

GLOBAL OFFSHORE SERVICES LIMITED



M.V. Beaucephalus on contract in BRAZIL
(Owned by Company's subsidiary)

BOARD OF DIRECTORS	ASHOK GARWARE — M.A. (Cantab) (Executive Chairman) ADITYA GARWARE — M.B.A. (Vice Chairman & Managing Director) MANEESHA SHAH (nee GARWARE) — B.Com, L.L.B. S.S. AGGARWAL — B.Sc. (New York University) DR. B.S. COOPER Ph.d. (Engineering) London A.K. THANAVALA — B.Com. (Hons), L.L.B., A.C.S. J.C. CHOPRA — M.A.
COMPANY SECRETARY	A.C.CHANDARANA B.Com., L.L.B., F.C.S.
PRESIDENT — COMMERCIAL	K.S. DAVE — B.Com. L.L.B.
PRESIDENT — FINANCE	S.P. AKOLKAR — M.M.S. (Finance)
PRESIDENT — MARKETING	Capt. D. L. MATHUR — Master Foreign Going Shipping Mgt.
PRESIDENT — OPERATIONS	Capt. S. SARKANGO — Master Mariner
PRESIDENT — TECHNICAL	K.K. AGGARWAL — Marine Engineer
HEAD — (HSSE & TRAINING)	Capt. VIPIN BAIJAL — Extra master, M.Sc., WMU, Malmo Sweden
GENERAL MANAGER — FINANCE & ACCOUNTS	P.S. SHAH — B.Com.
GENERAL MANAGER — TECHNICAL	Z.R. MEHTA — First Class Engineer (Motor)
BANKERS	State Bank of India DVB Group Merchant Bank (Asia) Ltd. DnB Nor Bank Asa State Bank of Travancore United Bank of India
AUDITORS	MESSRS. RAMAN S. SHAH & ASSOCIATES (Chartered Accountants)
REGISTERED OFFICE	Chander Mukhi, Nariman Point, Mumbai - 400 021
BRANCHES	Goa, Pondicherry, Chennai.
REGISTRAR AND SHARE TRANSFER AGENT	BIGSHARE SERVICES PVT. LTD. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (E), Mumbai - 400 072

MANAGEMENT DISCUSSION AND ANALYSIS ON SELECT FINANCIAL DATA

In order to better reflect the truly global presence of the Company – with assets in India, the North Sea, the Far East, West Africa, etc. – the Company's name was changed from Garware Offshore Services Limited to Global Offshore Services Limited, during the year.

During the year under review, on stand-alone basis, the Operating Income stood at Rs. 170.17 Crores as against Rs. 181.48 Crores for the previous year ended 2010. This was due to the fact that one old PSV was sold in Jan-10. The Net Profit during the same period was Rs. 40.06 Crores as against Rs. 40.99 Crores for the previous year. This was marginally less compared to the reduction in the operating income. Interest expense fell by approximately 20% in view of the regular repayment of debt as also because of the Company's constant efforts to replace high cost debt with a lower one.

The Company owns and operates two types of vessels viz., Platform Supply Vessels (PSV) and Anchor Handling Tug Cum Supply Vessels (AHTSV). During the year, approximately 60% of the operating income was attributed to the PSVs and the balance to the AHTSVs.

Presently, 4 AHTSVs and 3 PSVs are on long term contracts.

During the year, the Company set up a wholly owned subsidiary in The Netherlands viz., Global Offshore Services B. V. and took delivery of a large Platform Supply Vessel (PSV), named "MV Beaucephalus". The vessel has commenced work with Petrobras, Brazil on a 4 year + 4 year (option) contract.

The Company's wholly owned subsidiary in Singapore now has 3 vessels on Bareboat Charter. These vessels are – 1 Accommodation Work Barge (AWB) which is on a long term contract in West Africa, 1 PSV which is on a long term contract in the North Sea and 1 AHTSV which is on a short term contract in the Far East.

Future Outlook

The Indian economy "bounced back" with remarkable rapidity from the slow down caused by the global crises in the past couple of years with growth rates of 8.6 % in 2010 – 11 and 9% expected in 2011 – 12. Since growth is firmly in place, fiscal consolidation is progressing rapidly and monetary policy has reverted focus on moderating inflationary pressures.

Efficient and reliable energy supplies are a precondition for accelerated growth of the Indian economy. While the energy needs of the country, especially oil and gas, are going to increase at a rapid rate in the coming decades, the indigenous energy resources are limited. Oil and gas constitute around 45 per cent of total energy consumption. At the same time, the dependence on imports of petroleum and petroleum products continues to be around 80 per cent of total oil consumption in the country.

During 2010-11, production of crude oil is estimated at 37.96 million metric tonne (MMT), which is about 12.67% higher than the crude oil production of 33.69 MMT during 2009-10. The projected production for natural gas, including coal bed methane (CBM), for 2010-11 is 53.59 billion cubic metres (BCM) which is 12.80% higher than the production of 47.51 BCM in 2009-10. The increase in natural gas production is primarily from deep water blocks.

India has an estimated sedimentary area of 3.14 million sq. km, comprising 26 sedimentary basins. Prior to the adoption of the New Exploration Licensing Policy (NELP), only 11 per cent of India's sedimentary basin was under exploration. Since operationalization of the NELP in 1999, the Government of India has awarded 47.3% of it for exploration. So far 87 oil and gas discoveries have been made by private/joint venture (JV) companies in 26 blocks and more than 640 MMT of oil-equivalent hydrocarbon reserves have been added. As on 1 October 2010, investment made by Indian and foreign companies was of the order of US \$ 14.8 billion, of which, US \$ 7.5 billion was in hydrocarbon exploration and US\$ 7.3 billion in development of discoveries.

The ninth round of NELP (NELPIX) was launched on 15 October 2010 and 34 exploration blocks including 8 deep water, 7 shallow water and the rest on shore, were offered.

Concerted efforts have been made to put new and marginal fields in production through in house resources as well as through service contracts. ONGC has an inventory of 165 marginal fields and 131 have either been monetized or are under various stages of development through in-house efforts. So far, 10 fields have been awarded on service contract.

In view of unfavourable demand-supply balance of hydrocarbons in India, acquiring equity oil and gas assets overseas is one of the important components of enhancing energy security. The Government is encouraging national oil companies to aggressively pursue equity oil and gas opportunities overseas.

It is estimated that India's primary commercial energy consumption will increase at an average annual rate of at least 5.8% for the next few decades, and per-capita primary energy consumption will exceed 1toe by 2030. As a result, concerted effort on oil and gas exploration and production is expected to grow. In addition, India's reliance on energy imports will also increase.

It is expected that crude oil price will not drop below USD 85/bbl over the next two years on account of the following factors–

- a) Revival in global economy.
- b) Increasing demand from developing economies to more than makeup for fall in demand from OECD, (the traditional demand centre for oil).
- c) Falling non-OPEC supply of oil to further strengthen OPEC's position with the latter being called upon to supply the additional barrel of oil to satiate incremental demand and
- d) Increasing use of oil in transportation sector and shift of demand from OECD countries to developing economies where oil is subsidised, is expected to make demand for oil more inelastic with respect to its price.

There is also structural shift in key drivers of the global economic growth and global oil demand from the OECD countries to the developing countries.

According to OPEC estimates, global demand for oil is expected to grow to 90.5mnbpd by 2014e mainly on account of demand growth from the developing countries driven by China and India while demand from OECD countries is expected to average around 45.5mnbpd

Although there is strong opposition to deep water drilling after the BP operated - Deepwater Horizon drilling rig explosion brought to fore the dangers of drilling in deep water, the moratorium imposed by US was subsequently lifted due to the fact that around 5mnbpd comes from deep water fields. In the last decade deep water activities have gained momentum with global oil supplies from deep water increasing from 1.5mnbpd in 2000 to 5mnbpd by 2009. There is a significant potential for deep water production in Brazil and West Africa where 40% of discovered reserves in the last decade are in deep water. This we believe would lead to increasing share of deep water fields in the overall oil supplies.

Gas sector – to benefit from huge gas supplies and massive capex spends

Energy deficient India's natural gas sector has undergone a dramatic change with the discovery of prolific KG basin gas and increasing LNG imports. Supply of natural gas which stood at 156mmscmd in FY10 is expected to increase to 256mmscmd by FY14e. Riding on a strong economic growth, India's insatiable demand for gas continues to outpace supply. Domestic demand for gas is expected to increase from 169mmscmd in FY10 to 298mmscmd by FY14e resulting in increase in shortfall from 13mmscmd to 42mmscmd.

Conclusion

From the above discussion, we can conclude that the consumption of oil and gas is on increasing trend, resulting in increased exploration and production activities thereby creating a demand for offshore support vessels. According to certain reports, Global E&P spending is expected to increase 15% year – on – year in 2012.

However, with addition of new fleet in the market, we also expect some correction in the day rates and this is likely to put pressure on margins. Additionally, there will continue to be "competition" between old and new tonnage which will also put some pressure on charter rates.

As per various available reports, currently there are about 1,670 AHTSVs of varying capacities with an average age of about 15 years and more than 200 AHTSV of various sizes are scheduled for delivery in the coming 2 – 3 years. The average utilization of AHTSVs has been more than 67%. The number of larger AHTSVs is increasing over a period of time.

As regards PSVs, currently there are about 1,310 PSVs of various sizes with an average age of about 14 years and more than 220 PSVs of various sizes are under construction with delivery scheduled from 2011 to 2014. The average utilisation of PSVs is more than 62% and is increasing.

However, there will be a time when older tonnage will not be acceptable by major Exploration and Production Companies, which in turn will increase demand for newer and more modern vessels.

The increase in utilization rates / increase in fleet of offshore support vessels can further be justified by the fact that almost 306 offshore fields are under development and development in another 240 – 244 offshore fields will be starting by 2011 – 2014. Out of these, development of almost 12 – 15 offshore fields will be in India alone.

Your Company is exploring the possibility of acquiring modern tonnage as a policy of growth. Older tonnage will progressively be removed from the Company's fleet.

The Company will continue to strive to improve the value of all its shareholders.



NOTICE

Notice is hereby given that the Thirty Third Annual General Meeting of the Members of Global Offshore Services Ltd. will be held at Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034, on Tuesday, 27th September, 2011 at 9.30 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended as on that date together with Directors' and Auditors' Report thereon.
2. To declare Dividend on Equity Shares.
3. To appoint a Director in place of Mr.S.S.Aggarwal who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr.J.C.Chopra who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Section 16 and all other applicable provisions of the Companies Act, 1956, the clause III (1) (A) of the Memorandum of Association of the Company be amended by insertion of the words **"Offshore Support Vessels"** in Point No.1 after the word 'steam' therein:
(1) To own, purchase, charter, hire or otherwise acquire, sell, exchange, let or otherwise deal with, operate as carriers, charterers, as principals or agents, trade or carry on business in or with Steam, **Offshore Support Vessels** and other ships, boats, vessels, trawlers, barges, tugs, dredgers.....
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution".
7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a Special Resolution:
"RESOLVED THAT pursuant to Schedule XIII and Sections 198, 269, 310 and any other applicable provisions of the Companies Act, 1956, the remuneration payable to Mr. Ashok B. Garware, Executive Chairman be revised as set out in the Explanatory Statement w.e.f. 1st July, 2011, the other terms and conditions remain unchanged."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution".
8. To consider and, if thought fit, to pass, with or without modification(s) the following Resolution as a Special Resolution:
"RESOLVED THAT Pursuant to Schedule XIII and Sections 198,269,310 and any other applicable provisions of the Companies Act, 1956, the remuneration payable to Mr. Aditya A. Garware, Vice Chairman & Managing Director be revised as set out in the Explanatory Statement w.e.f. 1st July, 2011, the other terms and conditions remain unchanged."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary to give effect to this Resolution".

By Order of the Board

A.C.Chandarana
Company Secretary

Registered Office

Chander Mukhi, 2nd Floor,
Nariman Point, Mumbai – 400 021.

Place: Mumbai

Date: 30th July, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLL ONLY INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. An Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 for item Nos. 6 to 8 of accompanying notice, is enclosed.

3. The Register of Members and Share Transfer books of the Company will remain closed from 20/09/2011 to 27/09/2011 (both days inclusive).
4. For the convenience of members, an attendance slip is annexed. Members are requested to fill in and append their signatures at the space provided thereof and hand over the attendance slip at the entrance of the place of the meeting. Proxy / representative of a member should mark on the attendance slip as 'Proxy' or 'Representative' as the case may be. Members are also requested not to bring with them any person, who is not a Member / Proxy.
5. Members are requested to notify the change in Bank details, address, if any, immediately, quoting their Client ID No./ Folio No., Number of Shares held, etc. to the Company's Share Transfer Agents, 'M/s Bigshare Services Pvt. Ltd.'
6. Members holding shares in identical order of names in more than one Folio, are requested to write to the Company's Registered Office and / or Share Transfer Agent, and send their Share Certificates to enable consolidation of their holding into one Folio.
7. All enquiries and correspondence regarding Transfer of Shares, Dematerialisation, etc. should be addressed to Registrars and Share Transfer Agents of the Company, M/s Bigshare Services Pvt. Ltd., E-2/3 Ansa Industrial Estate, Sakivihar Road, Saki Naka, Andheri (E), Mumbai – 400 072.
8. **Details of Directors seeking appointment and re-appointment at the ensuing Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).**

Name of Director	S.S.Aggarwal	J.C.Chopra
Date of Birth	30.06.1937	04.03.1931
Nationality	Indian	Indian
Date of Appointment on the Board	19.02.1994	20.11.2006
Qualifications	B.Sc (New York)	M.A.
Expertise in Functional Area	Businessman	Professional
No. of Shares held in the Company (as on 30.07.2011)	10000 Shares	1000 Shares
List of Directorships held in other Companies	<ul style="list-style-type: none"> • DBS Corporate Services Pvt. Ltd. • DBS Financial Services Pvt. Ltd. • DBS Internet Services Pvt. Ltd. • Vanvik Leasing Pvt. Ltd. • DBS World Travel Pvt. Ltd. • Coopers Rolers Pvt. Ltd • J. L. Morison (India) Ltd. 	<ul style="list-style-type: none"> • Infogain India Pvt. Ltd. • Eureka Forbes Ltd. • Aditya Birla Chemicals Ltd • Indian Society of Advertisers
Chairman/Member Committee of the Boards of other Companies in which he is a Director	NIL	1

REQUEST TO THE MEMBERS

1. Members desiring any information on the Accounts at the Annual General Meeting are requested to write to the Company at least ten working days in advance of the Annual General Meeting so as to enable the Company to keep the information ready. Only the information which can be furnished will be furnished to the members.
2. Members are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board

A. C. Chandarana
Company Secretary

Registered Office

Chander Mukhi,
Nariman Point, Mumbai – 400 021.

Place : Mumbai.

Date: 30th July, 2011

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173 OF THE COMPANIES ACT, 1956

ITEM NO. 6

The Company is engaged in owning and chartering of Offshore Support Vessels to meet the needs of Exploration and Production Companies.

Clause III (A) (1) of the Memorandum of Association deals with the main objects of the Company. Though it refers to ships, boats, vessels etc in general terms, the clause does not specifically mention "offshore support vessels".

In order to reflect the explicit nature of vessels owned and operated by the Company, it is proposed to insert the words "**Offshore Support Vessels**" in the said object clause as detailed in the Resolution. Approval for alteration to the object clause of Memorandum of Association is sought from the members for Item No.8 of this Notice.

None of the Directors are interested or concerned in this resolution.

Copy of Memorandum of Association and Articles of Association of the Company is available for inspection to the Members on any working day between 11.00 A.M. to 1.00 P.M. till the conclusion of Annual General Meeting.

ITEM NOS. 7 & 8

Upon recommendations of the Compensation Committee, the Board of Directors at its meeting held on 30.07.2011, subject to approval of Shareholders has revised downward the remuneration payable to Mr. Ashok B. Garware, Chairman & Whole-time Director and Mr. Aditya A. Garware Vice Chairman & Managing Director with effect from 1st July, 2011. The said revisions are made in the following manner to conserve the resources for the expansion programmes of the Company:

1. Consolidated Salary of Rs.7,00,000/- (Rupees Seven lacs only) per month be paid to Mr. Ashok B. Garware, Chairman & Whole-time Director and a salary of Rs.10,00,000/- (Rupees Ten lacs only) be paid to Mr. Aditya A. Garware, Vice Chairman & Managing Director from 1st July, 2011. Further powers be granted to the Board of Directors to consider and approve granting of annual increment in their absolute discretion, as may be deemed fit by them.

In the event, the Company incurs loss or has inadequate profits, this remuneration shall be treated as minimum remuneration payable to Mr. Ashok B. Garware, Chairman & Whole-time Director and Mr. Aditya A. Garware. Vice Chairman & Managing Director respectively.

