



GLOBAL OFFSHORE SERVICES LIMITED

Thirty Fourth Annual Report 2011-12



.....Truly Global



BOARD OF DIRECTORS	ASHOK GARWARE - M.A. (Cantab) (Executive Chairman) ADITYA GARWARE - M.B.A. - USA (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. S. Y. Mulani - B.L.S., L.L.B. (additional director w.e.f. 31/7/2012)
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 - (HSSE & TRAINING)	Capt.VIPIN BAIJAL -Extra Master,M.Sc.,WMU,Malmo Sweden
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
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 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, Puducherry
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

The Company now has assets in India, the North Sea, West Africa and Brazil, a truly global presence. The Company has also recently ordered one Havyard – 832 – Platform Supply Vessel, scheduled for delivery in July 2013.

The Company presently owns and operates four Anchor Handling Tug cum Supply Vessel (AHTSV) and two Platform Supply Vessels (PSV's). All these vessels are deployed on long term contracts.

The Company's subsidiary in The Netherlands owns and operates one large Platform Supply Vessel and one Anchor Handling Tug cum Supply Vessel (AHTSV). Both these Vessels have secured long term employment in Brazil. The Netherland based subsidiary has also placed an order for one mid-size PSV scheduled for delivery in March 2013.

The Company's wholly owned subsidiary in Singapore presently has two assets on Bare Boat Charter. These are an Accommodation Work Barge (AWB) which is on long term charter in West Africa and a Platform Supply Vessel which is on long term contract in the North Sea.

During the year under review on a standalone basis, the Company's operating income stood at ₹153.15 crores as opposed to ₹170.17 crores. The reduction was attributed to the sale of one of the Company's PSV's in March 2011, the sale of two old AHTSV's during the year, and the absence of earnings of one PSV for a period of four months, during which the vessel was modified and mobilized for a long term contract in Brazil.

The net profit for the year stood at ₹32.88 crores as opposed to ₹40.06 crores. The Cash Profit for the year was ₹62.81 crores as opposed to ₹74.39 crores.

FUTURE OUTLOOK

a) Indian Scenario :

Even though there has been a slowdown in growth in the Indian economy, as a result of concerns of inflationary pressures, this has not had a major effect on the demand for oil and gas. India is forecast to consume an average of 3.6 mb per / day in 2012, up 3.3% from the previous year. This growth in demand should then accelerate to 3.7 mb per / day, as moves to reduce subsidies remain impeded by inflationary effects. Government induced plans to raise infrastructure spending will in all likelihood, supply stronger growth for commercial fuel usage.

India is the 5th largest consumer of prime energy and 3rd largest consumer of oil in the Asia Pacific region. As a result of economic growth, there continues to be a huge need for enhancing supply of energy resources. Dependence of imported products continues to grow.

Of the 26 sedimentary basins identified in India, so far only 20% of the total area has been well explored. With the introduction of the New Exploration Licensing Policy (NELP) the introduction of much needed advanced technology has become possible. The NELP has revived a "healthy spirit" of competition between National, Private and Multi-National Companies. By mid 2011, the ninth round of bidding concluded along with the fourth round for Coal Bed Methane (CBM) blocks. The Government of India offered the highest ever number of oil and gas exploration blocks – 70 – covering an area of about 1.63 lac km². 8 of these 70 blocks were deep water areas.

In view of what is stated above, demand for oil and gas services is expected to continue at a "buoyant" rate in the foreseeable future.

b) Global Scenario :

On the international front, unfortunately, the global economy is far from reviving, and demand for oil is driven mainly by the developing countries while demand from OECD countries is not increasing. OPEC's crude oil products capacity is expected to rise to approximately 35.03 mb/d with increases in Iraq, UAE, Libya and Angola, partially offset by lower Iranian capacity as a result of increasing sanctions against the said country.

In the case of Brazil, Petrobras has recently revised its product targets for 2016 to 2.5 mb/d. The Company has acknowledged product slippage has occurred mainly because Asian-built rigs have been delivered late. Government mandated local contents restriction rules will continue to challenge Petrobras's profitability and execution strategy. However, this is a market that cannot be "ignored" and as such the Global Offshore Services Limited's strategy to enter this market with three vessels in a span of one and half years has definitely helped the Company maintain most of its fleet on long term contracts.

