-	-	-
Principal Notional Amount (USD million)	236.07	77.95	77.18	30.56	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	(84.58)	(86.65)	(89.64)	(58.07)	-	-	-
Maturity Period	Upto 92 Months	Upto 69 Months	Upto 66 Months	Upto 49 Months	-	-	-

(d) Interest portion of Currency swap contracts:

Details	As at December 31,		As at March 31,				
	2009	2008	2009	2008	2007	2006	2005
Total No. of contracts	5	5	5	2	-	-	-
Principal Notional Amount (USD million)	72.20	80.65	78.54	31.78	-	-	-
Principal Notional Amount (JPY million)	7,773.78	8,686.34	8,449.32	3,641.99	-	-	-
Amount recognised in Hedging Reserve (loss)/gain (Rs'Mn)	(69.00)	(161.71)	(1.49)	(31.52)	-	-	-
Maturity Period	Upto 107 Months	Upto 119 Months	Upto 116 Months	Upto 93 Months	-	-	-

(e) Currency swap contracts:

Details	As at December 31,	As at March 31,

	2009	2008	2009	2008	2007	2006	2005
Total No. of contracts	5	5	5	2	-	-	-
Principal Notional Amount (USD million)	72.20	80.65	78.54	31.78	-	-	-
Principal Notional Amount (JPY million)	7,773.78	8,686.34	8,449.32	3,641.99	-	-	-

ii) Unhedge Foreign currency exposures

	As at December 31,		As at March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Loan liabilities and Payables							
(USD in millions)	160.19	111.51	6.20	62.33	14.82	-	-
(GBP in millions)	0.06	1.06	0.74	-	-	-	-
(JPY in millions)	23.42	28.42	64.96	-	-	-	-
(NOK in millions)	-	0.54	0.09	-	-	-	-
(SGD in millions)	0.36	0.42	0.90	-	-	-	-
Other currencies (in millions)	0.56	0.63	0.42	-	-	-	-
Receivables							
(USD in millions)	29.25	4.73	-	-	-	-	-
(GBP in millions)	(0.15)	1.22	0.38	-	-	-	-
(SGD in millions)	0.30	0.78	0.21				
Bank Balances							
(USD in millions)	26.71	9.40	23.27	-	3.75	-	-
(GBP in millions)	0.48	0.35	1.51	-	-	-	-
(SGD in millions)	0.65	0.42	1.86				

17) **Disclosure pursuant to According Standard - 15 (Revised) 'Employee Benefits :**

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

a) Defined Contribution Plans :

The Company has recognised the following amount in Profit and Loss Account as per detailed mentioned below:

Rs. in Millions

Details	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Contribution to Employees Provident Fund	5.50	1.22	2.66	0.61	-	-	-
Contribution to Employees Superannuation Fund	0.69	0.65	0.90	0.66	-	-	-

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

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

C) <u>Gratuity</u>

Rs. in Millions

Actuarial Assumption for the Year	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
a) Discount Rate (per annum)	7.6%	6.0%	6.0%	7.0%	7.5%	-	-
b) Rate of Return on Plan Assets	NA	NA	NA	NA	NA	-	-
c) Salary Escalation Rate	6.0%	4.0%	4.0%	10.0%	5.0%	-	-
d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	-	-
e) Withdrawal rate	3.0%	3.0%	3.0%	3.0%	0.5%	-	-
f) Expected average remaining service	14.92	14.77	20.93	22.59	21.25	-	-

Rs. in Millions

i) Change in Benefit Obligation :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Liability at the beginning of the year	1.46	2.17	2.17	0.33	-	-	-
Interest Cost	0.07	0.11	0.15	0.02	-	-	-

Current Service Cost	1.72	0.65	0.95	1.50	0.33	-	-
Benefits Paid	-	-	-	-	-	-	-
Actuarial (Gain) / loss on Obligation	0.27	(1.79)	(1.82)	0.32	-	-	-
Liability at the end of the year	3.51	1.14	1.46	2.17	0.33	-	-

Rs. in Millions

ii) Fair Value of Plan Assets :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Fair Value of Plan Assets at the beginning of the year	-	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-	-
Employer's Contribution	-	-	-	-	-	-	-
Benefits Paid	-	-	-	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-

Rs. in Millions

iii) Actual Return on Plan Assets :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Expected Return on Plan Assets	-	-	-	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Actuarial Return on Plan Assets	-	-	-	-	-	-	-

Rs. in Millions

iv) Amount Recognised in the Balance Sheet	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Liability at the end of the Year	3.51	1.14	1.46	2.17	0.33	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-
Difference	3.51	1.14	1.46	2.17	0.33	-	-
Unrecognised past Service Cost	-	-	-	-	-	-	-
Amount Recognised in Balance Sheet	3.51	1.14	1.46	2.17	0.33	-	-

Rs. in Millions

v) Expenses Recognised in the Profit & Loss A/c	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Current Service Cost	1.72	0.65	0.95	1.50	0.33	-	-
Interest Cost	0.07	0.11	0.15	0.02	-	-	-
Acturial return on Plan Assets	-	-	-	-	-	-	-
Net Acturial (Gain) / Loss to be recognised	0.27	(1.79)	(1.82)	0.32	-	-	-
Expenses recognised in the P & L A/c	2.05	(1.03)	(0.71)	1.84	0.33	-	-

D) Leave Wages

Rs. in Millions

Actuarial Assumption for the Year	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
a) Discount Rate (per annum)	7.6%	6.0%	6.0%	7.0%	7.5%	-	-
b) Rate of Return on Plan Assets	NA	NA	NA	NA	NA	-	-
c) Salary Escalation Rate	6.0%	4.0%	4.0%	10.0%	5.0%	-	-
d) Mortality	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	LIC-Ultimate 94-96	-	-
e) Withdrawal rate	3.0%	3.0%	3.0%	3.0%	0.5%	-	-
f) Expected average remaining service	14.87	14.85	14.45	22.59	21.25	-	-

Rs. in Millions

i) Change in Benefit Obligation :	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005
Liability at the beginning of the year	0.62	0.60	0.60	0.19	-	-	-
Interest Cost	0.03	0.02	0.04	0.01	-	-	-
Current Service Cost	1.38	0.60	0.97	1.59	0.32	-	-
Benefits Paid	(0.04)	(0.41)	(0.10)	-	-	-	-
Actuarial (Gain) / loss on Obligation	(0.88)	(0.44)	(0.89)	(1.19)	(0.13)	-	-
Liability at the end of the year	1.10	0.37	0.62	0.60	0.19	-	-

Rs. in Millions

ii) Fair Value of Plan Assets :	For the period ended December 31,		For the year ended March 31,				
	2009	2008	2009	2008	2007	2006	2005

Fair Value of Plan Assets at the beginning of the year	-	-	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-	-	-
Employer's Contribution	0.04	-	0.10	-	-	-	-
Benefits Paid	(0.04)	-	(0.10)	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-

Rs. in Millions

iii) Actual Return on Plan Assets :	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Expected Return on Plan Assets	-	-	-	-	-	-	-
Actuarial Gain / (loss) on Plan Assets	-	-	-	-	-	-	-
Actuarial Return on Plan Assets	-	-	-	-	-	-	-

Rs. in Millions

iv) Amount Recognised in the Balance Sheet	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Liability at the end of the Year	1.10	0.37	0.62	0.60	0.19	-	-
Fair Value of Plan Assets at the end of the year	-	-	-	-	-	-	-
Difference	1.10	0.37	0.62	0.60	0.19	-	-
Unrecognised past Service Cost	-	-	-	-	-	-	-
Amount Recognised in Balance Sheet	1.10	0.37	0.62	0.60	0.19	-	-

Rs. in Millions

v) Expenses Recognised in the Profit & Loss A/c	**For the period ended December 31,**		**For the year ended March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Current Service Cost	1.38	0.60	0.97	1.59	0.32	-	-
Interest Cost	0.03	0.02	0.04	0.01	-	-	-
Acturial return on Plan Assets	-	-	-	-	-	-	-
Net Acturial (Gain) / Loss to be recognised	(0.88)	(0.44)	(0.89)	(1.19)	(0.13)	-	-

Expenses recognised in the P & L A/c	0.52	0.18	0.11	0.41	0.19	-	-

a) General Description :

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

b) Leave Encashment :

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

18) **Segment Reporting :**

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

19) **Finance Leases**

The obligations in respect of vessels taken under finance lease arrangement for a period of eight years are as under :

Rs. in Millions

	As at December 31,		As at March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Due with in one year	259.53	-	227.03	-	-	-	-
Due with in two to five years	890.49	-	801.68	-	-	-	-
Due over five years	1,527.43	-	485.43	-	-	-	-
	2,677.45	-	1,514.14	-	-	-	-
Finance charges allocated to future periods	(1,011.90)	-	(579.04)	-	-	-	-
	1,665.56	-	935.11	-	-	-	-

The Group entered into a new lease agreement on June 10, 2009 of Rs. 860.90 Mn bearing interest at flat rate of 10.30 % per annum. The finance lease entered on February 18, 2009 bears interest at flat rate of 9.47% per annum.

The obligation under finance lease is secured by irrevocable and unconditional bareboat charter guarantee from the Bareboat Charter Guarantor.

The finance leases are denominated in Indian Rupees.

20) **Deferred Gain**

Rs. in Millions

	For the period ended December 31,		For the year ended March 31,				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**

Deferred Gain	23.42	-	22.57	-	-	-	-
Deferred Loss	(22.03)	-	-	-	-	-	-
	1.39	-	22.57	-	-	-	-
Transfer to income statements	(0.70)	-	(0.32)	-	-	-	-
	0.69	-	22.24	-	-	-	-

During the year ended March 31, 2009, the Group entered into a lease agreement whereby the Group sold and leased back an offshore supply vessel with net book value of Rs. 863.03 Mn. The gain arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from February 18, 2009. Greatship (India) Limited has guaranteed the repayment of these future lease obligations and accordingly has become the primary obligor under the lease agreement.

During the period ended December 31, 2009, the Group entered into a lease agreement whereby the Group sold and leased back an offshore supply vessel with net book value of Rs. 865.54 Mn. The loss arising from this sale and leaseback transaction is deferred and amortised over the lease period of 8 years commencing from June 10, 2009. Greatship (India) Limited has guaranteed the repayment of these future lease obligations and accordingly has become the primary obligor under the lease agreement.

21) **Operating Lease :**

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

Rs. in Millions

a) Total Future Minimum Lease payments	**As at December 31,**		**As at March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
- Not later than 1 year	-	-	-	-	-	-	-
Premises	55.55	39.36	43.85	26.42	-	-	-
Rigs / Vessels	1,912.70	560.51	1,716.14	-	-	-	-
- Later than 1 year and not later than 5 years	-	-	-	-	-	-	-
Premises	95.03	85.71	93.49	91.58	-	-	-
Rigs / Vessels	1,876.50	337.84	3,333.54	-	-	-	-
- Later than 5 years	-	-	-	-	-	-	-
Premises	-	-	-	-	-	-	-
Rigs / Vessels	-	-	-	-	-	-	-

Rs. in Millions

	For the period ended December 31,		**For the year ended March 31,**				
Details	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Lease payments recognised in the statement of Profit & Loss Account	1,254.87	20.55	122.89	18.96	-	-	-

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

APPENDIX VI

STATEMENT OF OTHER INCOME (CONSOLIDATED) - RESTATED

Rs. in Millions

	Period ended December 31,		Year ended March 31,				
Sources of Income	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Interest Received on							
- Loans given to subsidiary	-	-	-	-	-	-	-
- Bank Deposits - Term and Call Deposits	7.97	6.72	10.17	25.07	16.00	-	-
- Income Tax Refund	0.37	-	-	-	-	-	-
Dividend Received on Non Trade Investments	26.74	31.91	47.36	30.73	15.40	-	-
Agency Income	11.94	10.61	12.88	-	-	-	-
Liquidated damage fees for late delivery of vessels (net) (Non Recurring)	8.43	-	16.66	-	-	-	-
Provision for diminution in value of investment written back (Non Recurring)	-	26.72	26.93	-	-	-	-
Miscelleneous Income	1.58	0.51	0.87	1.00	-	-	-
Total	**57.03**	**76.47**	**114.87**	**56.80**	**31.40**	**-**	**-**

APPENDIX VII

STATEMENT OF INVESTMENTS (CONSOLIDATED) – RESTATED

Rs. in Millions

	As at December 31,		As at March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Subsidiaries / Joint Venture	-	-	-	-	-	-	-
Short Term Investments in Mutual Funds	390.68	331.05	1,639.52	543.68	345.69	-	-
Provision for decline in carrying value of Investments	-	-	-	-	-	-	-
Total	**390.68**	**331.05**	**1,639.52**	**543.68**	**345.69**	**-**	**-**
Aggregate book value of unquoted investments	**390.68**	**331.05**	**1,639.52**	**543.68**	**345.69**	**-**	**-**

APPENDIX VIII

STATEMENT OF DEBTORS (CONSOLIDATED) - RESTATED

Rs. in Millions

	As at December 31,		As at March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Debts outstanding for a period exceeding six months							
- considered good	12.74	27.70	23.70	-	-	-	-
- considered doubtful	30.53	2.29	1.00	-	-	-	-
	43.27	**29.99**	**24.70**	**-**	**-**	**-**	**-**
Other debts							
- considered good	1,547.15	566.44	777.78	194.23	51.59	-	-
- considered doubtful	-	-	3.00	-	-	-	-
	1,547.15	**566.44**	**780.78**	**194.23**	**51.59**	**-**	**-**
Less: Provision for Doubtful Debts	(30.53)	(2.29)	(3.99)	-	-	-	-
Total	**1,559.89**	**594.14**	**801.49**	**194.23**	**51.59**	**-**	**-**

APPENDIX IX

STATEMENT OF LOANS & ADVANCES (CONSOLIDATED) - RESTATED

Rs. in Millions

	As at December 31,		As at March 31,				
PARTICULARS	**2009**	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Advances recoverable in cash or in kind or for value to be received	277.51	140.43	131.22	33.15	0.90	-	-
Derivative Contracts Receivables (net)	-	-	-	-	56.77	-	-
Advance payments of income-tax (net of provision for tax)	79.30	32.14	10.34	6.10	2.34	-	-
Security / Other deposits	38.50	32.53	34.19	26.98	232.44	-	-
Advance to Subsidiaries	-	-	-	-	-	-	-
Agents Current Accounts	10.25	23.08	8.48	1.95	-	-	-
Total	**405.56**	**228.18**	**184.23**	**68.18**	**292.45**	**-**	**-**

APPENDIX X

STATEMENT OF SECURED AND UNSECURED LOANS (CONSOLIDATED) – RESTATED

SECURED LOANS

Rs. in Millions

PARTICULARS	**As at December 31,**		**As at March 31,**				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Foreign Currency Loans	18,354.41	7,652.94	11,826.40	2,500.91	640.79	-	-

Type of Facility	**Total Sanctioned Amount (Rs in Million)**	**Amount Outstanding as on 31st Dec 09 (Rs in Million)**	**Date of Availment**	**Rate of Interest and Repayment Schedule**		**Security**
				Interest terms	**Repayment Terms**	
External Commercial Borrowings - HSBC - Greatship Dhriti	1,205.94	919.51	2-Sep-08	6M Libor + 1.185%	20 Equal Consecutive semi annual installments of 5% each of the sanctioned amount, first installment commencing from 2nd March 2009.	Mortgage of Vessel financed, assignment of swap contract, assignment of insurances and any requisition compensation and assignment of earnings*
External Commercial Borrowings – HSBC - Greatship Dhwani	855.78	728.73	10-Nov-08	6M Libor + 1.185%	20 Equal Consecutive semi annual installments of 5% each of the sanctioned amount, first installment commencing from 10th May 2009.	
External Commercial Borrowings - Societe Generale - Greatship Aarti	511.89	511.88	27-Aug-09	6M Libor + 3.300%	16 consecutive half yearly installments commencing from 27th Feb 2010 - The First three installments 4.55% each of the sanctioned amount; next 12 installments of 5% each of the sanctioned amount and Final Installment of 26.35% of the sanctioned amount.	Mortgage of Vessels financed, corporate guarantee by The Great Eastern shipping Co Ltd, assignment of insurances and any requisition compensation, assignment of swap contract, assignment of its right, title and interest in the Charged Moneys and Charged Accounts, and assignment of earnings*
External Commercial Borrowings - Societe Generale - Greatship Ahalya	511.89	488.62	25-Jun-09	6M Libor + 3.300%	16 consecutive half yearly installments commencing from 25th December 2009 - The First three installments 4.55% each of the sanctioned amount; next 12 installments 5% each of the sanctioned amount and Final Installment 26.35% of the sanctioned amount.	

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on 31st Dec 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
External Commercial Borrowings - UOB - Greatship Amrita	637.63	490.48	4-Apr-08	6M Libor + 1.000%	16 installments falling at six monthly interval commencing from 4th October 2008 - The First Fifteen equal installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount.	Mortgage of Vessels financed , assignment of insurances and any requisition compensation and assignment of earnings*
External Commercial Borrowings - UOB - Greatship Anjali	712.35	461.62	28-Dec-07	6M Libor + 1.000%	16 installments falling at six monthly interval commencing from 28th June 2008 - The First Fifteen equal installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount.	
External Commercial Borrowings - UOB - Greatship Dipti	1,178.50	759.45	25-Sep-07	6M Libor + 1.050%	16 installments falling at six monthly interval commencing from 25th March 2008 - The First Fifteen equal installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount.	
External Commercial Borrowings - UOB - Greatship Akhila	562.14	534.04	24-Mar-09	6M Libor + 1.800%	16 installments falling at six monthly interval commencing from 24th September 2009 - The First Fifteen installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount .	
External Commercial Borrowings - UOB -	562.14	534.04	4-May-09	6M Libor + 1.800%	16 instalments falling at six monthly interval commencing from 4th November 2009 - The	

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on 31st Dec 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
Greatship Asmi					First Fifteen installments of 5% each of the sanctioned amount and Final Installment of 25% of the sanctioned amount .	
FCNR - SBI - Greatship Disha	723.24	506.27	3-Aug-06	6M Libor + 1.000%	20 Equal Consecutive semi annual instalments commencing from 3rd Feb 2007 (Option of bullet repayment after 5 years if the rollover offered by lender in either USD or INR for the next five years is not acceptable.)	Mortgage of Vessels financed and Corporate guarantee by The Great Eastern Shipping Co Ltd.
FCNR - SBI – Diya	849.64	637.23	12-Apr-07	6M Libor + 1.000%	20 Equal Consecutive semi annual instalments commencing from 12th Oct 07 (Option of bullet repayment after 5 years if the rollover offered by lender in either USD or INR for the next five years is not acceptable.)	
Loan DNB Nor - Hull No. 341 (Pre delivery and delivery Tranche)	3,142.04	1,571.02	Various dates	6M Libor + 0.950%	20 Equal Consecutive semiannual installments of 5% each of the sanctioned amount, commencing from the applicable delivery date	Mortgage of Vessels financed; Assignment of Insurances, any requisitions compensation, Earnings; Assignment of Ship Building Contract and engine contracts; assignment of its right, title and interest in the Charged Moneys and Charged Accounts and Corporate Guarantee by Greatship (India) Limited
Loan DNB Nor - Hull No. 342 (Pre delivery and delivery Tranche)		1,118.33				
Loan DNB Nor - Hull No. 343 (Pre delivery and delivery Tranche)	3,212.03	533.01		6M Libor + 0.950%	20 Equal Consecutive semi annual installments of 5% each of the sanctioned amount, commencing from the applicable delivery date	
Loan DNB Nor - Hull No. 344 (Pre		379.73				

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on 31st Dec 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
delivery and delivery Tranche)						
"Finance Lease - Abha Sold to Mount Trisul Offshore Pte. Ltd. and bareboat chartered back to the Company for a period of 8 years with an option to buy at the end of the finance lease)"	863.03	823.44	"18-Feb-09 (date of sale and leaseback) "		"Bareboat Charter Rates to be paid to Mount Trisul Offshore Pte. Ltd.: Yrs 1-3: Rs 0.35 Mn per day Yrs 4-6: Rs 0.28 Mn per day Yrs 7-8: Rs 0.26 Mn per day"	Mortgage of the vessels by Mount Trisul offshore Pte. Ltd. (Owner), corporate guarantee by Greatship (India) Limited and Assignment of Insurances
"Finance Lease - Aditi Sold to Mount Trisul Offshore Pte. Ltd. and bareboat chartered back to the Company for a period of 8 years with an option to buy at the end of the finance lease)"	865.53	842.11	"10-Jun-09 (date of sale and leaseback) "		"Bareboat Charter Rates to be paid to Mount Trisul Offshore Pte. Ltd.: Yrs 1-3: Rs 0.36 Mn per day Yrs 4-6: Rs 0.29 Mn per day Yrs 7-8: Rs 0.27 Mn per day"	
Loan for Greatdrill Chitra (consortium comprising of Bank of Nova Scotia Asia Ltd, DBS Bank Ltd, Axis Bank Ltd and Thanachart Bank Public Company Limited)	6,514.90	6,514.90	15th Oct 2009 - USD 40 Mn and 19th Oct 2009 - 100 Mn	6M Libor + 3.350% for loan of USD 110 Mn and 6M Libor + 4.750% for loan of USD 30 Mn	57 Consecutive monthly installments commencing from 15th February 2010 totaling to Rs 5,119 Mn and Bullet repayment of Rs 1,396 Mn after 58 months	Mortgage of Rig, Charter Assignment, Assignment of Insurances and any requisition compensation, assignment of all rights in Sub Earnings of the Rig, Assignment of its rights in Operating Accounts , Assignment of

Type of Facility	Total Sanctioned Amount (Rs in Million)	Amount Outstanding as on 31st Dec 09 (Rs in Million)	Date of Availment	Rate of Interest and Repayment Schedule		Security
				Interest terms	Repayment Terms	
						Swap Contract, Corporate Guarantee by Greatship (India) Limited.
		18,354.41				

** As per the loan agreement, it is to be executed only on occurrence of event of default.*

Appendix XI

ANNEXURE : SUMMARY OF SIGNIFICANT TRANSACTIONS WITH RELATED PARTIES - CONSOLIDATION
(AS-18)

(i) List of Related Parties

a) Holding Company :
The Great Eastern Shipping Co. Ltd.

b) Fellow - Subsidiary Companies :
The Great Eastern Chartering LLC (FZC), Sharjah
The Great Eastern Shipping Co. (London) Ltd., London
The Greatship (Singapore) Pte. Ltd., Singapore

c) Key Management Personnel :

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

In Mn.

	PARTICULARS	As at December 31,		For the year ended March 31,				
		2009	2008	2009	2008	2007	2006	2005
(i)	**Holding Company**							
	Transaction During the year							
	Issue of Equity Shares Capital							
	The Great Eastern Shipping Company Limited	-	2,760.00	4,740.00	3,860.00	2,559.50	-	-
	Purchase of Fixed Assets							
	The Great Eastern Shipping Company Limited	-	0.90	0.90	0.22	0.99	-	-
	Loan Taken & Repaid							
	The Great Eastern Shipping Company Limited	-	-	-	-	986.26	-	-
	Advance given / (received back)							
	The Great Eastern Shipping Company Limited	(9.06)	30.28	(21.23)	-	-	-	-
	Deposit Given							
	The Great Eastern Shipping Company Limited	-	-	-	0.30	-	-	-
	Interest paid on Loan							
	The Great Eastern Shipping Company Limited	-	-	-	-	17.40	-	-
	Reimbursement of Expenses							
	The Great Eastern Shipping Company Limited	2.40	1.03	3.49	3.81	1.52	0.03	-
	Outstanding Receivables / (Payables)	-	30.28	9.06	-	-	(0.04)	-
	Gurantees received	2,143.87	1,356.41	1,400.10	3,216.70	1,554.60	5.40	-
	The Great Eastern Shipping Company Limited							
(ii)	**Fellow-Subsidiary Companies**							
	Agency Fees Paid :							
	The Greatship (Singapore) Pte Ltd	0.05	-	0.03	-	-	-	-
	Reimbursement of Expenses							
	The Greatship (Singapore) Pte Ltd	4.81	-	2.13	-	-	-	-
	Outstanding Receivables / (Payables)							
	The Greatship (Singapore) Pte Ltd	-	-	(0.57)	-	-	-	-
(iii)	**Key Management Personnel**							
	Transaction During the year							
	Share warrants issued							
	Bharat K Sheth	-	-	-	29.53	-	-	-
	Ravi K Sheth	-	-	-	29.53	-	-	-
	Remuneration							
	Ravi K Sheth	15.75	-	-	-	-	-	-
	P R Naware	3.00		-	-	-	-	-

APPENDIX XII

STATEMENT OF ACCOUNTING RATIOS (CONSOLIDATED) - RESTATED

PARTICULARS	As at December 31,		As at March 31,				
	2009	**2008**	**2009**	**2008**	**2007**	**2006**	**2005**
Earnings Per Share - Basic	6.95	5.98	6.00	5.00	1.88	(0.56)	(0.05)
Earnings Per Share - Diluted	6.93	5.81	5.36	4.88	1.88	(0.56)	(0.05)
Return on Net Worth%	4.99%	4.28%	3.72%	3.21%	0.80%	(6.29)%	(0.58)%
Net Asset Value per equity share (Rs.)	135.39	117.75	136.57	102.01	98.58	8.93	9.49
Weighted Average number of equity shares outstanding during the year period	86,100,000	74,009,091	76,990,411	42,654,098	11,049,452	50,000	50,000
Total number of equity shares outstanding at the end of the year/period	86,100,000	86,100,000	86,100,000	65,100,000	26,500,000	50,000	50,000
Total number of Preference shares outstanding at the end of the year/period	88,000,000	22,000,000	88,000,000	-	-	-	-

Notes:

1 The ratios have been computed as below:

$$\text{Earnings per share (Rs)} = \frac{\text{Net profit attributable to equity shareholders}}{\text{Weighted average number of shares outstanding during the year/period}}$$

$$\text{Return on Net Worth (\%)} = \frac{\text{Net profit after tax}}{\text{Net Worth excluding revaluation reserve at the end of the year/period}}$$

$$\text{Net asset value per equity share (Rs)} = \frac{\text{Net worth excluding revaluation reserve and preference share capital (including proportionate amount of securities premium and dividend on preference shares) at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$$

2 Net profit, as appearing in the Statement of profits and losses, as restated has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of standalone restated financial statements of the Company

3 Earnings per share calculations are done in accordance with Accounting Standard 20 “Earnings Per Share" issued by The Institute of Chartered Accountants of India.