The other terms and conditions of the appointment of Mr. Ashok B. Garware, Chairman & Whole-time and Mr. Aditya A. Garware, Vice Chairman & Managing Director remain unchanged.

Approval for revision in payment of remuneration is sought from the Members for Item Nos.7 and 8 of this Notice.

The above shall also be treated as abstracts under Section 302(7) of the Companies Act, 1956.

Except Mr. Ashok B. Garware and Mr. Aditya A. Garware themselves and Mrs. Maneesha S. Shah (a relative), are interested in the resolutions. No other Director is interested in these resolutions.

Copy of the Draft Supplementary Agreement proposed to be entered between the Company and Mr. Ashok B. Garware, Chairman & Whole-time director and Mr. Aditya A. Garware, Vice Chairman & Managing Director is available for inspection to the Members on any working day between 11.00 A.M. to 1.00 P.M. till the conclusion of Annual General Meeting.

By Order of the Board

A. C. Chandarana
Company Secretary

Registered Office

Chander Mukhi,
Nariman Point, Mumbai – 400 021.

Place : Mumbai

Date: 30th July, 2011

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2011

TO,
THE MEMBERS,

Your Directors are pleased to present their report as under:

FINANCIAL RESULTS:

	Year ended March 31, 2011	Year ended March 31, 2010
		(₹ in Crores)
Income from operations	166.49	181.48
Other Operating Income	3.68	—
Other Income	2.52	7.19
Gross Income	172.69	188.67
Expenses for the period	74.37	80.40
Operating Profit for the year	98.32	108.27
Interest & Finance charges	24.56	30.89
Profit Before Depreciation	73.76	77.38
Depreciation	34.33	34.09
Profit Before Tax	39.43	43.29
<u>Provision for Taxation</u>		
– Current Tax	0.46	2.38
Tax for earlier year written back	(1.09)	(0.08)
Net Profit After Tax	40.06	40.99
Cash Profit	74.39	75.08

FINANCIAL HIGHLIGHTS:

Income from Operation (including other operating income) for the year ended on 31.03.2011 stood at ₹ 170.17 crores, as against ₹ 181.48 crores for the previous year. The other Income for the year stood at ₹ 2.52 crores aggregating the total income to ₹ 172.69 crores. The reduced operational income was on account of sale of vessel, M.V.Everest in the last quarter of the previous year. Hence, there were no earnings from her for the entire year.

The Net Profit for the year ended 31.03.2011 stood at ₹ 40.06 crores as against ₹ 40.99 crores for the previous year in spite of a reduction of operating income of approx. 5%.

The Company continues its efforts to reduce its interest burden by replacing high cost debt with lower cost debt. As a result of this and the regular pay back of debt, interest and finance charges have reduced by approx. 20%.

The Company continues to follow Accounting Standard 30 'AS-30 Financial Instrument: (Recognition & Measurement)'.

OPERATIONS:

During the year under review, the Company sold its second hand Platform Supply Vessel 'M.V. Mana'. Further the Board of Directors have resolved to sell two of the Company's AHTSVs., viz., 'M.V.Garware-I' & 'M.V. Garware-V', in view of their age and since employment prospects for these vessels are reducing.

The Company's wholly owned subsidiary in The Netherlands took delivery of one Large Platform Supply Vessel, 'M.V.Beaucephalus' in December, 2010. The vessel has been awarded a contract for 4 year + 4 year (option) in Brazil in May, 2011.

The Company's Platform Supply Vessel, 'M.V.Kailash' has recently been awarded a 4 year contract by Petrobras (Brazil). The vessel should commence contract in the latter part of August/early September, 2011, after the required modification as per needs of Petrobras and mobilization is completed.

DIVIDEND:

During the year under review, the Company has declared and paid three Interim Dividends aggregating to 19%.

Your Directors, subject to the Shareholders' approval, are pleased to recommend a final dividend of 5%, for the year under review. Thus, the total Dividend for the year under review is 24%, as against 23% for the previous year. The final dividend will be paid to the Shareholders, whose names appear on the Register of Members as on 27th September, 2011.

The total cash outflow on account of Dividend and Tax thereon (including Interim Dividends) amounts to ₹ 6.66 crores (previous year ₹ 6.40 crores).

FUTURE OUTLOOK:

Price of oil has increased and stabilized during the year under review. This has led to an increase in E & P activities (with oil at around \$85 - \$100) and the outlook appears bright on a global basis – in spite of economic problems in Europe & USA.

Presently most of the Company's new vessels (owned & Bareboat) are on long term contracts and we hope that those vessels come off contract in the next 12 months will be redeployed on long term jobs. The Company is actively looking to expanding its fleet in India as well as in The Netherlands subsidiary.

CHANGE OF NAME OF THE COMPANY:

Pursuant to the Shareholders approval and approval by the Registrar of Companies, Maharashtra, the Company's name was changed from 'Garware Offshore Services Limited' to 'Global Offshore Services Limited' w.e.f. 11.01.2011. However, duly signed and sealed fresh incorporation of Certificate upon change of name of the Company was received by the Company on 3rd March, 2011.

WHOLLY OWNED SUBSIDIARIES (WOS):

During the year under review, the Company established a Wholly Owned Subsidiary in The Netherlands, viz., Global Offshore Services B.V., (GOSBV). GOSBV has taken delivery of 'M.V. Beaucephalus'. The vessel is presently working in Brazil with Petrobras, on a 4 year firm contract. Since the vessel commenced this contract only in June, 2011, its performance will only be reflected in the current year.

The Company's subsidiary, viz., Garware Offshore International Services Pte Ltd., (GOISPL) in Singapore made a loss during the year under review, in view of the fact that the Accommodation Work Barge remained unemployed for several months. However, in November, 2010, the Barge has gone on a 5 year contract with Singapore based charterers and is presently located in Nigeria.

GOISPL added a Platform Supply Vessel on a Bare Boat basis to its fleet. This Platform Supply Vessel is presently working on a long term contract in the North Sea.

The Accounts of the WOS based in Singapore and The Netherlands are prepared in accordance with the respective local regulations.

In view of general exemption granted by Ministry of Corporate Affairs vide Circular No.51/12/2007-CL-III dated 8.2.2011, the annual accounts of subsidiary companies and the related information required to be enclosed under the provisions of Section 212 of the Companies Act are not enclosed.

The Company undertakes that such information shall be made available to the shareholders of the holding and subsidiary companies and shall also be kept for inspection at the Registered Office of the Company. The Company shall furnish free of cost hard copy of the same to any shareholder on demand.

LISTING FEES TO STOCK EXCHANGES:

The Company has paid the Listing Fees for the year 2011-12 to Bombay Stock Exchange Ltd. and The National Stock Exchange of India Ltd.

RESPONSIBILITY STATEMENT:

The Directors confirm:

- a) That in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures (save and except as stated in the Directors' Report) have been made from the same.
- b) That they have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the year and the Profit of the Company for that year ended as on 31.03.2011.
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with provision of the Companies Act, 1956, for safe-guarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) That they have prepared the Annual Accounts on a going concern basis.

INSURANCE :

All the Vessels owned and operated by the Company have been insured for Hull & Machinery, War Risks and Protection & Indemnity (P & I) claims. The vessels that transit through the Gulf of Suez and Malacca Straits are also insured for piracy, kidnapping and ransom. The crew on all the vessels are also covered under (P & I) insurance.

FIXED DEPOSITS:

During the year under review the Company has not accepted any deposits from the Public and Shareholders.

DIRECTORATE:

Mr. S.S.Aggarwal & Mr.J.C.Chopra, Directors of the Company retire by rotation and being eligible, offers themselves for re-appointment. Members are requested to re-elect them.

Members are also requested to approve revision in the salary of Mr. A.B. Garware and Mr. A.A.Garware Directors.

AUDITORS:

You are requested to re-appoint Statutory Auditors, Messrs. Raman S. Shah & Associates, Chartered Accountants for the current year and to fix their remuneration.

The Company has obtained a Certificate from Auditors certifying that their re-appointment, if made at the ensuing Annual General Meeting shall be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956.

PERSONNEL:

The relations with all Employees of the Company, both Shore and Floating Staff have been extremely cordial. Your Directors wish to express their appreciation of the services, rendered by the devoted Employees.

PARTICULARS OF EMPLOYEES:

Statement of Particulars of Employees as required by the Provisions of Section 217(2A) of The Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended and forming part of the Directors' Report is annexed here to as Annexure 'I'.

DEMATERIALISATION OF SHARES:

The Company's shares continue to be traded in Electronic Form.

CORPORATE GOVERNANCE:

A separate report on Corporate Governance along with the Auditors' Certificate on its compliance is given in a separate Annexure.

ACKNOWLEDGEMENT:

The Board wish to thank the Office of Directorate General of Shipping, Mercantile Marine Department, Shipping Master, IRS, DNV, ABS, State Bank of India, DVB Bank, DnB Nor Bank, State Bank of Travancore, United Bank of India and INSA for their continued support and co-operation during the year.

On Behalf of the Board

Place : Mumbai
Date : 30th July, 2011

ASHOK GARWARE
CHAIRMAN

ANNEXURE – I TO DIRECTORS' REPORT

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of The Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31.03.2011.

Sr. No.	Name	Qualification	Designation / Nature of Duty	Experience	Date of Commencement of Employment	Remuneration	Age	Last employed
1.	Ashok B. Garware	M.A.(Cantab)	Executive Chairman	49 years	01.07.2007	2,48,14,804	72 years	Garware Shipping Corporation Ltd.
2..	Aditya A. Garware	M.B.A.(U.S.A.)	Vice Chairman & Managing Director	15 years	01.02.2009	2,23,80,730	40years	Garware Goa Nets Ltd.

Notes:

- 1) The nature of employment of above employees is contractual.
- 2) Remuneration includes Salary, Perquisites, Commission, Contribution to P.F.
- 3) As on 30.07.2011, Mr. Ashok B. Garware holds 2,18,989 Equity Shares being (0.92%) and Mr. Aditya A. Garware holds 6,88,705 Equity Shares being (2.89%) of the Company.

ANNEXURE TO DIRECTORS' REPORT

STATEMENT REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED UNDER CLAUSE (e) OF SUB-SECTION (1) OF SECTION 217 OF THE COMPANIES ACT, 1956.

Item No.	Particulars	
A.	CONSERVATION OF ENERGY	
(a)	Measures Taken	Being Shipping Company, taking of energy Conservation measures does not arise.
(b)	Additional investments and proposals, if any, being implemented for reduction of energy consumption.	Nil
(c)	Impact of the Measures (a) and (b) above and Consequent Impact on Cost of Production.	Not Applicable
(d)	Total energy consumption and consumption per Unit of production in Form 'A'.	Not Applicable
B.	TECHNOLOGY ABSORPTION	
(e)	Efforts made in Technology absorption.	As per Form "B" enclosed
C.	FOREIGN EXCHANGE EARNINGS AND OUTGO	
(f)	Activities relating to exports, initiative taken to increase exports, development of New Export market for product and services and export plans.	Nil
(g)	(a) Foreign exchange earned and saved (on account of freight, charter hire, earnings etc.) including deemed earnings.	₹ 15,769.47 lacs
	(b) Foreign exchange used including Operating expenses, Standby expenses, Capital repayment, down payments for acquisition of Ships and interest payment.	₹ 4,358.64 lacs

FORM "B"
(SEE RULE – 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT (R & D)

1.	Specific areas in which R & D carried out by the Company.	: None
2.	Benefits derived as a result of the above R & D.	: N.A.
3.	Future Plan of Action.	: None
4.	Expenditure on R & D	
	a) Capital	: Nil
	b) Recurring	: Nil
	c) Total	: Nil
	d) Total R & D Expenditure as a Percentage of Total Turnover Technology absorption, adaptation and innovation.	: Nil
1.	Efforts in brief, made towards technology absorption, adaption and innovation.	: None
2.	Benefits derived as a result of the above efforts e.g. Product improvement, cost reduction, product development, import substitution etc.	: N.A.
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) following information may be furnished.	: N.A.
	a) Technology Imported	: -
	b) Year of Import	: -
	c) Has technology been fully absorbed ?	: -
	d) If not fully absorbed, Areas where this has not taken place, reasons therefore and future plans and actions.	: -

On Behalf of the Board

Place : Mumbai
Date : 30th July, 2011

ASHOK GARWARE
CHAIRMAN

REPORT ON CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS :

The Board of Company comprises of Professionally Well-Qualified Individuals and consists of Seven Members. Mr. Ashok Garware is the Executive Chairman and Mr. Aditya Garware is the Vice Chairman and Managing Director of the Company. All other Directors are Non-Executive.

During the financial year under review Eight Board Meetings were held as detailed below. The maximum time gap between two Board Meetings did not exceed four months.

Sr. No.	Date of the Meetings
i)	29 th April, 2010
ii)	21 st May, 2010
iii)	14 th August, 2010
iv)	4 th October, 2010
v)	9 th November, 2010
vi)	23 rd November, 2010
vii)	3 rd January, 2011
viii)	11 th February, 2011

Name of Directors	No. of Board Meetings Attended	Attendance at last AGM	Remarks	No. of Other Committee Directorship		No. of Other Directorship
				Chairman	Member	
Mr. Ashok Garware (Chairman)	7	Yes	Whole Time Director	-	-	10
Mr. Aditya Garware Vice Chairman & Managing Director	8	Yes	Whole Time Director	-	2	13
Mrs. Maneesha Shah (nee Garware)	4	Yes	Non-Whole Time Director	-	-	2
Mr. Shamsunder Aggarwal	6	Yes	Independent Director	-	-	7
Mr. A.K. Thanavala	8	Yes	Independent Director	-	-	-
Dr. Burjor Cooper	7	Yes	Independent Director	-	-	-
Mr. J.C. Chopra	8	Yes	Independent Director	-	1	4
Mr. D.J. Thakkar (resigned w.e.f. 28.06.2010)	1	No	Independent Director	5	5	23

The Directors were paid sitting fees of Rs. 20,000/ for each meeting of the Board of Directors attended by them during the year under review.

As stipulated under Clause 49 (I) (C) of the Listing Agreement, no Director is a Member of more than 10 Committees or a Chairman of more than 5 Committees across all the companies in which he/she is a Director. (Committees being Audit Committee and the Shareholders' Grievance Committee)

Mr. Ashok Garware and Mr. Aditya Garware were paid remuneration as details given below:

(₹ in lacs)

Particulars	Mr. Ashok Garware (₹)	Mr. Aditya Garware (₹)	Total (₹)
Salary	200.44	159.82	360.26
Leave encashment	—	—	—
Commission	13.75	11.25	25.00
Monetary value of perquisites	0.40	12.03	12.43
Ex Gratia	8.64	6.00	14.64
Contribution to P.F.	0.00	17.86	17.86
Total	223.23	206.96	430.19

2. AUDIT COMMITTEE:

Composition:

The Company's Board of Directors has constituted an Audit Committee comprising of Non- Executive and Independent Directors. The members of this Committee are well versed with finance & accounts / legal matters and general business practices.

The Company Secretary acts as a Secretary to the Committee.

Terms of Reference:

The Committee is involved in reviewing various matters including Consolidated/Standalone Audited/Un-Audited Financial Results for the year/quarter ended of the Company, Investments made by the Company, Compliance with Listing Agreement, Accounting Standards and other requirements relating to financial statements, reviewing of Management Discussion and Analysis Report and Auditors' Report.

Meetings:

Five Audit Committee Meetings were held during the financial year 2010-2011 as detailed herein below: -

Date of Audit Committee Meetings	Name of the Members of Audit Committee & Attendance			
	Mr. A.K. Thanavala (Chairman)	Mrs. Maneesha Shah	Mr. Shamsunder Aggarwal	Dr. B.S. Cooper
29.04.2010	✓	-	✓	✓
21.05.2010	✓	✓	-	✓
14.08.2010	✓	-	✓	✓
09.11.2010	✓	-	✓	✓
10.02.2011	✓	✓	-	✓

3. SHARE TRANSFER COMMITTEE:

Composition:

The Share Transfer Cum Investor Grievance Committee consists of Mr. Ashok Garware, Chairman, Mr. Aditya Garware, Mr. J.C. Chopra and Mr.S.S.Aggarwal (appointed w.e.f. 04.10.2010) as Members.

Mrs. Maneesha S. Shah resigned from the Committee w.e.f. 20.08.2010

Meetings:

The Company Secretary, Mr. A. C. Chandarana is appointed as Compliance Officer. The Committee meets once a fortnight to approve, inter alia, transfer/transmission of shares, issue of duplicate shares and consolidation of shares. The Committee also reviews the status of investor grievances and the Company's redressal mechanism and recommends measures to improve the quality of services to investor.

Terms of Reference:

The Committee inter alia, approves issue of Duplicate Share Certificates and also reviews matters connected with transfer of Securities including redressal of Investors' /Shareholders' complaints related to non-receipt of declared dividend, transfer of shares, non-receipt of Annual Reports, non receipt of duplicate share certificates, etc.