In recent years the oil market has been characterized by rapidly fluctuating price levels. In the last three months alone the price of Brent crude has fluctuated from \$ 125/bbl to \$ 89/bbl. Higher volatility in the price of oil unfortunately has a high impact of fiscal revenues, investments and confidence in the economy.

In conclusion, given the fragile state of the global economy recovery volatility in oil price could have a severe impact (more than in 2008), especially on oil importing countries. However, as long as volatility in the price of oil is restricted and as long as the price of oil stays above \$65 - \$70/bbl, demand for oil support services should stay strong in the foreseeable future.

NOTICE

Notice is hereby given that the Thirty Fourth Annual General Meeting of the Members of Global Offshore Services Limited will be held at "Garware Sabhagriha", F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai 400 034, on Friday, 28th September, 2012 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, 2012 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 Mrs. Maneesha S. Shah who retires by rotation and being eligible, offers herself for reappointment.
4. To appoint a Director in place of Mr. Anil K. Thanavala who retires by rotation and being eligible, offers himself for reappointment.
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 Sections 198, 269, 310 and any other applicable provisions of the Companies Act, 1956, Mr. Ashok B. Garware be and is hereby re-appointed as Executive Chairman of the Company for a period of five years w.e.f. 1.7.2012 on the remuneration and upon terms and conditions set out in the Explanatory Statement relating to this Resolution with liberty and powers to the Board of Directors to alter and vary the terms and conditions and remuneration in such manner as the Board of Directors may deem fit and as is acceptable to Mr. Ashok B. Garware within the limits specified in Schedule XIII to the Companies Act, 1956 or any amendment thereto.
RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to paragraph 1(B) of Section II, Part II of Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission perquisites, allowances, etc., within such prescribed ceiling limits and the Agreement between the Company and Mr. Ashok B. Garware be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Members of the Company in General Meeting.
RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized 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 an Ordinary Resolution:
"RESOLVED THAT Mr. Sayeed Y. Mulani who was appointed as an Additional Director of the Company and holds office till the date of the ensuing Annual General Meeting and in respect of whom the Company has received a notice from a shareholder u/s 257 of the Companies Act 1956 proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

By Order of the Board

Sd/-

A.C.Chandarana
Company Secretary

Registered Office

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

Place: Mumbai

Date: 8th August, 2012

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 items Nos. 6 and 7 of accompanying notice, is enclosed.
3. The Register of Members and Share Transfer books of the Company will remain closed from 25.09.12 to 28.09.12 (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	Mr. Ashok B. Garware	Mrs. Maneesha S. Shah	Mr. Anil .K. Thanavala	Mr. Sayeed Y. Mulani
Date of Birth	15.10.1938	31.01.1967	30.07.1937	15.03.1984
Nationality	Indian	Indian	Indian	Indian
Date of Appointment on the Board	25.01.1977	30.11.1992	28.01.2004	31.07.2012
Qualifications	M.A(Cantab)	B.Com, LL.B	B.Com(Hons), LL.B, ACS	B.L.S.,LL.B
Expertise in Functional Area	Industrialist	Legal	Corporate Laws	Legal
No. of Shares held in the Company (as on 31.07.2012)	6,32,842 (2.56%)	1,20,988 (0.49%)	100 (0.00%)	Nil
List of Directorships held in other Companies	<ul style="list-style-type: none"> • Garware Marine Industries Ltd • Adsu Trading & Investment Company Pvt. Ltd. • Garware Offshore International Services Pte Ltd • Masu Trading & Investment Company Pvt. Ltd. • Mauve Trading Company Pvt. Ltd. • Universal Investment Services Pvt. Ltd. • A.B. Garware H.U.F. • Garware International Management Ltd • Global Offshore Services B.V. 	<ul style="list-style-type: none"> • Adsu Trading & Investment Co. Pvt. Ltd. • Masu Trading & Investment Co. Pvt. Ltd. • Mauve Trading & Investment Co. Pvt. Ltd. • Universal Investment Services Pvt. Ltd. 	Nil	Nil
Chairman/Member Committee of the Boards of other Companies in which he is a Director	Nil	Nil	Nil	Nil

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.