APPENDIX XIII

STATEMENT OF CAPITALISATION (CONSOLIDATED) – RESTATED

PARTICULARS	Pre-Issue (as at 31st Dec 09)	Pre-Issue (as at 31Mar 09)	Amount in Rs'Mn Post Issue *
Short term debt	-	-	
Long term debt	18,354.41	11,826.40	
Total debt	**18,354.41**	**11,826.40**	
Shareholders' funds			
- Equity Shares	861.00	861.00	
- Preference Shares	880.00	880.00	
- Application money - Warrants	59.07	59.07	
- Employee stock options outstanding	22.12	18.88	
- Reserves (excluding revaluation reserve)	11,338.00	10,942.64	
Total shareholders' funds	**13,160.19**	**12,761.59**	
Long term debt/equity	**1.39**	**0.93**	

Notes:

1 Share capital and reserves and surplus post issue can be calculated only on the conclusion of the book building process.

2 Refer note no 6, 7 and 8 of Appendix V - Notes to Statement of Assets and Liabilities and Profits and Losses.

3 The long term debt/equity ratio has been ascertained on the basis of the total shareholders' funds as on December 31, 2009 and March 31, 2009 respectively. The debt/equity ratio is expected to change depending on the conversion of options to be exercised by the Preference Shareholders and the promoter directors to whom warrants against share capital have been issued.

APPENDIX XIV

STATEMENT OF DIVIDEND PAID (CONSOLIDATED)

Rs. in Millions

Class of Shares	Face Value	Period ended December 31, 2009	Period ended December 31, 2008	Year ended March 31, 2009	2008	2007	2006	2005
Equity Shares								
- Interim								
- Final				NIL				
Total								

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our restated consolidated financial statements and the notes to those statements included in this Draft Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in the sections "Risk Factors" and "Forward Looking Statements" included in this Draft Red Herring Prospectus. This discussion is based on our restated consolidated financial statements as of and for the nine months ended December 31, 2009 and 2008 and as of and for the financial years ended March 31, 2009, 2008 and 2007 which have been prepared in accordance with Indian GAAP. Indian GAAP is substantially different from U.S. GAAP and IFRS. Accordingly, the degree to which the financial statements included in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in the United States or other countries is entirely dependent on the reader's level of familiarity with Indian accounting practices. Our financial year ends on March 31 of each year, so all references to a particular financial year are to the 12 months ending March 31 of that year.

Overview

We are one of India's largest offshore oilfield services providers. Our fleet has grown from one vessel as of March 31, 2007 to 14 vessels (excluding one vessel which has been contracted for sale) and two rigs currently. In addition, our total income increased to Rs. 5,373.68 million for the nine months ended December 31, 2009 from Rs. 216.65 million for the financial year 2007. We believe we are one of India's fastest growing offshore oilfield services provider in terms of growth of fleet and revenue.

We operate a fleet of offshore support vessels and jack-up rigs, which provide marine logistics and drilling services to support the offshore oil and gas exploration and production ("E&P") activities of our clients. The majority of our fleet operates in India. We also have vessels operating and servicing E&P companies in other jurisdictions, such as Mexico, South Africa and Southeast Asia. Since our incorporation in 2007, we have also operated in the Middle East, the Mediterranean Sea and the North Sea.

Our offshore logistics services entail the chartering of our 14 support vessels for E&P operations. Our vessels transport a diverse range of materials and equipment, as well as personnel to and from offshore oil and gas installations. Some of our offshore support vessels have anchor handling and towing capabilities and are used in transportation, relocation and positioning of offshore drilling rigs.

Our offshore drilling services entail the chartering of two jack-up rigs to E&P companies for drilling activities. Jack-up rigs are typically used for exploratory and developmental oil and gas drilling and oil well workover operations in shallow waters.

We intend to commence the business of offshore construction and have commissioned the construction of seven vessels that are capable of offering a wide range of offshore construction services, after being appropriately equipped and fitted. These vessels are scheduled to be delivered to us over the course of the financial years 2011 and 2012. Offshore construction services generally involve the provision of support services for construction, installation, repair and maintenance of subsea infrastructure, which may involve the deployment of divers and underwater remotely operated vehicles ("ROVs").

We are a subsidiary of our Promoter, The Great Eastern Shipping Company Limited ("GESCO"), one of India's largest shipping companies. GESCO has over six decades of experience in the shipping business of transporting oil, petroleum products, gas and dry bulk commodities.

We have two wholly-owned subsidiaries in Singapore, Greatship Global Offshore Services Pte. Ltd. ("GGOS") and Greatship Global Energy Services Pte. Ltd. ("GGES"). GGES focuses on the offshore drilling services business. It currently owns one jack-up rig, and has in-chartered another jack-up rig, on a bareboat basis. Both these jack-up rigs are currently operated by the Company. GGOS currently owns one offshore support vessel and has two vessels under sale and leaseback arrangements. We intend to develop GGOS into a multi-national offshore and subsea construction services provider.

Our fleet of owned, leased and in-chartered vessels and rigs has grown in size and capability from one vessel as of March 31, 2007 to 14 vessels and two rigs currently. We operate a fleet comprising five platform supply vessels ("PSVs"), eight anchor handling, towing cum supply vessels ("AHTSVs"), one multi-purpose platform supply vessel ("MPSSV") and two jack-up rigs. For further details, see "Our Business—Our Existing Fleet" on page 96. We expect our fleet to grow by nine vessels, comprising three remotely operated vehicle support vessels ("ROVSVs"), two MPSSVs, two multi-purpose support vessels ("MSVs") and two AHTSVs by March 2012. For further details, see "Our Business —Our Fleet and Services Expansion Plans" on page 101.

We generate the majority of our revenues by chartering our vessels and rigs on a day rate basis under time charters. Under such charters, we typically retain operational control over chartered vessels and rigs and are responsible for ordinary operating expenses, maintenance, repairs, wages and certain insurance, while our customers are typically responsible for other expenses, such as fuel costs.

Our total income was Rs. 3,159.40 million and Rs. 5,373.68 million, for the financial year 2009 and for the nine months ended December 31, 2009, respectively. Our net profit after tax was Rs. 474.51 million and Rs. 656.44 million, for the financial year 2009 and for the nine months ended December 31, 2009, respectively.

Factors Affecting Our Financial Condition and Results of Operations

Various factors have affected our results of operation in the past and may continue to do so in the future, including:

Composition of our fleet

The number of vessels and rigs in our fleet is an important factor that directly affects our results of operations. As the number of vessels and rigs in our fleet has increased, our revenues and operating expenses have also increased accordingly. We operate a fleet comprising five platform supply vessels, eight anchor handling, towing cum supply vessels, one multi-purpose platform supply vessel and two jack-up rigs. For further details, see "Our Business—Our Existing Fleet," on page 96. We expect our fleet to grow by nine vessels, comprising three ROVSVs, two MPSSVs, two MSVs and two AHTSVs by March 2012. For further details, see "Our Business—Our Fleet and Services Expansion Plans," on page 101.

The composition of our fleet affects our results of operation, as market demand, day rates and operating expenses may vary for vessels of different types, ages and specifications. Generally, demand and day rates for newer and higher specification vessels or rigs will, in the absence of other relevant factors, generally be greater than for older and lower specifications vessels and rigs.

The table below shows certain details of our existing fleet and the year in which they were added to our fleet:

Our Fleet	Type	Year added to our fleet
Vessels:		
Greatship Disha	PSV	August 2006
Greatship Dipti	PSV	September 2007
Greatship Dhriti	PSV	September 2008
Greatship Dhwani	PSV	November 2008
Skandi Falcon (1)	PSV	August 2008
Greatship Anjali	80T AHTSV	January 2008
Greatship Amrita	80T AHTSV	April 2008
Greatship Akhila	80T AHTSV	February 2009
Greatship Asmi	80T AHTSV	April 2009
Greatship Ahalya	80T AHTSV	June 2009
Greatship Aarti	80T AHTSV	August 2009
Greatship Abha (2)	80T AHTSV	February 2009
Greatship Aditi (2)	80T AHTSV	June 2009
Greatship Maya (3)	MPSSV	December 2009
Rigs:		
Greatdrill Chetna (4)	Jack-up rig	March 2009
Greatdrill Chitra	Jack-up rig	October 2009

Our Fleet	Type	Year added to our fleet
Vessels that have been contracted for sale:		
Greatship Diya [5]	PSV	April 2007

(1) In-chartered on a time charter basis until August 2010.
(2) Under sale and leaseback arrangements.
(3) This vessel has been chartered on a bareboat basis to GC Rieber Shipping Asia until December 2011 with three yearly extension options with a purchase option at the end of five years.
(4) In-chartered on a bareboat basis until March 2012.
(5) We have contracted to sell this vessel and we will complete the sale and deliver this vessel to its buyer in the quarter ending June 30, 2010.

Activity in offshore oil and gas exploration and production.

The demand for our services depends on the level of activity in offshore oil and gas exploration and production. The level of such activity has historically been volatile and is likely to continue to be so in the future. Historically, the level of offshore exploration and production activity has been closely related to global oil and gas prices. Prior to the middle of the calendar year 2008, there was a period of high prices for oil and gas and consequently, oil and gas companies increased their exploration and development activities. A decline in the worldwide demand for oil and gas, such as since late 2008, or prolonged low oil or gas prices in the future, however, would result in reduced exploration and development of offshore areas and a decline in the demand for offshore marine services although after a certain period of time. Oil prices have dropped from a record high of US$ 145.29 per barrel (based on the price of WTI crude oil as quoted by Bloomberg) on July 3, 2008 to a low of US$ 31.41 per barrel on December 22, 2008. The price of WTI crude oil was US$ 83.22 per barrel on April 28, 2010. Similarly, gas prices have dropped from a high of US$ 13.31 per MMBtu (based on US Henry Hub gas spot price as quoted by Bloomberg) on July 2, 2008 to a low of US$ 1.88 per MMBtu on September 4, 2009. The price of US Henry Hub gas was US$ 4.19 per MMBtu on April 28, 2010. Although oil and gas prices have since recovered from their lows in December 2008 and September 2009, the continued volatility in global oil and gas prices will likely affect the level of exploration and production activity, which would in turn affect demand for our services.

Terms of our charters

We earn and recognise revenue primarily from time charters and some of our revenue from bareboat charters based upon daily rates of hire. Under a time charter, we provide a vessel to a customer and are responsible for all operating expenses except for fuel. Under a bareboat charter, we provide the vessel to the customer and the customer assumes responsibility for all operating expenses and assumes all risk of operation. Vessel charters may range from a few days to several years. Revenues from time charters and bareboat charters are recorded and recognised as services are provided.

For our rigs, we typically enter into day rate drilling contracts which are in the nature of a time charter. The amount payable to us is calculated as a multiple of the applicable day rate and the time spent by us on hire in that mode or status. The applicable day rates vary depending on the mode and status of the relevant rig. Higher day rates are generally payable while the relevant rig is operating, and this is usually referred to as the “operating day rate”. Depending on the terms of the relevant drilling contract, lower day rates apply during periods when the relevant rig is not operating for the reasons stated in the contract, during which we are paid a lower “non-operating day rate” or when the rig is being moved from one drilling location to another, during which we are paid “moving day rates” or when any equipment is not working according to the terms of the contract, during which we are paid “equipment breakdown rate”.

We seek to balance our portfolio of contracts by entering into long-term and short-term charters. Long-term charters, which contribute to higher utilisation rates, provide us with more predictable cash flow. Short-term charters provide us the opportunity to benefit from increasing day rates under favourable market conditions. Currently, 12 of our fleet of 14 vessels operate under long-term charters, the initial terms of which range from one to five years and both of our rigs operate under long-term charters, of no less than three years.

Most of our long-term contracts with our customers are on a fixed day rate basis. Revenue from our contracts is generally driven by our contract day rates and the period over which our vessels and rigs are under contract. As our long-term contracts with our customers are on a fixed day rate basis, we have no ability to adjust rates in response to any increase in the costs of maintenance, repairs, spare parts, salaries, consumables and compliance with any new rules and regulations. Such costs are unpredictable and fluctuate based on events beyond our control, and any substantial increase in such costs would adversely affect our profitability. The mismatch of potentially increasing costs and fixed day rates is exacerbated by the option given to customers under some contracts to extend such contracts at the day rates applicable during the initial contractual term. However, in the event that there is a change in the area of operation according to the customers' requirements, we have a right to claim the additional operating expenses from the customer as increased charter hire.

Utilisation rates

We calculate the utilisation rate for a vessel or rig beginning on the day on which the vessel or rig has completed all of its initial construction work and other preparation and is ready for deployment. The utilisation rate is the number of days in a year during which the vessel or rig is generating revenue compared to the total number of days in that year that the vessel or rig was available. The number of days that each of our vessels or rigs is utilised, as well as the operating day rates payable under our contracts, are largely dependent upon the balance of supply and demand for our services. Our utilisation rates are lower during periods when our vessels or rigs are off-hire or out of service (due to, for example, dry-docking, maintenance and repair or inability to procure a contract). Each of our vessels or rigs is likely to be dry-docked from time to time for surveys and repairs. When our vessels or rigs are dry-docked, they are not available for hire and, as a result, do not generate any revenue. Our vessels or rigs may also be subject to accidents and incidents that may result in their not being available for hire and are subject to a number of operating risks. The operation, maintenance, building, refurbishing, upgrading and repair of our vessels or rigs will require substantial expenditure and may exceed time estimates that could adversely affect our utilisation rates.

The table below shows utilisation rates for our various types of vessels and rigs that were operational for the periods indicated:

	For the Financial Year						For the Nine Months Ended December 31,			
	2007		2008		2009		2008		2009	
Type of vessel/rig	Average utilisation rate (%)	Average day rate (US$)	Average utilisation rate (%)	Average day rate (US$)	Average utilisation rate (%)	Average day rate (US$)	Average utilisation rate (%)	Average day rate (US$)	Average utilisation rate (%)	Average day rate (US$)
Vessels:										
PSVs and MPSSVs.....	90.8%	18,991	91.2	21,597	95.5	24,852	92.6	26,683	91.4	20,580
AHTSVs.....................	-	-	93.8	21,255	80.4	19,004	73.4	19,659	77.9	16,495
Rigs:										
Jack-up rigs	-	-	-	-	35.8	158,564	-	-	88.2	153,609

Sale of Vessels

In the past, we have sold some of our vessels to capitalise on favourable market conditions and may do so in future. We have sold and delivered *Greatship Mohini* to its buyer on March 30, 2010 and have sold and delivered *Greatship Rekha* to its buyer on April 14, 2010. We have also entered into a sale agreement for the sale of *Greatship Diya*. Under the terms of the agreement, the buyer was required to pay a portion of the purchase price for the vessel upon entering into the agreement and the remainder of the purchase price upon the delivery of the vessel. These sales have a significant impact on our revenues as we recognise the difference between the selling price of the vessel and the written down value of the vessel, *i.e.* costs incurred in construction and purchase of the vessel less depreciation, if any, as sales income. For further details, see "—Recent Developments" below.

Recent Developments

Sale of vessels

We have entered into a memorandum of agreement ("MOA") dated November 20, 2009, with PT PSV, Indonesia ("PT PSV") for the sale of the vessel *Greatship Diya* to PT PSV. Under the terms of the MOA, PT PSV has paid an initial deposit amounting to 15.0% of the purchase price for the vessel with the remainder to be paid on delivery of the vessel, which is scheduled to be between March 15, 2010 and May 15, 2010 and in any event no later than June 15, 2010.

We sold *Greatship Rekha* to PT PSV on April 14, 2010 and sold *Greatship Mohini* to REM Ship AS, Norway on March 30, 2010.

Our Critical Accounting Policies

Our financial statements have been prepared under the historical cost convention method, in accordance with Indian GAAP, the applicable accounting standards notified under the Companies (Accounting Standard) Rules, 2006, prescribed by the Central Government under the provisions of the Companies Act.

The preparation of financial statements in accordance with Indian GAAP and the provisions of the Companies Act, require our management to make judgements, estimates and assumptions that affect the reported amounts of our assets and liabilities, disclosures of contingent liabilities and the reported amounts of revenues and expenses. These judgements, assumptions and estimates are reflected in our accounting policies, which are more fully described in the auditors' report in "Financial Statements—Significant Accounting Policies" on page 201.

Certain of our accounting policies are particularly important to the presentation of our financial position and results of operations. We refer to these accounting policies as our "critical accounting policies". While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results of operations, we believe that the following critical accounting policies warrant particular attention.

Revenue recognition

Charter hire earnings are recognised on an accrual basis.

Operating expenses

- Operating expenses and standing charges are charged to our profit and loss account on an accrual basis.
- Stores and spares are charged to our profit and loss account when delivered on board to the vessels. Stores and spares on board the rigs are charged to our profit and loss account on consumption basis.

Inventories

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

Depreciation

Depreciation is provided on the straight line method, proportionate to the period of use during that financial period, so as to write off the original cost of the asset over the remaining estimated useful life (as per technical evaluation by our management at the time of acquisition) or at rates prescribed under the Schedule XIV to the Companies Act, whichever is higher. Depreciation on the fixed assets of our Subsidiaries is determined using the straight line method over the useful life of the asset based on technical evaluation of the expected useful life. The estimated useful lives are as under:

Asset	Method	Estimated useful life
Offshore supply vessels	Straight line over balance useful life or 5.0%, whichever is higher	25 to 30 years
Newly built rigs	Straight line	30 years
Furniture, fixtures, office equipment	Straight line	Five years
Computers	Straight line	Three to five years
Vehicles	Straight line	Four years
Leasehold improvements	Straight line over lease period	Four years
Software	Straight line	Four years

Foreign exchange transactions

Transactions in foreign currency are recorded at standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the end of a particular period are translated at closing rates of that period. The difference in translation of long-term monetary items and realised gains and losses on foreign currency transactions relating to acquisition of depreciable capital assets are added to or deducted from the cost of the asset and depreciated over the balance of the life of the asset and in other cases accumulated in a foreign currency monetary item translation difference account and amortised over the balance period of such long-term asset or liability, but not beyond March 31, 2011, by recognising such asset as income or expense. The difference in translation of all other monetary assets and liabilities and realised gains and losses on other foreign currency transactions are recognised in the profit and loss account.

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

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

Derivative financial instruments and hedging

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

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

Gains or losses on ineffective hedge transactions are immediately recognised in the profit and loss account. When a forecast transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the profit and loss account immediately.

Description of Income and Expenditure

Income

Our total income consists of income from charter hire and other income. Our income is driven primarily by the number of vessels and rigs in our fleet, the number of days during which our vessels and rigs operate, the day rates that our vessels and rigs earn under their contracts and the amount of time each of our vessels and rigs is off-hire, which occurs, for example, when we are unable to procure contracts, or when our vessels and rigs are dry-docked or otherwise undergoing maintenance and repairs.

Charter Hire. Our charter hire income comprises time charter and bareboat charter of our vessels and rigs.

Other Income. Our other income primarily comprises interest income from bank deposits, dividend received on non-trade investments and miscellaneous income.

Expenditure

Our total expenditure consists of staff costs, operating expenses, administration expenses, interests and finance charges and depreciation.

Staff costs. Staff cost consists of floating staff on vessels and rigs and shore staff in our on-shore offices. The number of floating staff varies every month depending on various operational requirements, such as the status of the operation of the vessel or rig. For vessels, we generally employ an average of 14 to 18 floating staff on board the vessels and for rigs, an average of 58 to 64 floating staff are generally employed on board the rigs. Our staff costs constituted 29.5%, 15.4%, 13.1%, 11.7% and 15.5% of our total income for the financial years 2007, 2008, 2009 and for the nine months ended December 31, 2008 and 2009, respectively. Our staff costs increased for the nine months ended December 31, 2009 compared to for the nine months ended December 31, 2008, primarily as a result of the expansion of our fleet and the operation of the two rigs which generally require more staff than for vessels.

Operating expenses. Our operating expenses consist primarily of expenses incurred for in-chartering rigs and vessels, rig mobilisation expenses and other expenses such as the consumption of stores, fuel, brokerage and commission expenses, repair and maintenance costs, insurance and protection club fees and net losses or gains on foreign currency transactions. Our operating expenses were 11.8%, 17.3%, 45.6%, 40.4% and 47.5% of our total income for the financial years 2007, 2008, 2009 and for the nine months ended December 31, 2008 and 2009, respectively. Our operating expenses increased to Rs. 2,552.12 million for the nine months ended December 31, 2009 compared to Rs. 860.09 million for the nine months ended December 31, 2008, primarily as a result of in-chartering *Greatdrill Chetna* during the nine months ended December 31, 2009 for which we incurred Rs. 1,279.33 million during the nine months ended December 31, 2009 compared to incurring nil for the nine months ended December 31, 2008 and due to incurring rig mobilising expenses for *Greatdrill Chitra* during the nine months ended December 31, 2009.

Administration expenses. Our administration expenses consist primarily of payment of rent, travelling expenses, legal and professional expenses and other non-recurring one-off expenses. Our administration expenses were 14.6%, 14.6%, 7.0%, 8.4% and 6.5% of our total income for the financial years 2007, 2008, 2009 and for the nine months ended December 31, 2008 and 2009, respectively.

Interests and finance charges. Interest and finance costs consists of interest paid on term loans and other loans obtained from banks, financial institutions and other lenders, as well as the related finance charges. Our interest and finance charges were 19.7%, 13.3%, 8.8%, 8.2% and 8.7% of our total income for the financial years 2007, 2008, 2009 and for the nine months ended December 31, 2008 and 2009, respectively.

Depreciation. For further details, see "—Critical Accounting Policies—Depreciation," on page 240.

Taxation. Taxation comprises income tax and wealth tax. Income tax includes minimum alternate tax ("MAT") or current tax on income from tonnage and non-tonnage activities, fringe benefit tax and deferred tax charges or credits. Current tax is calculated in accordance with applicable law. Fringe benefit tax refers to the tax imposed on us as an employer on benefits which accrue to our employees by reason of his or her employment other than salary and wages. (Fringe benefit tax was abolished with effect from April 1, 2009). Deferred tax reflects the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing differences of earlier years. For further details, see "Statement of Tax Benefits," on page 54.

- <u>India.</u>

  Current Tax:

  We opted for tonnage tax scheme available under Chapter XII-G of the Income Tax Act, 1961, as amended (the "Income Tax Act"), which is available to shipping companies that fulfil certain conditions laid down under the chapter. Accordingly, for profit or loss derived from tonnage activities (shipping income as defined in Section 115VI of the Income Tax Act) a company has to pay deemed income tax as specified under Section 115VG of the Income Tax Act. For profit derived from non-tonnage activities, a company is required to pay regular tax under the other provisions of the Income Tax Act.

  Minimum Alternate Tax ("MAT"):

  Under Section 115JB of the Income Tax Act, a company is liable to pay income tax at the rate of 15.0% (plus applicable surcharge, education cess and secondary and higher education cess) on the book profit from non-tonnage activities as computed in accordance with the provisions of Section 115JB of the Income Tax Act, if the total tax payable under the Income Tax Act is less than 15.0% of the book profit computed under Section 115JB of the Income Tax Act. MAT is not applicable for tonnage income.

Under the Finance Bill 2010 which is awaiting Presidential assent, the MAT rate is expected to increase 18.0% with effect from April 1, 2010.

Fringe Benefit Tax:

Fringe Benefit Tax was payable by us for certain expenses incurred by us for our employees in accordance with the provisions of the former Chapter XII-H of the Income Tax Act. However, the Income Tax Act was since amended and this chapter was deleted with effect from April 1, 2009.

Wealth Tax:

We were, on the basis of our nationality and residential status, subject to wealth tax at the rate of 1.0% on amount by our net wealth exceeds a specified amount as specified in the Wealth Tax Act, 1957. Our net wealth was determined as of a valuation date in the relevant year of assessment.

- Singapore.

  Charter hire income of GGES is exempt from income tax in Singapore under section 13A of the Singapore Income Tax Act (Cap 134) (the “Singapore IT Act”) as it is derived from rigs operating outside the limits of the port of Singapore.

  Charter hire income of GGOS is also exempt from income tax in Singapore under section 13A of the Singapore IT Act as it is derived from vessels operating outside the limits of the port of Singapore. Further, GGOS has been awarded the Approved International Shipping Enterprise status (“AISE”) by the Maritime and Port Authority of Singapore. Under section 13F of the Singapore IT Act, charter hire income of an AISE from vessels operating outside the limits of the port of Singapore is exempt from tax in Singapore similar to section 13A of the Singapore IT Act. Further, AISE status also enables GGOS to pay interest to non-residents without withholding tax in Singapore.

  Other income derived from non-qualifying activities is taxable in Singapore at the prevailing corporate tax rate of 17.0%.

Our Results of Operation

The following table sets forth selected financial data from our restated statements of profit and loss, the components of which are also expressed as a percentage of total income for the financial years 2007, 2008 and 2009 and for the nine months ended December 31, 2008 and 2009:

	For the Financial Year						**For the Nine Months Ended December 31,**			
	2007		**2008**		**2009**		**2008**		**2009**	
Particulars	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**	**(Rs. in Millions)**	**% of Total Income**
Income:										
Charter hire	185.25	85.5	836.56	93.6	3,044.53	96.4	2,051.94	96.4	5,316.65	98.9
Other income	31.40	14.5	56.80	6.4	114.87	3.6	76.47	3.6	57.03	1.1
Total income	**216.65**	**100.0**	**893.36**	**100.0**	**3,159.40**	**100.0**	**2,128.41**	**100.0**	**5,373.68**	**100.0**
Expenditure:										
Staff costs	63.98	29.5	137.53	15.4	413.80	13.1	249.49	11.7	830.99	15.5
Operating expenses	25.60	11.8	154.47	17.3	1,439.58	45.6	860.09	40.4	2,552.12	47.5
Administration expenses	31.66	14.6	129.97	14.6	220.96	7.0	178.58	8.4	347.63	6.5
Interest and finance charges	42.77	19.7	119.19	13.3	277.09	8.8	173.83	8.2	469.60	8.7
Depreciation	29.98	13.8	132.22	14.8	331.36	10.5	220.82	10.4	509.49	9.5
Total expenses	**193.99**	**89.5**	**673.38**	**75.4**	**2,682.79**	**84.9**	**1,682.81**	**79.1**	**4,709.83**	**87.7**
Net profit before tax and extraordinary items	22.66	10.5	219.98	24.6	476.61	15.1	445.60	20.9	663.85	12.3
Taxation	1.84	0.9	6.50	0.7	2.10	0.1	1.40	0.0	7.41	0.1
Net profit before extraordinary items	20.82	9.6	213.48	23.9	474.51	15.0	444.20	20.9	656.44	12.2
Net profit	**20.82**	**9.6**	**213.48**	**23.9**	**474.51**	**15.0**	**444.20**	**20.9**	**656.44**	**12.2**

Nine months ended December 31, 2009 compared to nine months ended December 31, 2008

Income

Our total income increased to Rs. 5,373.68 million for the nine months ended December 31, 2009 from Rs. 2,128.41 million for the nine months ended December 31, 2008, primarily due to an increase in charter hire income as a result of the expansion of our fleet by five vessels and two rigs.