4. GENERAL BODY MEETINGS:

The details of the date, time and location for the last three Annual General Meetings (AGM) including Extra-ordinary General Meeting (EGM) are as follows:

Financial Year	Date	Time	Location
2010-2011	27 th November, 2010 (EGM)	9:30 A.M.	"Amar Gian Auditorium", Lala Lajpatrai College, Lajpatrai Marg, Haji Ali, Mumbai 400 034.
2009-2010	28 th June, 2010 (AGM)	9:30 A.M.	"Garware Sabhagriha", F.P.H. Building, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034.
2008-2009	29 th September, 2009 (AGM)	9:30 A.M.	"Amar Gian Auditorium", Lala Lajpatrai College, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034.

One Special Resolution for change of name of the Company was passed unanimously in the EGM held on 27th November, 2010.

Postal Ballot:

No Postal Ballots were used for voting at these meetings. Further there is no item on the agenda of the ensuing Annual General Meeting that needs approval by postal ballot.

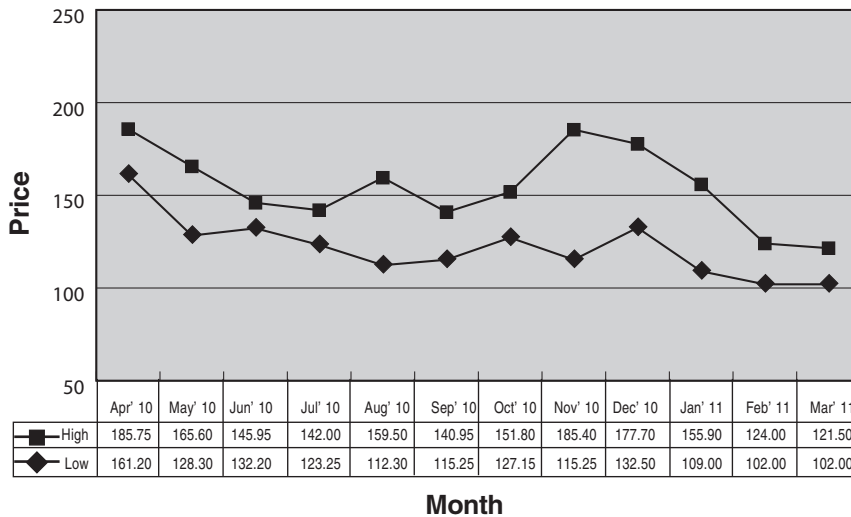
5. DISCLOSURE:

There were no related party transactions, which had potential conflict with the interest of the Company at large.

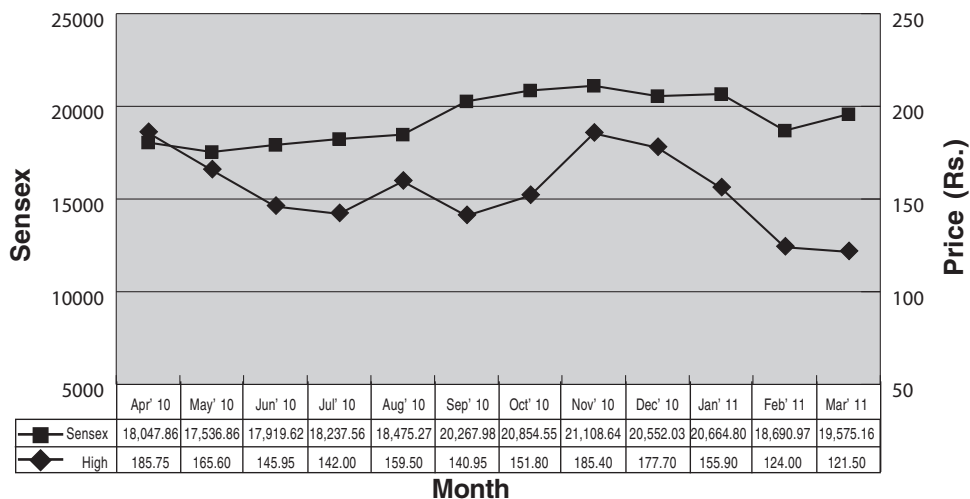
6. SHARE PRICE – HIGH AND LOW ON THE BOMBAY STOCK EXCHANGE LTD. & NATIONAL STOCK EXCHANGE OF INDIA LTD. FOR THE YEAR ENDED 31ST MARCH, 2011.

Month	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April 2010	185.75	161.20	182.00	162.00
May 2010	165.60	128.30	165.95	112.75
June 2010	145.95	132.20	145.25	132.00
July 2010	142.00	123.25	139.85	120.30
August 2010	159.50	112.30	159.50	111.10
September 2010	140.95	115.25	141.40	114.35
October 2010	151.80	127.15	166.00	125.00
November 2010	185.40	115.25	185.60	116.45
December 2010	177.70	132.50	176.00	132.30
January 2011	155.90	109.00	154.95	109.00
February 2011	124.00	102.00	124.50	104.05
March 2011	121.50	102.00	120.85	88.55

Share Price – High & Low on BSE



Sensex v/s Price Chart



7. GENERAL SHAREHOLDER INFORMATION:

33RD AGM : Date	27 th September, 2011
Time	9:30 A.M.
Venue	Garware Sabhagriha", F.P.H. Building, 5 th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai - 400034
Financial Year	The Company follows April-March as its financial year. The Unaudited results for every quarter are declared within 45 days of the end of the quarter.
Date of Book closure/ Record Date	For 2010-2011: 20/09/2011 to 27/09/2011 (both days inclusive)
Dividend Payment Date (proposed)	07/10/2011
Listing on Stock Exchanges	The Company's shares are presently listed on the Bombay Stock Exchange Ltd. (BSE) and The National Stock Exchange of India Limited (NSE)
Stock Code	1. Bombay Stock Exchange Ltd. 501848 2. The National Stock Exchange of India Ltd. GLOBOFFS
Demat ISIN Number for NSDL & CDSL:	INE 446C01013
Registrar and Transfer Agent	Bigshare Services Pvt. Ltd. E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka, Andheri (East), Mumbai – 400 072 Tel : 022 – 2857 3108 / 2847 0652 Fax 022- 2847 5207 Email: bigshare@bom7.vsnl.net.in
Auditors' Certificate on Corporate Governance	As required under the provisions of Clause 49 of the Listing Agreement, the Auditors' Certificate on the corporate Governance is enclosed.
Distribution of Shareholding & Category-wise distribution	Please Refer Annexure A
Dematerialisation of shares and liquidity	As on 31 st March, 2011 94.98 % of total paid-up Equity Capital has been Dematerialised.
The Quarterly Unaudited Financial Results were published in	English – Times of India, Free Press Journal, The Economic Times & Business Standard Marathi – Maharashtra times, Navshakti & Lokmat Website : www.globaloffshore.in
GDRS / ADRS	Not Applicable
Address for Correspondence	Global Offshore Services Ltd. Chander Mukhi, Nariman Point, Mumbai – 400 021. Tel : 022-2202 0745 / 2202 8398 Fax: 022-2202 9964 Email : secretarial@globaloffshore.in
Email address for Investor Complaints	investorredressal@globaloffshore.in / secretarial@globaloffshore.in

8. CODE OF CONDUCT:

Pursuant to Clause 49 of the Listing Agreement, the Company has prescribed and affirmed Code of Conduct for the Board of Directors and Senior Management of the Company.

A Declaration duly signed by Vice Chairman & Managing Director is obtained by the Company.

9. CEO/CFO CERTIFICATION:

The Company has obtained from the Vice-Chairman and Managing Director and President (Finance), a Certificate Pursuant to Clause 49(V) of the Listing Agreement.

On Behalf of the Board

ASHOK GARWARE
Chairman

Place: Mumbai
Date: 30th July, 2011

ANNEXURE “A”

THE DISTRIBUTION OF EQUITY SHAREHOLDING AS ON 30TH JUNE, 2011 IS AS FOLLOWS:

NO. OF EQUITY SHARES HELD	NO. OF SHAREHOLDERS	% OF TOTAL SHAREHOLDERS	NO. OF SHARES	% OF TOTAL PAID UP CAPITAL
1 - 5000	22,335	95.34	22,89,820	9.61
5001 - 10000	583	2.49	4,61,560	1.94
10001 - 20000	238	1.02	3,54,984	1.49
20001 - 30000	72	0.31	1,87,078	0.79
30001 - 40000	38	0.16	1,37,294	0.58
40001 - 50000	28	0.12	1,32,251	0.55
50001 - 100000	53	0.22	3,77,686	1.58
100001 - 99999999	79	0.34	1,98,78,420	83.46
TOTAL	23,426	100.00	2,38,19,093	100.00

SHAREHOLDING PATTERN AS ON 30TH JUNE, 2011 IS AS FOLLOWS :

Sl. No.	Category	No. of Shares Held	% of Total Paid up Capital
A)	Promoters Holding		
	• Individuals/HUFs	19,60,360	8.23
	• Bodies Corporates (Holding Co./Subsidiaries & Affiliates)	32,33,723	13.58
	• Foreign Promoters/Bodies Corporates	21,24,500	8.92
	Total – Promoters Holding	73,18,583	30.73
B)	Non-Promoters Holding		
	1. Institutional Investors :		
	a. UTI	2,700	0.01
	b. GIC & Subsidiaries	15,65,325	6.57
	c. Banks	11,650	0.05
	d. State Government	160	0.00
	e. Mutual Funds	30,200	0.13
	Sub Total	16,10,035	6.76
	2. Foreign Holding :		
	a. FII's/Foreign Investors	73,26,855	30.76
	b. NRIs	2,08,411	0.87
	Sub Total	75,35,266	31.63
	3. Other Bodies Corporates	20,60,874	8.65
	4. Indian Public	48,17,188	20.23
	5. Others-Trusts	4,77,147	2.00
	Total – Non Promoters Holding	1,65,00,510	69.27
	Grand Total	2,38,19,093	100.00

NOTE :

Total Foreign Shareholding is 96,59,766 shares i.e. 40.55%.

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

**To,
The Members,
Global Offshore Services Limited**

We have examined the compliance of the conditions of Corporate Governance by Global Offshore Services Ltd. (the Company) for the year ended 31st March, 2011 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

On the basis of our review and according to the information and explanations given to us, the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement(s) with the Stock Exchange(s) have been complied with in all material respects by the Company.

Based on the certificate received from share transfer agent of the Company and the minutes of share transfer and shareholders grievance committee, we hereby state that no investor grievance is pending for the period exceeding one month.

For RAMAN S. SHAH & ASSOCIATES
Chartered Accountants

Santosh A. Sankhe
Partner
M.No.100976

Place : Mumbai
Date : 30th July, 2011

AUDITORS REPORT

To,
The Members,
Global Offshore Services Limited

We have audited the attached Balance Sheet of GLOBAL OFFSHORE SERVICES LIMITED as at 31st March, 2011 and also the Profit and Loss Account for the year ended on that date and Cash Flow statement annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that :

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (e) On the basis of written representations received from the directors, as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011; and
 - (ii) in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date;
 - (iii) in the case of Cash Flow statement, of the cash flows of the Company for the year ended on that date.

For RAMAN S. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 119891W

Place : Mumbai
Date : 30th July, 2011

Santosh A. Sankhe
(Partner)
M. No. 100976

ANNEXURE TO AUDITORS REPORT

{Referred to in paragraph of our report of the even date}

- 1 (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of information available.
(b) According to the information and explanations given to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of the assets. No material discrepancies were noticed on such verification.
- 2 (a) As explained to us, the inventories have been physically verified by the management at reasonable intervals during the period. In our opinion, the frequency of such verification is reasonable having regard to the size of the Company and the nature of its business.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of the business.
(c) The Company has maintained proper records of inventory. As explained to us, there were no material discrepancies noticed on physical verification of stocks, as compared to book records.
- 3 (a) We are informed that the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- 4 In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regards to purchase of inventory and fixed assets and for rendering of services. During the course of our audit, no major weaknesses in internal control system has been noticed.
- 5 (a) In our opinion and according to the information and explanations given to us, the transactions that need to be entered in the register maintained under section 301 of the companies act, 1956, have been so entered.
(b) According to the information and explanations given to us, the transactions made during the year in pursuance of contracts or arrangement entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time, in the opinion of the management.
- 6 The Company has not accepted any deposits from the public. Hence the requirement of clause (vi) of paragraph 4 of the order is not applicable to the Company.
- 7 In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- 8 As informed to us, the maintenance of cost records have not been prescribed by the central government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
- 9 (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities, any undisputed statutory dues including Provident Fund, Investors Education and Protection Fund, Employees' State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise duty, Cess and other statutory dues applicable to it.
(b) According to the records of the Company, there is no disputed dues pending in any forum in india for any disputed amount of Income Tax, Sales tax, Wealth-tax, Service tax, Custom duty, Excise duty, Cess etc.
- 10 There is no accumulated loss, nor has the Company incurred any cash loss during the financial year covered by our audit and in the immediately preceding financial year.
- 11 The Company has repaid all the dues regularly to the financial institutions and banks.
- 12 In our opinion and according to the information and explanation given to us, no loan and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The Company is not a Chit fund, Nidhi or Mutual Benefit Society. Hence the requirements of item (xiii) of paragraph 4 of the Order is not applicable to the Company.

- 14 Proper records have been maintained of the transactions and contracts of dealing or trading in shares, securities, debentures and other investments. Timely entries have also been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.
- 15 According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions, the terms and conditions whereof are prima facie prejudicial to the interest of the Company.
- 16 The term loans raised by the Company during the year have been applied for the purpose for which they were obtained.
- 17 On the basis of an overall examination of the balance sheet and cash flows of the company and the information and explanation given to us, we report that the company has not utilised any funds raised on short- term basis for long-term investments.
- 18 The Company has not made preferential allotment of shares to parties and Companies covered in the Register maintained under section 301 of the Act.
- 19 The Company has not issued any secured debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the Company.
- 20 The Company has not raised any money by way of public issue during the year.
- 21 In our opinion and according to the information and explanation given to us, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For RAMAN S. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 119891W**

Place : Mumbai
Date : 30th July, 2011

**Santosh A. Sankhe
(Partner)
M. No. 100976**

Balance Sheet as at 31st March, 2011

	Schedule	As at 31st March, 2011 Rs. In Lacs		As at 31st March, 2010 Rs. In Lacs	
SOURCES OF FUNDS :					
I. Shareholders Funds					
(a) Share Capital	1	2,381.91		2,381.91	
(b) Reserves & Surplus	2	27,394.72	29,776.63	24,054.92	26,436.83
II. Loan Funds					
Secured Loans	3	39,326.16	39,326.16	50,280.37	50,280.37
TOTAL :			69,102.79		76,717.20
APPLICATION OF FUNDS :					
I. Fixed Assets					
(a) Gross Block	4	66,496.21		77,568.91	
(b) (Less) : Accumulated Depreciation		11,681.07		9,346.03	
(c) Net Block		54,815.14		68,222.88	
(d) Capital Work-in-Progress / Vessel Under Construction		-	54,815.14	1,763.28	69,986.16
II. Investments	5		1,571.79		289.02
III. Foreign Exchange Hedge Reserve			381.70		372.64
IV. Net Current Assets					
Current Assets, Loans & Advances					
(a) Stock	6	2,229.04		1,912.29	
(b) Sundry Debtors		2,358.88		2,991.78	
(c) Cash and Bank Balances		1,930.38		823.90	
(d) Loans and Advances		7,893.35		2,169.35	
		14,411.65		7,897.32	
Current Liabilities & Provisions					
(a) Current Liabilities	7	1,681.79		1,529.40	
(b) Provisions		395.70		298.54	
		2,077.49	12,334.16	1,827.94	6,069.38
Significant Accounting Policies	12				
Notes to accounts	13				
TOTAL :			69,102.79		76,717.20

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

As per our report of even date attached For and on behalf of the board

For **RAMAN S. SHAH & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 119891W