Registered Office

Chander Mukhi, 2nd Floor,
Nariman Point, Mumbai – 400 021.
Place: Mumbai
Date: 8th August, 2012

By Order of the Board

Sd/-
A. C. Chandarana
Company Secretary

ANNEXURE TO THE NOTICE

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

ITEM NO. 6

RE-APPOINTMENT OF MR. ASHOK B. GARWARE, EXECUTIVE CHAIRMAN AND PAYMENT OF REMUNERATION:

As per the recommendation of the Compensation Committee at their meeting held on 7th August 2012 and subject to the approval of the members at the ensuing General Meeting, the Board of Directors at its meeting held on 8th August 2012 has re-appointed Mr. Ashok B. Garware as Executive Chairman, for a period of 5 years w.e.f. 1st July, 2012 and has also approved payment of remuneration as per details given below:

Consolidated salary of Rs.8,00,000/ – (Rupees Eight Lacs only) per month from 1st July, 2012 and thereafter the annual increments payable to Mr.A.B.Garware shall be decided by the Board of Directors within the overall ceiling of remuneration, as prescribed under Sections 198 & 309 of the Companies Act, 1956.

In addition to salary, the Executive Chairman shall be entitled to perquisites and benefits like Company maintained Chauffeur driven car(s) for official and personal use, Bonus /Ex-gratia, reimbursement of medical expenses, leave travel for self and family, club fees for two clubs, Medical/Accident insurance, Leave Encashment at the end of the tenure and such other perquisites subject to overall ceiling of remuneration, as prescribed under Sections 198 & 309 of the Companies Act, 1956.

In addition to the above, Mr. A.B.Garware, Executive Chairman, shall also be paid commission, as may be decided by the Board of Directors, subject to the limit prescribed under Section 309 and other applicable provisions of the Companies Act, 1956.

Minimum Remuneration:

Notwithstanding anything herein contained, where in any financial year during the tenure of five years when the Company has no profits or the profits are inadequate, the Company will pay remuneration by way of salary and perquisites as stated above, but shall not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956, and other provisions thereof or any amendments, variations, modifications or re-enactment.

Memorandum & Interest:

Mr. Ashok B. Garware himself, Mr. Aditya A. Garware and Mrs. Maneesha Shah, Directors being relatives of Mr. Ashok B. Garware, are interested or concerned in the re-appointment and payment of remuneration. None of the other Directors of the Company is interested or concerned in the re-appointment of Mr. Ashok B. Garware, Executive Chairman and payment of remuneration.

A copy of draft Agreement, proposed to be entered between the Company and Mr. Ashok B. Garware is available for inspection to the members between 2.00 PM to 4.00 P M at the Registered office on any working day till the date of Annual General Meeting.

The above details should also be treated as an abstract u/s 302 of the Companies Act, 1956.

The Directors commend the resolution for approval.

ITEM NO. 7

Mr. Sayeed Y. Mulani was appointed as an Additional Director on 31st July 2012 and as per the provisions of Articles of Association of the Company and Companies Act 1956, he holds office till the date of ensuing Annual General Meeting.

Mr. Sayeed Y. Mulani is an independent lawyer in the High Court, Mumbai.

His experience in the Legal field will be beneficial to the Company.

The Company has received a notice from a shareholder u/s 257 of the Companies Act 1956 proposing his candidature for the office of a Director of the Company.

Accordingly, approval for the same is sought from the members for Item No. 7 to the notice.

Except Mr. Sayeed Y. Mulani, no other Director is interested or concerned in the resolution at Item No. 7.

The Directors commend the resolution for approval.

By Order of the Board

Sd/-

A. C. Chandarana
Company Secretary

Registered Office

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

Place: Mumbai

Date: 8th August, 2012.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2012

TO,
THE MEMBERS,

Your Directors are pleased to present their report as under:

FINANCIAL RESULTS:

	Year ended March 31,2012	Year ended March 31,2011
Income from operations	153.15	166.49
Other Operating Income	-	3.68
Other Income	1.50	2.43
Gross Income	154.65	172.60
Expenses for the period	68.22	74.28
Operating Profit for the period	86.43	98.32
Finance cost	23.21	24.56
Profit Before Depreciation	63.22	73.76
Depreciation	29.93	34.33
Profit Before Tax	33.29	39.43
Provision for Taxation		
-Current Tax	0.42	0.46
-Tax for earlier written back	(0.01)	(1.09)
Net Profit After Tax	32.88	40.06
Cash Profit	62.81	74.39

