

THE GREAT EASTERN SHIPPING COMPANY LTD.
 Regd. Office: Ocean House, 134-A, Dr. Annie Besant Road, Mumbai-400 018.
UNAUDITED FINANCIAL RESULTS (Provisional)
FOR THE THREE MONTHS ENDED
JUNE 30, 2004.

(Rs. in Crores)

| | Quarter 30.06.2004 (REVIEWED) | Ended on 30.06.2003 (REVIEWED) | % Increase/ (Decrease) | Year ended on |
|--|-------------------------------------|--------------------------------------|------------------------------|-------------------------|
| | | | | 31.03.2004 (AUDITED) |
| 1. Income from Operations & sales - | | | | |
| (a) freight & demurrage | 145.90 | 74.91 | | 436.56 |
| (b) charter hire / contract revenue | 256.34 | 202.71 | | 855.30 |
| (c) others | 9.49 | 8.52 | | 60.08 |
| Total Income from Operations & sales | 411.73 | 286.14 | | 1351.94 |
| 2. (Loss)/ Gain on sale of ships | (1.72) | 2.65 | | 8.60 |
| 3. Other Income - | | | | |
| (a) Interest & dividend | 6.41 | 7.22 | | 30.03 |
| (b) Others | 0.63 | 5.37 | | 35.78 |
| Total Income (1+2+3) | 417.05 | 301.38 | | 1426.35 |
| 4. Total Expenditure | | | | |
| (a) Staff Cost (ashore and floating) | 43.33 | 31.40 | | 139.97 |
| (b) Repairs & Maintenance-Fleet & Rigs | 39.98 | 27.88 | | 148.22 |
| (c) Direct operating expenses | 67.03 | 42.62 | | 207.33 |
| (d) Other operating expenses (Refer Note No. 1) | 51.27 | 35.43 | | 175.86 |
| (e) Decrease in stock in trade | 0.26 | 2.51 | | 14.97 |
| Total Expenditure | 201.87 | 139.84 | | 686.35 |
| 5. (a) Operating Profit (PBIDT) | 215.18 | 161.54 | 33.2% | 740.00 |
| (b) Operating Profit (PBIDT) (excluding (loss)/gain on sale of ships & unrealised (loss)/ gain on revaluation of foreign currency balances) (Refer Note No. 1) | 237.60 | 159.67 | 48.8% | 720.48 |
| 6. Interest | 22.13 | 10.37 | | 46.95 |
| 7. Gross Profit after interest but before depreciation and taxation [5 (a) - 6] | 193.05 | 151.17 | 27.7% | 693.05 |
| 8. Depreciation | 71.78 | 41.51 | | 201.21 |
| 9. Profit before tax | 121.27 | 109.66 | 10.6% | 491.84 |
| 10. Provision for tax | | | | |
| - current | 3.75 | 6.52 | | 27.00 |
| - deferred | 14.75 | 6.43 | | (2.63) |
| 11 Profit from ordinary activities | 102.77 | 96.71 | 6.3% | 467.47 |
| 12 Prior period adjustments | (0.34) | (0.48) | | 3.66 |
| 13 Net Profit | 102.43 | 96.23 | 6.4% | 471.13 |
| 14. Paid-up Share Capital - | | | | |
| (a) Equity (Face Value Rs.10/-) | 190.33 | 190.33 | | 190.33 |
| (b) Preference (Face Value Rs.10/-) | 75.00 | 75.00 | | 75.00 |
| 15. Reserves excluding revaluation reserves | | | | 1306.93 |
| 16. Basic and diluted earnings per share (in Rs.) | 5.27 | 4.94 | | 24.29 |
| 18. Aggregate of Non-Promoter Shareholding | | | | |
| - Number of Shares | 143975707 | 142829353 | | 143605147 |
| - Percentage of shareholding | 75.65 | 75.04 | | 75.45 |

Contd. 2

THE GREAT EASTERN SHIPPING COMPANY LTD.