Santosh A. Sankhe

Partner

Membership No. 100976

Ashok Garware
Executive Chairman

P. S. Shah
GM - Finance & Accounts

Place : Mumbai

Date : 30th July, 2011

Aditya Garware
Vice Chairman &
Managing Director

S. P. Akolkar
President - Finance

Place : Mumbai

Date : 30th July, 2011

A. K. Thanavala
Director

A. C. Chandarana
Company Secretary

Profit & Loss Account for the year ended 31st March, 2011

	Schedule	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
INCOME :			
I. Income from operations			
(a) Charter Hire		16,649.26	18,147.85
(b) Other Operating Income		367.57	-
		<u>17,016.83</u>	<u>18,147.85</u>
II. Other Income	8	251.81	718.86
TOTAL INCOME :		<u>17,268.64</u>	<u>18,866.71</u>
EXPENDITURE :			
(a) Fleet Operating Charges	9	5,592.04	5,863.46
(b) Establishment & Other Expenses	10	1,845.02	2,176.20
(c) Interest & Finance Charges	11	2,456.44	3,088.55
(d) Depreciation Charges		3,433.20	3,409.17
		<u>13,326.70</u>	<u>14,537.38</u>
PROFIT BEFORE TAX		<u>3,941.94</u>	<u>4,329.32</u>
Provision for Taxation			
Current Tax		46.00	238.00
Tax for earlier years written back		(109.63)	(7.56)
		<u>(63.63)</u>	<u>230.44</u>
PROFIT FOR THE YEAR AFTER TAX		<u>4,005.57</u>	<u>4,098.89</u>
Less : Prior period Depreciation		-	27.21
Less : Transfer to Tonnage Tax Reserve		810.00	1,000.00
Add : Surplus brought forward from Previous Year		6,467.82	4,536.44
AMOUNT AVAILABLE FOR APPROPRIATION		<u>9,663.39</u>	<u>7,608.12</u>
Appropriations:			
Transfer to General Reserve		500.00	500.00
Interim Dividend		452.61	381.11
Tax on Interim Dividend		74.72	64.77
Proposed Dividend		119.12	166.73
Tax on Proposed Dividend		19.32	27.69
		<u>1,165.77</u>	<u>1,140.30</u>
BALANCE CARRIED FORWARD TO BALANCE SHEET :		<u>8,497.62</u>	<u>6,467.82</u>
Significant Accounting Policies	12		
Notes to Accounts	13		
Earning Per Share : (Refer Note No. 11 of Schedule - 13)		Rs.	Rs.
Basic Earning Per Share		16.82	17.21
Diluted Earning Per Share		16.82	17.21

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

As per our report of even date attached For and on behalf of the board

For **RAMAN S. SHAH & ASSOCIATES**

Chartered Accountants

Firm Reg. No. 119891W

Santosh A. Sankhe

Partner

Membership No. 100976

Place : Mumbai

Date : 30th July, 2011

Ashok Garware
Executive Chairman

P. S. Shah
GM - Finance & Accounts

Place : Mumbai

Date : 30th July, 2011

Aditya Garware
Vice Chairman &
Managing Director

S. P. Akolkar
President - Finance

A. K. Thanavala
Director

A. C. Chandarana
Company Secretary

Schedules forming part of Balance Sheet as at 31st March, 2011

Schedule : 1 Share Capital	As At 31st March, 2011 Rs. In Lacs		As At 31st March, 2010 Rs. In Lacs	
A Authorised Capital :				
Equity Share Capital :				
3,20,00,000 Equity Shares of Rs. 10/- each		3,200.00		3,200.00
Preference Share Capital :				
1,50,000 Cummulative Redeemable Preference Shares of Rs. 100/- each		150.00		150.00
1,50,000 Cummulative Convertible Preference Shares of Rs. 100/- each		150.00		150.00
		<u>300.00</u>		<u>300.00</u>
Total		<u><u>3,500.00</u></u>		<u><u>3,500.00</u></u>
B Issued, Subscribed & Paid Up Capital :				
Equity Share Capital :				
2,38,19,093 Equity Shares of Rs. 10/- each (Previous year 2,38,19,093 Equity Shares of Rs. 10 each)		2,381.91		2,381.91
Total		<u><u>2,381.91</u></u>		<u><u>2,381.91</u></u>

Schedule : 2 Reserves & Surplus	As At 31st March, 2011 Rs. In Lacs		As At 31st March, 2010 Rs. In Lacs	
A Securities Premium Account				
As per last balance sheet		7,650.01		7,650.01
B Tonnage Tax Reserves U/s. 115VT of Income Tax Act				
As per last balance sheet		2,000.00		1,000.00
(Add) : Transfer from Profit & Loss A/c		810.00		1,000.00
		<u>2,810.00</u>		<u>2,000.00</u>
C Tonnage Tax Reserve (Utilised)				
As per last balance sheet		1,772.00		1,772.00
D General Reserves				
As per last balance sheet		6,165.09		4,276.16
(Add) : Transfer from Shipping Reserve Utilised		-		1,388.93
(Add) : Transfer from Profit & Loss A/c		500.00		500.00
		<u>6,665.09</u>		<u>6,165.09</u>
E Profit & Loss Account				
Total		<u><u>8,497.62</u></u>		<u><u>6,467.82</u></u>
		<u><u>27,394.72</u></u>		<u><u>24,054.92</u></u>

Schedules forming part of Balance Sheet as at 31st March, 2011

Schedule : 3 Secured Loans	As At 31st March, 2011 Rs. In Lacs	As At 31st March, 2010 Rs. In Lacs
Loans from Banks (See Note No 3 of schedule 13)		
A Term Loans for Acquisition of Vessels	31,859.73	43,883.42
B Other Term Loans	5,712.44	5,471.95
C Car Finance Loans	11.67	26.61
D Working Capital Facilities	1,742.32	898.39
Total	39,326.16	50,280.37

**Schedule : 4
Fixed Assets**

Rs. In Lacs

Particulars	Gross Block				Depreciation				Net Block		
	As at 01/04/2010	Additions During the Year	Deductions During the Year	As at 31/03/2011	As at 01/04/2010	For the Year	Prior Period	Deduction	As at 31/03/2011	As at 31/03/2011	As at 31/03/2010
Fleet	75,853.15	1,319.83	12,451.92	64,721.06	9,197.27	3,348.61	-	1,085.04	11,460.86	53,260.21	66,655.88
Office Premises	1,279.44	61.80	-	1,341.24	5.09	21.57	-	-	26.65	1,314.58	1,274.35
Furniture & Fixtures	125.97	-	-	125.97	6.75	7.97	-	-	14.73	111.24	119.22
Office Equipments	40.62	-	-	40.62	16.99	1.93	-	-	18.92	21.70	23.63
Motor Vehicles	205.74	10.17	15.59	200.31	81.40	42.46	-	13.05	110.81	89.50	124.34
Computers	63.99	3.27	0.26	67.00	38.53	10.65	-	0.07	49.11	17.89	25.46
TOTAL	77,568.91	1,395.07	12,467.77	66,496.21	9,346.03	3,433.20	-	1,098.16	11,681.07	54,815.14	68,222.88
Previous Year	83,686.48	3,327.22	9,444.79	77,568.91	7,361.91	3,409.17	27.21	1,452.26	9,346.03	68,222.88	
Capital Work-in-Progress/ Vessel under construction										-	1,763.28
Grand Total										54,815.14	69,986.17

The Company had entered into shipbuilding contract with Havyard Leirvik AS, Norway for construction of one large Platform Supply Vessel. The right, title and interest in the contract of the aforesaid vessel was assigned to a wholly owned subsidiary Global Offshore Services B.V., The Netherlands and the total advance of Rs. 6,260.72 lacs paid under the contract was transferred to the wholly owned subsidiary as the Company's capital contribution.

Schedules forming part of Balance Sheet as at 31st March, 2011

Schedule : 5 Investments	As At 31st March, 2011 Rs. In Lacs	As At 31st March, 2010 Rs. In Lacs
Long Term - Non Trade (Valued at Cost and fully paid up)		
Equity Shares :		
A Quoted		
Garware Marine Industries Limited (1,29,640 Equity Shares of Rs. 10/- each) (Market Value Rs. 18.14 lacs, Previous Year Rs. 22.62 lacs)	37.68	37.68
B Unquoted		
(a) Wholly Owned Subsidiaries		
(1) Garware Offshore International Services Pte Limited (31,70,001 Equity Shares of US\$ 1 each; Previous Year 5,00,001 Equity Share of US\$ 1)	1,516.96	245.13
(2) Global Offshore Services B.V. (18,000 Equity Shares of EURO 1 each; Previous Year NIL)	11.14	-
(b) Others		
(i) Kapole Co-Op Bank Limited (2,000 Equity Shares of Rs. 10/- each)	-	0.20
(ii) Garware Nylons Limited (35,050 Equity Shares of Rs. 10/- each) (also see Note No. 7 of Schedule 13)	6.01	6.01
	6.01	6.21
Total	1,571.79	289.02

Schedule : 6 Current Assets, Loans and Advances	As At 31st March, 2011 Rs. In Lacs	As At 31st March, 2010 Rs. In Lacs
Current Assets		
A Inventories		
Stock of Stores, Spares & Consumables (At Cost)	2,229.04	1,912.29
B Sundry Debtors (Unsecured and Considered good)		
(a) Debts outstanding for more than six months	117.36	140.74
(b) Other Debts (also see Note No. 6 of Schedule 13)	2,241.52	2,851.04
	2,358.88	2,991.78
C Cash & Bank Balances		
Cash (Including imprest on vessels)	20.25	10.66
Bank Balances with scheduled banks :		
In Current Account	1,663.26	401.07
In Deposit Account	246.87	412.17
	1,930.38	823.90
Loans & Advances (Unsecured and Considered Good)		
(a) Advances recoverable in cash or kind or for the value to be received	877.41	819.24
(b) Advance Income Tax (Net of provision Rs. 46 lacs; Previous year Rs.268 lacs)	358.77	128.72
(c) Loan to wholly owned subsidiary	-	1,108.67
(d) Share Application Money in Global Offshore Services B. V., The Netherlands - A Wholly Owned Subsidiary	6,522.51	-
(e) Deposits	111.47	91.53
(f) Balance with customs, port trust, other government authorities & courts of law	23.19	21.19
	7,893.35	2,169.35
Total	14,411.65	7,897.32

Schedules forming part of Balance Sheet as at 31st March, 2011

Schedule : 7 Current Liabilities and Provisions	As At 31st March, 2011 Rs. In Lacs	As At 31st March, 2010 Rs. In Lacs
Current Liabilities		
(a) Sundry Creditors	606.23	547.47
(b) Unclaimed dividend (To be credited to the Investor Education & Protection Fund as and when due)	84.08	74.22
(c) Interest accrued but not due on loans	20.17	9.79
(d) Other Liabilities	971.32	897.92
	<u>1,681.79</u>	<u>1,529.40</u>
Provisions		
(a) Proposed Dividend	238.24	166.73
(b) Tax on proposed dividend	38.65	27.69
(c) Retirement Benefits	118.81	104.12
	<u>395.70</u>	<u>298.54</u>
Total	<u><u>2,077.49</u></u>	<u><u>1,827.94</u></u>

Schedules forming part of Profit and Loss Account for the Year ended 31st March, 2011

Schedule : 8 Other Income	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
(a) Interest Income (Gross) (Tax Deducted at source Rs. 1.62 lacs, Previous Year Rs.8.04 lacs)	44.86	55.01
(b) Dividend Income	0.69	0.65
(c) Profit on sale of Asset	195.97	-
(d) Excess Provision of Gratuity	-	17.23
(e) Profit on Foreign Currency Loan Repayments	8.79	-
(f) Miscellaneous Income	1.50	645.97
Total	<u><u>251.81</u></u>	<u><u>718.86</u></u>

**Schedules forming part of Profit and Loss Account
for the Year ended 31st March, 2011**

Schedule : 9 Fleet Operating Charges	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
(a) Salaries, Allowances & Compensation - Floating Staff	458.34	242.51
(b) Contractual payment to Floating Staff	2,408.92	2,750.10
(c) Contribution to Provident and other funds	10.17	5.41
(d) Travelling Expenses	157.72	190.88
(e) Fuel, Oil & Water	410.72	445.33
(f) Port & Canal dues	26.28	59.58
(g) Repairs	278.28	396.43
(h) Stores & Victualling	744.53	882.61
(i) Insurance Charges & Protecting Club Fees	264.87	396.81
(j) Telecommunication Charges	102.44	102.39
(k) Charter Hire Charges	364.31	-
(l) Professional Fees	124.54	114.87
(m) Brokerage & Commission	63.18	54.21
(n) Sundry Operating expenses	177.74	222.32
Total	5,592.04	5,863.46

Schedule : 10 Establishment & Other Expenses	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
(a) Salaries, Allowances, Bonus & Commission	935.80	859.25
(b) Contribution to Provident and other funds	98.20	33.47
(c) Staff welfare expenses	13.20	64.34
(d) Rent	13.39	11.60
(e) Travelling Expenses	135.26	118.37
(f) Auditors' Remuneration	10.88	10.32
(g) Telephone charges	36.93	38.93
(h) Professional fees	90.52	105.59
(i) Bank Charges	114.22	90.01
(j) Directors' fees	8.00	7.25
(k) Insurance Charges	17.83	12.83
(l) Rates & Taxes	16.56	10.51
(m) Repairs - Office	8.61	8.73
(n) Loss on Foreign Currency Transactions (Net)	-	255.19
(o) Loss on Foreign Currency Loan Repayments	144.13	348.70
(p) Miscellaneous Expenses	201.49	201.11
Total	1,845.02	2,176.20

Schedule : 11 Interest & Finance Charges	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
(a) Interest on fixed loans	2,278.18	2,823.68
(b) Other Interest	120.75	244.14
(c) Finance Charges	57.51	20.73
Total	2,456.44	3,088.55

Notes to the Accounts for the year ended 31st March, 2011

Schedule : 12**Significant Accounting Policies :****I. Accounting Convention :**

The financial statements are prepared under the historical cost convention and as a going concern, in accordance with, generally accepted accounting principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and provisions of the Companies Act, 1956.

II. 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 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.

III. Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition, financing costs on borrowings during construction period and operational costs till commencement of first commercial voyage. Further, additions or extensions of a capital nature are added to the cost of vessel as and when incurred.

IV. Depreciation of Assets :**(a) On fleet :**

Depreciation has been arrived at on straight line method at the rate arrived at so as to provide 95% of the total cost of each vessel over its balance economic useful life. For this purpose the economic useful life of vessels is estimated as 30 years. However, in the current year in the case of two vessels M.V.Garware I and M.V.Garware V, management has decided to reduce the economic useful life of the vessel from 30 years to 29 years. As a result depreciation for the year has increased by Rs. 248.46 lacs.

Any additions or extensions to existing vessels which forms an integral part of the vessels is depreciated by 95% over the remaining useful life of the vessels, in accordance with the requirement of para. 24 of Accounting Standard 6 (Revised) - Depreciation Accounting, issued by The Institute of Chartered Accountants of India.

(b) On Motor Vehicles :

Depreciation is arrived at on straight line method at 25% p.a. of the cost, based on the estimated useful life of 4 (four) years for the motor vehicles.

(c) On Other Assets :

Depreciation on assets acquired upto 31st December, 2003 is charged in the accounts on the Written Down Value method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

Depreciation on assets acquired from 1st January, 2004 is charged in the accounts on the Straight Line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

V. Accounting for Investments :

Long term investments are valued at cost.

VI. Valuation of Inventories :

(a) The stocks of stores and spares including on board the ships as certified by the management, are valued at cost.

(b) The Stocks of fuel and diesel oil owned by the Company as confirmed by masters of the vessels are valued at cost.

VII. Revenue Recognition :

Time Charter earnings are recognized on accrual basis.

VIII. Operating Expenses :

Expenses charged to Profit and Loss account are recognised on accrual basis.

IX. Employee Benefits :

Defined Contribution Plan

Employee benefits in the form of Provident Fund which is a defined contribution scheme, is charged to the Profit and Loss account during the year when the contribution accrues.

Defined Benefit Plan

The liability for gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation, using the projected unit credit method as at the Balance Sheet date.

Other Long Term Benefits

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

Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised in the Profit and Loss account for the year as income or expense.

X. **Foreign Exchange Transaction :**

(a) Transactions in foreign currency are recorded at the standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are re-stated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions (including those relating to acquisition of depreciable assets) is recognised in the Profit and Loss Account.

(b) Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps and commodity future contracts, 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 gain or loss on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve Account and is recognised in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects Profit and Loss.

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

Accordingly the Company has designated borrowings in foreign currency (relating to acquisition of depreciable assets) as hedge instruments to cover its foreign currency risks of its firm commitments and highly probable forecast transactions of revenue streams and the same are accounted as cash flow hedge.

XI. **Borrowing Cost :**

Borrowing costs directly attributable to borrowed funds raised to meet any financial obligation on account of acquisition or other value added cost of any qualifying assets (Fixed Assets) incurred upto the date of cessation of substantial activities necessary to prepare the qualifying asset for its intended use, is capitalised.

XII. **Provisions & Contingent Liabilities :**

(a) Provisions are recognised in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount of which can be reliably estimated.

(b) Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence is confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, unless the likelihood of an outflow of resources is remote.

(c) Contingent assets are not recognised in the accounts, unless there is virtual certainty as to its realisation.

XIII. **Provision for Taxation :**

Provision of 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.

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.

XIV. **Prior Period Items/ Extra Ordinary Items :**

Prior period items & extra ordinary items, if any, are disclosed separately in the notes to accounts.

XV. **Impairment of Assets :**

The Company reviews the carrying values of tangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognised in the year in which impairment takes place.