Charter Hire

Our charter hire income increased to Rs. 5,316.65 million for the nine months ended December 31, 2009 from Rs. 2,051.94 million for the nine months ended December 31, 2008, primarily due to the expansion of our fleet, which increased by five vessels, *Greatship Aarti*, *Greatship Aditi*, *Greatship Ahalya*, *Greatship Asmi* and *Greatship Maya*, and one rig, *Greatdrill Chitra*. *Greatdrill Chetna* was in-chartered by us from Mercator Offshore Limited in March 2009. *Greatdrill Chitra* has been deployed to a major oil and gas operating company in India for an initial term up to December 2014 and *Greatdrill Chetna* has been deployed to the same company for an initial term up to March 2012. *Greatdrill Chetna* and *Greatdrill Chitra* contributed 48.0% of our total income for the nine months ended December 31, 2009.

Other Income

Our other income decreased by 25.4% to Rs. 57.03 million for the nine months ended December 31, 2009 from Rs. 76.47 million for the nine months ended December 31, 2008, primarily due to write backs in provision for diminution in value of investments on the account of liquidating our former subsidiary, Greatship Holdings B.V, which was a one-off transaction.

Expenditure

Total expenditure increased to Rs. 4,709.83 million for the nine months ended December 31, 2009 from Rs. 1,682.81 million for the nine months ended December 31, 2008, primarily due to an increase in staff costs and an increase in operating expenses as a result of the growth of our fleet and business.

Staff costs

Our staff costs increased to Rs. 830.99 million for the nine months ended December 31, 2009 from Rs. 249.49 million for the nine months ended December 31, 2008, due to the expansion of our fleet and the operation of our two rigs, *Greatdrill Chetna* and *Greatdrill Chitra*. Rigs generally utilise more staff than vessels and as a result of the operation of these two rigs, the total number of our floating staff increased during the nine months ended December 31, 2009 compared to the nine months ended December 31, 2008.

Operating Expenses

Our operating expenses increased to Rs. 2,552.12 million for the nine months ended December 31, 2009 from Rs. 860.09 million for the nine months ended December 31, 2008, primarily due to the expansion of our fleet by five vessels and one rig and the operation of the in-chartered rig, *Greatdrill Chetna* from March 2009 and consisted primarily of increases in expenses incurred towards in-chartering *Greatdrill Chetna* of Rs. 1,279.33 million during the nine months ended December 31, 2009 from nil for the nine months ended December 31, 2008, increases in consumption of stores to Rs. 172.89 million for the nine months ended December 31, 2009 from Rs. 26.42 million for the nine months ended December 31, 2008, rig mobilisation expenses of Rs. 124.30 million for the nine months ended December 31, 2009 from nil for the nine months ended December 31, 2008, increases in repairs and maintenance expenses to Rs. 117.44 million for the nine months ended December 31, 2009 from Rs. 39.59 million for the nine months ended December 31, 2008, increases in losses on account of foreign currency transactions to Rs. 110.39 million for the nine months ended December 31, 2009 from Rs. 50.53 million for the nine months ended December 31, 2008 and increases in insurance and protection club fees to Rs. 108.88 million for the nine months ended December 31, 2009 from Rs. 11.09 million for the nine months ended December 31, 2008. The increase in our operating expenses was broadly consistent with the expansion of our fleet during the nine months ended December 31, 2009.

Administration expenses

Our administration expenses increased by 94.7% to Rs. 347.63 million for the nine months ended December 31, 2009 from Rs. 178.58 million for the nine months ended December 31, 2008, primarily due to a mark-to-market loss of an interest rate swap contract of our Subsidiary, GGES of Rs. 182.24 million for the nine months ended December 31, 2009 from nil for the nine months ended December 31, 2008 and increases in miscellaneous expenses to Rs. 48.66 million for the nine months ended December 31, 2009 from Rs. 24.94 million for the nine months ended December 31, 2008 which was offset by nil losses on the account of liquidating our former subsidiary, Greatship Holdings B.V, for the nine months ended December 31, 2009 from losses of Rs. 76.18 million for the nine months ended December 31, 2008.

Interest and finance charges

Interest and finance charges increased to Rs. 469.60 million for the nine months ended December 31, 2009 from Rs. 173.83 million for the nine months ended December 31, 2008, due to increase in debt we incurred in connection with the expansion of our fleet. Our total debt increased to Rs. 18,354.41 million as of December 31, 2009 from Rs. 7,652.94 million as of December 31, 2008.

Depreciation

Depreciation increased to Rs. 509.49 million for the nine months ended December 31, 2009 from Rs. 220.82 million for the nine months ended December 31, 2008, primarily due to the expansion of our fleet and the addition of the one rig that we own, *Greatdrill Chitra*.

Net profit before tax and extraordinary items

Our net profit before tax and extraordinary items increased 48.97% to Rs. 663.85 million for the nine months ended December 31, 2009 from Rs. 445.60 million for the nine months ended December 31, 2008.

Taxation

Our taxation increased to Rs. 7.41 million for the nine months ended December 31, 2009 from Rs. 1.40 million for the nine months ended December 31, 2008, primarily due to an increase in the provision for current income tax, which increased due to incurring MAT and deferred tax for the nine months ended December 31, 2009 which we did not incur for the nine months ended December 31, 2008. Our effective tax rate was 1.1% for the nine months ended December 31, 2009 as compared to an effective tax rate of 0.3% for the nine months ended December 31, 2008.

Net profit

For the reasons stated above, our net profit increased to Rs. 656.44 million for nine months ended December 31, 2009 from Rs. 444.20 million for the nine months ended December 31, 2008.

Financial year 2009 compared to financial year 2008

Income

Our total income increased to Rs. 3,159.40 million for the financial year 2009 from Rs. 893.36 million for the financial year 2008, primarily due to an increase in charter hire income as a result of the expansion of our fleet by six vessels and one rig.

Charter Hire

Our charter hire income increased to Rs. 3,044.53 million for the financial year 2009 from Rs. 836.56 million for the financial year 2008, primarily due to the expansion of our fleet, which increased by six vessels, *Greatship Abha*, *Greatship Akhila*, *Greatship Amrita*, *Greatship Dhriti*, *Greatship Dhwani* and *Skandi Falcon* and a marginal increase due to the addition of one rig, *Greatdrill Chetna* (which we took delivery of in March 2009).

Other Income

Our other income increased to Rs. 114.87 million for the financial year 2009 from Rs. 56.80 million for the financial year 2008, primarily due to write backs in provision for diminution in value of investments and increases in dividend income received on non-trade investments and recognising income from liquidated damages fees for late delivery of vessels, agency income and interest received on bank deposits.

Our write backs provision for diminution in value of investments written back increased to Rs. 26.93 million for the financial year 2009 from nil for the financial year 2008 due to write backs from the liquidation of Greatship Holdings B.V. Dividend received on non-trade investments increased by 54.11% to Rs. 47.36 million for the financial year 2009 from Rs. 30.73 million for the financial year 2008, primarily due to increases in average investments. We recognised income from liquidated damage fees for late delivery of vessel of Rs. 16.66 million for the financial year 2009.

Expenditure

Total expenditure increased to Rs. 2,682.79 million for the financial year 2009 from Rs. 673.38 million for the financial year 2008, primarily due to an increase in staff costs and an increase in operating expenses as a result of the growth of our fleet and business.

Staff costs

Our staff costs increased to Rs. 413.80 million for the financial year 2009 from Rs. 137.53 million for the financial year 2008 due to the expansion of our fleet. As a result, the total number of our floating staff increased during the financial year 2009 compared to the financial year 2008.

Operating Expenses

Our operating expenses increased to Rs. 1,439.58 million for the financial year 2009 from Rs. 154.47 million for the financial year 2008, primarily due to the expansion of our fleet by six vessels and one rig and consisted primarily of increases in expenses incurred towards the in-chartering of vessels and rig of Rs. 907.00 million during the financial year 2009 from the expenses incurred towards in-chartering vessels of Rs. 37.22 million for the financial year 2008, rig mobilisation expenses of Rs. 147.7 million for the financial year 2009 from nil for the financial year 2008, increases in losses on account of foreign currency transactions to Rs. 93.06 million for the financial year 2009 from Rs. 42.96 million for the financial year 2008, increases in repairs and maintenance expenses to Rs. 77.00 million for the financial year 2009 from Rs. 18.50 million for the financial year 2008, increases in consumption of stores to Rs. 41.94 million for financial year 2009 from Rs. 18.80 million for the financial year 2008 and increases in insurance and protection club fees to Rs. 27.98 million for the financial year 2009 from Rs. 5.03 million for the financial year 2008. The increase in our operating expenses was broadly consistent with the expansion of our fleet during the financial year 2009.

Administration expenses

Our administration expenses increased by 70.0% to Rs. 220.96 million for the financial year 2009 from Rs. 129.97 million for the financial year 2008, primarily due to losses of Rs. 76.18 million on account of liquidating Greatship Holdings B.V. during the financial year 2009 from nil for the financial year 2008 and an increase in miscellaneous expenses to Rs. 34.33 million for the financial year 2009 from Rs. 17.18 million for the financial year 2008.

Interest and finance charges

Interest and finance charges increased to Rs. 277.09 million for the financial year 2009 from Rs. 119.19 million for the financial year 2008, primarily due to the increase in the debt we incurred in connection with the expansion of our fleet. Our total debt increased to Rs. 11,826.40 million as of March 31, 2009 from Rs. 2,500.91 million as of March 31, 2008.

Depreciation

Depreciation increased to Rs. 331.36 million for the financial year 2009 from Rs. 132.22 million for the financial year 2008, primarily due to the expansion of our fleet during the financial year 2009.

Net profit before tax and extraordinary items

Our net profit before tax and extraordinary items increased to Rs. 476.61 million for the financial year 2009 from Rs. 219.98 million for the financial year 2008.

Taxation

Our taxation decreased to Rs. 2.10 million for the financial year 2009 from Rs. 6.50 million for the financial year 2008, primarily due incurring rig mobilisation costs for *Greatdrill Chetna*. Our effective tax rate was 0.4% for the financial year 2009 compared to an effective tax rate of 2.9% for the financial year 2008.

Net profit

For the reasons stated above, our net profit increased to Rs. 474.51 million for the financial year 2009 from Rs. 213.48 million for the financial year 2008.

Financial year 2008 compared to financial year 2007

Income

Our total income increased to Rs. 893.36 million for the financial year 2008 from Rs. 216.65 million for the financial year 2007, primarily due to an increase in charter hire income as a result of the expansion of our fleet by three vessels.

Charter Hire

Our charter hire income increased to Rs. 836.56 million for the financial year 2008 from Rs. 185.25 million for the financial year 2007, primarily due to the expansion of our fleet size, which increased by three vessels, *Greatship Anjali*, *Greatship Dipti* and *Greatship Diya*.

Other Income

Our other income increased by 80.9% to Rs. 56.8 million for the financial year 2008 from Rs. 31.40 million for the financial year 2007, primarily due to increases in dividend income received on non-trade investments and interest income from bank deposits.

Dividend received on non-trade investments increased by 99.5% to Rs. 30.73 million for the financial year 2008 from Rs. 15.40 million for the financial year 2007, primarily due to increases in average investments.

Expenditure

Total expenditure increased to Rs. 673.38 million for the financial year 2008 from Rs. 193.99 million for the financial year 2007, primarily due to an increase in staff costs and an increase in operating expenses as a result of the growth of our fleet and business.

Staff costs

Our staff costs increased to Rs. 137.53 million for the financial year 2008 from Rs. 63.98 million for the financial year 2007 due to the expansion of our fleet. As a result, the total number of our floating staff increased during the financial year 2008 compared to the financial year 2007.

Operating Expenses

Our operating expenses increased to Rs. 154.47 million for the financial year 2008 from Rs. 25.60 million for the financial year 2007, primarily due to the expansion of our fleet by three vessels and consisted primarily of increases in losses on account of foreign currency transactions to Rs. 42.96 million for the financial year 2008 from Rs. 4.53 million for the financial year 2007 and expenses incurred towards in-chartering vessels of Rs. 37.22 million during the financial year 2008 from nil for the financial year 2007. The increase in our operating expenses was broadly consistent with the expansion of our fleet during the financial year 2008.

Administration expenses

Our administration expenses increased to Rs. 129.97 million for the financial year 2008 from Rs. 31.66 million for the financial year 2007, primarily due to increases in legal and professional expenses to Rs. 37.57 million for the financial year 2008 from Rs. 12.59 million for the financial year 2007, incurring rental charges for our office located in Mumbai of Rs. 18.96 million for the financial year 2008 from nil for the financial year 2007, increases in miscellaneous expenses to Rs. 17.18 million for the financial year 2008 from Rs. 5.45 million for the financial year 2007 and increases in travelling expenses to Rs. 16.07 million for the financial year 2008 from Rs. 7.93 million for the financial year 2007.

Interest and finance charges

Interest and finance charges increased to Rs. 119.19 million for the financial year 2008 from Rs. 42.77 million for the financial year 2007, primarily due to the increase in the debt we incurred in connection with the expansion of our fleet. Our total debt increased to Rs. 2,500.91 million as of March 31, 2008 from Rs. 640.79 million as of March 31, 2007.

Depreciation

Depreciation increased to Rs. 132.22 million for the financial year 2008 from Rs. 29.98 million for the financial year 2007 primarily due to the expansion of our fleet.

Net profit before tax and extraordinary items

Our net profit before tax and extraordinary items increased to Rs. 219.98 million for the financial year 2008 from Rs. 22.66 million for the financial year 2007.

Taxation

Taxation increased to Rs. 6.50 million for the financial year 2008 from Rs. 1.84 million for the financial year 2007, primarily due to an increase in the provision for current income tax, which increased due to an increase in our other income and fringe benefit tax. Our effective tax rate was 2.9% for the financial year 2008 compared to 8.1% for the financial year 2007.

Net profit

For the reasons stated above, our net profit increased to Rs. 213.48 million for the financial year 2008 from Rs. 20.82 million for the financial year 2007.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to finance our capital expenditure and our working capital needs. To fund these costs, we have relied on equity capital, cash flows from operations and short-term and long-term borrowings including sale and lease backs of vessels. Going forward, we will incur significant expenditure for the expansion of our fleet.

We believe that our anticipated cash flow from operations, committed debt facilities, together with proceeds from this offering and our existing cash, will be sufficient to meet our operating and capital expenditure requirements for the financial year 2011. Our anticipated cash flows from operations depend on several factors beyond our control, such as international prices of oil and gas, demand and supply of offshore supply vessels and drilling rigs in the markets we operate in and the laws and regulations in the maritime industry, including cabotage laws. We may therefore be required to incur additional indebtedness or issue additional equity in the future. For further details, see "Risk Factors," on page xiii.

Cash Flows

The table below summarises our cash flows for the nine months ended December 31, 2009 and 2008 and for the financial years 2007, 2008 and 2009:

(Rs. in Million)

	For the Financial Years			**Nine Months Ended December 31**	
Particulars	**2007**	**2008**	**2009**	**2008**	**2009**
Net cash generated from/(used in) operating activities	(194.51)	555.44	1,134.83	2,051.87	1,079.25
Net cash generated from/(used in) investing activities	(2,680.78)	(6,273.33)	(12,645.54)	(7,473.22)	(7,504.46)
Net cash generated from/(used in) financing activities	3,207.16	5,779.52	12,879.54	7,025.43	6,956.64
Net increase/ (decrease) in cash and cash equivalents........	331.87	61.63	1,368.83	1,604.08	531.43

Cash Flows from Operating Activities

Our net cash generated from operating activities was Rs. 1,079.25 million for the nine months ended December 31, 2009. The cash generated from operating activities for the nine months ended December 31, 2009 was primarily on account of realisation of revenue from charter hires and other income. Net cash generated in operating activities consisted of profit before tax of Rs. 663.85 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 509.49 million, interest paid of Rs. 597.11 million and changes in working capital, such as an increase in trade and other receivables of Rs. 896.09 million and trade payables of Rs. 202.32 million.

Our net cash generated from operating activities was Rs. 2,051.87 million for the nine months ended December 31, 2008. The cash generated from operating activities for the nine months ended December 31, 2008 was primarily on account of realisation of revenue from charter hires and other income. Net cash generated in operating activities consisted of profit before tax of Rs. 445.60 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 220.82 million and interest paid of Rs. 173.83 million due to the expansion of our fleet and loss on the liquidation of our subsidiary, Greatship Holdings B.V., of Rs. 76.18 million, and changes in working capital, such as a decrease in trade and other receivables of Rs. 251.12 million and an increase in trade payables of Rs. 801.51 million.

Our net cash generated from operating activities was Rs. 1,134.83 million for the financial year 2009. The cash generated from operating activities for the financial year 2009 was primarily on account of realisation of revenue from charter hires and other income. Net cash generated in operating activities consisted of profit before tax of Rs. 476.61 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 331.36 million, interest paid of Rs. 277.09 million and loss on the liquidation of our subsidiary, Greatship Holdings B.V., of Rs. 76.18

million, and changes in working capital, such as an increase in trade and other receivables of Rs. 930.81 million and trade payables of Rs. 941.21 million.

Our net cash generated from operating activities was Rs. 555.44 million for the financial year 2008. The cash generated from operating activities for the financial year 2008 was primarily on account of realisation of revenue from charter hires and other income. Net cash generated in operating activities consisted of profit before tax of Rs. 219.98 million, as adjusted for a number of non-cash items, primarily depreciation of Rs. 132.22 million, interest paid of Rs. 119.19 million and changes in working capital, such as decrease in trade and other receivables of Rs. 30.58 million and an increase in trade payables of Rs. 96.97 million.

Cash Flows from Investing Activities

Our cash flows from investing activities have been negative for the past few years primarily on account of acquisition of vessels and rigs during those periods.

Our net cash used in investing activities was Rs. 7,504.46 million for the nine months ended December 31, 2009, primarily as a result of cash paid for the purchase of fixed assets, including five vessels, i.e., *Greatship Asmi*, *Greatship Ahalya*, *Greatship Aarti*, *Greatship Aditi*, *Greatship Maya*, instalment payments for vessels under construction and *Greatdrill Chitra*, of Rs. 8,786.65 million, and purchase of investments of Rs. 357.94 million which was offset by sale proceeds of investments of Rs. 1,600.00 million which comprised our investments in mutual funds.

Our net cash used in investing activities increased to Rs. 7,473.22 million for the nine months ended December 31, 2008, primarily as a result of cash paid for the purchase of fixed assets, including three vessels, i.e., *Greatship Amrita*, *Greatship Dhriti*, *Greatship Dhwani* and instalment payments for vessels under construction, of Rs. 7,242.86 million, and purchase of investments of Rs. 2,408.92 million, which was offset by sale proceeds of investments of Rs. 2,140.16 million, which comprised our investments in mutual funds.

Our net cash used in investing activities increased to Rs. 12,645.54 million for the financial year 2009, primarily as a result of cash paid for the purchase of fixed assets, including five vessels, i.e., *Greatship Amrita, Greatship Dhriti*, *Greatship Dhwani*, *Greatship Akhila, Greatship Abha* and instalment payments for vessels under construction, of Rs. 13,121.19 million, and the purchase of investments of Rs. 5,183.24 million and sale proceeds of investments of Rs. 5,605.62 million.

Our net cash used in investing activities increased to Rs. 6,273.33 million for the financial year 2008, primarily as a result of cash paid for the purchase of fixed assets, including three vessels, i.e., *Greatship Diya, Greatship Dipti* and *Greatship Anjali*, of Rs. 6,078.35 million, and the purchase of investments of Rs. 4,560.98 million which was offset by sale proceeds of investments of Rs. 4,310.21 million.

Cash Flows from Financing Activities

Our cash flow from our financing activities is determined primarily by the level of borrowings, the schedule of principal and interest payable on them, the issuance of share capital and proceeds or repayments of vessels acquired under finance lease.

Net cash generated from financing activities was Rs. 6,956.64 million for the nine months ended December 31, 2009, primarily a result of proceeds from long-term borrowings of Rs. 7,248.48 million and proceeds from finance lease of Rs. 860.90 million adjusted by cash used in the repayment of long-term borrowings of Rs. 512.69 million, interest paid of Rs. 586.76 million and repayment of finance lease of Rs. 53.29 million.

Net cash generated from financing activities was Rs. 7,025.43 million for the nine months ended December 31, 2008, primarily a result of proceeds from the issue of share capital of Rs. 2,760.00 million, long-term borrowings of Rs. 4,693.67 million adjusted by cash used in the repayment of long-term borrowings of Rs. 242.32 million and interest paid of Rs. 185.92 million.

Net cash generated from financing activities was Rs. 12,879.54 million for the financial year 2009, primarily as a result of proceeds from long-term borrowings of Rs. 7,852.71 million and proceeds from finance lease of Rs. 940.65 million due to the sale and leaseback of *Greatship Abha* and *Greatship Aditi*, adjusted by cash used in the repayment of long-term borrowings of Rs. 386.73 million, interest paid of Rs. 261.55 million and repayment of finance lease of Rs. 5.54 million.

Net cash generated from financing activities increased to Rs. 5,779.52 million for the financial year 2008, primarily as a result of proceeds from issue of share capital of Rs. 3,919.07 million and proceeds from long term borrowing of Rs. 2,116.96 million adjusted by cash used in the repayment of long-term borrowings of Rs. 132.98 million and interest charges of Rs. 123.53 million.

Indebtedness

The following table summarises our consolidated outstanding indebtedness as of December 31, 2009:

(Rs. in Million)

Particulars	As of December 31, 2009
Secured Loans..	18,354.41
Short term loans..	-
Others...	-
Total..	18,354.41

Historical and Planned Capital Expenditure

For the nine months ended December 31, 2009, our total capital expenditure was Rs. 8,786.65 million. For the financial year 2009, our total capital expenditure was Rs. 14,060.20 million. For the financial year 2008, our total capital expenditure was Rs. 6,078.35 million. Our historical capital expenditures were, and expect our future capital expenditures to be, primarily for the purchase of vessels and rigs.

We plan to incur capital expenditure of Rs. 7,176.84 million and Rs. 6,030.88 million for the financial years 2011 and 2012, respectively. For further details on our planned capital expenditure, see "Objects of the Issue," on page 43.

Off-Balance Sheet Arrangements and Financial Instruments

Derivative instruments

In conducting our business, we use various derivative instruments to manage the risks arising from fluctuations in exchange rates and interest rates. We use foreign exchange forward contracts, currency and interest swaps and options to hedge our exposure to movements in foreign exchange rates. Such instruments are used for risk management purposes only. Our total mark-to-market losses on outstanding derivative instruments as on December 31, 2009 was Rs. 240.99 million, arising from hedging transactions undertaken by us for our foreign currency and interest related exposures. As a matter of principle, we do not enter into derivative financial instruments for trading or speculative purposes and all the derivatives entered into by us are to mitigate or offset the risks that arise from our normal business activities only.

For further details, see "Financial Statements—Appendix V—Notes to Consolidated Statements of Assets and Liabilities and Consolidated Statement of Profit and Losses," on page 205.

Contingent Liabilities

The following table sets forth the principal components of our contingent liabilities as of March 31, 2009 and December 31, 2009.

(Rs. in Million)

Particulars	As of March 31, 2009	As of December 31, 2009
Guarantees given by bank..	655.71	670.49

Particulars	As of March 31, 2009	(Rs. in Million) As of December 31, 2009
Corporate guarantees	11,003.69	16,513.41
Custom duty for import of vessel under provisional duty bond	–	88.23
Service tax claim pending resolution (net)	–	5.51

Notes:
Our Company imported a vessel under bill of entry for home consumption on October 7, 2009 by utilising the SFIS credit certificate (Duty Free Credit Entitlement Certificate) for the customs duty payable of Rs. 88.23 million. The Deputy Commissioner of Customs, Mumbai, pending clarification sought by him from the Central Board of Excise and Customs, New Delhi, regarding clearance of the vessels under DFCEC Scheme, has made a provisional assessment of the vessel, against a security bond issued by our Company for the full value of the vessel of Rs. 936.46 million.

Our Company filed a service tax refund application dated March 24, 2008 with the Assistant Commissioner of Service Tax, Division III, Mumbai Commissionerate for service tax refund of Rs. 7.72 million erroneously deposited from June 2007 to November 2007, on certain non-taxable services. Subsequently our Company has received intimation from the service tax department contending that our Company has availed 100.0% CENVAT credit instead of 20.0%, resulting in short payment of service tax of Rs. 2.21 million, which has been provided in the books of account, which will be finalised and settled depending on the final outcome of the refund application. Our management believes that the (net) refund claim of Rs. 5.51 million is receivable and, as a result, no provision has been made in the books of account.

Contractual Obligations and Commercial Commitments

Our contractual obligations and commercial commitments consist principally of the following, as of December 31, 2009, classified by maturity:

(Rs. in Million)

	Payment due by period			
Particulars	**Total**	**Within one year**	**Within two to five years**	**More than 5 years**
Long term debt	18,354.41	2,466.36	10,899.19	4,998.86
Finance leases	1,665.55	259.53	890.49	515.53
Operating leases	3,939.78	1,968.25	1,971.53	-
Capital commitments	13,207.72	7,176.84	6,030.88	-

Qualitative and Quantitative Disclosures about Market Risks

Foreign Exchange Risk

We are exposed to foreign currency exchange rate fluctuations and exchange rate risks on all charter hire contracts that are denominated in foreign currencies and when we construct vessels and rigs abroad. To minimise the financial impact of this risk, we attempt to match the currency of our debt and operating costs with the currency of the revenue streams. A significant portion of our operations are denominated in foreign currencies As such, we are exposed to risks relating to exchange rate fluctuations, particularly U.S. Dollars. We use various derivative instruments, such as forwards, options, currency options contracts, to manage the risks from fluctuations in exchange rates.

