



GLOBAL OFFSHORE SERVICES LIMITED

39TH ANNUAL REPORT 2016-17

BOARD OF DIRECTORS

ASHOK GARWARE - NON EXECUTIVE CHAIRMAN
(w.e.f. 01.07.2017)

ADITYA GARWARE - VICE CHAIRMAN

MANEESHA SHAH

S. S. AGGARWAL

A. K. THANAVALA

J. C. CHOPRA

S. Y. MULANI

N. T. SENGUPTA - WHOLE TIME DIRECTOR
(w.e.f. 01.07.2017)

**COMPANY SECRETARY &
PRESIDENT - LEGAL & ADMIN**

A.C. CHANDARANA

CHIEF FINANCIAL OFFICER

P. S. SHAH
(w.e.f. 01.07.2017)

PRESIDENT - COMMERCIAL

K. S. DAVE

PRESIDENT - HSSE & TRAINING

CAPT. V. BAIJAL

PRESIDENT - TECHNICAL

Z. R. MEHTA

BANKERS

State Bank of India
State Bank of Travancore
United Bank of India

AUDITORS

MESSRS. RAMAN S. SHAH & ASSOCIATES
(Chartered Accountants)

REGISTERED OFFICE

101, Swapnabhoomi, `A' Wing,
S.K.Bole Road, Dadar (W), Mumbai – 400 028.

BRANCH

Goa, Delhi

REGISTRAR AND SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.
01st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri (East), Mumbai – 400 059.

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MANAGEMENT DISCUSSION & ANALYSIS REPORT

During the year under review, the Company experienced the worst market in the past 30 years and despite rising oil price over last 12 months, this had no positive impact on rates of Offshore Support Vessel's (OSV's).

The OSV market remains in a prolonged downturn over the last twenty four months. OSV charter rates either continued to decline or remained steady at depressed levels across all major offshore regions. As of February 2017, the market was 40% below the long term average. The activity has remained lack lustre while the market continues to experience a situation of oversupply. OSV contracting had "all but dried up", though there now seems signs of some long term requirements resurfacing in the market. Although scrapping activity has remained low, over 1000 large OSV were laid up globally, the only potential upside being that older laid vessels may never rejoin the market.

The Industry:

- The OSV market is projected to remain under pressure in the short and medium term.
- Market oversupply remains the key challenge and is expected to keep overall Vessel utilisation at weak levels even in the event of a pick-up in demand as a result of an increase in oil prices.
- Global oil demand is projected to outpace production over the range of 2017 by 1.8 m bpd, which may will help to offer further support to global oil price. However, this may not translate into increased charter rates for vessels.
- The need to work through the high levels of global inventories will depend on how responsive onshore shale production is, particularly in the US, to the recovery in global price.
- Early indications are that E&P spending amongst shale producers could increase by 25-35% in 2017.
- Number of deployed Rigs (Onshore & Offshore) reduced from 3578 in 2014 to 1962 in 2017 (a reduction of over 45% in last three years).

Opportunities & Threats:

The oil prices have firmed, standing at their highest level since summer of 2015. OPEC members agreed to a production cut at the start of December 2016, alongwith some non-OPEC nations, which has supported global prices. For the first time since 2013, it is estimated that global oil demand growth of 1.3 m bpd (1.4%) outpaced global production expansion, on an annual basis. Non-OECD demand in particular helped support global consumption levels, increasing at an estimated 3.1% y-o-y in 2016. Transport sector demand growth in India and firmer refinery activity in China underwrote this expansion. While it is important to note the still substantial level of global crude and product inventories, the recent narrowing in the balance between global supply and demand should support a more positive E&P story in the overall oil and gas market here onwards. However, with the rise in global oil prices expected to stimulate onshore production, a further small cut in E&P spending amongst offshore players seems like in 2017.

Your Company is not isolated from the rate negotiations, early termination and shorter term contracts. Negotiated rates have now reached just above break even levels (in some cases) causing the Company to incur losses. Drastic measures for cutting cost had to be initiated, against the wishes of Senior Management, in an attempt to "remain afloat".

Outlook:

Challenges to global oil markets remain in the short term, with the continuation of a price recovery uncertain. However, oil and gas demand is projected to be supported by continued non-OECD economic growth. In the medium-term, the market is expected to be more balanced, and a likely absence of short term offshore investment may present opportunities in the medium term.