Notes to the Accounts for the year ended 31st March, 2011

Schedule : 13

Notes to Accounts

(1) The name of the Company was changed from Garware Offshore Services Limited to Global Offshore Services Limited w.e.f. 11th January, 2011.

(2) Contingent Liabilities :

Particulars	As on 31st March, 2011 (In Rs. Lacs)	As on 31st March, 2010 (In Rs. Lacs)
Guarantees given by the Banks [Counter Guarantees given by the Company]	2,126.89	23,235.40
TOTAL	2,126.89	23,235.40

The Company has given a guarantee on behalf of its wholly owned subsidiary for the difference, if any, between the Bareboat Charter payable to the owner of one Accommodation barge and one Anchor Handling Tug-cum Supply Vessel, and the market value of the said assets. The company does not expect any liability on this account.

The Company has given a guarantee on behalf of its Wholly Owned Subsidiary based in Singapore for USD 75 million in favour of Northern Star Shipping Pte. Ltd., for the bareboat charter of one Platform Supply Vessel. This guarantee covers the difference between market value and the charter obligations of the Company's Wholly Owned Subsidiary. The Company does not expect any liability whatsoever on this account.

The Company has given a guarantee of USD 55 million to Axis Bank, Singapore on behalf of Wholly Owned Subsidiary based in Netherlands. This amount relates to the debt raised by the Company's Wholly Owned Subsidiary in order to acquire the vessel, M.V.Beaucephalus. Since the market value of the vessel is substantially higher than the total debt outstanding and since the vessel is on long term contract with Petrobras, Brazil, the Company does not expect any liability whatsoever on this account.

(3) Assets offered as securities to banks & financial institution :

A) Term loans for acquisition of vessels

- (1) Outstanding loan of US\$ 13.47 million from State Bank of India is secured by way of first charge of the vessel acquired.
Amount repayable within a year US\$ 1.47 million.
- (2) Outstanding loan of US\$ 14.06 million from State Bank of India is secured by way of first charge of the vessel acquired.
Amount repayable within a year US\$ 1.52 million.
- (3) Outstanding loan of US\$ 8.17 million from DVB Group Merchant Bank is secured by way of first charge of the vessel acquired.
Amount repayable within a year US\$ 0.92 million.
- (4) Outstanding loan of US\$ 7.71 million from DVB Group Merchant Bank is secured by way of first charge of the vessel acquired.
Amount repayable within a year US\$ 0.83 million.
- (5) Outstanding loan of US\$ 11.46 million from State Bank of India is secured by way of first charge of the vessel acquired.
Amount repayable within a year US\$ 0.96 million.
- (6) Outstanding loan of US\$ 16.39 million from DNB NOR Bank is secured by way of first charge of the vessel acquired.
Amount repayable within a year US\$ 1.64 million.

B) Other Term Loans

- (1) Outstanding Corporate loan of US\$ 1.69 million from State Bank of Travancore, is secured by way of second charge on one of the Company's AHTSV.
Amount repayable within a year US\$ 0.93 million.
- (2) Outstanding Corporate loan of US\$ 1.10 million from State Bank of Travancore, is secured by way of first charge on one of the Company's AHTSV.
Amount repayable within a year US\$ 1.10 million.

(3) Outstanding Corporate loan of US\$ 3.87 million from State Bank of Travancore, is secured by way of extension of first charge on one of the Company's AHTSV, extension of second charge on one of the Company's AHTSV and extension of second charge on Office premises.

Amount repayable within a year US\$ 0.73 million.

(4) Outstanding Corporate loan of US\$ 2.22 million from State Bank of Travancore, is secured by way of extension of first charge on one of the Company's AHTSV, extension of second charge on one of the Company's AHTSV, extension of second charge on Office premises and exclusive charge on receivables from the operation of one of the Company's AHTSV.

Amount repayable within a year US\$ 0.52 million.

(5) Outstanding Corporate loan of US\$ 0.38 million from United Bank of India, which is secured by way of receivables from the operation of one of the Company's PSV and extension of charge on one of Company's AHTSV.

Amount repayable within a year US\$ 0.38 million.

(6) Outstanding Corporate loan of US\$ 1.62 million from United Bank of India, which is secured by way of receivables from the operation of one of the Company's PSV and extension of charge on one of Company's AHTSV.

Amount repayable within a year US\$ 1.38 million.

(7) Outstanding loan of Rs. 539.13 lacs from United Bank of India, which is secured by way of charge on the property / office premises acquired as also charge on one of the AHTSV of the Company.

Amount repayable within a year Rs. 160.38 lacs.

(8) Outstanding loan of Rs. 312.53 lacs from Ratnakar Bank, which is secured by way of charge on one of the AHTSV of the Company.

Amount repayable within a year Rs. 125.00 lacs.

C) Car Finance Loans

Car loans availed by the Company from ICICI Bank are secured against respective motor cars against which the finances are availed.

Amount repayable within a year Rs. 9.03 lacs.

D) Working Capital Facilities

(1) Working Capital Facility from United Bank of India is secured by hypothecation of Book Debts and Tangible Assets such as stocks, stores and spares on board the vessel as also against collateral security by way of first mortgage on one AHTSV of the Company. Part of this facility is now denominated in US\$.

(2) Working Capital Facility from State Bank of Travancore is secured by pari passu first charge on all current assets including stores & spares, fuel, oil and book debts (Excluding receivables from two of the Company's PSV). Part of this facility is now denominated in US\$.

(4) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - "Employee Benefits"

A) Defined Contribution Plans :

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

	Rs. In Lacs	
	31.03.2011	31.03.2010
Contribution to Employees Provident Fund	43.28	30.35
Contribution to Seamen's Provident Fund	9.36	4.76

B) Defined Benefit Plans :

Valuations in respect of Gratuity liability have been carried out by an independent actuary, as at the Balance Sheet date on Projected Unit Credit method, based on the following assumptions :

Actuarial Assumption for the year	Gratuity	
	31.03.2011	31.03.2010
a) Discount Rate (p.a.)	8.25%	8.00%
b) Rate of Return on Plan Assets	8.00%	8.00%
c) Salary Escalation rate	5.00%	5.00%
d) Attrition rate	2.00%	2.00%

(i) Change in Benefit Obligation Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Liability at the beginning of the year	79.25	99.40
Interest Cost	6.34	8.35
Current Service Cost	30.31	14.07
Past Service Cost	5.06	-
Benefit Paid	(39.32)	(4.22)
Actuarial (gain)/loss on obligations	12.38	(38.35)
Liability at the end of the year	94.02	79.25

(ii) Fair value of Plan Assets : Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Fair Value of Plan Assets at the beginning of the year	33.63	1.01
Expected Return on Plan Assets	2.69	2.76
Employer's contribution	54.81	35.54
Benefits Paid	(39.32)	(4.22)
Actuarial gain/(loss) on Plan Assets	0.96	(1.46)
Fair value of Plan Assets at the end of the year	52.77	33.63

(iii) Actual Return on Plan Assets: Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Expected Return on Plan Assets	2.69	2.76
Actuarial gain/(loss) on Plan Assets	0.96	(1.46)
Actual Return on Plan Assets	3.65	1.30

(iv) Amount Recognised in the Balance Sheet : Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Liability at the end of the year	94.02	79.25
Fair Value of Plan Assets at the end of the year	52.77	33.63
Amount Recognised in Balance sheet	41.25	45.62

(v) Expenses recognised in the Profit & Loss Account : Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Current Service Cost	30.31	14.07
Interest Cost	6.34	8.35
Expected Return on Plan Assets	(2.69)	(2.76)
Net Actuarial (gain) / loss to be recognised	11.42	(36.89)
Past Service Cost	5.06	-
Expenses recognised in the Profit & Loss Account	50.44	(17.23)

(C) Other Long Term Benefits

The charge recognised in the Profit & Loss Account for Leave Encashment for the year is Rs. 7.86 Lacs (Previous Year 12.81 Lacs) and the closing liability is Rs. 24.78 Lacs (Previous Year Rs. 24.87 Lacs)

(5) Current Liabilities :

As per the information available with the Company, there are no Micro and Medium Enterprises, as defined in the Micro small, Medium Enterprise Development Act 2006 to whom the Company owes on account of principal amount together with the interest and accordingly no additional disclosures have been made.

(6) Amount Due from wholly owned subsidiaries :

Garware Offshore International Services Pte. Ltd.

Sundry Debtors - Rs. 106.34 Lacs. (previous year Rs. 1,116.88 Lacs.)

Advances - Rs. 0.44 lacs (Previous year Rs. 0.45 lacs)

Global Offshore Services B. V.

Sundry Debtors - Rs. 6.21 Lacs (Previous year Nil)

(7) Garware Nylons Limited has been ordered to be wound up by the Bombay High Court and Bombay High Court has appointed Official Liquidator on 18th December, 1998. No provision for diminution in the value of investment of 35,050 equity shares valued at Rs.6.01 lacs has been made in the books.

(8) Break-Up of Remuneration to Auditors :

(Including Service Tax)

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
Auditors Remuneration :		
(a) Statutory Audit Fees	9.38	8.82
(b) Tax Audit Fees	0.55	0.55
(c) Other Fees	0.82	0.82
(d) Expenses Reimbursed	0.14	0.13
TOTAL	10.88	10.32

(9) Net Profit Calculation U/s. 309 for the purpose of Managerial Remuneration :

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
(a) Profit/ (Loss) before taxation	3,941.94	4,329.33
(b) (Add) : Depreciation as per Books of Accounts	3,433.20	3,436.38
(c) (Add) : Remuneration to Whole Time Director	430.19	471.95
	7,805.33	8,237.66
(d) (Less) : Depreciation U/s. 350 of Companies Act, 1956	3,433.20	3,436.38
(e) Net Profit U/s. 198 of the Companies Act, 1956	4,372.13	4,801.28
Maximum allowable Remuneration @ 10% of Net Profit U/s. 309	437.21	480.13

Remuneration Paid/ Provided to Wholtime Directors :

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
(a) Salaries & Allowances	374.90	315.05
(b) Commission Provided for	25.00	130.00
(c) Contribution to PF	17.86	14.88
(d) Monetary Value of Perquisites [As per the provisions of Income Tax Act, 1961]	12.43	12.02
TOTAL	430.19	471.95

Note :

The above does not include contribution to Gratuity Fund which is actuarially determined or on overall basis and separate figures are not available for the wholtime directors.

(10) Information Pursuant to Para 3 & 4 of Part - II of Schedule VI of the Companies Act, 1956 :

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)		
(a) Value of imports calculated on C.I.F. basis :				
Raw Material	N.A.	N.A.		
Components & Spare Parts	221.20	409.05		
Capital Goods (Purchase of Vessels) and advances	-	933.15		
(b) Expenditure in foreign currency :				
Royalty	N.A.	N.A.		
Know - How	N.A.	N.A.		
Professional & Consultation fees	39.41	98.96		
Interest Charges	2,223.76	2,648.67		
Other Matters	1,653.07	2,524.07		
(c) Value of the imported and indigenous Raw Materials, Stores And Spares consumed and percentage of each to the total consumption. :				
Particulars	%(2010-11)	%(2009-10)		
Raw Material :				
Imported Goods	N.A.	N.A.	N.A.	N.A.
Indegenous Goods	N.A.	N.A.	N.A.	N.A.
	-	-	-	-
Stores, Spares & Consumables :				
Imported Goods	46.94%	65.38%	221.20	409.05
Indegenous Goods	53.06%	34.62%	250.06	216.57
	100.00%	100.00%	471.26	625.62
(d) Amount remitted during the year in foreign currencies on account of dividends :	-		-	
(e) Earnings in foreign exchange classified under the following heads :				
Sale of vessel			11,767.61	7,869.16
Royalty, Know-how, Professional and Consultation fees			-	-
Interest and Dividend			-	-
Other income, indicating the nature thereof [Charter Hire & Freight Earnings]			15,769.47	16,604.16

(11) Earning Per Share :

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
A Basic Earning Per Share :		
Working for Computing Earning Per Share :		
Profit before Taxation	3,941.94	4,329.33
(Less) : Provision for Taxation	(63.63)	230.44
(A)	4,005.56	4,098.89
Weighted Average No. of Equity Share Capital :		
Equity Share At The Beginning Of The Year	238.19	238.19
(+) Fresh Issue During The Year	-	-
(-) Redeemded/ Forefeited During The Year	-	-
(B)	238.19	238.19
BASIC EARNING PER SHARE (A / B)	16.82	17.21
B Diluted Earning Per Share :		
Diluted Earning for Computing Diluted Earning Per Share :		
Profit before Taxation	3,941.94	4,329.33
(Less) : Provision for Taxation	(63.63)	230.44
(Add) : Interest expenses for the current year	-	-
(Less) : Tax relating to interest expenses	-	-
(A)	4,005.56	4,098.89
Weighted Average No. of Equity Share Capital :		
Equity Share at the beginning of the year	238.19	238.19
(+) Fresh Issue During The Year (In weighted Average for time)	-	-
(+) Potential No. of Shares to be issued on conversion	-	-
(B)	238.19	238.19
DILUTED EARNING PER SHARE (A / B)	16.82	17.21

(12) Related Party Disclosure :

a) List of Related Parties :

Subsidiary Companies

Garware Offshore International Services Pte. Ltd, Singapore

Global Offshore Services B.V., Netherlands

Other related parties with whom transactions have taken place during the year.

Key Management Personnel

Ashok B. Garware - Executive Chairman

Aditya A. Garware - Vice Chairman and Managing Director

b) **Transactions with related parties for the year ended 31st March 2011 :**

Rs. In lacs

Nature of Transactions	Subsidiary Companies	Key Managerial Personnel	Other Related Parties	TOTAL
(1) Charter Hire Income :				
From Garware Offshore International Services Pte Ltd.	75.51	-	-	75.51
(2) Charter Hire Charges :				
From Garware Offshore International Services Pte Ltd.	(364.31)	-	-	(364.31)
(3) Reimbursement of expenses :				
Garware Offshore International Services Pte Ltd.	(92.78)	-	-	(92.78)
Global Offshore Services B.V.,Netherlands	6.28	-	-	6.28
(4) Interest				
Garware Offshore International Services Pte Ltd.	12.36	-	-	12.36
(5) Loan given				
Garware Offshore International Services Pte Ltd.	141.10	-	-	141.10
(6) Remuneration				
Ashok B. Garware	-	223.23	-	223.23
Aditya A. Garware	-	206.96	-	206.96
Total	(221.84)	430.19	-	208.35

Outstandings as at 31st March, 2011 :

Rs. In lacs

Nature of Transactions	Subsidiary Companies	Key Managerial Personnel	Other Related Parties	TOTAL
(1) Charter Hire Income :				
From Garware Offshore International Services Pte Ltd.	429.69	-	-	429.69
(2) Hire of Chartered Ships :				
From Garware Offshore International Services Pte Ltd.	(248.30)	-	-	(248.30)
(3) Reimbursement of expenses :				
Garware Offshore International Services Pte Ltd.	(86.95)	-	-	(86.95)
Global Offshore Services B.V.,Netherlands	6.28	-	-	6.28
(4) Interest				
Garware Offshore International Services Pte Ltd.	11.95	-	-	11.95
(5) Loan given				
Garware Offshore International Services Pte Ltd.	0.45	-	-	0.45
(6) Balance Remuneration Payable to :				
Ashok B. Garware	-	25.23	-	25.23
Aditya A. Garware	-	20.25	-	20.25
Total	113.12	45.48	-	158.60

(13) The previous year figures have been regrouped whenever necessary to confirm to current years classification.

(14) **Segment Reporting :**

The Company is engaged in only one type of business i.e. charter of offshore support vessels and there are no separate reportable segment as per Accounting Standards AS-17 "Segment Reporting".