Interest Rate Risk

We are exposed to interest rate risk on our borrowings and deposits. We have incurred substantial amounts of indebtedness that are subject to floating rates and we have entered into interest rate swap transactions with respect to a majority of such indebtedness. Nonetheless, we continue to be exposed to interest rate fluctuations, to the extent our indebtedness is subject to floating interest rates. An increase in interest rates will increase our floating rate indebtedness interest costs. We make short-term investments with banks and other financial institutions and a decrease in the interest rates in the domestic market will result in lower interest earnings on short-term deposits. In conducting our business, we use various derivative instruments to manage the risks arising from interest rate fluctuations.

Operational Risk

Operational risk is the risk of loss or adverse consequences resulting from inadequate or failed internal processes, people or systems, or from external events. We are exposed to operating risks, including risk of loss of vessels and rigs and natural calamities risk in respect of our operations at sea. Although we carry insurance against certain events and would expect that a portion of the loss would be covered by such insurance.

Adoption of IFRS effective April 2011

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with the IFRS pursuant to which all public companies in India will be required to prepare their annual and interim financial statements under IFRS, beginning with the financial year commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is no significant body of established practice upon which to draw in forming judgments regarding its implementation and application, we have not determined with a degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP.

Significant Developments Occurring After December 31, 2009

Except as stated elsewhere in this Draft Red Herring Prospectus, to our knowledge no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our vessels and rigs or our ability to pay our material liabilities due within the next 12 months.

FINANCIAL INDEBTEDNESS

The aggregate borrowings of our Company, on a consolidated basis, as of March 31, 2010 are as follows:

(In Rs. million)

Sr. No.	Nature of Borrowing	Amount
1.	Secured Borrowings	18,102.73
2.	Unsecured Borrowings	Nil

Set forth below is a brief summary of our aggregate borrowings as on March 31, 2010:

Details of Secured Borrowings

I. Our Company

1. Loans availed by our Company:

Sr. No.	Name of the Lender(/s)	Loan Agreement	Purpose	Amount Sanctioned	Total Amount Outstanding as on March 31, 2010		Interest (p.a.)	Repayment	Security
					In US$ million	In Rs. million			
1.	State Bank of India	Loan Agreement dated August 1, 2006	To finance the acquisition of vessels "Waveney Fortress" and "Waveney Castle" subsequently named as "Greatship Disha" and "Greatship Diya", respectively	Rs. 1,571,700,000 (with a swinging option into FCNR (B) term loan in US$, the amount being US$ 33,800,000).	23.80	1,068.91	Six months LIBOR plus 100 bps* * interest in case of availing the loan as rupee term loan is 9.25% p.a. (to be reset every two years from the date of drawdown of each tranche)	Each tranche to be repaid in 20 half yearly instalments commencing six months after the date of that tranche drawdown. (Option of bullet repayment after five years if the rollover offered by lender in either US$ or INR for the next five years is not acceptable.)	(i) First ship mortgage of each of the vessels, i.e. "Greatship Disha" and "Greatship Diya", and assignment of all the policies and contracts of insurance in relation to "Greatship Disha" and "Greatship Diya"; (ii) Corporate guarantee from GESCO; and (iii) Security margin of 133% at anytime based on the market value of the vessels.
2.	United Overseas Bank	Loan Agreement dated December 19, 2007	To part-finance the construction cost of the vessel "Greatship Anjali" (Hull No. NC 207).	Japanese Yen equivalent of US$12,400,000	9.92	445.61	Six month LIBOR plus 100 bps	To be repaid in 16 consecutive instalments with an interval of six months each. Each of the first 15 instalments to be paid in Japanese Yen equating to 5% of the loan amount	First priority Indian statutory ship mortgage on the vessel "Greatship Anjali" and assignment of all the policies and contracts of insurance in relation to the vessel, any requisition compensation and all benefits and interests present

Sr. No.	Name of the Lender(/s)	Loan Agreement	Purpose	Amount Sanctioned	Total Amount Outstanding as on March 31, 2010		Interest (p.a.)	Repayment	Security
					In US$ million	In Rs. million			
								and the last instalment to be paid in Japanese Yen equating to 25% of the loan amount.	and future therein.
3.	United Overseas Bank	Loan Agreement dated February 4, 2008	To part-finance the construction cost of the vessel "Greatship Amrita" (Hull No. NC 208)	Japanese Yen equivalent of US$12,400,000	10.54	473.46	Six month LIBOR plus 100 bps	To be repaid in 16 consecutive instalments with an interval of six months each. Each of the first 15 instalments to be paid in Japanese Yen equating to 5% of the loan amount and the last instalment to be paid in Japanese Yen equating to 25% of the loan amount	First priority Indian statutory ship mortgage on the vessel "Greatship Amrita" and assignment of all the policies and contracts of insurance in relation to the vessel, any requisition compensation and all benefits and interests present and future therein.
4.	United Overseas Bank	Loan Agreement dated December 23, 2008	To part-finance the acquisition of two vessels "Greatship Akhila" and "Greatship Asmi" (Hull No. T-182 and Hull No. T-183)	US$24,160,000 or the equivalent amount in Japanese Yen. (US$ 12,080,000 for each of the vessel ("Ship Tranche"))	22.35	1,003.87	Six month LIBOR plus 180 bps	Each Ship Tranche to be repaid in 16 semi-annual instalments. The amount of first 15 instalments shall be US$604,000 each or the equivalent amount in Japanese Yen and amount of the final instalment to be US$3,020,000 or the equivalent amount in Japanese Yen	First priority Indian statutory ship mortgage on the vessels "Greatship Akhila" and "Greatship Asmi" and an assignment of all the policies and contracts of insurance in relation to both the vessels, any requisition compensation and all benefits and interests present and future therein.
5.	United Overseas Bank	Loan Agreement dated August 20, 2007	To part-finance the acquisition of platform supply vessel "Island Trader" subsequently named as	Japanese Yen equivalent of US$20,400,000	15.30	687.28	Six month LIBOR plus 105 bps	To be repaid in 16 consecutive instalments with an interval of six months each. Each of the first 15	First priority Indian statutory ship mortgage on the vessel "Greatship Dipti" and assignment of all the policies and contracts of insurance in

Sr. No.	Name of the Lender(/s)	Loan Agreement	Purpose	Amount Sanctioned	Total Amount Outstanding as on March 31, 2010		Interest (p.a.)	Repayment	Security
					In US$ million	In Rs. million			
			name "Greatship Dipti"					instalments to be paid in Japanese Yen equating to 5% of the loan amount and the last instalment to be paid in Japanese Yen equating to 25% of the loan amount.	relation to the vessel, any requisition compensation and all benefits and interests present and future therein.
6.	HSBC Bank plc, London	Loan Agreement dated July 16, 2008	To finance the cost for the purchase of two vessels "Greatship Dhriti" and "Greatship Dhwani" (Hull No. 130AYB and Hull No. 131AYB, respectively)	Japanese Yen equivalent of NOK 235,716,000 (NOK 117,796,000 in respect of vessel with Hull NO. 130AYB and NOK117,920, 000 in respect of vessel with Hull No. 131AYB (each, a "Ship Tranche"))	34.32	1,541.73	Six month LIBOR plus 118.5 bps	Each Ship Tranche to be repaid in 20 equal consecutive semi-annual repayment instalments.	First priority Indian statutory ship mortgage on the vessels "Greatship Dhriti" and "Greatship Dhwani" and an assignment of all the policies and contracts of insurance in relation to both the vessels, any requisition compensation and all benefits and interests present and future therein and swap contracts.
7.	Societe Generale, Paris	Loan Agreement dated June 5, 2009	To part-finance the acquisition of the vessels "Greatship Ahalya" and "Greatship Aarti" (Hull No. T-184 and Hull No. T-185, respectively)	US$22,000,000 (US$ 11,000,000 for each of the vessel ("Ship Tranche"))	21.00	943.32	Six month LIBOR plus 330 bps	Each Ship Tranche to be repaid in 16 semi-annual instalments. The amount of first three instalments shall be US$500,000 each and the amount of the next 12 instalments shall be US$550,000 each and the amount of the final instalment to be US$2,900,000.	(i) First priority Indian statutory ship mortgage on both the vessels and assignment of the earnings of the vessels and charge on earnings accounts, assignment of swap contract and of all the policies and contracts of insurance in relation to both the vessels, any requisition compensation and all benefits and interests present and future therein; and (ii) Guarantee from GESCO

2. Sanctions obtained by our Company:

Name of the Lender(s)	Sanction Letter	Purpose	Amount Sanctioned	Security
Axis Bank Limited	Sanction Letter dated March 4, 2010	**ECB – I:** To part finance the purchase of three vessels identified as ROVSV CDL Hull No. 217, ROVSV CDL Hull No. 218 and 150T AHTSV Hull No. 197; **ECB – II:** To part finance the purchase of the vessel identified as 150T AHTSV Hull No. 198.	**ECB – I:** US$ 62,200,000 **ECB- II:** US$ 25,000,000	**ECB – I:** (i) First charge on the vessels being financed; (ii) Exclusive charge over designated earnings account; (iii) Exclusive first charge on receivables, earnings, claims against third parties and revenues of the vessels; (iv) First priority assignment of obligatory insurances; (v) Assignment of post construction guarantees from the construction contractor; (vi) Assignment of construction contract rights for 150T AHTSV Hull No. 197 (to discontinue post delivery of the vessel); and **ECB – II:** (i) First charge on the vessel being financed; (ii) Exclusive charge over designated earnings account; (iii) Exclusive first charge on receivables, earnings, claims against third parties and revenues of the vessels; (iv) First priority assignment of obligatory insurances; (v) Assignment of post construction guarantees from the construction contractor; (vi) Assignment of construction contract rights for 150T AHTSV Hull No. 198 (to discontinue post delivery of the vessel); and

II. Our Subsidiaries:

1. GGOS

(a) Loans availed by GGOS

Sr. No.	Name of the Lender(s)	Loan Agreement	Purpose	Amount Sanctioned	Principal Amount Outstanding as at March 31, 2010		Interest (p.a.)	Repayment	Security
					In US$ million	In Rs. million			
1.	DnB NOR Bank ASA, Singapore	Loan Agreement dated August 6, 2008	To part-finance the cost of acquisition of two vessels identified as Hull No. 341 and Hull No. 342 subsequently named as "Greatship Maya" and "Greatship Mohini", respectively.	US$ 67,520,000 and a guarantee facility of up to US$ 9,600,000	33.76	1,516.50	LIBOR plus 95 bps	(i) To be repaid in 20 equal instalments of US$ 1,688,000 with an interval of six months each. The first instalment to begin six months after the delivery of each vessel. (ii) Guarantee facility to be repaid on demand.	(i) First priority Singaporean mortgage over the vessels; (ii) Assignment of all insurances and requisition of compensation for the vessels; (iii) First assignment of all the earnings of the vessels and charge of earnings account; and (iv) Corporate guarantee from the Company.
2.	DnB NOR Bank ASA, Singapore	Loan Agreement dated August 6, 2008	To part-finance the cost of acquisition of two vessels identified as Hull No. 343 and Hull No. 344.	US$ 69,024,000 and a guarantee facility of up to US$ 9,882,000	36.08	1,620.89	LIBOR plus 95 bps	(i) To be repaid in 20 equal instalments of US$ 1,725,600 with an interval of six months each. The first instalment to begin six months after the delivery of each vessel. (ii) Guarantee facility to be repaid on demand.	(i) First priority Singaporean mortgage over the vessels; (ii) Assignment of all insurances and requisition of compensation for the vessels; (iii) First assignment of all the earnings of the vessels and charge over earnings account; and (iv) Corporate guarantee from the Company.

(b) Finance Leases availed by GGOS

Sr. No.	Name of the Lender(s)	Loan Agreement	Amount Sanctioned	Principal Amount Outstanding as at March 31, 2010		Repayment
			In US$ million	In US$ million	In Rs. million	
1.	Mount Trisul Offshore Pte. Ltd.	January 16, 2009	18.50	17.87	802.72	(i) First three years: US$ 7,800 per day; (ii) Next three years: US$ 6,245 per day;

Sr. No.	Name of the Lender(s)	Loan Agreement	Amount Sanctioned	Principal Amount Outstanding as at March 31, 2010		Repayment
			In US$ million	In US$ million	In Rs. million	
						and (iii) Last two years: US$ 5,695 per day.
2.	Mount Trisul Offshore Pte. Ltd.	January 16, 2009	18.50	17.40	783.40	(i) First three years: US$ 7,480 per day; (ii) Next three years: US$ 6,000 per day; and (iii) Last two years: US$ 5,500 per day.

2. GGES

Sr. No.	Name of the Lender(s)	Loan Agreement	Purpose	Amount Sanctioned	Principal Amount Outstanding as at March 31, 2010		Interest (p.a.)	Repayment	Security
					In US$ million	In Rs. million			
1.	The Bank of Nova Scotia Asia Limited; DBS Bank Limited; Thanachart Bank Public Company Limited; and Axis Bank Limited.	Loan Agreement dated September 24, 2009	To finance the cost of acquisition of the jack-up drilling rig "Greatdrill Chitra", identified as Hull No.B297	US$ 140,000,000 in two tranches of US$ 110,000,000 (Tranche A) and US$ 30,000,000 (Tranche B)	136.59	6,135.53	Tranche A: LIBOR plus 335bps; Tranche B: LIBOR plus 475 bps	Tranche A: To be repaid in 57 instalments with an interval of one month each starting from February 15, 2010; and Tranche B: To be repaid on November 15, 2014.	(i) First priority mortgage over the rig; (ii) Assignment of a comprehensive all risk insurance on the rig; (iii) Negative lien on the shares of the GGES; (iv) Assignment of the bareboat charter agreement between GGES and the Company; (v) Assignment of earnings of the Company under the time charter contract between the Company and Oil and Natural Gas Corporation up to an amount equivalent to the bareboat hire payable to GGES under the bareboat charter agreement between GGES and the Company; and (vi) Corporate guarantee from the Company.

Our Company has received sanction letters from various lenders sanctioning working capital facilities aggregating to Rs. 3,918.20 million as on March 31, 2010.

Corporate Actions

Certain corporate actions for which our Company requires the prior written consent of the lenders include:

(a). Permitting any encumbrance in relation to the respective vessels except the liens specifically permitted under the loan agreements;
(b). Effecting any merger, demerger or consolidation with any other person or permitting any re-organisation, amalgamation, reconstruction, take over or any other scheme of compromise or arrangement affecting the business or financial condition;
(c). Selling, transferring, abandoning, lending or otherwise disposing of or ceasing to exercise direct control of a substantial part of the assets of our Company;
(d). Repurchasing or reducing the current issued equity share capital; and
(e). Entering into any transactions with any associated company, other than on arm's length basis.

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, our Subsidiaries, our Directors, our Promoter and Group Companies and there are no defaults, non payment of statutory dues, over-dues to banks/financial institutions, defaults against banks / financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issue by our Company and its Subsidiaries, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company and our Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, our Subsidiaries, our Directors, our Promoter and Group Companies.

Litigation involving our Company

Litigation against our Company

The Commissioner of Service Tax, Mumbai (Anti-Evasion Unit) has served summons dated March 17, 2008 on our Company, pursuant to an inquiry initiated against our Company under the provisions of the Central Excise Act, 1944 and the Finance Act, 1994. The inquiry is in relation to the applicability of service tax on the vessels owned by our Company as well as the liability of our Company to pay service tax under the category "*mining of mineral, oil or gas services*". Our Company has stated in our response that we are not liable to pay service tax as our services do not fall under the stated category, however payment has been made under protest. On April 26, 2010, the Commissioner of Service Tax has served a notice directing our Company to submit copies of the financial statement and tax audit report for FY 2009 and FY 2010, reconciliation state of income shown in the profit and loss account with the service tax returns and statement showing bifurcation of foreign currency outgo for FY 2009 and FY 2010 by May 5, 2010. Our Company has made a request on May 3, 2010 for an extension of the time till May 31, 2010. The matter is currently pending.

Litigation by our Company

Our Company has served two notices dated November 26, 2009 and December 5, 2009 on Marine Logistics Solutions LLC ("Marsol") for initiating two arbitration proceedings in respect of payment of dues under two settlement agreements entered into between our Company and Marsol. Our Company had entered into two settlement agreements dated October 19, 2009 with Marsol (the "Settlement Agreements"), in relation to a charterparty dated November 27, 2007 between Marsol and our Company for the hire of two vessels, "Greatship Amrita" and "Greatship Anjali" (the "Charterparty Agreement"). Pursuant to the Settlement Agreements, Marsol agreed to pay compensation to our Company for early re-delivery of vessel under the Charterparty Agreement. By their letter dated November 26, 2009, our Company made payment claims against Marsol under the Settlement Agreements. On December 5, 2009, our Company issued a notice of default against Marsol in respect of defaults in payment of dues under the Settlement Agreements and claimed an amount of US$ 257,184 and an interest of US$1,886.55. Our Company has now sought to initiate arbitration proceedings to recover the amounts due and arbitrators have been appointed by the parties.

Litigation involving our Subsidiaries

GGHL

Nil

GGES

Nil

GGOS

Nil

Greatship Subsea

Nil

Litigation involving our Directors

Bharat K. Sheth

Litigation against Bharat K. Sheth

1. Allwyn Saldana, proprietor of Capstone Offshore Marine Enterprises, has filed a criminal complaint before the Magistrate's Court, Bandra, Mumbai against Bharat K. Sheth, Vijay Sheth and others. The matter is in relation to a contract dated October 26, 2004 between Iranian Offshore Engineering and Construction Company and offshore division of GESCO which was demerged into Great Offshore Limited. Allwyn Saldana wrote to the offshore division of GESCO claiming commission at 3.50% on the contract value of Rs. 200 million amounting to Rs. 7.00 million. A letter has been submitted to the Bandra Police Station on behalf of Bharat K. Sheth stating that he has no knowledge of the matter and that the matter pertains to the demerged offshore division of GESCO. The matter is currently pending.

2. Deputy Commissioner of Income Tax, Mumbai has filed two appeals before the Income Tax Appellate Tribunal against Bharat K. Sheth challenging the orders passed by the Commissioner of Income Tax (Appeals), Mumbai allowing certain deductions such as trading loss, investment in residential house etc., claimed by Bharat K. Sheth in the assessment of income for the assessment years 1996-1997 and 1997-1998. The aggregate amount involved in these matters is Rs. 19.40 million. The matters are currently pending.

For further details of the litigation against Bharat K. Sheth, please see "Outstanding Litigation and Material Defaults - Litigation involving Promoter – Litigation against GESCO – Criminal Cases – Case No. 1" and "Litigation against GESCO – Insurance Cases – Case No. 1" on pages 263 and 265, respectively.

Litigation by Bharat K. Sheth

1. Bharat K. Sheth has filed six appeals before the Income Tax Appellate Tribunal, Mumbai challenging the orders passed by the Commissioner of Income Tax (Appeals), Mumbai confirming the assessment of income by the assessing officer for the assessment years 1998-1999, 1999-2000, 2000-2001, 2001-2002, 2005-2006 and 2006-2007 wherein the income from house property was calculated in terms of the market rate and not in accordance with the leave and license agreement and the certain deductions in relation to trading losses were not allowed. The aggregate amount involved in these matters is Rs. 21.09 million. The matters are currently pending

2. Bharat K. Sheth has filed four appeals before the Commissioner of Income Tax (Appeals), Mumbai challenging the orders passed by the by the assessing officer for the assessment years 2002-2003, 2003-2004, 2004-2005and 2007-2008. These appeals have been filed on the ground that that the income from house property was erroneously calculated by relying on the market rate and not in accordance with the leave and license agreement. The aggregate amount involved in these matters is Rs. 8.20 million. The matters are currently pending

Keki M. Mistry

Litigation against Keki M. Mistry

For details of the litigation against Keki M. Mistry, please see "Outstanding Litigation and Material Defaults - Litigation involving Promoter – Litigation against GESCO – Insurance Cases – Case No. 1" on page 265.

Litigation by Keki M. Mistry

Nil

Vineet Nayyar

Litigation against Vineet Nayyar

Ajit N. Makhijani has filed the criminal complaint before the Chief Additional Metropolitan Magistrate, Bandra IX, Mumbai against all the directors of Mahindra Holidays and Resorts India Limited ("MHRIL"), including Vineet Nayyar. The complaint contains an offence against the directors of MHRIL forcommitting the offence of cheating. MHRIL has filed a criminal application (No. 7 of 2010) before the High Court of Bombay and the High Court of Bombay by an order dated February 1, 2010 granted an interim stay of all proceeding before the Chief Additional Metropolitan Magistrate. The matter is currently pending.

For further details of the litigation against Vineet Nayyar, please see "Outstanding Litigation and Material Defaults - Litigation involving Promoter – Litigation against GESCO – Insurance Cases – Case No. 1" on page 265.

Litigation by Vineet Nayyar

Nil

Litigation involving our Promoter

Litigation against GESCO

Criminal Cases

1. R. Sugavanam and Nimish Taterh have filed two criminal cases (No. 113/SW of 2008 and Case No. 114/SW of 2008) respectively, before the Additional Chief Metropolitan Magistrate, Borivali, Mumbai against GESCO, Bharat K. Sheth and K.M. Sheth. The complainants are the members of The Great Eastern Heights Society Limited, Malad ("GEHS"). The complaint is in relation to the non- execution of the agreement for the transfer of the property situated at Marve Road, Malad, Mumbai to GEHS. GESCO filed a criminal miscellaneous application before the High Court of Bombay to quash the complaint filed before the Additional Chief Metropolitan Magistrate. The High Court of Bombay by an order dated November 6, 2009 has stayed the proceedings before the Additional Chief Metropolitan Magistrate. The matter is currently pending.

2. Anthony Walter Shelley has filed a criminal complaint (No. 1686/SW/2004) before the Metropolitan Magistrate, Dadar, Mumbai against GESCO and some employees of GESCO. The complainant is a crew member of GESCO and has alleged that GESCO and its officers have dishonestly signed him on board of the vessel "Jag Padma" as a 'Trainee Seamen' whereas he was a qualified fitter and thereafter has not employed him as a 'Fitter'. The complainant has claimed differential wages and damages. The amount involved in the matter is Rs. 0.40 million. The matter is currently pending.

Penalties

1. GESCO paid Rs. 0.1 million in March 2003, pursuant to SEBI Regularisation Scheme 2002, in respect of disclosures required to be filed pursuant to Regulations 6(2), 6(4) and 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for the period February 1997 to May 2000. Further, GESCO had paid Rs. 0.01 million in December 2002 in respect of disclosures required to be filed pursuant to Regulations 6(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for the month of February 1997.

2. GESCO had received a letter dated February 8, 2007 from Ministry of Corporate Affairs, GoI stating that the accounts of the subsidiaries of GESCO as attached to its balance sheet dated March 31, 2006 were

prepared in the format of the respective countries and that the same was in contravention of the provisions of Section 212 of the Companies Act. The alleged offence was compounded by the Regional Director, Western Region, Mumbai by an order dated August 1, 2007 upon Bharat K. Sheth, deputy chairman & managing director and Jayesh Trivedi, vice president (secretarial & legal) & company secretary of GESCO making a payment Rs. 2,000 each as compounding fee.

Civil Cases

1. Lacchmandas Narang has filed a summary suit (No. 1044 of 2006) before the High Court of Bombay against GESCO claiming commission for a property situated at Byculla, Mumbai purchased by GESCO from Indian Standard Metal Company Limited. The amount involved in the matter is Rs. 7.27 million. The matter is currently pending.

2. Sukhdev Singh has filed a suit (No. 527 of 2005) before the High Court of Bombay against GESCO and K.M. Sheth. The matter pertains to the offshore division of GESCO which was demerged into Great Offshore Limited ("Great Offshore") and is in relation to the employment of Sukhdev Singh as "Master" in the offshore supply vessels of GESCO prior to the demerger. The suit was filed prior to the demerger against GESCO and GESCO has made applications stating that pursuant to the demerger, all the assets and liabilities, including legal proceedings, of the offshore division have been transferred to Great Offshore and that its name should be removed from the matter. Great Offshore has also made applications in the High Court assuming liability in this matter. GESCO has also filed an appeal against an order dated August 12, 2008, passed by the single judge of the High Court refusing to replace GESCO's name from the list of defendants and the appeal was decided against GESCO stating that GESCO's name cannot be replaced at the present stage. The amount involved in the matter is Rs. 90 million. The matter is currently pending.

3. 34 cases have been filed by various persons before various Civil Courts against GESCO and others in relation to the ownership of certain shares of GESCO. The cases have been filed on account of loss of share certificates, alleged fraudulent transfer of shares, non registration of shares and consequent non allotment of shares on a rights basis and the sale of shares by the bank with which the shares were pledged. The plaintiffs in these matters have sought a declaration on the ownership of the shares and restriction on transfer of the shares. The matters are currently pending.

4. Seven cases have been filed by various persons before various High Courts against GESCO and others in relation to the ownership of certain shares of GESCO. The cases have been filed on account of loss of share certificates, alleged fraudulent and unauthorised transfer of shares. The plaintiffs in these matters have sought a declaration on the ownership of the shares and restriction on transfer of the shares. The matters are currently pending.

5. Fair Growth Financial Services Limited ("FFSL") has filed a miscellaneous application (No. 294 of 1995) before the Special Court, Bombay against Jyoti Harshad Mehta, GESCO and others in relation to the dispute between Jyoti Harshad Mehta and FFSL over the ownership of 125,000 shares of GESCO and over the entitlement of 100,000 shares on rights basis issued to Jyoti Harshad Mehta in the year 1994. The matter is currently pending.

6. The custodian for FFSL appointed under the provisions of the Special Courts Act, 1992 has filed a miscellaneous application (No. 37 of 1999) before the Special Court, Bombay against GESCO and others in relation to the entitlement of FFSL for 386674 shares of GESCO on rights basis. On February 2, 2002 the Special Court had passed an order directing that the custodian is entitled to receive 258,007 shares of GESCO and 28,667 shares in Great Eastern Shipping Corporation Limited (now known as Mahindra Lifespace Limited) upon making payment for the shares and that the custodian shall not be entitled to receive dividends in respect of the shares until such payment. The shares have been held in abeyance with GESCO as the custodian has not complied with the conditions stipulated in the order dated February 2, 2002. The matter is currently pending.