Operational performance:

The average age of the Company's fleet on a consolidated basis, stands at just over 6 years and could be considered to be one of the "younger" fleets in the industry. Unfortunately utilisation rates have not been very attractive for the entire fleet, and nor have daily charter rates.

Your Company is also keenly aware of the need to ensure that costs are monitored closely and monies are spent prudently in order to be able to obtain the highest value out of all maintenance and repairs.

Maximum utilisation of the Fleet, albeit at low charter rates, continues to be the goal of the Company. As a result, all 6 Vessels owned by the Company were on term contracts till recently.

Risks and concerns:

The Offshore Supply Vessel fleet remains severely over supplied. The OSV market is projected to remain under pressure in the short and medium term. Market oversupply remains the key challenge and is expected to keep overall vessel utilisation at weak levels, even in the event of a pick-up in demand as a result of firmer oil prices. Additional laid up vessels are capable of being reactivated should the right contract appear. This means that they continue to exert supply side pressure, as does the OSV order-book yet to be delivered. Although steps have been taken in the right direction, there is some way to go in reducing OSV supply to levels which will help the market rebalance.

Internal control systems and adequacy:

Your company continues to emphasise the importance of the setup of suitable systems which would drive the performance of its various "verticals". A regular audit of systems and processes onshore as well as offshore is carried out and findings help your company improve continuously.

Cost management is an important issue for the company and the Technical, Procurement and Health & Safety teams are continuously exploring ways and means to be able to manage assets at optimal costs.

Training of onshore and offshore personnel continues to get the attention it deserves and special attention is being paid to this in order that your company is able to retain good talent.

The Company received accreditation under ISO 9001:2015, ISO 14001:2015 and OHS AS 18001:2007, during the year.

HR and people:

The Employees of the Company continue to be the most important and valuable asset. The Company continue to hold small and effective training modules for its employees.

During the year under review, Mr. K.S. Dave retired from service and was appointed as Consultant w.e.f. December 2016.

In view of drastic fall in the revenues of the Company and the losses incurred, reduction in salaries / fees ranging from 5% to 35%, depending upon the income slab of all Employees / Consultants continues.

(Source: Clarksons Research)

NOTICE

NOTICE is hereby given that the Thirty Ninth Annual General Meeting of the Members of Global Offshore Services Limited will be held on **Thursday, 28th September, 2017 at 09:30 A.M.**, at "Garware Sabhagriha" F.P.H. Building, 5th Floor, Lala Lajpatrai Marg, Haji Ali, Mumbai – 400034 to transact the following businesses :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet (Standalone and Consolidated) as at 31st March, 2017 and Statement of Profit and Loss (Standalone and Consolidated) for the year ended on that date together with the Directors' and Auditors' Report (Standalone and Consolidated) thereon;
2. To appoint a Director in place of Mr. Ashok B. Garware (DIN : **00019871**), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit, to pass with or without modification/s, the following as an **Ordinary Resolution**.

"RESOLVED THAT pursuant to Section 139 and other application provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as may be applicable, Messrs. D. Kothary & Co., Chartered Accountants (Firm Registration No. 105335W), be and are hereby appointed as Statutory Auditors of the Company in place of retiring Statutory Auditors, Messrs. Raman S. Shah & Associates, Chartered Accountants (Firm Registration No. 119891W), to hold office from the conclusion of this Annual General Meeting until the conclusion of 44th Annual General Meeting (5 years) of the Company, subject to ratification by members every year, at a remuneration and reimbursement of out of pocket expenses incurred in connection with the audit to be fixed by the Board."

SPECIAL BUSINESS:

4. To consider and, if thought fit to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Niladri Sengupta (DIN: 06785753), who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member pursuant to the provisions of Section 160 of the Companies Act, 2013, along with deposit of Rs. 1,00,000/- proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. To consider and, if thought fit to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Members of the Company in the general meeting hereby accord their approval to the appointment of Mr. Niladri Sengupta (DIN: 06785753) as Whole-time Director of the Company for a period of 3 years from 1st July, 2017 on the remuneration and upon the terms and conditions as set out in the Explanatory Statement relating to this Resolution, with liberty and power 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 the Whole-time Director within the limits specified in Schedule V to the Companies Act, 2013 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(A) and/or 1(B) of Section II, Part II of Schedule V to the Companies Act, 2013, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, perquisites, allowances, etc., within such prescribed limits and the agreement between the Company and the Whole-time Director be suitably amended to give effect to such modification, relaxation or variation without further reference to the Members of the Company.

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."