As per our report of even date attached

For and on behalf of the board

For **RAMAN S. SHAH & ASSOCIATES**

Chartered Accountants
Firm Reg. No. 119891W

Santosh A. Sankhe
Partner
Membership No. 100976

Ashok Garware
Executive Chairman

P. S. Shah
GM - Finance & Accounts

Aditya Garware
Vice Chairman &
Managing Director

S. P. Akolkar
President - Finance

A. K. Thanavala
Director

A. C. Chandarana
Company Secretary

Place : Mumbai
Date : 30th July, 2011

Place : Mumbai
Date : 30th July, 2011

Statement pursuant to Section 212 of the Companies Act, 1956

Name of Subsidiary	Garware Offshore International Services Pte. Ltd.	Global Offshore Services B.V.
Financial Year Ended	March 31, 2011	March 31, 2011
Date from when it became a Subsidiary	July 2, 2007	November 23, 2010
Extent of interest of the Holding Company in the Capital of the subsidiary	100%	100%
Net aggregate amount of the Subsidiary's profit less losses not dealt within the Holding Company's Accounts		
(i) Current Year	Rs. (1,185.78) lacs	Rs. (597.39) lacs
(ii) Previous Year	Rs. 50.31 lacs	N.A.
Net aggregate amount of the Subsidiary's profit less losses dealt within the Holding Company's Accounts		
(i) Current Year	N.A.	N.A.
(ii) Previous Year	N.A.	N.A.
For and on behalf of the board		
Ashok Garware Executive Chairman	Aditya Garware Vice Chairman & Managing Director	A. K. Thanavala Director
Place : Mumbai Date : 30th July, 2011	P. S. Shah GM - Finance & Accounts	S. P. Akolkar President - Finance A. C. Chandarana Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2011

PARTICULARS	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
A. Cash Flow arising from Operating Activities :		
Net profit before tax and extraordinary items	3,941.94	4,329.33
Add/(Less) :		
a) Depreciation charges (Net)	3,433.20	3,409.17
b) Interest charges	2,456.44	3,088.55
c) Dividend Income	(0.69)	(0.65)
d) Interest Income	(44.86)	(55.01)
e) (Profit) / Loss on sale of Asset (net)	(195.97)	-
f) Taxes Paid	(249.51)	(348.01)
	5,398.62	6,094.05
Operating Profit before working capital changes	9,340.56	10,423.38
Less :		
a) Increase /(Decrease) in Operational Current Liabilities	50.87	(3,309.30)
b) Increase in Operational Current Assets	(5,191.79)	(1,090.84)
	(5,140.92)	(4,400.14)
Net cashflow from operating Activity (A)	4,199.64	6,023.24
B. Cash Flow arising from Investing Activities :		
(i) Outflow on account of investing activity		
a) (Acquisition)/ Sale of fixed assets (Incl. Cap WIP)	11,933.79	4,818.84
b) Money Invested in Securities	(1,282.76)	(156.33)
	10,651.03	4,662.51
(ii) Inflow on account of investing activity		
a) Trading in Securities (Net)	-	-
b) Income from Dividend	0.69	0.65
c) Interest Income	58.84	55.01
	59.53	55.66
Net cashflow from investing Activity (B)	10,710.56	4,718.17
C. Cash Flow arising from Finance Activities :		
(i) Inflow on account of Financing activity		
a) Shares & Warrants Issued at premium	-	-
b) Loans taken (net of repayment)	(10,963.27)	(7,270.40)
	(10,963.27)	(7,270.40)
(ii) Outflow on account of Financing activity		
a) Dividend Paid	(490.37)	(722.85)
b) Interest on loan paid during the year	(2,350.08)	(3,104.08)
	(2,840.45)	(3,826.93)
Net cashflow from financing Activity (C)	(13,803.72)	(11,097.33)
Net increase in cash / cash equivalent [A + B + C]	1,106.48	(355.92)
Add : Balance at the beginning of the year	823.90	1,179.82
Cash / Cash equivalents at the end of the year	1,930.38	823.90
Notes to cash flow statement :		
(1) Method of preparation of cash flow statement :		
Cash flow statement has been prepared under Indirect method as set out in the Accounting Standard 3 on Cash Flow Statement, issued by the Institute of Chartered Accountants of India.		
(2) Components of cash flow :		
Cash - On - Hand	20.25	10.66
Demand deposits with bank (Bank balances)	1,910.13	813.24
	1,930.38	823.90

As per our report of even date attached

For and on behalf of the board

For **RAMAN S. SHAH & ASSOCIATES**
Chartered Accountants
Firm Reg. No. 119891W

Ashok Garware
Executive Chairman

Aditya Garware
Vice Chairman &
Managing Director

A. K. Thanavala
Director

Santosh A. Sankhe
Partner
Membership No. 100976

P. S. Shah
GM - Finance & Accounts

S. P. Akolkar
President - Finance

A. C. Chandarana
Company Secretary

Place : Mumbai
Date : 30th July, 2011

Place : Mumbai
Date : 30th July, 2011

To,
The Board Of Directors,
GLOBAL OFFSHORE SERVICES LIMITED,
Mumbai.

We have examined the attached cash flow statement of GLOBAL OFFSHORE SERVICES LIMITED for the year ended 31st March, 2011. The statement has been prepared by the company in accordance with the requirement of clause 32 of the listing agreement with the stock exchange and is based on and in agreement with corresponding profit and loss account and balance sheet of the company covered by our report of the even date, to the members of the company.

As per our report of even date attached
For **RAMAN S. SHAH & ASSOCIATES**
CHARTERED ACCOUNTANTS
Firm Registration No. 119891W

Santosh A. Sankhe
(Partner)
M. No. 100976

Place : Mumbai
Date : 30th July, 2011

BALANCE SHEET ABSTRACT & GENERAL BUSINESS PROFILE

I. Registration Details :

Registration Number

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

State Code

1	1
---	---

Balance Sheet

3	1
---	---

Date

0	3
---	---

Month

1	1
---	---

Year

II. Capital raised during the year (Amount in Rs. Thousand) :

Public Issue

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

Right Issue

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

Bonus Issue

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

Preferential Allotment

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

III. Position of mobilisation and deployment of fund (Amount in Rs. Thousand) :

Total Liabilities

		6	9	1	0	2	7	9
--	--	---	---	---	---	---	---	---

Total Assets

		6	9	1	0	2	7	9
--	--	---	---	---	---	---	---	---

Sources Of Fund :

Paid - Up Capital

		2	3	8	1	9	1
--	--	---	---	---	---	---	---

Application Of Fund :

Net Fixed Assets

		5	4	8	1	5	1	4
--	--	---	---	---	---	---	---	---

Reserves & Surplus

		2	7	3	9	4	7	2
--	--	---	---	---	---	---	---	---

Investments

		1	5	7	1	7	9
--	--	---	---	---	---	---	---

Secured Loan

		3	9	3	2	6	1	6
--	--	---	---	---	---	---	---	---

Foreign Exchange Hedge Reserve

			3	8	1	7	0
--	--	--	---	---	---	---	---

Un-Secured Loan

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

Net Current Assets

		1	2	3	3	4	1	6
--	--	---	---	---	---	---	---	---

Misc. Expenditure & Accumulated Losses

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

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

Turnover

		1	7	2	6	8	6	4
--	--	---	---	---	---	---	---	---

Total Expenditure

		1	3	3	2	6	7	0
--	--	---	---	---	---	---	---	---

Profit/ Loss before tax

		3	9	4	1	9	4
--	--	---	---	---	---	---	---

Profit/ Loss after tax

		4	0	0	5	5	7
--	--	---	---	---	---	---	---

Earning Per Share

		1	6	.	8	2
--	--	---	---	---	---	---

Dividend Rate (in %)

					2	4
--	--	--	--	--	---	---

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

Item Code No. (ITC Code)

						N	A
--	--	--	--	--	--	---	---

Product Description

O	F	F	S	H	O	R	E	S	E	R	V	I	C	E	S
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Note : For ITC Code of products please refer to the Publication India Trade Classification based on harmonized commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Calcutta - 700 001.

Report of the Auditors on Consolidated Financial Statements

Auditor's Report on Consolidated Financial Statements to the Board of Directors of Global Offshore Services Limited

- 1 We have audited the attached Consolidated Balance Sheet of Global Offshore Services Limited and its subsidiaries (the Group) as at March 31, 2011, and also the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the year ended on that date both annexed thereto. These consolidated financial statements are the responsibility of Global Offshore Services Limited's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2 We conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3 We did not audit the financial statements of foreign subsidiaries whose financial statements reflect the Group's share of total assets of Rs.31,163.61 lakhs as at March 31, 2011, the Group's share of total revenues of Rs.3,531.65 lakhs for the year ended on that date. These financial statements have been audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditors.
- 4 We report that the consolidated financial statements have been prepared by the management of Global Offshore Services Limited in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Global Offshore Services Limited, its associated and its subsidiaries included in the consolidated financial statements.
- 5 Based on our audit and on consideration of the report of the audited accounts in respect of the Company's subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of the Group as at March 31, 2011;
 - b) in case of the Consolidated Profit and Loss Account, of the consolidated results of operations of the Group for the year ended on that date; and
 - c) in case of the Consolidated Cash Flow Statement, of the consolidated cash flows of the Group for the year ended on that date.

**For RAMAN S. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 119891W**

Place : Mumbai
Date : 30th July, 2011

**Santosh A. Sankhe
(Partner)
M. No. 100976**

Consolidated Balance Sheet as at 31st March, 2011

	Schedule	As at 31st March, 2011 Rs. In Lacs		As at 31st March, 2010 Rs. In Lacs	
SOURCES OF FUNDS :					
I. Shareholders Funds					
(a) Share Capital	1	2,381.91		2,381.91	
(b) Reserves & Surplus	2	25,905.35	28,287.26	24,348.75	26,730.66
II. Loan Funds					
Secured Loans	3	60,377.62	60,377.62	50,280.37	50,280.37
TOTAL :			88,664.88		77,011.03
APPLICATION OF FUNDS :					
I. Fixed Assets					
(a) Gross Block	4	94,655.64		77,924.45	
(b) (Less) : Accumulated Depreciation		12,082.02		9,383.27	
(c) Net Block		82,573.62		68,541.18	
(d) Capital Work-in-Progress/Vessel Under Construction		-	82,573.62	1,763.28	70,304.46
II. Investments					
	5		43.69		43.89
III. Foreign Exchange Hedge Reserve					
			381.70		372.64
IV. Foreign Currency Translation Reserve					
			274.01		69.32
V. Net Current Assets					
Current Assets, Loans & Advances					
(a) Stock		2,454.80		2,074.05	
(b) Sundry Debtors		2,910.51		3,404.16	
(c) Cash and Bank Balances		1,957.53		1,094.62	
(d) Loans and Advances		3,853.56		1,860.93	
		11,176.40		8,433.76	
Current Liabilities & Provisions					
(a) Current Liabilities	7	5,388.83		1,914.50	
(b) Provisions		395.71		298.54	
		5,784.54	5,391.86	2,213.04	6,220.72
Significant Accounting Policies					
Notes to accounts	12 13				
TOTAL :			88,664.88		77,011.03

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

As per our report of even date attached

For and on behalf of the board

For RAMAN S. SHAH & ASSOCIATES

Chartered Accountants
Firm Reg. No. 119891W

Ashok Garware
Executive Chairman

Aditya Garware
Vice Chairman &
Managing Director

A. K. Thanavala
Director

Santosh A. Sankhe
Partner
Membership No. 100976

P. S. Shah
GM - Finance & Accounts

S. P. Akolkar
President - Finance

A. C. Chandarana
Company Secretary

Place : Mumbai
Date : 30th July, 2011

Place : Mumbai
Date : 30th July, 2011

Consolidated Profit & Loss Account for the year ended 31st March, 2011

	Schedule	Year Ended 31st March, 2011 Rs. In Lacs	Year Ended 31st March, 2010 Rs. In Lacs
INCOME :			
I. Income from operations			
(a) Charter Hire		19,681.74	21,241.18
(b) Other Operating Income		367.57	-
		<u>20,049.31</u>	<u>21,241.18</u>
II. Other Income	8	240.15	718.86
TOTAL INCOME :		<u><u>20,289.46</u></u>	<u><u>21,960.04</u></u>
EXPENDITURE :			
(a) Fleet Operating Charges	9	9,676.57	8,859.78
(b) Establishment & Other Expenses	10	1,845.03	2,176.20
(c) Interest & Finance Charges	11	2,810.59	3,098.00
(d) Depreciation Charges		3,796.91	3,446.42
		<u>18,129.10</u>	<u>17,580.40</u>
PROFIT BEFORE TAX		<u>2,160.36</u>	<u>4,379.64</u>
Provision for Taxation			
Current Tax		47.61	238.00
Tax for earlier year written back		(109.63)	(7.56)
		<u>(62.02)</u>	<u>230.44</u>
PROFIT FOR THE YEAR AFTER TAX		<u>2,222.38</u>	<u>4,149.20</u>
Less : Prior period Depreciation		-	27.21
Less : Transfer to Tonnage Tax Reserve		810.00	1,000.00
Add : Surplus brought forward from Previous Year		6,761.65	4,779.96
AMOUNT AVAILABLE FOR APPROPRIATION		<u>8,174.03</u>	<u>7,901.95</u>
Appropriations:			
Transfer to General Reserve		500.00	500.00
Interim Dividend		452.61	381.11
Tax on Interim Dividend		74.72	64.77
Proposed Dividend		119.12	166.73
Tax on Proposed Dividend		19.32	27.69
		<u>1,165.77</u>	<u>1,140.30</u>
BALANCE CARRIED FORWARD TO BALANCE SHEET :		<u>7,008.25</u>	<u>6,761.65</u>
Significant Accounting Policies	12		
Notes to Accounts	13		
Earning Per Share : (Refer Note No. 8 of Schedule - 13)			
		Rs.	Rs.
Basic Earning Per Share		9.33	17.42
Diluted Earning Per Share		9.33	17.42

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

As per our report of even date attached

For and on behalf of the board

For RAMAN S. SHAH & ASSOCIATES

Chartered Accountants
Firm Reg. No. 119891W

Ashok Garware
Executive Chairman

Aditya Garware
Vice Chairman &
Managing Director

A. K. Thanavala
Director

Santosh A. Sankhe
Partner
Membership No. 100976

P. S. Shah
GM - Finance & Accounts

S. P. Akolkar
President - Finance

A. C. Chandarana
Company Secretary

Place : Mumbai
Date : 30th July, 2011

Place : Mumbai
Date : 30th July, 2011

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

Schedule : 1 Share Capital	As At 31st Mar, 2011 Rs. In Lacs		As At 31st Mar, 2010 Rs. In Lacs	
A Authorised Capital :				
Equity Share Capital :				
3,20,00,000 Equity Shares of Rs. 10/- each		3,200.00		3,200.00
Preference Share Capital :				
1,50,000 Cummulative Redeemable Preference Shares of Rs. 100/- each		150.00		150.00
1,50,000 Cummulative Convertible Preference Shares of Rs. 100/- each		150.00		150.00
		300.00		300.00
Total		<u>3,500.00</u>		<u>3,500.00</u>
B Issued, Subscribed & Paid Up Capital :				
Equity Share Capital :				
2,38,19,093 Equity Shares of Rs. 10/- each (Previous year 2,38,19,093 Equity Shares of Rs. 10 each)		2,381.91		2,381.91
Total		<u>2,381.91</u>		<u>2,381.91</u>

Schedule : 2 Reserves & Surplus	As At 31st Mar, 2011 Rs. In Lacs		As At 31st Mar, 2010 Rs. In Lacs	
A Securities Premium Account				
As per last balance sheet		7,650.01		7,650.01
B Tonnage Tax Reserves U/s. 115VT of Income Tax Act				
As per last balance sheet		2,000.00		1,000.00
(Add) : Transfer from Profit & Loss A/c		810.00		1,000.00
		<u>2,810.00</u>		<u>2,000.00</u>
C Tonnage Tax Reserve (Utilised)				
As per last balance sheet		1,772.00		1,772.00
D General Reserves				
As per last balance sheet		6,165.09		4,276.16
(Add) : Transfer from Shipping Reserve (Utilised)		-		1,388.93
(Add) : Transfer from Profit & Loss A/c		500.00		500.00
		<u>6,665.09</u>		<u>6,165.09</u>
E Profit & Loss Account				
		7,008.25		6,761.65
Total		<u>25,905.35</u>		<u>24,348.75</u>

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

Schedule : 3 Secured Loans	As At 31st Mar, 2011 Rs. In Lacs	As At 31st Mar, 2010 Rs. In Lacs
Loans from Banks (See Note No 3 of schedule 13)		
A Term Loans for Acquisition of Vessels	52,911.19	43,883.42
B Other Term Loans	5,712.44	5,471.95
C Car Finance Loans	11.67	26.61
D Working Capital Facilities	1,742.32	898.39
Total	<u>60,377.62</u>	<u>50,280.37</u>

**Schedule : 4
Fixed Assets**

Particulars	Gross Block				Depreciation				Net Block		
	As at 01/04/2010	Additions During the Year	Deductions During the Year	As at 31/03/2011	As at 01/04/2010	For the Year	Prior period	Deduction	As at 31/03/2011	As at 31/03/2011	As at 3/31/2010
	Fleet	76,172.97	29,122.60	12,451.92	92,843.65	9,228.46	3,700.42	-	1,085.04	11,843.84	80,999.81
Office Premises	1,279.44	61.80	-	1,341.24	5.09	21.57	-	-	26.66	1,314.58	1,274.35
Furniture & Fixtures	131.99	-	-	131.99	6.92	10.01	-	-	16.93	115.06	125.07
Office Equipments	51.81	0.84	-	52.65	19.15	5.51	-	-	24.66	27.99	32.66
Motor Vehicles	205.74	10.17	15.59	200.32	81.40	42.46	-	13.05	110.81	89.51	124.34
Computers	82.50	3.55	0.26	85.79	42.25	16.93	-	0.07	59.11	26.68	40.25
TOTAL	77,924.45	29,198.95	12,467.77	94,655.64	9,383.27	3,796.91	-	1,098.16	12,082.02	82,573.62	68,541.18
Previous Year	83,686.48	3,682.76	9,444.79	77,924.45	7,361.91	3,446.41	27.21	1,452.26	9,383.27	68,541.18	
Capital Work-in-Progress/ Vessel under construction										-	1,763.28
Grand Total										82,573.62	70,304.46

The Company had entered into shipbuilding contract with Havyard Leirvik AS, Norway for construction of one large Platform Supply Vessel. The right, title and interest in the contract of the aforesaid vessel was assigned to a wholly owned subsidiary Global Offshore Services B.V., The Netherlands and the total advance of Rs. 6,260.72 lacs paid under the contract was transferred to the wholly owned subsidiary as the Company's capital contribution.