7. The Custodian for FFSL appointed under the provisions of the Special Courts Act, 1992 has filed a miscellaneous application (No.322 of 2003) before the Special Court, Bombay against Jyoti Harshad

Mehta, GESCO and others in relation to the dispute between Jyoti Harshad Mehta and FFSL over the ownership of 71,300 shares of GESCO and over the rights entitlement on these shares in the rights issues held in 1992 and 1994. The shares in the rights issue in 1992 were allotted to FFSL and the shares in the rights issue in 1994 are held in abeyance. The matter is currently pending.

8. Fazal M. K. Ali Manekia has filed a miscellaneous application (No.161 of 1995) before the Special Court, Bombay against GESCO and others in relation to dispute over the ownership of 10,000 shares purchased by Fazal M. K. Ali Manekia from FFSL and over the entitlement of 18,000 shares on rights basis on these shares in the rights issues held in 1992 and 1994. The Special Court on November 23, 2007 allowed the application and held that Fazal M. K. Ali Manekia was the owner of the shares and that he was entitled to all the benefits accrued therein. The custodian for FFSL, however has sold the shares allotted in rights issue held in 1992, in the market. The custodian is willing to compensate Fazal M. K. Ali Manekia with consideration received against sale of the shares, however he has refused to accept the same. GESCO has issued 8,000 shares arising from the rights issue held in 1994 to Fazal M. K. Ali Manekia. The matter is currently pending.

9. Siby and Company has filed a complaint (No. 1186 of 1994) before the Munsiff Court, Thiruvananthapuram against M. Investment, GESCO and others in relation to the transfer of 200 shares of GESCO pursuant to the sale of shares by Siby Thomas to M. Investment. Siby Thomas informed GESCO to stop the transfer of the shares as he had not received the consideration for the sale of shares. However, GESCO transferred shares in favour of M. Investment, as there was no binding order restricting the transfer. The matter is currently pending.

10. Parmanand Tiwari has filed a suit (No. 2453 of 1992) before the City Civil Court, Calcutta against GESCO and others alleging non receipt of the letter of offer in relation to the rights issue held in the year 1992**.** Parmanand Tiwari had purchased 2,000 shares of GESCO before the record date for the rights issue but the shares were not transferred into his name as on the record date. Parmanand Tiwari has sought an injunction on the allotment of shares on rights basis to the original shareholder. The Court has issued an injunction on December 2, 1992. The matter is currently pending.

Consumer Cases

1. Two complaints have been filed by various persons before District Consumer Dispute Redressal Forums in relation to the ownership of certain shares of GESCO. The complaints have been filed on account on non receipt of the shares entitlement pursuant to the demerger of the offshore division of GESCO and on account of the return of the documents for the transfer of certain shares of GESCO. The matters are currently pending.

2. Bhanu Kumar Jain has filed a complaint (No. 96 of 2001) before the District Consumer District Redressal Forum, Lalitpur against GESCO and JM Morgan Stanley Retail Services in relation to non receipt of payment against the shares submitted with JM Morgan Stanley Retail Services for the sale of physical shares to participate in the buyback offer of GESCO in the year 2000. GESCO has filed its reply on October 5, 2002 stating that the dispute is between the complainant and JM Morgan Stanley Retail Services. The matter is currently pending.

Insurance Cases

1. Jamshed Mohta and Shiring J. Mohta have filed a case (No. 206 of 2006) before the High Court of Bombay against GESCO, Five Star Shipping Company Limited ("Five Star"), the then directors of GESCO including Bharat K. Sheth, Keki M. Mistry and Vineet Nayyar, and the directors of Five Star, in relation to the death of a cadet and the petitioners are the parents of the deceased. The case has been filed claiming a compensation of US$ 3.61 million. A chamber summons was taken on April 15, 2008 for the deletion of the names of the directors of GESCO from the matter. The matter is currently pending.

2. Eight cases have been filed by various persons before courts in different jurisdictions such as the Maritime Court, Panama and the Louisiana Court against GESCO. The cases are in relation to alleged damages

caused to steel coils of the plaintiffs by the vessels of GESCO. The aggregate amount involved in these matters is US$ 1.99 million. The matters are currently pending.

3. Reliance Industries Limited and Oriental Insurance Company Limited have filed a case (No. 112 of 2007) before the High Court of Bombay against GESCO, alleging contamination of high speed diesel with motoring spirit at Jawaharlal Nehru Port Trust caused by the vessel "Jag Padma". The amount involved in the matter is Rs. 11.64 million. The matter is currently pending.

4. Reliance Industries Limited and Oriental Insurance Company Limited have filed a case (No. 286 of 2007) before the High Court of Bombay against GESCO, alleging short discharge of cargo by the vessel "Jag Padma". The amount involved in the matter is Rs. 7.94 million. The matter is currently pending.

5. Southern Petrochemical Corporation Limited has filed a case (No. 5027 of 1994) before the High Court of Bombay against GESCO, alleging short discharge of ammonia by the vessel "Jag Vishnu" at Nhava Sheva on November 13, 1993. The amount involved in the matter is Rs. 4.55 million. The matter is currently pending.

6. Hindustan Fertilizer Corporation Limited has filed a case before the High Court of Delhi against GESCO. The case is in relation to the jurisdiction of the arbitral tribunal to decide the matter with respect to alleged damage to the Di Ammonium Phosphate and other expenses incurred by Hindustan Fertilizer Corporation Limited. The amount involved in the matter is Rs. 2.27 million. The matter is currently pending.

7. Food Corporation of India ("FCI") has filed a case (No. 95 of 1993) before the Court of Civil Judge, Senior Division, Jagatsingpur against GESCO challenging the arbitral award dated September 23, 1989. The case is in relation to alleged short discharge of rice by GESCO. FCI had invoked arbitration proceeding and the tribunal by an award dated September 23, 1989, dismissed the claims made by FCI. The amount involved in the matter is Rs. 0.13 million. The matter is currently pending.

8. Walsun Insurance Company Limited has filed an appeal before the Supreme Court of Taiwan challenging an order dated November 16, 2009 passed by the High Court of Taiwan wherein the High Court of Taiwan upheld the order dated May 14, 2006 passed by the Taiwan District Court dismissing the suit filed by Walsun Insurance Company against GESCO. The suit before the Taiwan District Court was in relation to alleged short discharge of 8,799 barrels crude oil by the vessel "Ardeshir H Bhiwandiwalla" at Mailiao on August 27, 2005. The amount involved in the matter is TWD 6.00 million. The matter is currently pending.

9. PMI Trading Limited has filed a case (No. 55 of 2007) before the High Court of Singapore against GESCO, alleging damage to fuel oil caused by the vessel "Jag Leela" at Tanjung Pelepas and Singapore in May 2007. The amount involved in the matter is US$ 3.96 million. The matter is currently pending.

10. PT Harkat Utama Mulia Mandiri has filed a case (No. 206 of 2009) before the High Court of Singapore against GESCO, alleging mis-delivery of cargo by the vessel "Jag Ravi". The amount involved in the matter is US$ 2.04 million. The matter is currently pending.

11. The Union of India and FCI have filed three appeals before the High Court of Bombay against GESCO challenging the arbitral awards dated June 12, 2000 directing FCI to pay an aggregate of Rs. 6.45 million to GESCO along with interest at the rate of 18% p.a. The matters are in relation to the calculation of laytime and consequent demurrage amount due from FCI to GESCO. The High Court of Bombay has by its orders dated June 5, 2004 directed FCI to deposit Rs. 7.54 million in the court. GESCO has withdrawn Rs. 7.54 million against a corporate guarantee. The matter is currently pending.

12. The Union of India and FCI have filed an appeal (No. 366 of 1991) before the High Court of Calcutta against GESCO challenging the arbitral award dated May 24, 1991. The case is in relation to the claim made by FCI alleging short discharge of rice by the vessel "Jag Ratna". The claim of Rs. 6.01 million made by FCI was dismissed by the arbitral tribunal by the award dated May 24, 1991. The matter is currently pending.

13. Essar Shipping Limited has filed an appeal (No. 713 of 2006) before the High Court of Bombay against GESCO challenging an order dated June 13, 2006 passed by the Single Judge, High Court of Bombay. The order dated June 13, 2006 was passed by the Single Judge dismissing the appeal filed by Essar Shipping Limited against the arbitral award dated May 27, 2004 directing Essar Shipping Limited to pay Rs. 1.29 million with interest to GESCO. The matter is in relation to the price applicable on re-delivery bunkers under the charter party. The High Court on October 17, 2006 has directed Essar Shipping Limited to deposit Rs. 1.06 million. The matter is currently pending.

14. EC Bose & Company (Vishakhapatnam) Private Limited ("EC Bose") has filed an appeal (No. 761 of 2005) before the High Court of Hyderabad against GESCO challenging an order dated September 8, 2009 passed by the District Court, Vishakhapatnam. By the order dated September 8, 2009, the District Court directed EC Bose to pay Rs. 3.90 million with interest to GESCO. The matter is in relation to damage caused to the tank top by EC Bose while loading steel plates. EC Bose was engaged as stevedores to load steel plates in Vishakhapatnam in August 1990. The matter is currently pending.

15. Hindustan Petroleum Corporation Limited ("HPCL") has filed an appeal (No. 134 of 2007) before the High Court of Bombay against GESCO, challenging an order dated September 5, 2006 passed by the Single Judge, High Court of Bombay. The order dated September 5, 2006 was passed by the Single Judge dismissing the suit filed by HPCL alleging that damage was caused to the jetty on October 20, 1996 by the vessel "Jag Prayog". The amount involved in the matter is Rs. 27.78 million. The matter is currently pending.

16. HPCL has filed a case (No. 2 of 200) before the High Court of Bombay against GESCO, alleging damage caused to the jetty on June 9, 1998 by the vessel "Jag Prayog". The amount involved in the matter is Rs. 38.99 million. The matter is currently pending.

17. Haripada Majumdar and Aruna Majumdar have filed a case (No. 166 of 2000) before the High Court of Calcutta against GESCO, in relation to the death of the chief officer of GESCO and the petitioners are the parents of the deceased. The case has been filed claiming a compensation of Rs. 7.58 million. The matter is currently pending.

Income Tax Cases:

1. The Commissioner of Income Tax has filed five appeals before the High Court of Bombay against GESCO challenging the orders passed by the Income Tax Appellate Tribunal wherein certain deductions were allowed with respect to the assessment for the assessment years 1997-1998, 1998-1999, 1999-2000, 2001-2002 and 2002-2003. These deductions were in relation to the gifts in the nature of advertisements, foreign exchange gain arising out of forward contracts, remission of loan liability on redemption of floating rate notes. . The aggregate amount involved in these matters is Rs. 156.49 million. The matters are currently pending.

2. The Assistant Commissioner of Income Tax has filed a miscellaneous application (No.424 of 1994) before the Special Court, Bombay against the custodian appointed under the provisions of the Special Court (Trial of Offences Relating to Transactions in Securities) Act, 1992, GESCO and others in relation to the *benami* shareholding of Harshad Mehta Group in various companies which included 100,000 shares in GESCO registered in the name of Golden Roadways Private Limited. These shares were subsequently sold by Golden Roadways Private Limited and were registered in the names of various entities. The Income Tax Department through a notice dated September 6, 1997, published in the newspaper, declared attachment of the *benami* shares of Harshad Mehta and invited application from existing owners/buyers to certify their ownership of shares. GESCO has filed the list of shareholders in whose name the shares were registered. The matter is currently pending.

Claims and Notices

1. The Assistant Commissioner of Customs has issued a show cause notice dated October 28, 2004 to GESCO under the provisions of the Customs Act, 1962. The show cause notice is in relation to the alleged short

discharge of 158.85 metric ton of naphtha. GESCO has filed its reply to this show cause notice dated October 28, 2004 on December 23, 2004. The matter is pending adjudication.

2. The Port Terminal, Mina Al Fahal has issued a notice dated October 18, 2004 to GESCO in relation to the alleged damage to railing of Single Buoy Mooring at Mina Al Fahal on October 18, 2004. The terminal has levied a fine of Omani Riyal 350 on GESCO. The matter is currently pending.

3. The Chennai Port Trust has issued a notice dated January 7, 2005 to GESCO in relation to the alleged damage to the jetty on December 26, 2004. The amount involved is Rs. 0.30 million. The matter is currently pending.

4. The Haldia Port Trust has issued a notice dated November 13, 2006 to GESCO in relation to the alleged contact with chickson caused by the vessel "Jag Preeti" at Haldia on November 13, 2006. The Haldia Port Trust has not made any claims as of date. The surveyor has estimated repair cost of Rs. 25,000. The matter is currently pending.

5. US Immigration Officer has imposed a fine of US$ 3,300 on GESCO for violation of security. The fine was imposed as two crew members of the vessel "Jag Laxmi" who did not possess valid visas were found on the terminal by the US Immigration Officers. The matter is currently pending.

6. The New Mangalore Port Trust has issued a notice dated August 8, 2007 to GESCO in relation to the alleged oil spill caused by the vessel "Jag Leher" on August 8, 2007. New Mangalore Port Trust has made a claim of Rs. 0.21 million against GESCO. GESCO has given a demand draft for the above mentioned amount towards clean up costs under protest. The matter is currently pending.

7. The Kolkata Port Trust has issued a notice dated August 28, 2007 to GESCO in relation to the alleged damage caused to the jetty by the vessel "Jag Parwar" on August 2, 2007. The Kolkata Port Trust has made a claim of Rs. 3.63 million against GESCO. The matter is currently pending.

8. The Kandla Port Trust has issued a notice dated December 29, 2007 to GESCO in relation to the alleged damage caused to the fender by the vessel "Jag Pranam" on December 28, 2007. The Kandla Port Trust has made a claim of Rs. 0.80 million against GESCO. The matter is currently pending.

9. The Haldia Port Trust has issued a notice dated June 3, 2008 to GESCO in relation to the alleged contact with the jetty caused by the vessel "Jag Pragati" at Haldia on May 30, 2008. The Haldia Port Trust on March 30, 2010 has called upon GESCO to settle their claim of Rs. 4.93 million towards cost of repairs. The matter is currently pending.

10. The owner of the Tug "Pacific Prospector" has issued a notice dated June 12, 2008 to GESCO in relation to the alleged contact with "Pacific Prospector" caused by the vessel "Jag Lamha" at Al Shaheen on June 12, 2008. GESCO has not received any notice claiming payment towards the alleged contact as of date. The matter is currently pending.

11. The Chennai Port Trust has issued a notice dated December 12, 2008 to GESCO in relation to the alleged escape of oil while loading naphtha at Chennai on December 11, 2008. The Chennai Port trust has claimed Rs. 0.11 million as clean up costs. The matter is currently pending.

12. The Immigration Authorities, Argentina has initiated Summary Proceedings against the agents of GESCO at Caleta Cordova. The proceedings have been initiated as three supernumeraries on board the vessel "Jag Lalit" did not posses valid Argentinean visas. The matter is currently pending.

13. ST Shipping & Transport Pte. Ltd. ("ST Shipping") has invoked arbitration proceedings against GESCO claiming indemnity under a time charter party dated December 29, 2004 between GESCO and ST Shipping in relation to the vessel "Jag Anjali". The claim of indemnity by ST Shipping has arisen as a result of another arbitration proceedings initiated against ST Shipping by Mercuria Energy Trading S.A alleging

cargo loss and related costs under the sub charter party of “Jag Anjali” to Mercuria Energy Trading S.A. The amount involved in the matter is US$ 0.31 million. The matter is currently pending.

Litigation by GESCO

Sales tax cases

1. GESCO has filed two appeals (No. 48 and 49 of 2006) before the Second Bench of Maharashtra Sales Tax Tribunal, Mumbai against the orders dated October 24, 2005 passed by the Assistant Commissioner of Sales Tax (Appeals) Mumbai. The case relates to certain disputed sales and purchase tax liabilities of the Shipping Division of GESCO for the financial year 1998-1999. The Tribunal has granted stay for recovery of dues. The aggregate amount involved in the matter is Rs. 7.02 million under Bombay Sales Tax and Rs. 7.98 million under Central Sales Tax. The matter is currently pending.

2. GESCO has filed two appeals (No. 140 and 141 of 2009) before the Second Bench of the Maharashtra Sales Tax Tribunal, Mumbai against the Orders dated January 29, 2009 passed by the Joint Commissioner of Sales Tax (Appeal IV), Bandra, Mumbai. The matter is in relation to certain disputed sales tax liabilities of the erstwhile trading division of the GESCO for the financial year 1998-1999. The Tribunal by an order dated April 18, 2009 remanded the matter back to the Joint Commissioner of Sales Tax (Appeal IV) for fresh hearing and granted stay on the recovery of dues till the disposal of appeal. The aggregate amount involved in the matter is Rs. 38.10 million under Bombay Sales Tax and Rs. 8.70 under Central Sales Tax, aggregating to Rs. 46.80 million. The matter is currently pending.

3. GESCO has filed an appeal (No. JC/App-II/BA-3/09-10) before the Joint Commissioner of Sales Tax (Appeals) II, Mumbai City Division, Mumbai against an order dated January 31, 2009 passed by the Deputy Commissioner of Sales Tax (Assess), Mumbai. The matter is in relation to certain disputed sales and purchase tax liabilities for the financial year 2001-2002. The aggregate amount involved in the matter is Rs. 9.95 million. The matter is currently pending.

4. GESCO has filed three sales tax reference applications before the High Court of Bombay against the Commissioner of Sales Tax, Mumbai challenging the levy of purchase tax on GESCO by the Sales Tax Officer for certain purchases made in the years 1995-96, 1996-97 and 1997-98. The Sales Tax Officer had rejected GESCO’s contention that the purchases are not liable for purchase tax as a shipping company is deemed as a dealer only to the extent of tax on sales under the Bombay Sales Tax Act, 1959. The aggregate amount involved in the matter is Rs. 2.29 million. GESCO has also filed three second appeals before the Maharashtra Sales Tax Tribunal challenging the orders dated March 12, 2008 passed by the Deputy Commissioner of Sales Tax (Appeals), Mumbai confirming the aggregate demand of Rs. 2.29 million made by the Sales Tax Officer for the years 1995-96, 1996-97 and 1997-98. The matters are currently pending.

Customs Cases

1. GESCO has filed an appeal before the Commissioner (Appeals), Kochi against an order dated May 23, 2008 passed by the Assistant Commissioner (Refunds), Kochi. The matter is in relation to refund of certain duty of customs which is covered under an exemption notification (No. 20/2006) dated March 1, 2006. The amount involved in the matter is Rs. 0.17 million. The matter is currently pending.

2. GESCO has filed an appeal (No. A-131/CUS/GOA/2009) before the Commissioner (Appeals), Central Excise & Customs, Goa against an order dated August 4, 2009 passed by the Assistant Commissioner, Customs Division, Ratnagiri. The matter is in relation to applicable rates of customs duty and determination of assessable value where the Assistant Commissioner, Customs Division in the order August 4, 2009 had calculated customs duty payable by the applying non-applicable rates and included elements of freight, insurance and landing charges in the assessable value. The amount involved in the matter is Rs. 0.59 million. The Commissioner (Appeals), Goa has by an order dated April 16, 2010, allowed the appeal and has directed the Assistant Commissioner to re-compute the duty payable. The matter is currently pending.

3. GESCO has filed an appeal before the Commissioner of Customs (Appeals), Jamnagar, Gujarat against a letter dated September 30, 2009 issued by the Assistant Commissioner of Customs, Customs House, Sikka. The matter is in relation to the utilization of duty credit scrip for payment of customs duty and education cess. The Assistant Commissioner disallowed differential duties including education cess payable on bunkers to be adjusted against DFCEC and ordered the same to be paid in cash through the letter dated September 30, 2009. The amount involved in the matter is Rs. 0.42 million. The Commissioner of Customs (Appeals) by an order dated March 30, 2010 has directed the Assistant Commissioner to pass appropriate final assessment order addressing all the issues raised by GESCO. The matter is currently pending.

4. GESCO is in the process of filing an appeal before the Commissioner of Customs, Mumbai against the Assistant Commissioner of Customs challenging an order dated February 28, 2001 passed by Assistant Commissioner of Customs relating to import of chick peas and whole green peas. The goods were shipped on board the vessel "s.s. Gretke Oldendroff". The goods at the time of import were exempted from payment of customs duty. However, prior to the bill of entry customs duty was introduced on pulses with effect from March 1, 2001. The Commissioner of Customs, Import issued a public notice denying entry inward to vessels after 18:00 hrs on February 27, 2001 onwards till midnight on February 28, 2001/March 1, 2001 and the vessel arrived at 23.00 hrs on February 28, 2001. GESCO filed a writ petition before the High Court of Bombay and the High Court on May 5, 2006 ordered the Commissioner of Customs to adjudicate the matter without regard to the public notice and directed it to clear the goods provisionally against a bank guarantee for Rs. 3.10 million. The matter is currently pending.

5. GESCO has filed an appeal before the Commissioner of Customs (Appeal), Jamnagar challenging an order dated March 4, 2010 passed by the Assistant Commissioner of Customs, Jamnagar confirming a demand of Rs. 0.22 million raised through a show cause notice dated November 20, 2009. The Assistant Commissioner of Customs, Jamnagar through the show cause notice dated November 20, 2009 had charged additional customs duty on re-imported high speed diesel and differential customs duty on consumables. The matter is currently pending.

6. GESCO has filed an appeal (No. C/251 of 2009) before the Customs Excise And Service Tax Appellate Tribunal, Mumbai against the Commissioner of Customs (Appeals) Mumbai III in relation to the determination of the assessable value. The Commissioner of Customs (Appeals) included cost of transport and cost of insurance in the assessable value of the consumables and ordered that the refund amount of Rs. 0.11 million payable to GESCO be transferred to the consumer welfare fund. The matter is currently pending.

7. GESCO has filed an appeal (No. V2 (A) STC/98/2006) before the Commissioner of Central Excise (Appeals). Mumbai, against the Deputy Commissioner, Service Tax, Mumbai challenging an order dated June 16, 2006 passed by the Deputy Commissioner, rejecting the application made by GESCO for refund of service tax paid erroneously by GESCO. The matter is in relation to the taxability of the services rendered outside India and consumed outside India. The High Court of Bombay in a case filed by INSA, had passed a judgment on December 11, 2008 stating that service tax could not be levied on services received and consumed outside India prior to April 18, 2006. The service tax authorities challenged the order dated December 11, 2008 passed by the High Court of Bombay through a special leave petition before the Supreme Court. The Supreme Court by an order dated December 14, 2009 has upheld the order passed by the High Court. GESCO has claimed a refund of Rs. 51.12 million. The matter is currently pending.

Income Tax Cases:

1. GESCO has filed an appeal (No. CIT(A)/9/5(3)/349/08-09) before the Commissioner of Income Tax-Appeals, against the Assistant Commissioner of Income Tax, Range 5(3), Mumbai, challenging the assessment order for the assessment year 2006-2007 wherein interest expenses, insurance claims, crude oil refund and bad debts, among others, have been treated as part of non-tonnage income and interest income has been treated as income from other sources. The amount involved in the matter is Rs. 705.14 million. The matter is currently pending.

2. GESCO has filed an appeal (No. ITA/2506/M/08) before the Income Tax Appellate Tribunal challenging an order dated January 2, 2008 passed by the Commissioner of Income Tax, disallowing certain deductions for share issue expenses under the provisions of the I.T. Act in relation to the assessment for the assessment year 2004-2005. The amount involved in the matter is Rs. 57.90 million. The matter is currently pending.

3. GESCO has filed an appeal (No. 535 of 2005) before the High Court of Bombay challenging an order dated April 18, 2005 passed by the ITAT wherein the ITAT has refused to grant credit for the tax paid by GESCO at a foreign port in relation to the assessment for the year 1992-1993. The amount involved in the matter is Rs. 4.35 million. The matter is currently pending.

4. GESCO has filed four writ petitions before the High Court of Bombay challenging the notices issued by Income Tax Department under section 148 of the I.T. Act in relation to the treatment given to certain income such as treasury income and gains on cancellation of forward cover and further alleging that certain income has escaped assessment or have been wrongly assessed while calculating income for purpose of taxation. The matters are currently pending.

5. GESCO has filed an appeal (No. 296 of 2009) before the High Court of Bombay challenging an order dated January 30, 2006 passed by the Income Tax Appellate Tribunal disallowing certain deductions in relation to the profit arising from the business of operation of ships under the provisions of the Income Tax Act, 1961 in relation to the assessment for the assessment year 1997-1998. The amount involved in the matter is Rs. 10.16 million. The matter is currently pending.

Cases before High Courts

1. GESCO has filed three suits (Nos. 1193 of 1981, 1487 of 1981 and 1785 of 1981) before the High Court of Bombay against Allahabad Bank. The case is in relation to Allahabad Bank repudiating its liability of co-acceptance obligation on certain bill of exchanges which accepted initially by Allahabad Bank. The amount involved in the matter is Rs. 14.50 million. The matter is currently pending.

2. GESCO has filed a writ petition (No. 1319 of 2004) before the High Court of Bombay against the State of Maharashtra, the Collector, Tehsildar and M. Visvesvaraya Industrial Research and Development Centre ("MVIRDC"). The matter is in relation to a demand for transfer charges made by the Collector in relation to the transfer of the office unit located at World Trade Centre, Mumbai to GESCO Corporation pursuant to the scheme of demerger of the property division of GESCO in the year 2000. Pursuant to the scheme of demerger, the property division was transferred to Mahindra Gesco Developers Limited (now known as Mahindra Lifespace Developers Limited) ("Mahindra Gesco"). Mahindra Gesco has sold the premises after obtaining orders of the High Court to sell the premises after depositing the transfer amount with the Collector. The amount involved in the matter is Rs. 12.39 million. The matter is currently pending.

3. GESCO, INSA and others have filed a writ petition (No. 400 of 2007) before the High Court of Bombay against the Commissioner of Income Tax, Mumbai, Income Tax Officer (TDS), Range III, Income Tax Officer (TDS), Range II, the Central Board of Direct Taxes and the Ministry of Finance. The matter is in relation to arbitrary and illegal action of the income tax authorities in classifying charter hire as rent and thereby making tax deduction at source as applicable for rent under the provisions of the Income Tax Act, 1961. The High Court has passed an interim order dated June 29, 2007, clarifying that charter hire is not rent and directing the Income Tax Department to issue exemption certificates under section 194 C of the Income Tax Act, 1961. The matter is currently pending.

