



THE GREAT EASTERN SHIPPING COMPANY LIMITED

GE Shipping total income of Rs. 417 crores, up by 38%

July 30, 2004 - Mumbai

Posts highest ever "first quarter" profits of Rs.102 crores

The Board of Directors of The Great Eastern Shipping Company Ltd. (GE Shipping) today approved the Unaudited Financial Results (Provisional) for the first quarter ended on June 30, 2004.

In Q1 FY 2004-05, GE Shipping reported a total income of Rs.417.05 crores (corresponding quarter Rs.301.38 crores) an increase of 38% while profit after tax at Rs.102.43 crores (corresponding quarter Rs.96.23 crores) registered a growth of 6%. For the quarter, provision for tax (current and deferred) of Rs. 18.5 crores has been provided as per Income Tax Act 1961 without giving effect to the Tonnage Tax proposal contained in the Finance (No.2) Bill, 2004. Provision for current tax liability for the quarter as per the tonnage tax proposals contained in the Finance (No.2) Bill, 2004 would have been Rs. 90 lakhs and deferred tax would have been "nil".

For the quarter, shipping division contributed around 78% to the total revenue and 83% to the profit before tax and interest whereas the offshore division contributed around 19% to the total revenue and 20% to the profit before tax and interest. The Company has availed of various loans which are yet to be utilised for acquisition of vessels. Pending utilisation, and in conformity with Accounting Standard AS 11, the Company has revalued these loans as well as various current assets and current liabilities which are designated in foreign currency. The depreciation of the Indian rupee vis a vis US dollar by 5.23% during the quarter has resulted in an unrealised revaluation loss of Rs.20.7 crores.

Business developments during the quarter

Shipping Business

During the quarter, revenue days at 3311 were higher by around 21% as compared to Q1 FY 2003-04 (2719 days) primarily due to tonnage addition of 1.26 Mn dwt. Crude carriers (average of period and spot fixtures) earned an average TCY of 23,744 USD /day (corresponding quarter USD 22,109/day). Product carriers (average of period and

spot fixtures) earned an average TCY of USD 14,734/day which was an increase of 11% over TCY earned in Q1 FY 2003-04.

Dry bulk carriers recorded a significant rise of 96% in average TCY. (USD 20,462/day for Q1 FY 2004-05 against USD 10,424/day in corresponding quarter). This was mainly on account of high exposure to the spot market.

Given below is the table highlighting the earnings under period and spot fixtures:

Period Fixture Spot Fixture

Av. TCY (days) Av. TCY (days)

Crude USD 17,442 (545) USD 29,944 (554)

Product USD 13,081 (1272) USD 19,967 (402)

Dry bulk USD 20,570 (91) USD 20,436 (617)

Offshore Business

During the quarter under reference, performance of the offshore division was subdued when compared to the corresponding quarter for the following reasons:

1. Absence of insurance claim (corresponding quarter Rs. 3.15 crores)
2. No gain on sale of vessel.(corresponding quarter Rs.2.65 crores)
3. Business reasons -utilisation and average day rates of rigs was higher during the quarter.

However in the later part of the quarter one of the rigs was partially impaired.

Reduced

average day rates and lower utilisation of the OSVs more than offset the increased utilisation

and higher average day rates of the harbour tugs.

Sale & Purchase activities during the quarter

The company acquired two 1983 built, Handymax dry bulk carrier with dwt of 37,092 and 35,676. In the last week of the quarter, the company inducted a 1992 built

265,955 dwt VLCC in its fleet. The Company also sold a 1998 built mini bulk carrier of 2137 dwt.