MINIMUM REMUNERATION :

Notwithstanding anything hereinabove contained, where, in any financial year during the currency of tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay to the Whole-time Director the remuneration as set out hereinabove, as minimum remuneration, subject, however, to the limits set out in Sections 196 and 197, read with Schedule V of the Act."

Registered Office:

101, Swapnabhoomi,
"A" Wing, S. K. Bole Road,
Dadar (W), Mumbai - 400028
CIN: L61100MH1976PLC019229

Date : 30th August, 2017

Place : Mumbai

By Order of the Board

Sd/-

A.C. Chandarana
Company Secretary &
President - Legal & Admin.

REQUEST TO THE MEMBERS

- 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.
- Members are requested to bring their copy of the Annual Report to the Meeting.

By Order of the Board

Sd/-

A.C. Chandarana
Company Secretary &
President - Legal & Admin.

Details of Directors seeking re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS2) are as follows:

Name	Mr. Ashok B. Garware.
Date of Birth	15.10.1938.
DIN	00019871.
Date of appointment on Board	25.01.1977.
Relationship with other Directors inter-se.	Father of Mrs. Maneesha S. Shah and Mr. Aditya A. Garware.
Qualification.	M. A. (Cantab).
Experience in specific function area.	Industrialist/Overall Management.
Directorship held in other companies.	<ul style="list-style-type: none"> • Adsu Trading & Investment Company Pvt. Ltd. • Masu Trading & Investment Company Pvt. Ltd. • Mauve Trading Company Pvt. Ltd. • Universal Investment Services Pvt. Ltd. – Whole-Time Director. • Garware Offshore International Services Pte. Ltd. • Arena Ship Management Services Pte. Ltd.
Memberships/ Chairmanships of Committee in other public limited companies (includes only Audit & Shareholders' / Stakeholders' Committee).	Nil
Shareholding, if any, in the Company	NIL (as on 31.03.2017).

NOTES:

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE ONLY ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
A Proxy in order to be effective, must be received at the registered office of the company not less than 48 hours before the commencement of the Annual General Meeting.
- An Explanatory Statement for Item Nos.4 & 5 pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- The Register of Members and Share Transfer books of the Company will remain closed from Tuesday, 26th September, 2017 to Thursday, 28th September, 2017 (both days inclusive).
- For the convenience of Members, an attendance slip is annexed to the Proxy form. Members are requested to fill in and append their signatures in 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.
- Members are requested to notify email address, 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 Private Limited.
- Members holding shares in identical names in more than one folio(s) 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.
- All enquiries and correspondence regarding Transfer/Transmission of Shares, Dematerialisation, etc. should be addressed to Registrars and Share Transfer Agents of the Company, M/s. Bigshare Services Private Limited, 01st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai – 400 059.
- Voting through electronic means: Pursuant to the provisions of Section 108 of the Companies Act, 2013 and amended Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange, the Company is pleased to:
 - Provide facility to the members for voting by electronic means to cast their votes electronically from a remote place so that business may be transacted through such voting.
 - The Company will provide the facility for voting through polling paper at the venue of the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
 - The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting, but shall not be entitled to cast their vote again.

The Company has engaged the services of Central Depository Services India Ltd (CDSL) to provide e-voting facilities. The e voting facility is available at the link <https://www.evotingindia.com>

The Company had fixed Thursday, 21st September, 2017 as the cut-off date for determining voting right of shareholders entitled to participate in the e-voting process. In this regard, your demat account /folio number has been enrolled by the Company for your participation in e-voting on the resolution proposed by the Company on the e-voting system.

The remote e-voting facility will be available during the following period:

Commencement of e-voting	Monday, 25th September, 2017 at 10.00 a.m.
End of e voting	Wednesday, 27th September, 2017 at 5.00 p.m.

During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on Thursday, 21st September, 2017 (the cut-off date), may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting after Wednesday, 27th September, 2017.

The instructions for shareholders voting electronically are as under:

- The shareholders should log on to the e-voting website: www.evotingindia.com.
- Click on Shareholders,
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on 'Login'.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted earlier in respect of any other resolution proposed by the Company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Please see Sequence number printed in the address sticker in the envelope. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. E.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction (iv).

- After entering these details appropriately, click on "SUBMIT" tab.
- Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- Click on the EVSN for Global Offshore Services Limited.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian's are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

9. Members who have registered their e-mail id for the receipt of documents in electronic mode are being sent AGM Notice by e-mail and others are sent by courier. Members who have received AGM Notice by e-mail and wish to vote physically can do the same by remaining present in the meeting.