4. GESCO has filed a writ petition (No. 46244 & 46245 of 2004) before the High Court of Karnataka against the New Mangalore Port Trust ("NMPT"), challenging an order dated October 5, 2002 passed by the Tariff Authority of Major Ports directing all ports to levy charges on reduced tonnage only for port dues and not for pilotage, berth charges etc. NMPT has issued revised invoices aggregating to Rs. 13.74 million on account of short levy of charges originally. GESCO has deposited a sum of Rs. 6.87 million pursuant an order dated November 24, 2004 passed by the High Court of Karnataka. The amount involved in the matter is Rs. 13.74 million. The matter is currently pending.

5. GESCO has filed tax revision application (Nos. Nos.87, 88, 89 of 2009) before the High Court of Madras against the Deputy Commissioner (Commercial Taxes) in respect of the vessels "M.V. Jag Rahul" and "M.V. Jag Rashmi". The matter is in relation to demand for tax made by the Commercial Tax Officer, Chennai treating charter hire as lease. On an appeal filed by GESCO, the Appellate Assistant Commissioner by an order dated October 7, 2004 set aside the assessment made by the Commercial Tax Officer. The Deputy Commissioner filed an appeal challenging an order dated October 7, 2004 passed by the Appellate Assistant Commissioner before the Sales Tax Appellate Tribunal, Chennai. The Sales Tax Appellate Tribunal, Chennai by its order dated November 10, 2008 upheld the assessment made by the Commercial Tax Officer. GESCO has filed a stay application against the demand for tax before the High Court of Madras. The amount involved in the matter is Rs. 173.95 million. The matter is currently pending.

6. GESCO has filed an arbitration petition (No. 120 of 2008) before the High Court of Bombay against Suresh Raut. The matter is in relation to a MoU between GESCO and Suresh Raut for purchasing land at Khopta, Maharashtra which was declared as a special economic zone. GESCO had paid Rs. 4.35 million to Suresh Raut pursuant to the MoU. Pursuant to the MoU, Suresh Raut was an arranger for identifying and arranging land from original owners of various parcels of agricultural land. GESCO has invoked the arbitration proceedings claiming refund of the amount paid to Suresh Raut. The matter is currently pending.

7. GESCO has filed writ petition (No. 2436 of 2008) before the High Court of Bombay against the Municipal Corporation of Greater Mumbai ("MCGM"), Joint Municipal Commissioner and the Assistant Commissioner, Estate. The matter is in relation to a demand made by MCGM for transfer of the property "Ocean House" situated at Worli, Mumbai in favour of GESCO. GESCO has filed the writ petition challenging the demand made by MCGM stating that GESCO had made an application to the Estate and Land Management Department, Bombay Municipal Corporation, for transfer of the property to its name in the year 1998 and therefore the demand after a lapse of eight years is not justified. The amount involved in the matter is Rs. 31.03 million. The matter is currently pending.

8. GESCO has filed a suit (No. 4931 of 1998) before the High Court of Bombay against Orient Press Limited in relation to a deed of indemnity executed by Orient Press Limited in favour of GESCO against all losses and expenses incurred by GESCO arising from the misuse of certain blank dividend warrants that were stolen from Orient Press Limited's custody in August 1997. Dividend warrants aggregating to Rs. 0.88 million were wrongfully encashed. GESCO has filed this case as Orient Press Limited refused to make payment on invoking the deed of indemnity. The matter is currently pending.

Insurance Cases:

1. GESCO has invoked arbitration proceedings against Ocean Tankers Pte claiming compensation for the late re-delivery of the vessel "Jag Pradip". The amount involved in the matter is US$ 117,839.24. The matter is currently pending.

2. GESCO has initiated four arbitration proceedings against various entities for recovering amounts due to GESCO on account of demurrage and hire. The aggregate amount involved in these matters is Rs. 211.96 million. The matters are currently pending.

3. GESCO has initiated three arbitration proceedings against various entities for recovering amounts due to GESCO on account of demurrage and hire. The aggregate amount involved in these matters is US$ 0.36 million. The matters are currently pending.

4. GESCO has filed a case (2009 Folio No. 1198) before the High Court of England against Far East Chartering Limited and Binani Cement Limited. GESCO has invoked the letter of indemnity provided by Far East Chartering Limited to secure GESCO's liability with respect to the discharging of cargo in the absence of bills of lading. The amount involved in the matter is US$ 2.04 million. The matter is currently pending.

5. GESCO has filed an appeal before the High Court of Andhra Pradesh against Rashtriya Ispat Nigam Limited challenging an order dated November 6, 2008 in the case (No. 662 of 2002) passed by the District

Court. The District Court had, by the order dated November 6, 2008, set side the award dated March 28, 2002 passed by the arbitral tribunal, directing Rashtriya Ispat Nigam Limited to pay Rs. 3.86 million to GESCO. The matter is currently pending.

6. GESCO has filed two cases (No. 13 and 14 of 2007) before the High Court of Bombay against Megafreight for recovering the hire due from Megafreight on account of the charter of the vessel "GE3". The amount involved in the matters is Rs. 2.29 million. The matters are currently pending.

7. GESCO has initiated arbitration proceedings against Ispat Industries Limited for recovering the hire due from Ispat Industries Limited on account of the charter of the vessel "Jag Ravi". The amount involved in the matters is US$ 0.07 million. Ispat Industries Limited has made a counter claim of US$ 0.81 million alleging that they have incurred costs in relation the generation of fines and in replacing the fines with pellets which arose out of loading at mechanical berth. The matter is currently pending.

8. GESCO has filed an appeal (No. 9245 of 2006) before the High Court of Andhra Pradesh against Sarat Chatarjee & Co. (VSP) Private Limited challenging an order dated April 4, 2006 passed by the District Court, Vishakhapatnam. The District Court by the order dated April 4, 2006 dismissed the claim made by GESCO against Sarat Chatarjee & Co. The claim was in relation to damage caused to the tank top by Sarat Chatarjee & Co. on Januaru 6, 1999, while discharging cargo**.** Sarat Chatarjee & Co. was engaged to discharge cargo. The amount involved in the matter is Rs. 1.86 million. The matter is currently pending.

9. GESCO has filed a case (No. 2046 of 2001) before the High Court of Bombay against Hindustan Corporation Limited. The matter is in relation to the damage suffered by the vessel "Jag Prayog" due to a cyclone. The amount involved in the matter is Rs. 3.44 million. The matter is currently pending.

10. GESCO has filed an appeal before the Court of Appeal, Turkey against the Ministry of Environment and the Governor of Ceyhan challenging an order dated March 30, 2004 passed by the Harbour Master, Toros Terminal imposing fine on account of discovery of oil floating around the vessel "Jag Prachi". The amount involved in the matter is US$ 0.11 million. The matter is currently pending.

11. GESCO has filed a case (No. Red Case No. 51/2008) before the Central Bankruptcy Court, Bangkok against the owners of the vessel "PICNIC – 4". The matter is in relation to the damage caused to the vessel "Jag Vikram" due to a contact by PICNIC – 4 at Mongla, Bangladesh. The amount involved in the matter is Rs. 1.27 million. The matter is currently pending.

12. GESCO has filed a case (No. 72 of 1999) before the High Court of Calcutta against the Deputy Collector of Customs, Calcutta challenging the fine levied by the customs authorities for alleged shortlanding of urea on December 25, 1977. GESCO paid the fine amount of Rs. 0.14 million under protest and has filed this case for recovery of the fine paid. The matter is currently pending.

Miscellaneous

1. GESCO has filed a case (No. 12/2008) before the Employees State Insurance Court, against the Employees State Insurance Corporation ("ESIC")**,** in relation to the allegation made by ESIC that the GESCO has not produced the relevant documents for inspection under section 85 of the Employees' State Insurance Act, 1948. GESCO has stated that all the relevant documents have been produced and the payments arising out of the same have been duly paid off. The matter is currently pending.

2. GESCO has filed a miscellaneous application (No. 3071 of 2006) before the City Civil Court Bench IX, Calcutta against Sham Sunder Dalmia challenging the order dated August 14, 2006 passed by the City civil Court, Calcutta. The matter is in relation to the claim made by Sham Sunder Dalmia alleging non receipt of the letter of offer in relation to the rights issue held in the year 1992**.** Sham Sunder Dalmia had purchased 3,400 shares of GESCO before the record date for the rights issue but the shares were not transferred into his name as on the record date. The City Civil Court, Calcutta, in a suit filed by Sham Sunder Dalmia, passed an order dated September 28, 2004 holding that Dalmia was the owner of 3,400 shares, however rejected his claim for the rights entitlement. The Register and Transfer Agent of GESCO did not act upon

the order dated September 28, 2004 as the shares were already transferred in Sham Sunder Dalmia's name on the date of order. However, Sham Sunder Dalmia filed an application before the City Civil Court, Calcutta to appoint a court receiver for the 3,400 shares and the Court issued an order on August 14, 2006 in his favour. GESCO has challenged the order dated August 14, 2006 and the Court on July 26, 2007 granted stay on the appointment of a court receiver until disposal of the suit filed by GESCO. The matter is currently pending.

Litigation involving our Group Companies

GECLLC

GECLLC has initiated arbitration proceedings against Newton Shipping Limited for recovering the demurrage due from Newton Shipping Limited. The amount involved in the matters is US$ 0.22 million. Newton Shipping has made a counter claim of US$ 0.24 million in relation to the indemnity arising out of consequential loss suffered by Galaxy Shipping under sub-charter party between Newton Shipping Limited and Galaxy Shipping. The matter is currently pending.

GESCLL

Nil

GSPL

Nil

GOVERNMENT APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Draft Red Herring Prospectus.

I. Incorporation Details

Our Company

- Certificate of incorporation dated June 26, 2002 issued to our Company by the RoC.

GGHL

- Certificate of incorporation dated May 30, 2007 issued to GGHL by the Registrar of Companies. Mauritius.

GGOS

- Certificate confirming incorporation dated May 9, 2007 issued to GGOS by the Assistant Registrar, Accounting and Corporate Regulatory Authority, Singapore.

GGES

- Certificate confirming incorporation dated October 27, 2006 issued to GGES by the Assistant Registrar, Accounting and Corporate Regulatory Authority, Singapore.

Greatship Subsea

- Certificate of incorporation dated November 10, 2008 issued to Greatship Subsea by the RoC.

II. Approvals in relation to the Issue

1. In-principle approval dated [●], 2010 from the NSE.

2. In-principle approval dated [●], 2010 from BSE.

III. Approvals in relation to the Vessels and Rigs in India

Our Company is required to obtain various approvals for our vessels and rigs. The registrations and approvals required to be obtained by our Company usually in respect of our vessels and rigs in India include the following:

A. Vessels

1. Certificate of Indian Registry issued by the Principal Officer, Mercantile Marine Department, Mumbai, Government of India, under the provisions of the Merchant Shipping Act, 1958.

2. International Tonnage Certificate issued by the Registrar of Indian Ships, Mercantile Marine Department, Mumbai, Government of India under the provisions of International Convention of Tonnage Measurement of Ships, 1969.

3. International Load Line Certificate issued by the Indian Register of Shipping under the authority of Government of India, under the provisions of International Convention on Load Lines, 1966.

4. International Oil Pollution Prevention Certificate issued by Principal Officer-Cum-Joint DG (Tech), Mercantile Marine Department, Mumbai, Government of India under the provisions of the International Convention for the Prevention of Pollution from Ships, 1973.

5. Cargo Ship Safety Equipment Certificate issued by Principal Officer-Cum-Joint DG (Tech), Mercantile Marine Department, Mumbai, Government of India under the provisions of the International Convention for the Safety of Life at Sea, 1974.

6. Cargo Ship Safety Radio Certificate issued by Principal Officer-Cum-Joint DG (Tech), Mercantile Marine Department, Mumbai, Government of India under the provisions of the International Convention for the Safety of Life at Sea, 1974.

7. Cargo Ship Safety Construction Certificate issued by Principal Officer-Cum-Joint DG (Tech), Mercantile Marine Department, Mumbai, Government of India under the provisions of the International Convention for the Safety of Life at Sea, 1974.

8. Document of Compliance issued by Principal Officer-Cum-Joint DG (Tech), Mercantile Marine Department, Mumbai, Government of India, in relation to the special requirements for ships carrying dangerous goods under the provisions of the International Convention for the Safety of Life at Sea, 1974.

9. Certificate of Fitness issued by Principal Officer, Mercantile Marine Department, Mumbai, Government of India under the provisions of the Guidelines for the Transport and Handling of Limited Amounts of Hazardous and Noxious Liquid Substances in Bulk on Offshore Support Vessels.

10. Statement of Compliance issued by Engineer and Ship Surveyor-Cum-Deputy DG, Mercantile Marine Department, Mumbai, Government of India under the provisions of International Convention for the Prevention of Pollution from Ships, 1973.

11. International Sewage Pollution Prevention Certificate issued by Engineer and Ship Surveyor-Cum-Deputy DG, Mercantile Marine Department, Mumbai, Government of India under the provisions of International Convention for the Prevention of Pollution from Ships, 1973.

12. Maritime Mobile License issued by Ministry of Communications, Government of India.

13. Specified Period License issued by the Deputy Director General of Shipping under the provisions of the Merchant Shipping Act, 1958.

14. Declaration of Shore Based Maintenance in relation to the conclusion of a shore based maintenance contract in accordance with the shore based maintenance requirements under the SOLAS GMDSS Regulations.

15. Naval Inspection & Defence Clearance issued by Joint Director of Naval Intelligence, Ministry of Defence.

16. Minimum Safe Manning Document issued by Principal Officer-Cum-Joint DG (Tech), Mercantile Marine Department, Mumbai, Government of India under the provisions of the International Convention for the Safety of Life at Sea, 1974.

17. Safety Management Certificate issued by Chief Surveyor, Directorate General of Shipping, Mumbai under the provisions of under the provisions of the International Convention for the Safety of Life at Sea, 1974.

18. International Ship Security Certificate issued by the Directorate General of Shipping, Ministry of Shipping, under the provision of the International Code for the Security of Ships and of Port

Facilities, 2002.

19. Ship Sanitation Control Exemption Certificate issued by the Port Health Organisation, Ministry of Health and Family Welfare, Government of India.

20. Certificate of Inspection of Medicines, Medical Stores and Appliances issued by the Port Health Organisation, Ministry of Health and Family Welfare, Government of India certifying that the medicine chest is in order.

21. Certificate of Survey issued by the Ship Surveyor-Cum-Deputy DG, Mercantile Marine Department, Mumbai, Government of India under the provisions of the Merchant Shipping Act, 1958.

22. Continuous Synopsis Record issued by the Directorate General of Shipping, Government of India.

The following are our Indian flagged vessels:

Sr. No.	Name of the vessel	Type of the vessel
1.	Greatship Aarti	80T AHTSV
2.	Greatship Akhila	80T AHTSV
3.	Greatship Ahalya	80T AHTSV
4.	Greatship Amrita	80T AHTSV
5.	Greatship Anjali	80T AHTSV
6.	Greatship Asmi	80T AHTSV
7.	Greatship Dhriti	PSV
8.	Greatship Dhwani	PSV
9.	Greatship Dipti	PSV
10.	Greatship Disha	PSV
11.	Greatship Diya*	PSV

* *The vessel has been contracted for sale*

B. Rigs

1. Naval Security Clearance issued by Headquarters Offshore Defence Advisory Group.

2. International Ship Security Certificate issued by the American Bureau of Shipping under the provisions of the International Code for the Security of Ships and Port Facilities, 2002.

3. Consent for operation of drill issued by the Oil Industry Safety Directorate, Ministry of Petroleum and Natural Gas, Government of India, under the provisions of the Petroleum and Natural Gas (Safety in Offshore Operations) Rules 2008.

IV. Approvals in relation to the Vessels and Rigs in Singapore

A. Vessels and Rigs

(a) Permanent Approvals

1. Ship Station Licence issued by the Director-General (Telecoms & Post), Info-communications Development Authority of Singapore under the Telecommunications Act (Cap. 323).

2. Certificate of Singapore Registry issued by the Registrar of Singapore Ships under the Merchant Shipping Act (Cap. 179).

3. Minimum Safe Manning Document issued by the Director of Maritime and Port Authority of Singapore under the provisions of the Merchant Shipping (Safety Convention) Regulations and Regulation V/14 of the International Convention for the Safety of Life at Sea, 1974.

4. International Oil Pollution Prevention Certificate issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as amended.

5. International Sewage Pollution Prevention Certificate issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as amended.

6. International Air Pollution Prevention Certificate issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Prevention of Pollution from Ships, 1973 as amended.

7. International Ship Security Certificate issued by the American Bureau of Shipping under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Code for the Security of Ships and of Port Facilities.

8. Continuous Synopsis Record (CSR) Document Number 1 issued by the Maritime and Port Authority of Singapore under the provisions of the Merchant Shipping Act (Cap. 179).

9. Ship Sanitation Control Exemption Certificate issued by the National Environment Agency under the Infectious Diseases (Quarantine) Regulations, 1977.

10. International Tonnage Certificate (1969) issued by Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention on Tonnage Measurement of Ships, 1969.

(b) Short Term/Interim Approvals

11. Short Term Cargo Ship Safety Construction Certificate issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Safety of Life at Sea, 1974, as amended.

12. Short Term Cargo Ship Safety Equipment Certificate issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Safety of Life at Sea, 1974, as amended.

13. Interim Certificate of Compliance ILO No. 92 – Crew Accommodation issued by the Surveyor for Det Norske Veritas Singapore for compliance with the International Labour Organization (ILO) Convention No. 92.

14. Short Term Statement of Compliance International Anti-Fouling System issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention on the Control of Harmful Anti-Fouling Systems on Ships.

15. Short Term Document of Compliance Special Requirements For Ships Carrying Dangerous Goods issued by the Surveyor for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Safety of Life at Sea, 1974.

16. Interim International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk issued by the Project Manager for Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Prevention of Pollution, 1973, as amended.

17. Short Term Special Purpose Ship Safety Certificate issued by the Surveyor for Det Norske Veritas Singapore under the provisions of the Code of Safety for Special Purpose Ships under the authority of the Government of the Republic of Singapore.

18. Interim Class Certificate issued by the relevant classification society.

19. Short Term International Load Line Certificate issued by the Surveyor for Det Norske Veritas AS under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention on Load Lines, 1966.

20. Short Term Cargo Ship Safety Radio Certificate issued by Det Norske Veritas Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Convention for the Safety of Life at Sea, 1974, as amended.

B. Additional approvals required for Rigs

1. Exemption Certificate issued by the American Bureau of Shipping Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the International Maritime Organization (IMO) Code for the Construction and Equipment of Mobile Offshore Drilling Units, as amended.

2. Mobile Offshore Drilling Unit Safety Certificate (1989) issued by the American Bureau of Shipping Singapore under the authority of the Government of the Republic of Singapore pursuant to the provisions of the IMO Code for the Construction and Equipment of Mobile Offshore Drilling Units, 1989, as amended.

3. Certificate of Test and Examination of Cranes or Hoists and their Accessory Gear issued by the American Bureau of Shipping Singapore under the provisions of "Guide for Certification of Lifting Appliances" and the American Petroleum Institute's "Recommended Practice for Operation and Maintenance of Offshore Cranes".

V. Approvals in relation to the vessel - Skandi Falcon, Norway

1. Certificate of Nationality in the Kingdom of Norway issued by the Norwegian International Ship Register.

2. International Air Pollution Prevention Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Prevention of Pollution from Ships, 1973.

3. Classification Certificate issued by Det Norske Veritas under the provisions of the rules of Det Norske Veritas.

4. International Load Line Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention on Load Lines, 1966.

5. International Pollution Prevention Certificate for the Carriage of Noxious Liquid Substances in Bulk issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Prevention of Pollution, 1973.

6. International Oil Pollution Prevention Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Prevention of Pollution, 1973.

7. Cargo Ship Safety Construction Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Safety of Life at Sea, 1974.

8. Cargo Ship Safety Equipment Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Safety of Life at Sea, 1974.

9. International Sewage Pollution Prevention Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Prevention of Pollution, 1973.

10. Cargo Ship Safety Radio Certifcate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Safety of Life at Sea, 1974.

11. Safety Management Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Safety of Life at Sea, 1974.

12. International Ship Security Certificate issued by Det Norske Veritas under the authority of the Government of Norway, under the provisions of the International Convention for the Safety of Life at Sea, 1974.

13. Safe Manning Certificate issued by the Norwegian Maritime Directorate.

14. Ship Sanitation Control Exemption Certificate issued by the Ministry of Health and Family Welfare, Government of India.

15. Specified Period License issued by the Deputy Director General of Shipping under the provisions of the Merchant Shipping Act, 1958.

VI. Tax related approvals

1. Permanent Account Number AABCG8542K

2. Tax Payers Identification Number (TIN) 27620668325C under the Central Sales Tax Act, 1956.

3. Tax Payers Identification Number (TIN) 27620668325V under the Maharashtra Value Added Tax Act, 2002.

4. Tax Deduction Account Number (TAN) MUMG11556G under the Income Tax Act, 1961.

5. Service Tax Code AABCG8542KST001 in relation to the registration with the Central Excise Department.

VII. Miscellaneous

A. India

1. Management System Certificate (No. 30676-2008-AE-IND-RVA) dated July 18, 2008 issued by

Det Norke Veritas certifying that the environmental management system of our Company in relation to operation and management of vessels and rigs engaged in offshore services conforms to ISO 14001:2004 standards, valid till July 9, 2011.

2. Document of Compliance (No. DGS/DOC/07/129) dated November 28, 2007 issued by the Chief Surveyor, Directorate General of Shipping, Mumbai certifying that the safety management system of our Company complies with the requirements of the International Management Code of the Safe Operation of Ships and for Pollution Prevention, in relation to its cargo ships, valid till January 22, 2012.

3. Management System Certificate (No. 04702-2006-AQ-IND-RVA Rev 01) dated October 21, 2009 issued by Det Norke Veritas certifying that quality management system of our Company in relation to operation and management of vessels and rigs engaged in offshore services conforms to ISO 9001:2008 standards, valid till October 22, 2012.

4. Management System Certificate (No. 30678-2008-HSO-IND-DNV)) dated July 18, 2008 issued by Det Norke Veritas certifying that the occupational health and safety management system of our Company in relation to operation and management of vessels and rigs engaged in offshore services conforms to OHSAS 18001:2007 standards, valid till July 9, 2011.

5. No Objection Certificate (No. FBL/S/409/1092) dated September 15, 2009 issued by the Municipal Corporation of Greater Mumbai, Mumbai Fire Brigade for internal addition, alteration and erection of wooden / glass / siporex partition at premises No. 3, 7th floor, 'C' Wing, Laxmi Tower Building, Plot No. C-25, 'G' Block, Bandra Kurla Complex, Bandra, Mumbai.

6. No Objection Certificate (No. FBL/407/1055) dated January 23, 2008 issued by the Municipal Corporation of Greater Mumbai, Mumbai Fire Brigade for wooden partition and internal work in the existing office No. 101, on first floor in the building 'Marathon Innova B2', Lower Parel, Mumbai.

7. No Objection Certificate (No. ACHE/15102/AEBF) dated September 9, 2009 issued by the Municipal Corporation of Greater Mumbai, for partition of cabins and cubicles at premises No. 3, seventh floor, 'C' Wing, Laxmi Tower Building, Plot No. C-25, 'G' Block, Bandra Kurla Complex, Bandra, Mumbai.

8. Certificate of Registration (No. GS012815 / Commercial II Ward GS) dated March 1, 2007 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 for the establishment at 101, Marathon Innova B2, Off. Ganpatrao Kadam Marg, Lower Parel, Mumbai, valid till December 31, 2012.

9. Certificate of Registration (No. 760112739 / Commercial II Ward HE) dated November 5, 2009 issued by the Inspector under the Bombay Shops and Establishments Act, 1948 for the establishment at Laxmi Towers, Plot No. C-25, 'G' Block, Bandra Kurla Complex, Bandra, Mumbai, valid till December 31, 2011.

B. Singapore

1. Management System Certificate (No. 61646-2009-HSO-SNG-DNV) dated December 9, 2009 issued by Det Norke Veritas certifying that the environmental management system of GGOS in relation to operation and management of vessels and rigs engaged in offshore services conforms to ISO 18001:2007 standards, valid till December 9, 2012.

2. Document of Compliance (No. D10028055/090819F/SGP) dated August 19, 2009 issued by the Det Norke Veritas, under the authority of the government of republic of Singapore certifying that the safety management system of our Company complies with the requirements of the

International Management Code of the Safe Operation of Ships and for Pollution Prevention, in relation to its cargo ships, valid till July 29, 2014.

3. Management System Certificate (No. 61644-2009-AQ-SNG-UKAS) dated December 9, 2009 issued by Det Norke Veritas certifying that management system of GGOS in relation to operation and management of vessels and rigs engaged in offshore services conforms to ISO 9001:2008 standards, valid till December 9, 2012.

4. Management System Certificate (No. 61645-2009-AE-SNG-UKAS) dated December 9, 2009 issued by Det Norke Veritas certifying that the management system of GGOS in relation to operation and management of vessels engaged in offshore services conforms to ISO 14001:2004 standards, valid till December 9, 2012.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The issue of Equity Shares in the Issue by our Company has been authorised by the resolution of the Board of Directors passed at their meeting held on March 18, 2010 and the resolution of the IPO Committee passed at their meeting held on March 25, 2010 subject to the approval of shareholders through a special resolution to be passed pursuant to section 81 (1A) of the Companies Act.

The shareholders have authorised the Issue by a special resolution in accordance with Section 81(1A) of the Companies Act, passed at the Extraordinary General Meeting of our Company held on April 23, 2010, at Mumbai.

Prohibition by SEBI

Our Company, Promoter, Directors, Promoter Group entities, and Group Companies, and natural persons behind the Promoter, which is a body corporate, have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other authorities.

The companies, with which our Promoter, Directors or persons in control of our Company are associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

Details of the entities that our Directors are associated with, which are engaged in securities market related business and are registered with SEBI for the same, have been provided to SEBI.

Prohibition by RBI

Neither our Company, Promoter, the relatives (as defined under the Companies Act) of Promoter and Group Companies have been identified as wilful defaulters by the RBI or any other governmental authority. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Issue

Our Company is eligible for the Issue under Regulation 26(1) of the SEBI Regulations as explained under the eligibility criteria calculated in accordance with our Company's financial statements under Indian GAAP:

- Our Company has net tangible assets of at least Rs. 30 million in each of the preceding three full years of which not more than 50% is held in monetary assets;

- Our Company has a track record of distributable profits in terms of section 205 of the Companies Act for at least three of the immediately preceding five years;

- Our Company has a net worth of at least Rs. 10 million in each of the three preceding full years;

- The aggregate of the proposed Issue, including all previous public issues in the same financial year, is not expected to exceed five times the pre-Issue net worth of our Company; and

- Our Company was incorporated in Mumbai as Greatship (India) Limited on June 26, 2002 under the Companies Act. Our Company has not changes its name since its incorporation.

