

# GLOBAL OFFSHORE SERVICES LIMITED



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

<b>BOARD OF DIRECTORS</b>	<b>ASHOK GARWARE</b> — M.A. (Cantab) (Executive Chairman) <b>ADITYA GARWARE</b> — M.B.A. (Vice Chairman & Managing Director) <b>MANEESHA SHAH</b> (nee <b>GARWARE</b> ) — B.Com, L.L.B. <b>S.S. AGGARWAL</b> — B.Sc. (New York University) <b>DR. B.S. COOPER</b> Ph.d. (Engineering) London <b>A.K. THANAVALA</b> — B.Com. (Hons), L.L.B., A.C.S. <b>J.C. CHOPRA</b> — M.A.
<b>COMPANY SECRETARY</b>	<b>A.C.CHANDARANA</b> B.Com., L.L.B., F.C.S.
<b>PRESIDENT — COMMERCIAL</b>	<b>K.S. DAVE</b> — B.Com. L.L.B.
<b>PRESIDENT — FINANCE</b>	<b>S.P. AKOLKAR</b> — <b>M.M.S.</b> (Finance)
<b>PRESIDENT — MARKETING</b>	<b>Capt. D. L. MATHUR</b> — Master Foreign Going Shipping Mgt.
<b>PRESIDENT — OPERATIONS</b>	<b>Capt. S. SARKANGO</b> — Master Mariner
<b>PRESIDENT — TECHNICAL</b>	<b>K.K. AGGARWAL</b> — Marine Engineer
<b>HEAD — (HSSE &amp; TRAINING)</b>	<b>Capt. VIPIN BAIJAL</b> — Extra master, M.Sc., WMU, Malmö Sweden
<b>GENERAL MANAGER — FINANCE &amp; ACCOUNTS</b>	<b>P.S. SHAH</b> — B.Com.
<b>GENERAL MANAGER — TECHNICAL</b>	<b>Z.R. MEHTA</b> — First Class Engineer (Motor)
<b>BANKERS</b>	State Bank of India DVB Group Merchant Bank (Asia) Ltd. DnB Nor Bank Asa State Bank of Travancore United Bank of India
<b>AUDITORS</b>	<b>MESSRS. RAMAN S. SHAH &amp; ASSOCIATES</b> (Chartered Accountants)
<b>REGISTERED OFFICE</b>	Chander Mukhi, Nariman Point, Mumbai - 400 021
<b>BRANCHES</b>	Goa, Pondicherry, Chennai.
<b>REGISTRAR AND SHARE TRANSFER AGENT</b>	<b>BIGSHARE SERVICES PVT. LTD.</b> 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, 5<sup>th</sup> Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034, on Tuesday, 27<sup>th</sup> 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 31<sup>st</sup> 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. 1<sup>st</sup> 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. 1<sup>st</sup> 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, 2<sup>nd</sup> Floor,  
Nariman Point, Mumbai – 400 021.

Place: Mumbai

Date: 30<sup>th</sup> 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).**

<b>Name of Director</b>	<b>S.S.Aggarwal</b>	<b>J.C.Chopra</b>
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"> <li>• DBS Corporate Services Pvt. Ltd.</li> <li>• DBS Financial Services Pvt. Ltd.</li> <li>• DBS Internet Services Pvt. Ltd.</li> <li>• Vanvik Leasing Pvt. Ltd.</li> <li>• DBS World Travel Pvt. Ltd.</li> <li>• Coopers Rolers Pvt. Ltd</li> <li>• J. L. Morison (India) Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Infogain India Pvt. Ltd.</li> <li>• Eureka Forbes Ltd.</li> <li>• Aditya Birla Chemicals Ltd</li> <li>• Indian Society of Advertisers</li> </ul>
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: 30<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> 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: 30<sup>th</sup> July, 2011

**DIRECTORS' REPORT**

FOR THE YEAR ENDED 31<sup>ST</sup> 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
<b>Operating Profit for the year</b>	<b>98.32</b>	<b>108.27</b>
Interest & Finance charges	24.56	30.89
<b>Profit Before Depreciation</b>	<b>73.76</b>	<b>77.38</b>
Depreciation	34.33	34.09
<b>Profit Before Tax</b>	<b>39.43</b>	<b>43.29</b>
<u>Provision for Taxation</u>		
– Current Tax	0.46	2.38
Tax for earlier year written back	(1.09)	(0.08)
<b>Net Profit After Tax</b>	<b>40.06</b>	<b>40.99</b>
<b>Cash Profit</b>	<b>74.39</b>	<b>75.08</b>

**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 27<sup>th</sup> 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 3<sup>rd</sup> 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 : 30<sup>th</sup> 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.