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

Schedule : 5 Investments	As At 31st Mar, 2011 Rs. In Lacs	As At 31st Mar, 2010 Rs. In Lacs
Long Term - Non Trade		
(Valued at cost and fully paid up)		
Equity Shares :		
A Quoted		
(a) Garware Marine Industries Limited (1,29,640 Equity Shares of Rs. 10/- each) (Market Value Rs. 18.14 lacs, Previous Year Rs. 22.62 lacs)	37.68	37.68
Equity Shares :		
B Unquoted		
(i) Kapole Co-Op Bank Limited (2,000 Equity Shares of Rs. 10/- each)	-	0.20
(ii) Garware Nylons Limited (35,050 Equity Shares of Rs. 10/- each) (also see Note No. 5 of Schedule 13)	6.01	6.01
Total	<u>43.69</u>	<u>43.89</u>

Schedule : 6 Current Assets, Loans and Advances	As At 31st Mar, 2011 Rs. In Lacs	As At 31st Mar, 2010 Rs. In Lacs
Current Assets		
A Inventories		
Stock of Stores, Spares & Consumables (At Cost)	2,454.80	2,074.05
B Sundry Debtors (Unsecured and Considered good)		
(a) Debts outstanding for more than six months	393.51	140.74
(b) Other Debts	2,517.00	3,263.42
	<u>2,910.51</u>	<u>3,404.16</u>
C Cash & Bank Balances		
Cash (Including imprest on vessels)	20.25	10.66
Bank Balances with scheduled banks :		
In Current Account	1,690.41	671.79
In Deposit Account	246.87	412.17
	<u>1,957.53</u>	<u>1,094.62</u>
Loans & Advances		
(Unsecured and Considered Good)		
(a) Advances recoverable in cash or kind or for the value to be received	3,360.56	1,619.93
(b) Advance Income Tax (Net of provision Rs.46.00 lacs; previous year Rs.268.00 lacs)	358.77	128.72
(c) Deposits	111.03	91.09
(d) Balance with customs, port trust, other government authorities & courts of law	23.19	21.19
	<u>3,853.56</u>	<u>1,860.93</u>
Total	<u>11,176.40</u>	<u>8,433.76</u>

Schedules forming part of Consolidated Balance Sheet as at 31st March, 2011

Schedule : 7	As At 31st Mar, 2011	As At 31st Mar, 2010
Current Liabilities and Provisions	Rs. In Lacs	Rs. In Lacs
Current Liabilities		
(a) Sundry Creditors	910.53	748.73
(b) Unclaimed dividend (To be credited to the Investor Education & Protection Fund as and when due)	84.08	74.22
(c) Interest accrued but not due on loans	20.17	9.79
(d) Other Liabilities	4,374.05	1,081.76
	<u>5,388.83</u>	<u>1,914.50</u>
Provisions		
(a) Proposed Dividend	238.24	166.73
(b) Tax on proposed dividend	38.65	27.69
(c) Retirement Benefits	118.82	104.12
	<u>395.71</u>	<u>298.54</u>
Total	<u>5,784.54</u>	<u>2,213.04</u>

Schedules forming part of Consolidated Profit and Loss Account for the Year ended 31st March, 2011

Schedule : 8	Year Ended	Year Ended
Other Income	31st Mar,2011	31st Mar,2010
	Rs. In Lacs	Rs. In Lacs
(a) Interest Income (Gross) (Tax Deducted at source Rs. 1.62 lacs, Previous Year Rs.8.04 lacs)	33.21	55.01
(b) Dividend Income	0.69	0.65
(c) Profit on sale of Asset	195.97	-
(d) Excess Provision of Gratuity	-	17.23
(e) Profit on Foreign Currency Transactions (Net)	8.78	-
(f) Miscellaneous Income	1.50	645.97
Total	<u>240.15</u>	<u>718.86</u>

Schedules forming part of Consolidated Profit and Loss Account for the Year ended 31st March, 2011

Schedule : 9 Fleet Operating Charges	Year Ended 31st Mar, 2011 Rs. In Lacs	Year Ended 31st Mar, 2010 Rs. In Lacs
(a) Salaries, Allowances & Compensation - Floating Staff	1,017.75	692.02
(b) Contractual payment to Floating Staff	2,408.92	2,750.10
(c) Contribution to Provident and other funds	10.17	4.76
(d) Travelling Expenses	157.72	190.88
(e) Fuel, Oil & Water	410.72	445.33
(f) Port & Canal dues	26.28	59.58
(g) Repairs	278.28	396.43
(h) Stores & Victualling	880.04	928.67
(i) Insurance Charges & Protecting Club Fees	268.52	396.81
(j) Telecommunication Charges	103.61	102.39
(k) Incharter of Vessel	3,391.72	1,994.78
(l) Professional Fees	124.54	114.87
(m) Brokerage & Commission	63.18	54.21
(n) Sundry Operating expenses	535.12	728.95
Total	9,676.57	8,859.78

Schedule : 10 Establishment & Other Expenses	Year Ended 31st Mar, 2011 Rs. In Lacs	Year Ended 31st Mar, 2010 Rs. In Lacs
(a) Salaries, Allowances, Bonus & Commission	935.80	862.21
(b) Contribution to Provident and other funds	98.20	30.51
(c) Staff welfare expenses	13.20	64.34
(d) Rent	13.39	11.60
(e) Travelling Expenses	135.26	118.37
(f) Auditors' Remuneration	10.88	10.32
(g) Telephone charges	36.93	38.93
(h) Professional fees	90.52	105.59
(i) Bank Charges	114.22	90.01
(j) Directors' fees	8.00	7.25
(k) Insurance Charges	17.84	12.83
(l) Rates & Taxes	16.56	10.51
(m) Repairs - Office	8.61	8.73
(n) Loss on Foreign Currency Transactions (Net)	-	255.19
(o) Loss on Foreign Currency Loan Repayments	144.13	348.70
(p) Miscellaneous Expenses	201.49	201.10
Total	1,845.03	2,176.20

Schedule : 11 Interest & Finance Charges	Year Ended 31st Mar, 2011 Rs. In Lacs	Year Ended 31st Mar, 2010 Rs. In Lacs
(a) Interest on fixed loans	2,632.33	2,833.13
(b) Other Interest	120.75	244.14
(c) Finance Charges	57.51	20.73
Total	2,810.59	3,098.00

Notes to the Accounts for the year ended 31st March, 2011

Schedule : 12

Significant Accounting Policies

I. Accounting Convention :

The financial statements are prepared under the historical cost convention and as a going concern, in accordance with, generally accepted accounting principles in India, the Accounting Standards issued by The Institute of Chartered Accountants of India and provisions of the Companies Act, 1956.

II. Principles of Consolidation :

The Consolidated financial statements relate to Global Offshore Services Limited (the 'Company') and its wholly owned subsidiaries. The consolidated financial statements have been prepared on the following basis :

(a) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group transactions resulting in unrealised profit or losses.

(b) The subsidiaries considered in the consolidated financial statement are :

Name of the Company	Country of Incorporation	% ownership interest as at 31st March 2011	% ownership interest as at 31st March 2010
Garware Offshore International Services Pte. Ltd.	Singapore	100%	100%
Global Offshore Services B.V.	The Netherlands	100%	N.A.

III. 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 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.

IV. Fixed Assets :

Fixed assets are stated at cost less accumulated depreciation. Cost includes expenses related to acquisition, financing costs on borrowings during construction period and operational costs till commencement of first commercial voyage, except in the case of Global Offshore Services B.V. where only direct acquisition expenses are considered. Further, additions or extensions of a capital nature are added to the cost of vessel as and when incurred.

V. Depreciation of Assets :

(A) Re : Parent Company.

(a) On fleet :

Depreciation has been arrived at on straight line method at the rate arrived at so as to provide 95% of the total cost of each vessel over its balance economic useful life. For this purpose the economic useful life of vessels is estimated as 30 years. However, in the current year in the case of two vessels M.V.Garware I and M.V.Garware V, management has decided to reduce the economic useful life of the vessel from 30 years to 29 years. As a result depreciation for the year has increased by Rs. 248.46 lacs.

Any additions or extensions to existing vessels which forms an integral part of the vessels is depreciated by 95% over the remaining useful life of the vessels, in accordance with the requirement of para. 24 of Accounting Standard 6 (Revised) - Depreciation Accounting, issued by The Institute of Chartered Accountants of India.

(b) On Motor Vehicles :

Depreciation is arrived at on straight line method as 25% p.a. of the cost, based on the estimated useful life of 4 (four) years for the motor vehicles.

(c) On Other Assets :

Depreciation on assets acquired upto 31st December, 2003 is charged in the accounts on the Written Down Value method at the rates prescribed under Schedule XIV of the Companies Act 1956.

Depreciation on assets acquired from 1st January, 2004 is charged in the accounts on the Straight Line method at the rates prescribed under Schedule XIV of the Companies Act, 1956.

(B) Re : Wholly Owned Subsidiaries.

(i) Garware Offshore International Services Pte Ltd.

Depreciation of property, plant and equipment is calculated on straight line method to write off cost of the assets over their estimated lives as follows :

Computer and software	3 years
Equipment	3 to 10 years
Furniture and fittings	3 years
Books and manuals	3 to 5 years

(ii) Global Offshore Services B.V.

Depreciation is calculated on annually equal percentages of the purchase price. The percentages are based on the estimated useful life and the possible residual value of the individual assets.

VI. Accounting for Investments :

Long term investments are valued at cost.

VII. Valuation of Inventories :

- (a) The stocks of stores and spares including on board the ships, as certified by the management, are valued at cost.
- (b) The Stocks of fuel and diesel oil owned by the Company as confirmed by masters of the vessels are valued at cost.

VIII. Revenue Recognition :

Time Charter earnings are recognized on accrual basis.

IX. Operating Expenses :

Expenses charged to Profit and Loss account are recognised on accrual basis.

X. Employee Benefits :

Defined Contribution Plan

Employee benefits in the form of Provident Fund which is a defined contribution scheme, is charged to the Profit and Loss account during the year when the contribution accrues.

Defined Benefit Plan

The liability for gratuity, a defined benefit obligation, is accrued and provided for on the basis of actuarial valuation, using the projected unit credit method as at the Balance Sheet date.

Other Long Term Benefits

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

Actuarial gains and losses comprising of experience adjustments and the effects of changes in actuarial assumptions are recognised in the Profit and Loss account for the year as income or expense.

XI. Foreign Exchange Transaction :

(a) Transactions in foreign currency are recorded at the standard exchange rates determined monthly. Monetary assets and liabilities denominated in foreign currency, remaining unsettled at the period end are re-stated at closing rates. The difference in translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions (including those relating to acquisition of depreciable assets) is recognised in the Profit and Loss Account.

(b) Forward exchange contracts entered into to hedge foreign currency risks of firm commitments or highly probable forecast transactions, forward rate options, currency and interest rate swaps and commodity future contracts, 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 gain or loss on designated hedging instruments that qualify as effective hedges is recorded in the Hedging Reserve Account and is recognised in the statement of Profit and Loss in the same period or periods during which the hedged transaction affects Profit and Loss.

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

Accordingly the Company has designated borrowings in foreign currency (relating to acquisition of depreciable assets) as hedge instruments to cover its foreign currency risks of its firm commitments and highly probable forecast transactions of revenue streams and the same are accounted as cash flow hedge.

(c) In respect of the overseas subsidiaries which are classified as non integral operation as per AS-11, all the assets and liabilities are translated using exchange rate prevailing at the Balance Sheet date and income / expenditure are translated using average exchange rate prevailing during the reporting period. The resultant translation exchange gain /loss have been disclosed as "Foreign Currency Translation Reserve".

XII. Borrowing Cost :

Borrowing costs directly attributable to borrowed funds raised to meet any financial obligation on account of acquisition or other value added cost of any qualifying assets (Fixed Assets) incurred uptill the date of cessation of substantial activities necessary to prepare the qualifying asset for its intended use, is capitalised.

XIII. Provisions & Contingent Liabilities :

(a) Provisions are recognised in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount of which can be reliably estimated.

(b) Contingent liabilities are disclosed in respect of possible obligation that arise from past events but their existence is confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, unless the likelihood of an outflow of resources is remote.

(c) Contingent assets are not recognised in the accounts, unless there is virtual certainty as to its realisation.

XIV. Provision for Taxation :

Provision of 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.

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.

XV. Prior Period Items/ Extra Ordinary Items :

Prior period items & extra ordinary items, if any, are disclosed separately in the notes to accounts.

XVI. Impairment of Assets :

The Company reviews the carrying values of tangible assets for any possible impairment at each Balance Sheet date. Impairment loss, if any, is recognised in the year in which impairment takes place.

Notes to the Accounts for the year ended 31st March, 2011

Schedule : 13**Notes to Accounts**

(1) The name of the Company was changed from Garware Offshore Services Limited to Global Offshore Services Limited w.e.f. 11th January, 2011. One of the wholly owned subsidiary Global Offshore Services B.V. was incorporated at Amsterdam on November, 23rd 2010 and hence there are no comparative figures for it.

(2) Contingent Liabilities :

Particulars	As on 31st March, 2011 (In Rs. Lacs)	As on 31st March, 2010 (In Rs. Lacs)
Guarantees given by the Banks [Counter Guarantees given by the Company]	2,126.89	23,235.40
TOTAL	2,126.89	23,235.40

The Company has given a guarantee on behalf of its wholly owned subsidiary based in Singapore for the difference, if any, between the Bareboat Charter payable to the owner of one Accommodation barge and one Anchor Handling Tug-cum Supply Vessel, and the market value of the said assets. The company does not expect any liability on this account.

The Company has given a guarantee on behalf of its Wholly Owned Subsidiary based in Singapore for USD 75 million in favour of Northern Star Shipping Pte. Ltd., for the bareboat charter of one Platform Supply Vessel. This guarantee covers the difference between market value and the charter obligations of the Company's Wholly Owned Subsidiary. The Company does not expect any liability whatsoever on this account.

The Company has given a guarantee of USD 55 million to Axis Bank, Singapore on behalf of Wholly Owned Subsidiary based in Netherlands. This amount relates to the debt raised by the Company's Wholly Owned Subsidiary in order to acquire the vessel, M.V. Beucephalus. Since the market value of the vessel is substantially higher than the total debt outstanding and since the vessel is on long term contract with Petrobras, Brazil, the Company does not expect any liability whatsoever on this account.

(3) Assets offered as securities to banks & financial institution :**A) Term loans for acquisition of vessels**

(1) Outstanding loan of US\$ 13.47 million from State Bank of India is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 1.47 million.

(2) Outstanding loan of US\$ 14.06 million from State Bank of India is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 1.52 million.

(3) Outstanding loan of US\$ 8.17 million from DVB Group Merchant Bank is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 0.92 million.

(4) Outstanding loan of US\$ 7.71 million from DVB Group Merchant Bank is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 0.83 million.

(5) Outstanding loan of US\$ 11.46 million from State Bank of India is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 0.96 million.

(6) Outstanding loan of US\$ 16.39 million from DNB NOR Bank is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 1.64 million.

(7) Outstanding loan of US\$ 48.18 million from Axis Bank, Singapore is secured by way of first charge of the vessel acquired.

Amount repayable within a year US\$ 10.98 million.