The Company's net profit, dividend, net worth, net tangible assets and monetary assets derived from the Auditors' Report included in the Draft Red Herring Prospectus as at and for the nine months ended December 31, 2009 and as at and for the last five years ended March 31, 2009, 2008, 2007, 2006 and 2005 is set forth below:

(In Rs. million)

Particulars	As at March	As at March	As at March	As at March	As at March

	31, 2009	31, 2008	31, 2007	31, 2006	31, 2005
Net Profits, as restated[1]	533.57	251.93	21.54	(0.03)	-
Net Worth[2]	11,467.91	6,672.86	2,638.25	0.45	0.47
Net Tangible Assets[3]	11,467.91	6,672.86	2,638.25	0.45	0.47
Monetary Assets[4]	2,320.77	757.22	649.48	0.49	0.48

[1] *Net Profits are as per Restated Unconsolidated Summary Statements*

[2] *Net Worth is the aggregate of the Paid-up Share capital and Reserves and Surplus (excluding revaluation reserve) as reduced by the aggregate of Miscellaneous Expenditure (to the extent not adjusted or written off)*

[3] *Net Tangible Assets is the sum of all net assets of our Company, excluding intangible assets as defined in Accounting Standard 26 issued by the ICAI*

[4] *Monetary Assets includes cash and bank balances and quoted investments including units in open ended mutual fund scheme.*

Further, as the Issue size is proposed to be more than 10% and less than 25%, we shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000; otherwise the entire application money will be refunded forthwith. In case of delay, if any, in refund our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2) (b) of the SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm Allotments and promoter's contribution) are offered to the public;
- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and
- The Issue is made through the Book Building method with 60% of the Issue size allocated to QIBs as specified by SEBI.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 12, 2010 WHICH READS AS FOLLOWS:

WE, THE LEAD MERCHANT BANKER(S) TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

    (A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

    (B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

    (C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTER CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS/DRAFT PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS,**

2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. <u>NOT APPLICABLE</u>.**

    AS THE OFFER SIZE IS MORE THAN RS. 10 CRORES, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT ONLY.

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
    (B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK**

FACTORS, PROMOTER EXPERIENCE, ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

The filing of the Draft Red Herring Prospectus does not, however, absolve our Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Book Running Lead Managers, any irregularities or lapses in the Draft Red Herring Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Caution - Disclaimer from our Company and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.greatshipglobal.com, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the agreement entered into between the BRLMs and our Company and the Underwriting Agreement to be entered into between the Underwriter and our Company.

All information shall be made available by our Company, the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

Neither our Company nor the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company and will not Issue, sell, pledge, or transfer the Equity Shares of our Company to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

Disclaimer in respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs and eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate courts in Mumbai only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the Securities Act, or any state securities laws of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are being offered and sold (1) in the United States only to "qualified institutional buyers" (as defined in Rule 144A under the Securities Act in transactions exempt from, or not subject to the registration requirements of the Securities Act in reliance on Rule 144 A under the Securities Act and (2) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, Everest 5th Floor, 100, Marine Drive, Mumbai 400 002.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by either of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of refusal or within seven days from the Bid/Issue Closing

Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven Working Days of finalisation of the Basis of Allotment for the Issue.

Consents

Consents in writing of: (a) our Directors, our Company Secretary and Compliance Officer, the auditors, the legal advisors, the Bankers to the Issue, the Bankers to our Company; and (b) the Book Running Lead Manager, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Kalyaniwalla & Mistry, Chartered Accountants, our Company's Statutory Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of the Draft Red Herring Prospectus for registration with the RoC.

Expert Opinion

Except as stated below, our Company has not obtained any expert opinions:

The Issue has been graded by [●]. The report of [●] in respect of the IPO Grading of the Issue has been annexed with the Draft Red Herring Prospectus.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. For further details of Issue related expenses, please see "Objects of the Issue" on page 43.

The listing fee and all expenses with respect to the Issue will be borne by our Company.

Fees Payable to the Book Running Lead Managers and Syndicate Members

The total fees payable to the BRLMs and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter with the BRLMs, a copy of which is available for inspection at the Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the MoU signed with our Company, a copy of which is available for inspection at the Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or allotment advice by registered post/speed post/under certificate of posting.

Particulars regarding Public or Rights Issues by our Company during the last Five Years

Our Company has not made any public or rights issues during the last five years.

Previous issues of Equity Shares otherwise than for cash

Our Company has not issued any Equity Shares for consideration otherwise than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Subsidiaries, Group Companies and associates of our Company

None of the Group Companies, associates and Subsidiaries of our Company are listed on any stock exchange.

Promise vis-à-vis objects – Public/ Rights Issue of our Company and/ or listed Group Companies, Subsidiaries and associates of our Company

Our Company has not undertaken any previous public or rights issue. None of the Group Companies, associates and Subsidiaries of our Company are listed on any stock exchange.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares

Our Company does not have any outstanding Preference Shares other than those mentioned in "Capital Structure" on page 26.

Stock Market Data of Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least six months from the last date of dispatch of letters of allotment, demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the ASBA Bid cum Application Form was submitted by the such Bidders.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB in case of Bidders applying through ASBA process for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Amisha Ghia, Company Secretary as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems. She can be contacted at the following address:

Greatship (India) Limited
101, Marathon Innova B2
Off Ganpatrao Kadam Marg
Lower Parel (West)
Mumbai 400 013

Tel: (91 22) 2482 2000
Fax: (91 22) 2492 5900
Email: secretarial@greatshipglobal.com

Changes in Auditors

There has been no change in the auditors of our Company during the last three years.

Capitalisation of Reserves or Profits

Our Company has not capitalised our reserves or profits at any time during the last five years.

Revaluation of Assets

Our Company has not re-valued its assets in the last five years.

TERMS OF THE ISSUE

The Issue shall be subject to the provisions of the Companies Act, the SCRR, the Memorandum and the Articles, the terms of this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, Stock Exchanges, RoC, RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Memorandum and the Articles and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allotees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 332.

Mode of Payment of Dividend

Our Company shall pay dividends to the shareholders in accordance with the provisions of the Companies Act, the Articles and the provision of the Listing Agreements.

Face Value and Issue Price

The face value of the Equity Shares is Rs. [●] each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with SEBI Regulations

We shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall *inter alia* have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges and our Company’s Memorandum and Articles.

For a detailed description of the main provisions of the Articles relating to voting rights, dividend, forfeiture and lien and/or consolidation/splitting, please see "Main Provisions of the Articles of Association" on page 332.

Market Lot and Trading Lot

The Equity Shares shall be allotted only in dematerialised form and trading shall only be in dematerialised form. Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [•] Equity Shares.

The Price Band and the minimum Bid lot size for the Issue will be decided by our Company in consultation with the BRLMs and advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation, at least two Working Days prior to the Bid/ Issue Opening Date.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai.

Nomination Facility to Investor

The sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office or to the Registrar.

Further, any person who becomes a nominee shall, upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or

- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective depository participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Net Issue, including devolvement of underwriters within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received not later than 70 days from the Bid/Issue Closing Date. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

Further, we shall ensure that the number of prospective allotees to whom Equity Shares will be allotted shall not be less than 1,000.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction.

Arrangement for disposal of odd lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for lock-in of the pre-Issue Equity Shares, Promoter's minimum contribution and Anchor Investor lock-in in the Issue as detailed in "Capital Structure" on page 26, and except as provided in the Articles, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfers of debentures except as provided in the Articles. There are no restrictions on transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles. Please see "Main Provisions of the Articles of Association" on page 332.

ISSUE STRUCTURE

Issue of 22,050,875 Equity Shares for cash at a price of Rs. [●] per Equity Share (including share premium of Rs. [●] per Equity Share) aggregating to Rs. [●] million. The Issue comprises a Net Issue of 21,720,112 Equity Shares to the public and a reservation of 330,763 Equity Shares for Eligible Employees. The Issue and the Net Issue will constitute 20% and 19.7%, respectively of the post-Issue paid-up equity share capital of our Company.

The Issue is being made through the 100% Book Building Process.

	QIBs#	**Non-Institutional Bidders**	**Retail Individual Bidders**	**Employee Reservation Portion**
Number of Equity Shares*	At least 13,032,067 Equity Shares	Not less than 2,172,011 Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 6,516,034 Equity Shares available for allocation or Net Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to 330,763 Equity Shares.
Percentage of Issue Size available for Allotment/allocation	At least 60% of the Net Issue Size being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of Net Issue or Net the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Net Issue or Net the Issue less allocation to QIB Bidders and Non-Institutional Bidders.	Up to [●]% of the Issue.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate as follows: (a) 456,122 Equity Shares shall be allocated on a proportionate basis to Mutual Funds only; and (b) 8,666,325 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate	Proportionate
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●]	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●]	[●] Equity Shares	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.

	QIBs#	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	Equity Shares thereafter.	Equity Shares thereafter.		
Maximum Bid	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.	Such number of Equity Shares per Eligible Employee so as to ensure that the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter	[●] Equity Shares and in multiples of one Equity Share thereafter.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply **	Public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, venture capital fund registered with SEBI, state industrial development corporation, insurance company registered with IRDA, provident fund with minimum corpus of Rs. 250	Resident Indian individuals, Eligible NRIs, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals.	Retail Individual Bidders	Eligible Employee

	QIBs[#]	Non-Institutional Bidders	Retail Individual Bidders	Employee Reservation Portion
	million, pension fund with minimum corpus of Rs. 250 million and National Investment Fund set up by Government of India and insurance funds set up and managed by army, navy or air force of the Union of India.			
Terms of Payment	Amount shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members. (except for Anchor Investors)	Amount shall be payable at the time of submission of Bid cum Application Form.[##]	Amount shall be payable at the time of submission of Bid cum Application Form.[##]	Amount shall be payable at the time of submission of Bid cum Application Form.[##]
Margin Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

[#] *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. For further details, please see "Issue Procedure" on page 300.*

[##] *In case of Bidders submitting ASBA Bid cum Application Form, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.*

[*] Subject to valid Bids being received at or above the Issue Price, in accordance with Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post–Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to QIBs, out of the QIB Portion (excluding the Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. Further, not less than 10% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in any category except in the QIB category would be met with spill-over from other categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange.

Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. The unsubscribed portion in the Net Issue, except the QIB Portion, shall be allowed to be met from spill over to the extent of under subscription from the Employee Reservation Portion, subject to the Net Issue constituting 10% of the post Issue capital of our Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

** In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Bid/ Issue Programme

BID/ISSUE OPENS ON	**[●]***
BID/ISSUE CLOSES ON	**[●]**

* *Our Company may consider participation by Anchor Investors. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/ Issue Opening Date.*

Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m**. (Indian Standard Time, "IST") during the Bid/ Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form. On the Bid/ Issue Closing Date, the Bids (excluding the ASBA Bids) shall be accepted only between 10.00 p.m. and 3.00 p.m. (IST) and uploaded until (i) 4.00 p.m. (IST) in case of Bids by QIB Bidders and Non-Institutional Bidders, and (ii) until 5.00 p.m. (IST) or such extended time as permitted by the BSE and the NSE, in case of Bids by Retail Individual Bidders and Employees bidding under the Employee Reservation Portion. It is clarified that the Bids not uploaded in the book would be rejected. Bids by the Bidders applying through ASBA process shall be uploaded by the SCSB in the electronic system to be provided by the Stock Exchanges.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the physical Bid cum Application Form of the Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular Bidder applying through ASBA process, the Registrar to the Issue shall ask for rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holiday).

On the Bid/ Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of time period for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two Working Days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of revision of the Price Band, the Bid/Issue Period will be extended for three additional Working Days after revision of Price Band subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the changes on the website of the BRLMs and at the terminals of the Syndicate.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be allocated to QIBs on a proportionate basis. Out of the QIB Portion (excluding Anchor Investor Portion), 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Allocation to Anchor Investors shall be on a discretionary basis and not on a proportionate basis.

All Bidders other than the ASBA Bidders are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs. Bids by QIBs shall be submitted only to the BRLMs, other than Bids by QIBS who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	[●]
Eligible NRIs, FIIs or Foreign Venture Capital Funds, registered Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	[●]
Eligible Employees	[●]
Resident ASBA Bidders	[●]
Non-Resident ASBA Bidders	[●]
Anchor Investors*	[●]

**Bid cum Application forms for Anchor Investors have been made available at the offices of the BRLMs.*

Bidders (other than ASBA Bidders) are required to submit their Bids through the Syndicate. Such Bidders shall only use the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

ASBA Bidders shall submit an ASBA Bid cum Application Form to the SCSB authorising blocking of funds that are available in the bank account specified in the ASBA Bid cum Application Form only. Only QIBs can participate in the Anchor Investor Portion.

Upon the filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completion and submission of the Bid cum Application Form to a Syndicate or the SCSB, the Bidder or the ASBA Bidder is deemed to have authorised the Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder or the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than eligible NRIs are not eligible to participate in this issue;
- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Funds registered with SEBI;
- Multilateral and bilateral development financial institutions;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Scientific and/or industrial research organisations authorised to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority;
- Provident Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- Pension Funds with a minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National Investment Fund; and

- Insurance funds set up and managed by the army, navy or air force of the Union of India; and

- Eligible Employees.

As per the existing regulations, OCBs cannot participate in this Issue.

Participation by associates and affiliates of the BRLMs and the Syndicate Members

The BRLMs and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and Syndicate Members may subscribe to or purchase Equity Shares in the Issue, either in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis.

The BRLMs and any persons related to the BRLMs or the Promoter and the Promoter Group cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Fund Portion.

One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office and with the Syndicate.

2. Eligible NRIs applicants should note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts should use the form meant for Resident Indians.

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of total paid-up share capital. In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total paid-up share capital or 5% of our total paid-up share capital in case such sub-account is a foreign corporate or a foreign individual. As of now, the aggregate FII holding in our Company cannot exceed 24% of our total paid-up share capital. With the approval of the board and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "SEBI FII Regulations"), an FII, as defined in the SEBI FII Regulations, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a FII against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FII is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the underwriters including the BRLMs and the Syndicate Members that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them in the Issue. Any such Offshore Derivative Instrument does not constitute any obligation or claim or claim on or an interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI.

Accordingly, the holding by any individual venture capital fund registered with SEBI in one company should not exceed 25% of the corpus of the venture capital fund. Further, venture capital funds and foreign venture capital investors can invest only up to 33.33% of the investible funds by way of subscription to an IPO of a venture capital undertaking whose shares are proposed to be listed.

The above information is given for the benefit of the Bidders. Our Company, the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off Price option, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. **A QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the Bid Amount upon submission of the Bid.**

    In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by Eligible Employee does not exceed Rs. 100,000. In case of revision of Bids, the Eligible Employees have to ensure that the Bid Amount does not exceed Rs. 100,000. Any Bids in the Employee Reservation Portion exceeding Rs. 100,000 would be rejected. In the case that the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of the Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders Portion. The Cut-off option is an option given only to the Retail Individual Bidders and Eligible Employees indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process. Eligible Employees bidding under the Employee Portion may also Bid under the Retail Portion and Non-Institutional Portion and such Bids shall not be treated as multiple Bids.

(d) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100 million and in multiples of [•] Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. A Bid cannot be submitted for more than 30% of the QIB Portion under the Anchor Investor Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period are required to pay the Bid Amount at the time of submission of the Bid.**

Information for the Bidders:

(a) Our Company, the BRLMs hall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation. This advertisement shall be in the prescribed format.

(b) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid/Issue Opening Date.

(c) Copies of the Bid cum Application Form and copies of the Red Herring Prospectus will be available with the Syndicate. The SCSBs shall ensure that the abridged prospectus is made available on their websites.

(d) Any Bidders (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from any member of the Syndicate or the SCSBs.

(e) Eligible Bidders who are interested in subscribing for the Equity Shares should approach any of the BRLMs or Syndicate Members or their authorised agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(f) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the Syndicate, otherwise they will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

Method and Process of Bidding

(a) Our Company in consultation with the BRLMs will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in two national newspapers (one each in English and Hindi) and in one Marathi newspaper with wide circulation at least two Working Days prior to the Bid/ Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period.

(b) The Bid/Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be published in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate.

(c) During the Bid/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the Syndicate or their authorised agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate or SCBS will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

(f) Except in relation to the Bids received from the Anchor Investors, the Syndicate/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

(g) The BRLMs shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(h) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" on page 306.

(i) Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.

(j) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(k) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(l) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) Our Company, in consultation with the BRLMs and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed at least two days prior to the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the BRLMs will finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.

(c) Our Company, in consultation with the BRLMs, can finalise the Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(d) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Bidders in the Employee Reservation Portion may Bid at the Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(e) Retail Individual Bidders and Bidders in the Employee Reservation Portion, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders and Bidders in the Employee Reservation Portion, shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "Issue Procedure - Payment Instructions" on page 316.

Electronic Registration of Bids

(a) The Syndicate and the SCSBs will register the Bids using the on-line facilities of the Stock Exchanges.

(b) The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid/Issue Closing Date.

(c) There will be at least one on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLMs, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(d) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Syndicate and their authorised agents and the SCSBs during the Bid/ Issue Period. The Syndicate Members and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis. On the Bid/ Issue Closing Date, the Syndicate and the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the BRLMs on a regular basis.

(e) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges would be made available at the Bidding centres during the Bid/Issue Period.

(f) At the time of registering each Bid other than ASBA Bids, the Syndicate shall enter the following details of the Bidders in the on-line system:

- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.

- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- Numbers of Equity Shares Bid for.
- Bid Amount.
- Cheque Details.
- Bid cum Application Form number.
- DP ID and client identification number of the beneficiary account of the Bidder.
- PAN.

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the online system:

- Name of the Bidder(s);
- Application Number;
- PAN (of First Bidder, in case of more than one Bidder);
- Investor Category and Sub-Category:

Retail	**Non- Institutional**	**QIB**
(No sub category)	• Individual • corporate • other	• Mutual Funds • Financial Institutions • Insurance companies • Foreign Institutional • Investors other than corporate and individual • sub-accounts

- Employee/shareholder (if reservation);
- DP ID and client identification number;
- Beneficiary account number of Equity Shares Bid for;
- Quantity;
- Bid Amount;
- Bank account number;
- Cheque amount; and
- Cheque number.

(g) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated/Allotted either by the Syndicate or our Company.

(h) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(i) In case of QIB Bidders, only the BRLMs and their Affiliate Syndicate Members have the right to accept the Bid or reject it. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees, Bids will be rejected on technical grounds listed on page 319. The Members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(j) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

(k) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify the information uploaded in the online IPO system during the Bid/Issue Period after which the date will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between the BSE or the NSE and the Members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLMs and the Registrar, based on the physical records of Bid Cum Application Forms shall be final and binding on all concerned. If the Syndicate Member finds any discrepancy in the DP name, DP Id and the Client Id, the Syndicate Member will correct the same and send the data to the Registrar for reconciliation and Allotment of Equity Shares.

(l) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of the electronic facilities of the Stock Exchanges. However, Anchor Investors who use the ASBA facility will have to submit the ASBA Bid cum Application Form to the BRLMs along with a confirmation from the SCSBs that the Bid Amount has been blocked in their respective bank accounts in terms of the ASBA process. In the event such Bid Amount has not been blocked, the Anchor Investor's Bid shall be rejected.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Syndicate and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The Book gets built up at various price levels. This information will be available with the BRLMs on a regular basis at the end of the Bid/Issue Period.

(c) During the Bid/Issue Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bid/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees, who have Bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company, in consultation with the BRLMs, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Syndicate or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels, our Company in consultation with the BRLMs shall finalise the Issue Price.

(b) Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company in consultation with the BRLMs. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under subscription in the Net Issue, spill over to the extent of under subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post Issue capital of our Company. If at least 60% of the Net Issue is not allocated to the QIBs, the entire subscription monies shall be refunded.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) QIB Bidders shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

(e) The Basis of Allotment shall be put up on the website of the Registrar.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the BRLMs and the Syndicate Members shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will update and file the updated Red Herring Prospectus with the RoC in accordance with the applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Issue Price, Issue size, underwriting arrangements and will be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper, one Hindi language national daily newspaper and one Marathi language daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and the Anchor Investor Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of our Company, the BRLMs, select Anchor Investors may be sent a CAN, within two Working Days of the Anchor Investor Bid/ Issue Period, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation is subject to the physical application being valid in all respect along with receipt of stipulated documents, the Issue Price being finalised at a price not higher than the Anchor Investor Issue Price and Allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Issue Price, a revised CAN will be sent to Anchor Investors. The price of Equity Shares in such revised CAN shall be different from that specified in the earlier CAN. Anchor Investors should note that they shall be required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within two Working Days after the Bid/ Issue Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Issuance of Confirmation of Allotment Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Equity Shares in the Issue. The approval of the Basis of Allotment by the Designated Stock Exchange for QIB Bidders (including Anchor Investors) may be done simultaneously with or prior to the approval of the Basis of Allotment for the Retail and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that (i) the Allotment of the Equity Shares and (ii) the instructions by the Company for the demat credit of the Equity Shares, to all Bidders in this Issue shall be done on the same date.

(b) The Registrar will then dispatch a CAN to the Bidders who have been Allotted Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder.

(c) The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder.

Designated Date and Allotment of Equity Shares

(a). Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depositary account will be completed within 12 Working Days of the Bid/Issue Closing Date.

(b). In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c). Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form;

(d). Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialised form only;

(e). Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;

(f). With respect to ASBA Bids ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;

(g). Ensure that you request for and receive a TRS for all your Bid options;

(h). Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;

(i). Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted though the SCSBs.

(j). Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;

(k). Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(l). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(m). Ensure that the Demographic Details (as defined herein below) are updated, true and correct in all respects;

(n). Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a). Do not Bid for lower than the minimum Bid size;

(b). Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c). Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Syndicate or the SCSBs, as applicable;

(d). Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate or the SCSBs only;

(f). Do not Bid at Cut-off Price (for QIB Bidders and Non-Institutional Bidders, for Bid Amount in excess of Rs. 100,000);

(g). Do not Bid for a Bid Amount exceeding Rs. 100,000 (for Bids by Retail Individual Bidders and Eligible Employees bidding under the Employee Portion);

(h). Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j). Do not submit the Bids without the full Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.

(c) Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

(d) For Retail Individual Bidders, the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of Equity Shares that can be held by them under the applicable laws or regulations.

(f) For Anchor Investors, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100 million and in multiples of [•] Equity Shares thereafter.

(g) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(h) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, DP ID and beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the BRLMs or the Registrar or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Refund orders/ CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/ CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidder's sole risk and neither our Company, the Escrow Collection Banks, Registrar, the BRLMs shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant Details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs and FIIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Bids by Eligible Employees

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Price payable by the Eligible Employee does not exceed Rs.100,000. The Allotment in the Employee

Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut off Price.

Bids under Employee Reservation Portion by Eligible Employees shall be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form (i.e. [●] colour Form).

(b) The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed Rs. 100,000. The maximum Bid in this category by an Eligible Employee cannot exceed Rs.100,000.

(c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.

(d) The sole/ First Bidder should be an Eligible Employee as defined above.

(e) Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

(f) Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.

(g) Eligible Employees can apply at Cut-off Price. The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] thereafter subject to a maximum Bid Amount of Rs. 100,000.

(h) Bid by Eligible Employees can be made also in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids.

(i) If the aggregate demand in this category is less than or equal to 330,763 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

(j) Under-subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Issue constituting 10% of the post-Issue share capital of our Company.

(k) If the aggregate demand in this category is greater than 330,763 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para "Basis of Allotment" on page 324.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a). With respect to Bids by FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.

(b). With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form.

(c). With respect to Bids made by provident funds with a minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with a minimum corpus of Rs. 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company, the BRLMs may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the Draft Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSB to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of Resident QIB Bidders: "[●]"

   (b) In case of Non-Resident QIB Bidders: "[●]"

   (c) In case of Resident Retail and Non-Institutional Bidders: "[●]"

   (d) In case of Non-Resident Retail and Non-Institutional Bidders: "[●]"

   (e) In case of Eligible Employees: "[●]"

4. Anchor Investors would be required to pay the Bid Amount at the time of submission of the Bid cum Application Form. In the event of the Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within two Working Days of the Bid/Issue Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

   (a) In case of resident Anchor Investors: "[●]"

   (b) In case of non-resident Anchor Investors: "[●]"

6. In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA

Bidders) till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. On the Designated Date and no later than 10 Working Days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

12. Payments should be made by cheque, or a demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Eligible Employees can Bid in the Employee Reservation Portion and the Net Issue and such Bids shall not be considered as multiple Bids. Bids by QIBs under the Anchor Investor Portion and QIB Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to detect multiple Bids are given below:

1. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid data and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The Bids with same name and same address will be treated as multiple Bids.

5. The Bids will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the I.T. Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground**.

REJECTION OF BIDS

In case of QIB Bidders, our Company in consultation with the BRLMs may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by RTGS/NEFT/NES/Direct Credit/cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective Designated Branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- PAN not mentioned in the Bid cum Application Form;

- GIR number furnished instead of PAN;

- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the Floor Price;
- Bids at a price more than the Cap Price;
- Submission of more than five ASBA Bid cum Application Forms per bank account;
- Bids at Cut-off Price by Non-Institutional and QIB Bidders;
- Bids for more than Rs. 100,000 by Eligible Employees;
- Bids for number of Equity Shares which are not in multiples of [•];
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Bid cum Application Forms does not have the stamp of the BRLMs or Syndicate Members or the SCSB;
- Bid cum Application Forms does not have Bidder's depository account details;
- Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depositary Participant's identity (DP ID) and the beneficiary's account number;
- With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Bids by QIBs not submitted through the BRLMs or in case of ASBA Bids for QIBs not intimated to the BRLMs;
- Bids by persons in the United States excluding "qualified institutional buyers" as defined in Rule 144A of the Securities Act or other than in reliance of Regulation S under the Securities Act;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE SYNDICATE/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar:

- Agreement dated [●] between NSDL, our Company and the Registrar;

- Agreement dated [●], between CDSL, our Company and the Registrar.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares of our Company would be in dematerialised form only for all Bidders in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the names of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("MICR") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue, the BRLMs shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 5 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through NECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code,

the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 15 days of the Bid/Issue Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 15 days of the Bid/Issue Closing Date.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid/ Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid/ Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within 12 Working Days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialised form within 12 Working Days of the Bid/Issue Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within 15 days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder’s Bank Account shall be made within 15 days from the Bid/Issue Closing Date.