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Reporting of Segment-wise Revenue, Results and Capital employed :

| | (Rs. in crores) | | |
|--|-----------------|----------------|----------------------------|
| | Quarter | Ended on | Year ended |
| | 30.06.2004 | 30.06.2003 | on 31.03.2003 (AUDITED) |
| a) Segment Revenue : | | | |
| (i) Shipping | 325.70 | 205.37 | 1013.85 |
| (ii) Offshore | 78.78 | 76.14 | 321.97 |
| (iii) Others | 12.57 | 19.87 | 90.53 |
| Total | 417.05 | 301.38 | 1426.35 |
| Less : Inter segment revenue | - | - | - |
| Total Revenue | 417.05 | 301.38 | 1426.35 |
| b) Segment Results : | | | |
| Profit / (Loss) before tax and interest: | | | |
| (i) Shipping | 124.51 | 72.78 | 382.06 |
| (ii) Offshore | 29.44 | 39.21 | 132.04 |
| (iii) Others | (4.75) | 14.36 | 48.68 |
| Total | 149.20 | 126.35 | 562.78 |
| Less: Interest | 22.13 | 10.37 | 46.95 |
| Un-allocable expenditure: | | | |
| (i) Corporate Administration expenses | 5.71 | 5.59 | 21.05 |
| (ii) Share Issue & buy back expenses,De-merger expenses etc. | 0.09 | 0.73 | 2.94 |
| Total | 5.80 | 6.32 | 23.99 |
| Total Profit before tax | 121.27 | 109.66 | 491.84 |
| c) Capital employed : | | | |
| (i) Shipping | 2253.86 | 1635.93 | 1993.66 |
| (ii) Offshore | 501.60 | 383.21 | 515.44 |
| (iii) Others | 930.70 | 710.96 | 646.92 |
| Total | 3686.16 | 2730.10 | 3156.02 |

NOTES:

- 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.20.70 crores. The net loss after adjusting realised gain works out to Rs.5.20 crores which is included under the head "Other Expenses".
- Provision for Tax (current & deferred) of Rs.18.50 crores has been made as per the provisions of the Income Tax Act, 1961 without giving effect to the tonnage tax proposals 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 Rs. "Nil". The accumulated deferred tax liability will be reviewed in due course.

- 3 The Company has redeemed 5,50,00,000 10.50% Cumulative Redeemable Non-Convertible Preference Shares of Rs.10/- each on July 21, 2004 aggregating Rs.55 crores. The Company has declared and paid an interim dividend on these Preference Shares on redemption. The outgo on this account is Rs.1.99 crores including tax on dividend.
- 4 The Company has revised the useful life of its vehicles from 5 years to 4 years. Due to this the depreciation for the current quarter is higher by Rs.91 lakhs and the profit before tax is lower to this extent.
- 5 Contingent liability: Claim against the Company not acknowledged as debt Rs.4.73 crores.
- 6 During the quarter under review, the company undertook the following purchase and sale transactions:
- (i) Purchase:
- (a) delivery of two 1983 built second hand Handymax dry bulk carriers of approx. DWT 36000 MT each.
 - (b) delivery of a 1992 built very large crude oil carrier (VLCC) of approx. DWT 266000 MT.
 - (c) ordered a new building product carrier vessel (DWT 47400 MT).
This will be delivered in the third quarter of 2007.
- (ii) Sale:
- a mini bulk carrier 1998 built (DWT 2137 MT)
- 7 The Company has purchased 13,52,350 shares of P & O Travel India Ltd., (POTIL) during the quarter. With this purchase the company's holding in POTIL has gone up to 63.64% thereby making POTIL a subsidiary company.
- 8 Previous year figures have been re-grouped wherever necessary.
- 9 Number of Investor Complaints at the beginning of the quarter were "nil", received during the quarter were 24 , disposed off during the quarter were 22 and lying unresolved at the end of the quarter were 2.
- 10 The Board of Directors has approved the aforesaid results at its meeting held on July 30, 2004. These results have been subjected to a "Limited Review" by the auditors of the company, as per the listing agreements with the Stock Exchange, Mumbai and the National Stock Exchange.

For The Great Eastern Shipping Co. Ltd.,

**(K.M. Sheth)
Executive Chairman**

Date: 30.07.2004