B) Other Term Loans

- (1) Outstanding Corporate loan of US\$ 1.69 million from State Bank of Travancore, is secured by way of second charge on one of the Company's AHTSV.
Amount repayable within a year US\$ 0.93 million.
- (2) Outstanding Corporate loan of US\$ 1.10 million from State Bank of Travancore, is secured by way of first charge on one of the Company's AHTSV.
Amount repayable within a year US\$ 1.10 million.
- (3) Outstanding Corporate loan of US\$ 3.87 million from State Bank of Travancore, is secured by way of extension of first charge on one of the Company's AHTSV, extension of second charge on one of the Company's AHTSV and extension of second charge on Office premises.
Amount repayable within a year US\$ 0.73 million.
- (4) Outstanding Corporate loan of US\$ 2.22 million from State Bank of Travancore, is secured by way of extension of first charge on one of the Company's AHTSV, extension of second charge on one of the Company's AHTSV, extension of second charge on Office premises and exclusive charge on receivables from the operation of one of the Company's AHTSV.
Amount repayable within a year US\$ 0.52 million.
- (5) Outstanding Corporate loan of US\$ 0.38 million from United Bank of India, which is secured by way of receivables from the operation of one of the Company's PSV and extension of charge on one of Company's AHTSV.
Amount repayable within a year US\$ 0.38 million.
- (6) Outstanding Corporate loan of US\$ 1.62 million from United Bank of India, which is secured by way of receivables from the operation of one of the Company's PSV and extension of charge on one of Company's AHTSV.
Amount repayable within a year US\$ 1.38 million.
- (7) Outstanding loan of Rs. 539.13 lacs from United Bank of India, which is secured by way of charge on the property / office premises acquired as also charge on one of the AHTSV of the Company.
Amount repayable within a year Rs. 160.38 lacs.
- (8) Outstanding loan of Rs. 312.53 lacs from Ratnakar Bank, which is secured by way of charge on one of the AHTSV of the Company.
Amount repayable within a year Rs. 125.00 lacs.

C) Car Finance Loans

Car loans availed by the Company from ICICI Bank are secured against respective motor cars against which the finances are availed.

Amount repayable within a year Rs. 9.03 lacs.

D) Working Capital Facilities

- (1) Working Capital Facility from United Bank of India is secured by hypothecation of Book Debts and Tangible Assets such as stocks, stores and spares on board the vessel as also against collateral security by way of first mortgage on one AHTSV of the Company. Part of this facility is now denominated in US\$.
- (2) Working Capital Facility from State Bank of Travancore is secured by pari passu first charge on all current assets including stores & spares, fuel, oil and book debts (Excluding receivables from two of the Company's PSV). Part of this facility is now denominated in US\$.

(4) Disclosure pursuant to Accounting Standard (AS) 15 (Revised) - "Employee Benefits"

A) Defined Contribution Plans :

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

	Rs. In Lacs	
	31.03.2011	31.03.2010
Contribution to Employees Provident Fund	43.28	30.35
Contribution to Seamen's Provident Fund	9.36	4.76

B) Defined Benefit Plans :

Valuations in respect of Gratuity liability have been carried out by an independent actuary, as at the Balance Sheet date on Projected Unit Credit method, based on the following assumptions :

Actuarial Assumption for the year	Gratuity	
	31.03.2011	31.03.2010
a) Discount Rate (p.a.)	8.25%	8.00%
b) Rate of Return on Plan Assets	8.00%	8.00%
c) Salary Escalation rate	5.00%	5.00%
d) Attrition rate	2.00%	2.00%

(i) Change in Benefit Obligation

Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Liability at the beginning of the year	79.25	99.40
Interest Cost	6.34	8.35
Current Service Cost	30.31	14.07
Past Service Cost	5.06	-
Benefit Paid	(39.32)	(4.22)
Actuarial (gain)/loss on obligations	12.38	(38.35)
Liability at the end of the year	94.02	79.25

(ii) Fair value of Plan Assets :

Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Fair Value of Plan Assets at the beginning of the year	33.63	1.01
Expected Return on Plan Assets	2.69	2.76
Employer's contribution	54.81	35.54
Benefits Paid	(39.32)	(4.22)
Actuarial gain/(loss) on Plan Assets	0.96	(1.46)
Fair value of Plan Assets at the end of the year	52.77	33.63

(iii) Actual Return on Plan Assets:

Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Expected Return on Plan Assets	2.69	2.76
Actuarial gain/(loss) on Plan Assets	0.96	(1.46)
Actual Return on Plan Assets	3.65	1.30

(iv) Amount Recognised in the Balance Sheet :

Rs. In Lacs

	Gratuity	
	31.03.2011	31.03.2010
Liability at the end of the year	94.02	79.25
Fair Value of Plan Assets at the end of the year	52.77	33.63
Amount Recognised in Balance sheet	41.25	45.62

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

	Rs. In Lacs	
	Gratuity	
	31.03.2011	31.03.2010
Current Service Cost	30.31	14.07
Interest Cost	6.34	8.35
Expected Return on Plan Assets	(2.69)	(2.76)
Net Actuarial (gain) / loss to be recognised	11.42	(36.89)
Past Service Cost	5.06	-
Expenses recognised in the Profit & Loss Account	50.44	(17.23)

(C) Other Long Term Benefits

The charge recognised in the Profit & Loss Account for Leave Encashment for the year is Rs. 7.86 Lacs (Previous Year 12.81 Lacs) and the closing liability is Rs. 24.78 Lacs (Previous Year Rs. 24.87 Lacs)

- (5) Garware Nylons Limited has been ordered to be wound up by the Bombay High Court and Bombay High Court has appointed Official Liquidator on 18th December, 1998. No provision for diminution in the value of investment of 35,050 equity shares valued at Rs.6.01 lacs has been made in the books.

(6) Break- Up of Remuneration to Auditors : (Parent Co.)
(Including Service Tax)

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
Auditors Remuneration :		
(a) Statutory Audit Fees	9.38	8.82
(b) Tax Audit Fees	0.55	0.55
(c) Other Fees	0.82	0.82
(d) Expenses Reimbursed	0.14	0.13
TOTAL	10.88	10.32

- (7) The Company out of the total amounts remitted for investments in its wholly owned subsidiary Global Offshore Services B.V. at AMSTERDAM has disclosed Rs.11.14 Lacs (18,000 Equity Shares) as Investments and Rs.6,522.51 Lacs (1,03,43,595 Equity Shares) as advance towards Share Application as the same were issued on 27th April , 2011 i.e after the end of the financial year.

However the subsidiary's Accounts (as consolidated) discloses the entire amount as Share Capital though 1,03,43,595 equity shares were issued after the balance sheet date as it is considered as an important event which has material influence on the accounts at balance sheet date. For the purpose of the consolidated accounts the total remittances of the parent company and the total share capital of the said subsidiary are eliminated.

(8) Earning Per Share :

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
A Basic Earning Per Share :		
Working for Computing Earning Per Share :		
Profit before Taxation	2,160.36	4,379.64
(Less) : Provision for Taxation	(62.02)	230.44
(A)	2,222.38	4,149.20
Weighted Average No. of Equity Share Capital :		
Equity Share At The Beginning Of The Year	238.19	238.19
(+) Fresh Issue During The Year	-	-
(-) Redeemed/ Forefeited During The Year	-	-
(B)	238.19	238.19
BASIC EARNING PER SHARE (A / B)	9.33	17.42

GLOBAL OFFSHORE SERVICES LIMITED

Particulars	Year Ended 31st March, 2011 (In Rs. Lacs)	Year Ended 31st March, 2010 (In Rs. Lacs)
B Diluted Earning Per Share :		
Diluted Earning for Computing Diluted Earning Per Share :		
Profit before Taxation	2,160.36	4,379.64
(Less) : Provision for Taxation	(62.02)	230.44
(Add) : Interest expenses for the current year	-	-
(Less) : Tax relating to interest expenses	-	-
Adjusted Net Profit for the current year (A)	2,222.38	4,149.20
Weighted Average No. of Equity Share Capital :		
Equity Shares at the beginning of the year	238.19	238.19
(+) Fresh Issue During The Year (In weighted Average for time)	-	-
(+) Potential No. of Shares to be issued on conversion	-	-
(B)	238.19	238.19
DILUTED EARNING PER SHARE (A/B)	9.33	17.42

(9) **Related Party Disclosure :**

a) **List of Related Parties :**

Subsidiary Companies

Garware Offshore International Services Pte. Ltd, Singapore

Global Offshore Services B.V., Netherlands

Other related parties with whom transactions have taken place during the year.

Key Management Personnel

Ashok B. Garware - Executive Chairman

Aditya A. Garware - Vice Chairman and Managing Director

b) **Transactions with related parties (other than subsidiaries) for the year ended 31st March 2011 :**

Rs. In lacs

Nature of Transactions	Key Managerial Personnel	Other Related Parties	TOTAL
Remuneration			
Ashok B. Garware	223.23	-	223.23
Aditya A. Garware	206.96	-	206.96
Total	430.19	-	430.19

Outstandings as at 31st March, 2011 :

Rs. In lacs

Nature of Transactions	Key Managerial Personnel	Other Related Parties	TOTAL
Balance Remuneration Payable to :			
Ashok B. Garware	25.23	-	25.23
Aditya A. Garware	20.25	-	20.25
Total	45.48	-	45.48

(10) The previous year figures have been regrouped whenever necessary to confirm to current years classification.

(11) **Segment Reporting :**

The Company is engaged in only one type of business i.e. charter of offshore support vessels and there are no separate reportable segment as per Accounting Standards AS-17 "Segment Reporting".

As per our report of even date attached

For and on behalf of the board

For RAMAN S. SHAH & ASSOCIATES

Chartered Accountants
Firm Reg. No. 119891W

Santosh A. Sankhe
Partner
Membership No. 100976

Place : Mumbai
Date : 30th July, 2011

Ashok Garware
Executive Chairman

P. S. Shah
GM - Finance & Accounts

Place : Mumbai
Date : 30th July, 2011

Aditya Garware
Vice Chairman &
Managing Director

S. P. Akolkar
President - Finance

A. K. Thanavala
Director

A. C. Chandarana
Company Secretary

Consolidated Cash Flow Statement For The Year Ended 31st March 2011

PARTICULARS	Year Ended 31.03.2011 (Rupees in Lacs)	Year Ended 31.03.2010 (Rupees in Lacs)
A. Cash Flow arising from Operating Activities :		
Net profit before tax and extraordinary items	2,160.36	4,379.64
Add/(Less) :		
a) Depreciation charges (Net)	3,796.91	3,446.42
b) Interest charges	2,810.59	3,098.00
c) Dividend Income	(0.69)	(0.65)
d) Interest Income	(33.21)	(55.01)
e) (Profit) / Loss on sale of Asset (net)	(195.97)	-
f) Taxes Paid	(251.11)	(356.02)
	6,126.51	6,132.74
Operating Profit before working capital changes	8,286.87	10,512.38
Less :		
a) Increase /(Decrease) in Operational Current Liabilities	3,468.78	(2,927.60)
b) Increase in Operational Current Assets	(1,868.34)	(1,102.43)
	1,600.44	(4,030.03)
Net cashflow from operating Activity (A)	9,887.31	6,482.35
B. Cash Flow arising from Investing Activities :		
(i) Outflow on account of investing activity		
a) (Acquisition)/ Sale of fixed assets (Incl. Cap WIP)	(15,870.09)	4,463.30
b) Money (Invested) in / Sale of Securities	0.20	12.50
	(15,869.89)	4,475.80
(ii) Inflow on account of investing activity		
a) Trading in Securities (Net)	-	-
b) Income from Dividend	0.69	0.65
c) Interest Income	47.18	55.01
	47.87	55.66
Net cashflow from investing Activity (B)	(15,822.02)	4,531.46
C. Cash Flow arising from Finance Activities :		
(i) Inflow on account of Financing activity		
a) Shares & Warrants Issued at premium	-	-
b) Loans taken (net of repayment)	10,088.19	(7,270.40)
	10,088.19	(7,270.40)
(ii) Outflow on account of Financing activity		
a) Dividend Paid	(490.36)	(722.84)
b) Interest on loan paid during the year	(2,800.21)	(3,113.53)
	(3,290.57)	(3,836.37)
Net cashflow from financing Activity (C)	6,797.62	(11,106.77)
Net increase in cash / cash equivalent [A + B + C]	862.91	(92.97)
Add : Balance at the beginning of the year	1,094.62	1,187.59
Cash / Cash equivalents at the end of the year	1,957.53	1,094.62
Notes to cash flow statement :		
(1) Method of preparation of cash flow statement :		
Cash flow statement has been prepared under Indirect method as set out in the Accounting Standard 3 on Cash Flow Statement, issued by the Institute of Chartered Accountants of India.		
(2) Components of cash flow :		
Cash - On - Hand	20.25	10.66
Demand deposits with bank (Bank balances)	1,937.28	1,083.96
	1,957.53	1,094.62

As per our report of even date attached

For and on behalf of the board

For RAMAN S. SHAH & ASSOCIATES

Chartered Accountants
Firm Reg. No. 119891W

Santosh A. Sankhe
Partner
Membership No. 100976

Place : Mumbai
Date : 30th July, 2011

Ashok Garware
Executive Chairman

P. S. Shah
GM - Finance & Accounts

Place : Mumbai
Date : 30th July, 2011

Aditya Garware
Vice Chairman &
Managing Director

S. P. Akolkar
President - Finance

A. K. Thanavala
Director

A. C. Chandarana
Company Secretary

To,
The Board Of Directors,
GLOBAL OFFSHORE SERVICES LIMITED,
Mumbai.

We have examined the attached consolidated cash flow statement of GLOBAL OFFSHORE SERVICES LIMITED for the year ended 31st March, 2011. The statement has been prepared by the Company in accordance with the requirement of clause 32 of the listing agreement with the stock exchange and is based on and in agreement with corresponding profit and loss account and balance sheet of the Company covered by our report of the even date, to the members of the Company.

As per our report of even date attached

For RAMAN S. SHAH & ASSOCIATES

CHARTERED ACCOUNTANTS
Firm Registration No. 119891W

Santosh A. Sankhe
(Partner)
M. No. 100976

Place : Mumbai
Date : 30th July, 2011

BALANCE SHEET ABSTRACT & GENERAL BUSINESS PROFILE

I. Registration Details :

Registration Number	1	9	2	2	9	State Code	1	1	
Balance Sheet	3	1	0	3	1	1	Date	Month	Year

II. Capital raised during the year (Amount in Rs. Thousand) :

Public Issue							N	I	L	Right Issue							N	I	L
Bonus Issue							N	I	L	Preferential Allotment							N	I	L

III. Position of mobilisation and deployment of fund (Amount in Rs. Thousand) :

Total Liabilities			8	8	6	6	4	8	8	Total Assets			8	8	6	6	4	8	8
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Sources Of Fund :

Paid - Up Capital			2	3	8	1	9	1	
Reserves & Surplus			2	5	9	0	5	3	5
Secured Loan			6	0	3	7	7	6	2
Foreign Currency Translation Reserve					2	7	4	0	1

Application Of Fund :

Net Fixed Assets			8	2	5	7	3	6	2			
Investments						4	3	6	9			
Foreign Exchange Hedge Reserve						3	8	1	7	0		
Net Current Assets				5	3	9	1	8	6			
Misc. Expenditure										N	I	L
Accumulated Losses										N	I	L

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

Turnover			2	0	2	8	9	4	6
Profit/ Loss before tax				2	1	6	0	3	6
Earning Per Share						9	.	3	3

Total Expenditure			1	8	1	2	9	1	0
Profit/ Loss after tax				2	2	2	2	3	8
Dividend Rate (in %)								2	4

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

Item Code No. (ITC Code)										N	A					
Product Description	O	F	F	S	H	O	R	E	S	E	R	V	I	C	E	S

Note : For ITC Code of products please refer to the Publication India Trade Classification based on harmonized commodity description and coding system by Ministry of Commerce, Directorate General of Commercial Intelligence & Statistics, Calcutta - 700 001.



ATTENDANCE SLIP
GLOBAL OFFSHORE SERVICES LIMITED

Registered Office: Chander Mukhi, Nariman Point, Mumbai - 400 021

Please complete this attendance slip and hand it over at the entrance of the auditorium. Joint shareholders may obtain additional attendance slips at the entrance.

Regd. Folio No./ Client ID No.
Name of the Member (in Block Letters)
Name of the Proxy (in Block Letters)
No. of Shares held

I hereby record my/our presence at the **33rd Annual General Meeting** at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034 on Tuesday, 27th September, 2011 at 9.30 a.m.

Signature of the Member/Proxy

----- (TEAR HERE) -----

PROXY FORM

GLOBAL OFFSHORE SERVICES LIMITED

Registered Office: Chander Mukhi, Nariman Point, Mumbai - 400 021.

I/We _____
of _____ in the District of _____ being
a Member/Members of **GLOBAL OFFSHORE SERVICES LIMITED** hereby appoint _____
_____ of _____ in the District of _____
or failing him/her _____
of _____ in the District of _____
or failing him/her _____
of _____ in the District of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the **33rd Annual General Meeting** at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034 on Tuesday, 27th September, 2011 at 9.30 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

Regd. Folio No. / Client ID No. _____ No. of Shares _____

Signed by the said _____

Affix One Rupee Revenue Stamp
--

Note: The proxy form must be deposited at the Registered Office of the Company at Chander Mukhi, Nariman Point, Mumbai 400 021, not less than 48 hours before the time of holding the Meeting.

PROXY NO. _____

Book-Post



If undelivered please return to:

GLOBAL OFFSHORE SERVICES LIMITED

Chander Mukhi, Nariman Point, Mumbai - 400 021.