Our Company shall pay interest at 15% p.a. for any delay beyond the 15 days from the Bid/Issue Closing Date as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the 15 days prescribed above.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

“*Any person who:*

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other***

person in a fictitious name,

***shall be punishable with imprisonment for a term which may extend to five years.*”**

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 6,516,034 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than 6,516,034 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Net Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to 2,172,011 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than 2,172,011 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion (excluding Anchor Investor Portion) shall be determined as follows:

(i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Portion (excluding Anchor Investor Portion), allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion (excluding Anchor Investor Portion).

(ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion (excluding Anchor Investor Portion) then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

(b) In the second instance Allotment to all QIBs shall be determined as follows:

(i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.

(ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.

(iii) Under-subscription below 5% of the QIB Portion (excluding Anchor Investor Portion), if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate Allotment to QIB Bidders shall not be less than 13,032,067 Equity Shares.

D. For Employee Reservation Portion

- The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Eligible Employees does not exceed Rs. 100,000. The Allotment in the Employee Reservation Portion will be on a proportionate basis. Bidders under the Employee Reservation Portion may Bid at Cut-off Price.

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 330,763 Equity Shares at or above the Issue Price, full allocation shall be made to the Employees to the extent of their demand. Under subscription, if any, in the Employee Reservation Portion will be added back to the Net Issue.

- If the aggregate demand in this category is greater than 330,763 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiple of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees can to apply under Employee Reservation Portion.

E. For Anchor Investor Portion

- Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of our Company, in consultation with the BRLMs, subject to compliance with the following requirements:

(a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
(b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
(c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 million and minimum number of five Anchor Investors for allocation more than Rs. 2,500 million.

- The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the BRLMs before the Bid/ Issue Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLMs and the Registrar shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be Allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be Allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

    - The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

    - Each successful Bidder shall be Allotted a minimum of [•] Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the BRLMs.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	200 million equity shares
2.	Allocation to QIB (60%)	120 million equity shares
3.	Anchor Investor Portion	36 million equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 million equity shares
	Of which:	
	a. Allocation to MF (5%)	4.20 million equity shares
	b. Balance for all QIBs including MFs	79.80 million equity shares
5.	No. of QIB applicants	10
6.	No. of shares applied for	500 million equity shares

B. Details of QIB Bids

Sr. No.	Type of QIB bidders#	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**
A1	50	0	8.05	0
A2	20	0	3.22	0
A3	130	0	20.92	0
A4	50	0	8.05	0
A5	50	0	8.05	0
MF1	40	0.84	6.30	7.14
MF2	40	0.84	6.30	7.14

Type of QIB bidders	Shares bid for	Allocation of 4.20 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
MF3	80	1.68	12.61	14.29
MF4	20	0.42	3.15	3.57
MF5	20	0.42	3.15	3.57
	500	**4.20**	**79.80**	**35.71**

Please note:

1. The illustration presumes compliance with the requirements specified in this Draft Red Herring Prospectus in “Issue Structure” on page 295.

2. Out of 84 million equity shares allocated to QIBs, 4.2 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in QIB category.

3. The balance 79.80 million equity shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 million equity shares (including five MF applicants who applied for 200 million equity shares).

4. The figures in the fourth column entitled “Allocation of balance 79.80 million Equity Shares to QIBs proportionately” in the above illustration are arrived as under:

   - For QIBs other than Mutual Funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 79.80 / 495.80.

   - For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 79.80 / 495.80.

   - The numerator and denominator for arriving at allocation of 84 million shares to the 10 QIBs are reduced by 4.2 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within 12 Working Days from the Bid/Issue Closing Date. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through NECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by “Under Certificate of Posting”, and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder’s sole risk within 15 days of the Bid/Issue Closing Date. Bidders to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 15 days of the Bid/ Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within 15 days of the Bid/Issue Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to the SCSBs by the Registrar.

Our Company agrees that (i) Allotment of Equity Shares; and (ii) credit to the successful Bidders’ depositary accounts will be completed within 12 Working Days of the Bid/ Issue Closing Date. Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 15 days from the Bid/ Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within 12 Working Days of the Bid/Issue Closing Date;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/ Issue Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Promoter’s contribution in full has already been brought in;

- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all ASBA Bid cum Application Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Our Company shall not have recourse to the Issue proceeds until the final approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserves the right not to proceed with the Issue anytime after the Bid/Issue Opening Date but before the Allotment of Equity Shares. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

Utilisation of Issue proceeds

The Board of Directors certify that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoter's contribution and from Employee Reservation Portion shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoter's contribution and from Employee Reservation Portion shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment limit is allowed up to 24% under automatic route in our Company.

FIIs are permitted to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Capitalized terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association of our Company are detailed below:

Amount of Capital

Article 3(a) provides that "the Authorised Share Capital of the Company will be of such amount and of such description as shall have been stated in Clause V of the Memorandum of Association of the Company from time to time with power to increase modify the said capital and to divide the Shares for the time being of the Company into several classes and attach thereto preferential, deferred, qualified or special rights or conditions, as may be determined by or in accordance with the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided for by the Articles of Association of the Company and subject to applicable legislative provisions for the time being in force. The Company shall be entitled to dematerialise its existing shares, reconvert its shares held by the depositories electronically to physical form and/or to offer its fresh shares in electronic form pursuant to the Depositories Act, 1996 and the rules framed there under, if any."

In addition, Article 3(b) provides that "the minimum Paid-up Share Capital of the Company shall at any time be Rs. 5,00,000/- (Rupees Five Lacs only) or such higher amount as may be prescribed in the Act from time to time."

Redeemable Preference Shares

Article 7 provides that "subject to the provisions of Sections 80, 85 and other applicable provisions of the Act, the Company shall have power to issue Preference Shares which are or at the option of the Company are liable to be redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption thereof."

Shares with Differential Voting Rights

Article 6A provides that "the Company shall have the power to issue Shares with such differential rights as to dividend, voting or otherwise, subject to compliance with requirements as provided for in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001, or any other law as may be applicable."

Buy Back of Shares

Article 17(a) provides that "notwithstanding anything contained in these articles, in accordance with the provisions of Sections 77A, 77AA and 77B of the Act or any statutory modification thereto and such other regulations and guidelines as may be issued in this regard by the relevant authorities, the Board may, if and when deem fit, buy back such of the Company's own shares, stocks or securities, whether or not they are redeemable, as it may decide, subject to such limits, upon such terms and conditions, and subject to such approval, as are specified in this regard."

In addition, Article 17(c) provides that "the article shall not be deemed to affect the power of the Company to enforce repayment of loans to members or to exercise a lien conferred by Article 46".

Increase of Capital by the Company and how carried into effect

Article 4 provides that "the Company at the General Meeting may, from time to time, increase the capital by creation of new Shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any share of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with, and if the act allows without, a right of voting at General Meeting of the Company in conformity with Section 87 and 88 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 97 of the Act."

Reduction of Capital

Article 10 provides that "the Company may (subject to the provisions of Sections 78, 80, 100 to 105 of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorised by law by following the procedure prescribed by the Act."

Sub-division consolidation and cancellation of Shares

Article 11 provides that "subject to the provisions of Section 94 of the Act, the Company may in General Meeting alter the conditions of its Memorandum of Association as follows : -

a. Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares;
b. Sub-divide its shares or any of them into shares of smaller amount so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;
c. Cancel any shares, which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act.
d. Convert all or any of its fully paid up shares into stock, and reconvert that stock into fully paid-up shares of any denomination."

Further Issue of Capital

Article 6(a) provides that "where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then: ` `

(i) such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares at that date;

(ii) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of offer within which the offer, if not accepted, will be deemed to have been declined;

(iii) The aforesaid offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub clause (ii) shall contain the statement of this right;

(iv) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner as it thinks most beneficial to the Company."

In addition, the proviso to Article 6 provides that "the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

(i) Either has been approved by the Central Government before the issue of debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf ; and

(ii) In the case of debentures or loans or other than debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans."

Commission and brokerage may be paid

Article 14(a) provides that "subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditional) for any shares in or debentures of the Company, but so that the commission shall not exceed, in the case of shares five per cent of the price at which the shares are issued, and in the case of debentures two and half per cent of the price at which the debentures are issued."

In addition, Article 14(b) provides that "the Company may pay such sum for brokerage as may be lawful and reasonable or such other amount as may be determined by the Board and permitted by law."

Board may make calls

Article 33 provides that "the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment by a resolution passed at a meeting of the Board in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments."

Call may be extended

Article 38 provides that "the Board may, from time to time at its discretion, extend the time fixed for the payment of any calls under Article 33."

Amount payable at fixed time or by instalments as calls

Article 40 provides that "any sum, which by the terms of issue of a share becomes payable on allotment or on any fixed date, whether on account of the nominal value of the share or by way of premium shall for the purpose of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified."

When interest on call or instalment payable

Article 39 provides that "if any member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to time of actual payment at such rate as shall, from time to time, be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member."

Payment in anticipation of calls may carry interest

Article 43(a) provides that "the Board may, if it thinks fit, subject to the provisions of Section 92 of the Act, agree to and receive from any member willing to advance the same, whole or any part of the moneys due upon the shares held by him beyond the sums actually called for, and upon the amount so paid or satisfied in advance, or so much thereof, as from time to time, exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest, at such rate as the member paying the sum in advance and the Board agree upon provided that money paid in advance of calls shall not confer a right to participate in profits or right to dividend. The Board may at any time repay the amount so advanced."

In addition, Article 43(b) provides that "the members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable."

Board to have right to forfeit shares

Article 48 provides that "if any member fails to pay any call or instalment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or instalment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses as may have been incurred by the Company by reason of such non-payment."

In addition, Article 50 provides that "if the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture."

Forfeited shares to be property of the Company and may be sold etc.

Article 52 provides that "any share so forfeited shall be deemed to be the property of the Company, and may be sold, reallotted, or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit."

Board may cancel forfeiture

Article 60 provides that "the Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as it thinks fit."

Company's lien on Shares / Debentures

Article 45 provides that "the Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures, and no equitable interest in any shares shall be created except upon the footing and the conditions that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the Company's lien, if any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this clause. The fully paid up shares shall be free from all lien and in the case of partly paid shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares."

Enforcement of lien by sale

Article 46 provides that "for the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit and for this purpose may cause to be issued duplicate certificate in respect of such shares and may authorise one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment fulfilment, or discharge of such debts, liabilities or engagement for fourteen days after such notice."

Instrument of Transfer

Article 64 provides that "the instrument of transfer shall be in writing and all provisions of Section 108 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof. The Company shall use a common form of transfer in all cases."

Directors May Refuse to Register Transfer

Article 67 provides that "subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law or the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares."

Nomination of Shares

Article 72(a) provides that "in accordance with and subject to the provisions of Section 109A of the Act, every holder of shares in or holder of debentures of, a Company may, at any time nominate, in the prescribed manner, a person to whom his shares in or debentures of the Company shall vest in the event of his death."

Article 72(b) provides that "where the shares in or debentures of, the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest in the event of death of all the joint holders."

In addition, Article 72(c) provides that "notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of, the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the Company or as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company or as the case may be, all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner."

Registration of persons entitled to shares otherwise than by transfer (transmission clause)

Article 79 provides that "subject to the provisions of the Act and Articles 73 and 75 any person becoming entitled to shares in consequences of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these articles may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder provided nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares."

In addition, Article 80 provides that "a person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, is entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the share."

Power to Borrow

Article 90 provides that "subject to the provision of Section 292 of the Act the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company. Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the Company in General Meeting."

In addition, Article 91 provides that "subject to the provisions of Article 90 hereof, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Ordinary Resolution shall prescribe including by the issue of debentures or debenture-stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being and debentures, debenture-stock and other securities may be made assignable from any equities between the Company and the person to whom the same may be issued."

Shares may be converted into stock

Article 87 provides that "the Company in General Meeting may convert any paid-up shares into stocks and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein or any part of such interest in the same manner and subject to the same regulations as, and subject to which shares from which the stock arise might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination."

Annual General Meeting

Article 95 provides that "the Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings, other than Annual General Meetings shall be called "Extraordinary General Meetings". The first Annual General Meeting shall be held within six months after the expiry of the financial year in which the Company was established and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the Office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Accounts, Auditor's Report (if not already incorporated in the Audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' share holdings which latter register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act."

Calling of Extraordinary General Meeting on requisition

Article 96 provides that "the Board may, whenever it thinks fit, call an Extra ordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made."

Postal Ballot

Article 115 provides that "subject to the provisions of Section 192A of the Act read with the Companies (passing of resolutions by postal ballot) rules, 2001, the Company may pass resolutions by way of postal ballot from time to time."

Presence of Quorum

Article 103 provides that "five Members entitled to vote and present in person shall be a quorum for a General Meeting. When more than one of the joint holders of a share is present, not more than one of them shall be counted for determining the quorum. Several executors or administrators of a deceased person in whose sole name a share stands, shall, for the purpose of this Article, be deemed joint holders thereof. A body corporate being a member shall be personally present if it is represented in accordance with section 187 of the Act. The President of India or the Governor of a State being a member of the Company shall be deemed to be personally present if he is represented in accordance with section 187A of the Act."

Voting to be by show of hands

Article 108 provides that "at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded as provided in this Articles."

In addition, Article 109(a) provides that "before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy, and holding shares in the Company, which confer a power to vote on the resolution not being less than one-tenths of the total voting power in respect of the Resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at any time by the person or persons making the demand, unless a poll is so demanded a declaration by the Chairman that a resolution has, on show of hands, been carried or carried unanimously or by a particular majority or lost; and an entry to that effect in the Minutes Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution."

Casting vote of Chairman

Article 110 provides that "in the case of an equality of votes, the Chairman shall both on show hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member."

Indebted members not to vote

Article 116 provides that "no member shall be entitled to vote either personally or by proxy at any General Meeting or meetings of class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has, and has exercised, any right of lien."

Instrument of proxy to be in Writing

Article 123 provides that "every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney or if such appointer is a corporate body under the common seal of such corporation, or be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings."

In addition, Article 126 provides that "the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or notarised/certified copy of that power or authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution."

Number of Directors

Article 132(a) provides that "until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of the Directors shall not be less than three and not more than twelve."

Appointment of Nominee Director

Article 136(a) provides that as long as the share holding of The Great Eastern Shipping Company Limited in the Company is atleast 26%, it shall have the right to nominate 2 directors on the Board of the Company. Any Director so nominated is herein referred to as Nominee Director. A Nominee Director may be removed from office at any time by The Great Eastern Shipping Company Limited and another Director may be appointed in his place. On any vacancy being caused in such office for any reason whether by resignation, death, removal or otherwise of the person so nominated, The Great Eastern Shipping Company Limited shall be entitled to nominate another in the vacancy."

Article 136(e) provides that "so long as any moneys remain owing by the Company to any All India Financial Institutions, State Financial Corporation or any financial institution owned or controlled by the Central Government or State Government or any Non Banking Financial Company controlled by the Reserve Bank of India or any such Company from whom the Company has borrowed for the purpose of carrying on its objects or each of the above has granted any loans / or subscribes to the Debentures of the Company or so long as any of the aforementioned companies of financial institutions holds or continues to hold debentures /shares in the Company as a result of underwriting or by direct subscription or private placement or so long as any liability of the Company arising out of any guarantee furnished on behalf of the Company remains outstanding, and if the loan or other agreement with such corporation so provides, the corporation shall have a right to appoint from time to time any person or persons as a Director or Directors whole- time or non whole- time (which Director or Director/s is/are hereinafter referred to as "Nominee Directors/s) on the Board of the Company and to remove from such office any person or person so appointed and to appoint any person or persons in his /their place(s)."

In addition, Article 136(f) provides that "the Board shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company. The Nominee Director/s so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as they hold or continue to hold Debentures/shares in the Company as result of underwriting or by direct subscription or private placement or the liability of the Company arising out of the Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall vacate such office immediately on the moneys owing by the Company to the Corporation are paid off or they ceasing to hold Debentures/Shares in the Company or on the satisfaction of the liability of the Company arising out of the guarantee furnished."

Appointment of Alternate Director

Article 135 provides that "the Board may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the state in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to the State. If the term of office of the Original Director is determined before he so returns to that State, any provisions in the Act or in these Articles for the automatic reappointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director."

Directors' Power to add to the Board

Article 137 provides that "subject to the provisions of Section 260 and 264, the Board shall have the power at any time and from time to time to appoint any person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 132. Any such additional Director shall hold office only up to the date of the next Annual General Meeting."

Remuneration of Directors

Article 139(a) provides that "subject to the provisions of the Act, the Managing Director or Director, who is in the whole-time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other."

Article 139(b) provides that "subject to the provisions of the Act, a Director who is neither in the whole-time employment of the Company nor a Managing Director may be paid remuneration either:

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
(ii) by way of commission if the Company by a special resolution authorised such payment."

In addition, Article 139(c) provides that "the fee payable to a Director (including the Managing or Whole time Director, if any) for attending a meeting of the Board or Committee thereof shall be decided by the Board from time to time within the ceiling limit of such a fee that may be prescribed by the Central Government under the proviso to section 310 of the Companies Act, 1956."

Managing Director/Whole Time Director

Article 162 provides that "subject to the provisions of the Act, the Board from time to time appoint one or more of their body to be Managing Director or Managing Directors or Whole time Director or Whole time Directors or Executive Director of the Company for a term not exceeding five years at a time for which he or they is or are to hold such office and may from time to time remove or dismiss him or them from office and appoint another or others in his or their place or places."

In addition, Article 163 provides that "subject to the superintendence, control and directions of the Board, the day to day management of the Company shall be in the hands of the Directors or Directors appointed under Article 162 with power of Directors to distribute such day to day functions among such other Directors and if more than one in any manner directed by the Board or to delegate such power of distribution to any one of such directors or to any other person.

Subject to the provisions of the Act and to the restrictions contained in these Articles, the Board may, from time to time, entrust to and confer upon a Managing Director/ Managing Directors or Whole time Director/ Whole time Directors or Executive Director for the time being such of the powers exercisable by the Board under these Articles as it may think fit and may confer such powers for such time and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks expedient and it may confer such powers either collaterally with or to the exclusion of or in substitution for all or any of the powers of the Board in that behalf, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole time Director or part time Director or Executive Director shall, while he continues to hold that office, be subject to retirement by rotation under Article 153, and he shall also (subject to any provisions of any contract between him and the Company), be subject to the same provisions as to resignation and removal as the other directors of the Company.

A Managing Director or Whole time Director or part time Director or Executive Director who is reappointed as a director immediately on the retirement by rotation shall continue to hold his office as Managing Director or Whole time Director or part time director and such reappointment as such director shall not be deemed to constitute a break in his appointment as Managing Director or Whole time director or part time director."

Directors may contract with the Company

Article 143 provides that "a Director or his relative, a firm in which such Director or relative is a partner, or any other partner in such firm or a private company of which the Director is a member or director not to enter into any contract with the Company for the sale, purchase or supply of any goods, materials, or services, or for underwriting the subscription of any shares in, or debentures of the Company except to the extent and subject to the provisions of the Act."

Quorum

Article 167(a) provides that "subject to Section 287 of the Act, the Quorum for a meeting of the Board shall be one third of its total strength (excluding Directors, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors, whichever is higher provided that where at any time the number of interested Directors exceeds or is equal to two-thirds of the total strength the number of the remaining Directors, that is to say, the number of Directors who are not interested, present at the meeting being not less than two, shall be the quorum during such time."

Powers of Board meeting

Article 172 provides that "a meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or the Articles of the Company are for the time being vested in or exercisable by the Board generally."

In addition, Article 173 provides that "subject to the restriction contained in Section 292 of the Act the Board may delegate any of their powers to Committees of the Board consisting of such numbers of members of its body as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes, but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfilment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board."

Resolution by circulation

Article 175 provides that "no resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation unless the resolution has been circulated in draft, if any, together with the necessary papers if any to all the Directors or to all the Members of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee, as the case may be), and to all other Directors or Members of the Committee at their usual address in India and has been approved by such of the Directors or Members of the Committee as are then in India, or by a majority of such of them, as are entitled to vote on the resolution."

The Company in General Meeting may declare a dividend

Article 88 provides that "the Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend."

Dividends out of profits only

Article 189 provides that "no dividends shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both provided that:

(a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years;

(b) if the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both."

Ad-interim dividend

Article 190 provides that "the Board may from time to time, pay to the Members such interim dividends as in their judgement the position of the Company justifies."

Dividends not to carry interest

Article 199 provides that "no unpaid dividend shall bear interest as against the Company."

Capitalisation

Article 200(a) provides that "the Company in General Meeting may by a special resolution resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Account or Fund, or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Shares Premium Account) be capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalised value or sum or fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium account and a Capital Redemption Reserve Account may, for the purpose of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares."

Article 200 (b) provides that "a General Meeting may resolve that any surplus moneys arising from the realisation of any capital assets of the Company, or any investments representing the same, or any other undistributed profits of the Company not subject to charge may be distributed among the members on the footing that they receive the same as capital."

In addition, Article 200(c) provides that "for the purpose of giving effect to any resolution under the preceding paragraphs of this article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to any members upon the footing of the value so fixed or that fraction of less value than Rs. 10/- may be disregarded in order to adjust the rights of all parties and may vest any such cash or the specific assets in trustees upon such trusts for the person entitled to the dividends or capitalized funds as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective."

Liquidator may divide assets in specie

Article 216 provides that "if the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid up or which ought to have been paid up as at the commencement of the winding up on the shares held by them respectively. And if in a winding up of the assets available for distribution among the members shall be more than sufficient to repay the whole of capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the right of the holders of shares issued upon special terms and conditions. The Liquidator on any winding-up (whether voluntary, under supervision or compulsory) may with the sanction of a Special Resolution, but subject to the rights attached to any preference shares capital, divide among the contributors in specie any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trust for the benefit of the contributors as the liquidator, with the like sanction, shall think fit."

Indemnity and Responsibility

Article 217 provides that "every officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act, in which relief is granted to him by the Court."

Secrecy

Article 218(a) provides that "every Director , Manager , Auditor , treasurer , trustee , officer , member of Committee , agent , accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except and so far as may be necessary in order to comply with any of the provisions in these presents contained."

In addition, Article 218(b) provides that "no members shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret mystery of trade, secret process of any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose."

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Red Herring Prospectus) which are or may be deemed material have been attached to the copy of this Draft Red Herring Prospectus delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days until the Bid/Issue Closing Date.

A. Material Contracts for the Issue

1. Engagement Letter dated May 11, 2010 between our Company and the BRLMs.

2. Issue Agreement dated May 11, 2010 between our Company and the BRLMs.

3. Memorandum of Understanding dated May 11, 2010 between our Company and the Registrar to the Issue.

4. Escrow Agreement dated [●] between our Company, the BRLMs Escrow Collection Bank and the Registrar to the Issue.

5. Underwriting Agreement dated [●] between our Company, the BRLMs and the Syndicate Members.

6. Syndicate Agreement dated [●] between our Company, BRLMs and the Syndicate Members.

7. Agreement dated [●] between our Company and the Monitoring Agent.

B. Material Documents

1. Certified copies of the updated Memorandum and Articles of Association of our Company as amended from time to time.

2. Certificate of Incorporation dated June 26, 2002.

3. Resolutions of the Board of Directors dated March 18, 2010 in relation to this Issue and other related matters.

4. Resolutions of the IPO Committee dated March 25, 2010 in relation to this Issue and other related matters.

5. Shareholders' resolution dated April 23, 2010 in relation to this Issue and other related matters.

6. Consent dated March 19, 2010 from Preference Shareholder, in relation to the modification of terms of the Preference Shares.

7. Resolution of the Preference Share Committee dated March 27, 2010 in relation to the modification of terms of the Preference Shares.

8. Agreement dated November 7, 2006 between our Company and Ravi K. Sheth and the resolutions of the Board of Directors and the shareholders both dated November 7, 2006 pertaining to the appointment of Ravi K. Sheth as Managing Director of our Company.

9. The examination reports of the statutory auditor Kalyaniwalla & Mistry, Chartered Accountants, on our restated financial information, included in this Draft Red Herring Prospectus.

10. Copies of the annual reports of our Company for the last five financial years.

11. Consent from the Auditors for inclusion of their names as the statutory auditors and of their reports on

accounts in the form and context in which they appear in this Draft Red Herring Prospectus.

12. The Statement of Tax Benefits dated March 26, 2010 from our Company's statutory auditors.

13. Consent of our Directors, BRLMs, the Syndicate Members, Domestic Legal Counsel to our Company, Domestic Legal Counsel to the Underwriters, International Legal Counsel to the Underwriters, Registrars to the Issue, Escrow Collection Banker, Banker to the Issue, Bankers to our Company, Company Secretary and Compliance Officer as referred to in their specific capacities.

14. Certificate dated May 10, 2010 issued by the Auditors of our Company in relation to the Objects of the Issue.

15. Due Diligence Certificate dated May 12, 2010 addressed to SEBI from the BRLMs.

16. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively.

17. Tripartite Agreement dated [●] between our Company, NSDL and the Registrar to the Issue.

18. Tripartite Agreement dated [●] between our Company, CDSL and the Registrar to the Issue.

19. IPO Grading Report dated [●], 2010 by [●].

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We, hereby declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations or guidelines issued by SEBI established under Section 3 of the SEBI Act as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act or the SEBI Act or Rules or regulations made there under or guidelines issued, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

_________________________	**Bharat K. Sheth** (*Non- Executive Chairman*)
_________________________	**Ravi K. Sheth** (*Managing Director*)
_________________________	**P. R. Naware** (*Executive Director*)
_________________________	**Keki M. Mistry** (*Non-Executive Independent Director*)
_________________________	**Berjis Desai** (*Non-Executive Independent Director*)
_________________________	**Vineet Nayyar** (*Non-Executive Independent Director*)
_________________________	**Rajiv B. Lall** (*Non-Executive Independent Director*)
_________________________	**Shashank Singh** (*Non-Executive Independent Director*)

Date: May 12, 2010

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Place: Mumbai

Alok Mahajan
(Chief Financial Officer)