FINANCIAL HIGHLIGHTS:

Income from Operation for the year ended on 31.03.2012 stood at ₹ 153.15 crores, as against ₹ 166.49 crores for the previous year. Other Income for the year stood at ₹ 1.50 crores aggregating Total Income to ₹ 154.65 crores as against ₹ 172.60 crores. The reduction in operational income was on account of sale of two old vessels, viz., M.V.Garware-I & M.V.Garware-V during the year and the sale of M.V.Mana at the end of March, 2011. In addition, the Company's vessel, M.V.Kailash did not earn for four months since the vessel had to be modified and mobilized for a long term contract with Petrobras in Brazil, which commenced in September, 2011.

The Net Profit for the year ended 31.03.2012 stood at ₹ 32.88 crores as against ₹ 40.06 crores for the previous year; the Cash Profit for the year was ₹62.81 crores as opposed to ₹74.39 crores in the previous year.

The Company continues its efforts to reduce its interest burden by replacing its existing debt with lower cost debt.

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

OPERATIONS:

During the year under review, the Company endeavoured to make sure that all its vessels continued to be deployed on long term contracts. Two of the Company's Anchor Handling Tug cum Supply Vessels (AHTSVs) viz., M.V.Poorna & M.V.Mahananda commenced 3 year contracts with BG Exploration and Production India Limited and one Platform Supply Vessel (PSV) viz., M.V.Kailash – which came off contract in India, was awarded a 4 year contract in Brazil.

DIVIDEND:

During the year under review, the Company has declared and paid three Interim Dividends aggregating to 17%.

Your Directors, subject to the Shareholders approval, are pleased to recommend a final dividend of 7%, for the year under review. Thus, the total Dividend for the year under review is 24% (previous year 24%). The final dividend will be paid to the Shareholders, whose names appear on the Register of Members as on 28th September, 2012.

The total cash outflow on account of Dividend and Tax thereon (including Interim Dividends) amounts to ₹ 6.86 crores (previous year ₹ 6.66 crores).

EXPANSION AND FUTURE OUTLOOK:

As a part of the Company's strategy to modernize its fleet, the Company has sold two of its old AHTSVs (27 years old).

The Company also recently sold one of its PSV's after the vessel completed a 3 year contract in India. However, out of the proceeds of the said sale, the Company has recently placed an order for a Larger PSV, scheduled for delivery in July, 2013.

Price of oil remained volatile during the year under review. In spite of this, demand for Offshore Vessels as oppsed to Cargo Ships, remains to be strong. The view for the future, on the price of oil, continues to be "bullish". Consequently, demand for OSV's will continue to remain strong.

PREFERENTIAL ALLOTMENT:

Pursuant to the Shareholders' Approval at Extra Ordinary General Meeting and In-Principle Approvals received from Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd., the Company allotted 4,40,000 Equity Shares and 4,69,700 Share Warrants of ₹ 10/ – each (to be converted into 4,69,700 shares) at a premium of ₹ 111/ – per share.

4,51,000 Warrants have been converted into Equity Shares till date of the Report. Consequent to the allotments the Equity Share Capital of the Company stands at 2,47,10,093 Equity Sharers of ₹ 10/ – each aggregating to ₹ 24,71,00,930/-.

WHOLLY OWNED SUBSIDIARIES (WOS):

Global Offshore Services B.V. – The Netherlands

The Company's Wholly Owned Subsidiary, viz., Global Offshore Services B.V. in The Netherlands, (GOSBV) has recently diluted its equity by issuing and allotting 5,573,834 Equity Shares for a consideration of USD.13.87 million to S1 Offshore Pte. Ltd., owned by DVB Group Merchant Bank (Asia) Ltd. Consequent to the investment by S1 Offshore Pte. Ltd., in GOSBV, the Company now holds 69% of the equity stake in GOSBV.

GOSBV presently owns one Large Platform Supply Vessel (PSV), which is working on a 4 year + 4 year option contract with Petrobras. GOSBV has recently acquired M.V. Shergar, an AHTSV, which was on bare boat charter to Garware Offshore International Services Pte. Ltd., the Company's Wholly Owned Subsidiary based in Singapore. This vessel too has been awarded a contract by Petrobras and will commence operations by the end of September.