Kindly note that the Shareholders can opt only for one mode of voting, i.e., either by Physical Ballot or e-voting. If members are opting for e-voting, then they should not vote by Physical Ballot also and vice versa. However, in case Shareholders cast their vote by Physical Ballot and e-voting, then voting done through valid Physical Ballot shall prevail and voting done by e-voting shall be treated as invalid.

10. Member(s) desiring to exercise his / her vote by using E-voting facility can log in any number of times till he / she has voted the resolution or till the end of the Voting Period, whichever is earlier. In case member have any queries or issues regarding E-voting, you may refer the Frequently Asked Questions ("FAQs") and E-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
11. Mr. S.M. Korde, Practicing Company Secretary (Membership No. ACS 563 & C.P No.1079) has been appointed as the Scrutinizer for conducting the e-voting process in a fair and transparent manner.
12. The Scrutinizer will submit his report of the votes polled through E-voting and physical voting, to the Chairman. The Chairman will, or in his absence, any other person so authorized by him will, announce the results of Voting on Thursday, 28th September, 2017 immediately upon receipt from the Scrutinizer. The Scrutinizer's decision on the validity of the votes cast through E-voting and physical Ballot shall be final.
13. The Scrutinizer's Report, shall be placed on the Company's website: www.globaloffshore.in within two (2) working days of passing of the resolution and communicated to the Stock Exchanges where the Company is listed, viz. BSE Ltd and National Stock Exchange of India Ltd. (NSE).
14. Shareholders who have not yet en-cashed their dividend warrants may approach the Company for revalidation, issue of duplicate warrant etc. quoting the Folio No. / Client ID. Please note that as per Section 125 of the Companies Act, 2013 dividend which remains unclaimed over a period of 7 years has to be transferred by the Company to the "Investor Education & Protection Fund" (IEPF).

Financial Year	Type of Dividend	Dividend Declaration Date (AGM/ BM date for interim)	Due date for transfer to IEPF after 7 years
2010-11	1 st Interim Dividend	04.10.2010	08.11.2017
2010-11	2 nd Interim Dividend	03.01.2011	07.02.2018
2010-11	3 rd Interim Dividend	28.04.2011	02.06.2018
2010-11	Final Dividend	27.09.2011	01.11.2018
2011-12	1 st Interim Dividend	25.11.2011	31.12.2018
2011-12	2 nd Interim Dividend	01.02.2012	07.03.2019
2011-12	3 rd Interim Dividend	31.07.2012	04.09.2019
2011-12	Final Dividend	28.09.2012	02.11.2019
2012-13	1 st Interim Dividend	08.04.2013	13.05.2020
2012-13	2 nd Interim Dividend	30.05.2013	04.06.2020
2012-13	Final Dividend	02.09.2013	07.10.2020
2013-14	Final Dividend	25.09.2014	30.10.2021

Registered Office:

101, Swapnabhoomi,
"A" Wing, S. K. Bole Road,
Dadar (W), Mumbai - 400028
CIN: L61100MH1976PLC019229

Date : 30th August, 2017

Place : Mumbai

By Order of the Board

Sd/-
A.C. Chandarana
Company Secretary &
President - Legal & Admin.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102

OF THE COMPANIES ACT, 2013.

ITEM NO.4 OF THE NOTICE :

The Board of Directors of the Company, at its Meeting held on 16th June, 2017, has, subject to the approval of the Members, appointed Mr. Niladri Sengupta (DIN: 06785753) as an Additional Director of the Company, pursuant to the provisions of Section 161 of the Companies Act, 2013. He holds office till the date of this Annual General Meeting. The Company has received a notice in writing from a Member, pursuant to the provisions of Section 160 of the Companies Act, 2013, along with requisite deposit of Rs. 1,00,000/-, signifying intention to propose Mr. Niladri Sengupta as a candidate for the office of Director of the Company.

Considering his background, experience and expertise in the business, it is felt that it would be beneficial to appoint him as a Director of the Company.

Mr. Niladri Sengupta and his relatives are deemed to be interested in Item No.4 of the Notice to the extent of his/their Shareholding in the Company and the remuneration received by him. Apart from Mr. Niladri Sengupta none of the Directors, Key Managerial Personnel's or their relatives are directly or indirectly concerned financially or otherwise in Item No.4.

The Board recommends passing of Resolution specified under Item No.4 as Ordinary Resolution.

The Members are requested to appoint him as a Director of the Company.