GOSBV has also placed an order for one PSV for delivery in the 1st quarter of 2013.

During the year under review, GOSBV achieved an income from operations of USD.8.8 million with a cash profit of USD.1.95 million. GOSBV's net loss during the year stood at USD.0.63 million. The net loss was attributed to the fact that the large PSV , owned by GOSBV commenced operations with Petrobras only in the 2nd quarter of C.Y. 2011.

Garware Offshore International Services Pte. Ltd – Singapore

The Company's Wholly Owned Subsidiary, Garware Offshore International Services Pte. Ltd., (GOISPL) based in Singapore achieved an operating income of USD.11.8 million and net loss of USD.1.16 million. Barring unforeseen events, the Company expects to make a profit from the current year onwards. This loss was as a result of the fact that one of the vessels on bare boat charter to GOISPL did not earn revenue for part of the year and therefore was unable to "cover" the high bare boat charter rate that was paid to the owners of the vessels. However this vessel has now been sold and is no longer a part of fleet of GOISPL. GOISPL now has two vessels on bare boat charter (one Accommodation Barge and one Platform Supply Vessel), which are on long term contracts with E & P Companies.

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 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 2012-13 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 31.03.2012.
- 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.A.B.Garware has been re-appointed as Executive Chairman for a period of 5 years w.e.f. 1st July, 2012. Members are requested to re-appoint Mr.A.B.Garware and also approve the terms of the remuneration payable to him.

Mr.S.Y.Mulani has been appointed as an Additional Director of the Company and holds Office till the date of the ensuing Annual General Meeting. A member of the Company has, in accordance of provisions of Companies Act, 1956, proposed his candidature for the Office of Director. Members are requested to appoint him as Director of the Company.

Mrs. Maneesha S. Shah and Mr.A.K.Thanavala, Directors of the Company retire by rotation and being eligible, offers themselves for re-appointment. Members are also requested to re-elect them.

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 AND STATEMENT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

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 Statement of Conservation of Energy, Technology Absorption And Foreign Exchange Earnings & Outgo, forming part of the Directors' Report are annexed here to as Annexure 'I' and Annexure 'II' respectively.

DEMATERIALISATION OF SHARES:

The Company's shares continue to be traded in Electronic Form. As per Securities and Exchange Board of India (SEBI) requirement, 100% of the shares held by the Promoter / Persons Acting in Concert category are in the 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 wishes to thank the Office of Directorate General of Shipping, Mercantile Marine Department, Shipping Master, MPA, MI Registry, IRS, DNV, ABS, State Bank of India, DVB Bank, DnB Nor Bank, State Bank of Travancore, United Bank of India, Axis Bank Limited and ICICI Bank Limited for their continued support and co-operation during the year.

On Behalf of the Board

Sd/-

ASHOK GARWARE
CHAIRMAN

Place : Mumbai

Date : 8th August, 2012

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 31.03.2012.

Sr. No.	Name	Qualification	Designation/ Nature of Duty	Experience	Date of Commencement of Employment	Remuneration	Age	Last employed	No. of Shares held (as on 30.07.2012)
1.	Ashok B. Garware	M.A. (Cantab)	Executive Chairman	50 years	01.07.2007	1,75,06,829	73 years	Garware Shipping Corporation Ltd.	6,32,842 (2.56%)
2..	Aditya A. Garware	M.B.A. (U.S.A.)	Vice Chairman & Managing Director	16 years	01.02.2009	1,81,05,772	41 years	Garware Goa Nets Ltd.	7,51,002 (3.03%)
3.	Capt. D. L. Mathur	Master Foreign Going Shipping Mangement	President- Marketing	35 years	19.04.2007	72,36,415	53 years	NICO Middle East	NIL
4.	Capt. S. Sarkango	Master Mariner	President - Oprations	25 years	18.01.2006	63,11,261	50 years	Great Eastern Shipping Ltd.	3,800 (0.01)

Notes:

- 1) The nature of employment of above employees is contractual.
- 2) Remuneration includes Salary, Perquisites, Leave encashment, Ex- Gratia Payment and Contribution to P.F.