ITEM NO.5 OF THE NOTICE :

In view of the resignation of Mr. Ashok B. Garware as Executive Chairman w.e.f. 30th June, 2017, it had become incumbent on the Company to appoint a whole-time Director of the Company, pursuant to the provisions of Section 203 of the Companies Act, 2013, as a Key Management Personnel. The Board of Directors, therefore, on the recommendation of the Nomination & Remuneration Committee, has, subject to the approval of the Members and secured creditors, approved the appointment of, and payment of remuneration to, Mr. Niladri Sengupta for a period of 3 years w.e.f. 1st July, 2017, as Whole-time Director of the Company, as under, within the overall ceiling of remuneration as prescribed under Sections 197 and 198 of the Companies Act, 2013:

BASIC SALARY:

Rs. 1,37,000 per month

(Annual increments, if any, to be decided by the Board of Directors)

PERQUISITES & BENEFITS:

House Rent Allowance :	Rs. 67,500 per month
Performance Allowance :	Rs. 54,870 per month
Reimbursement of Car Expenses upto :	Rs. 20,000 per month
Magazine Allowance :	Rs. 32,682 per month
Canteen Allowance :	Rs. 2,500 per month
Leave Travel Allowance :	Rs. 11,412 per month
Re-imbursement of Medical Expenses :	Rs. 11,010 per month

Total of Salary & Perquisites

Rs. 3,36,974 per month

In addition to the above, the Whole-time Director will be entitled to Leave Encashment at the end of the tenure as per Company's policy, Provident Fund and Gratuity (as per Payment of Gratuity Act), and such other perquisites, subject to overall ceiling of remuneration, as prescribed under Sections 197 and 198 of the Companies Act, 2013. The Whole-time Director shall also be entitled to reimbursement of entertainment expenses, travelling, hotel and other expenses incurred in the performance of duties on behalf of the Company.

The Whole-time Director shall not be entitled to be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof. In the event, the Company incurs loss or has inadequate profits, the above remuneration shall be treated as minimum remuneration payable to Mr. Niladri Sengupta.

The other terms and conditions of his appointment are enumerated in the Draft Agreement proposed to be entered into between the Company and Mr. Niladri Sengupta.

Disclosures under Secretarial Standard (SS2) of The Institute of Company Secretaries of India and Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	:	Mr. Niladri Sengupta
Age	:	46 years
Qualification	:	B. Com., Chartered Accountant and Cost Management Accountant.
Brief Resume & Experience	:	Mr. Niladri Sengupta has varied experience of 20 years in the field of Finance & Accounts out of which 8 years (including 3 years with the Company) are in the field of Shipping & Offshore. As a result of the 3 years spent with the Company, he is very familiar with Company operations.
Nature and Expertise in specific functional area.	:	Finance & Accounts, Dealing with Banks, Clients and other Stakeholders.
Terms & Conditions of appointment and details of remuneration.	:	As above.
Remuneration last drawn (in GOSL as C.F.O.)	:	Rs.2,65,660/- per month.

Date of first appointment on Board.	:	16 th June, 2017
Shareholding in the Company.	:	10 Equity Shares.
Relationship with other Directors, Managers and other Key Managerial Personnel.	:	Nil
Number of Board Meetings attended during the last financial year – 2016-17.	:	Not Applicable.
Directorship held in other Companies.	:	Nil
Membership / Chairmanships of Committee in listed entities (includes only Audit & Shareholders/ Stakeholders Committee).	:	Not Applicable.

Pursuant to Notification No.SO2922(E) dated 12.09.2016 of Ministry of Company Affairs, the Company has obtained prior approval from its secured creditors for the payment of proposed remuneration to Mr. Niladri Sengupta. The additional information pursuant to the said notification is furnished below:

I. General Information		
Nature of Industry	:	Offshore Support Industry
Date or expected date of commencement of commercial productions	:	Not Applicable
Financial Performance based on given indicators: Total Revenues Loss for the year	:	Rs.99.33 crores Rs.9.43 crores
Foreign investment or Collaboration	:	The Company has invested in Equity of one Overseas Wholly Owned Subsidiary and one subsidiary, based in Singapore and The Netherlands respectively.
II. Information about the Appointee		
Background details	:	As above
Past Remuneration	:	As above
Recognition or awards	:	NIL
Job Profile & his suitability	:	As above
Remuneration proposed	:	As above
Comparative remuneration Profile with respect to Industry, size of the Company, Profile of the position and person.	:	The proposed remuneration is commensurate to the size & nature of business and the financial position of the Company.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel.	:	Except for the remuneration, drawn, there is no pecuniary relationship directly or indirectly with the Company.
III. Other Information		
Reasons for loss or inadequate profit.	:	Substantial reduction in charter hire rate and consequently reduction in the revenue of the Company.
Steps taken or proposed to be taken for improvement	:	The Company is striving to control costs and is also trying to procure higher rate for new contracts.
Expected increase in Productivity and profits in measurable terms	:	The profitability of the Company is correlated with the rise in crude oil price. Since the fall in crude oil prices from the peak, the exploration activity has plummeted resulting in lack of demand of Vessels and consequently reduction in charter rates of Vessels. Therefore, only when once the exploration activity resurges, demand for vessels will increase, as will Company's profitability. The Company has initiated steps to reduce operating and administrative cost and is trying to ensure maximum utilisation of its Vessels albeit at lower rates (which are market driven).

All documents referred to in the Notice will be made available for inspection at the Company's Registered Office during the normal business hours on working day upto the date of the Annual General Meeting.

Mr. Niladri Sengupta and his relatives are deemed to be interested in Item No. 5 of the Notice to the extent of his/their Shareholding in the Company and the remuneration received by him. Apart from Mr. Niladri Sengupta none of the Directors, Key Managerial Personnel's or their relatives are directly or indirectly concerned financially or otherwise in Item No. 5.

The Board recommends passing of Resolution specified under Item No. 5 as Ordinary Resolution.

The Members are requested to appoint Mr. Niladri Sengupta as Whole-Time Director w.e.f. 01st July, 2017.

By Order of the Board

101, Swapnabhoomi, 'A' Wing,
S. K. Bole Road, Dadar (W),
Mumbai – 400 028

Date : 30th August, 2017

A.C. Chandarana
Company Secretary &
President – Legal & Admin.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH, 2017

TO,
THE MEMBERS,
Your Directors present their report as under:

1] FINANCIAL RESULTS:

Rs. in Crores

PARTICULARS	Year ended March 31, 2017	Year ended March 31, 2016
Income from operations	98.47	158.61
Other Operating Income	-	1.18
Other Income	0.86	0.42
Gross Income	99.33	160.21
Expenses for the period	66.29	89.34
Operating Profit for the period	33.04	70.87
Finance cost	19.65	18.26
Profit Before Depreciation	13.39	52.62
Depreciation	22.59	22.39
(Loss) / Profit Before Tax	(9.20)	30.22
<u>Provision for Taxation</u>		
Current Tax	0.20	0.20
Tax for earlier (written back)/provision	0.03	0.01
Net (Loss) / Profit After Tax	(9.43)	30.01
Add : Balance of Profit brought forward from previous year.	176.18	152.27
Profit available for appropriation.	166.75	182.28
Less : Tonnage Tax Reserves	-	6.10
- General Reserves	-	-
- Proposed Dividend	-	-
- Tax on Proposed Dividend	-	-
Balance Carried forward	166.75	176.18

2] FINANCIAL HIGHLIGHTS:

Income from Operation (including Other Operating Income) for the year ended 31.03.2017 stood at Rs.98.47 crores, as against Rs.159.79 crores for the previous year (a reduction of 38%). Other Income for the year stood at Rs.0.86 crores as against Rs.0.42 crores for the previous year.

The Net Loss for the year ended 31.03.2017 stood at Rs.9.43 crores as against Net Profit Rs.30.01 crores for the previous year.

The decrease in the Income from operations and the subsequent net loss was attributed to the substantial reduction in charter rates of the vessel owned – something that the Company had to accept or else risk termination of the contracts, in view of the global recession in the Industry.

The Company's Fixed Asset lender, viz State Bank of India, has declared the Company's account with them as Non Performing Assets (NPA) w.e.f. January 2017 as a result of Company's inability to continue repaying debt, in view of reduction of charter rates.

3] OPERATIONS:

During the year under review :

- M.V. Mana, M.V. Kamet and M.V. Lachung worked on long term contract in west coast of India.
- M.V. Meghna continued to work on a long term contract.
- M.V. Mahananda worked on short term contract from August to October 2016. Subsequently the Vessel was then awarded 3 year long term contract w.e.f. November 2016 in the east coast of India.
- M.V. Poorna worked on spot charters in Middle East. Since August 2016, the Vessel worked on short term contracts in the west coast of India.
- One Vessel which was "in chartered" in 2014, and she continues to work on a long term contract in India.