

**THE GREAT EASTERN
SHIPPING COMPANY LIMITED**
CIN: L35110MH1948PLC006472



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Our Ref.: S/2025/JMT

February 28, 2025

BSE Limited

1st Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI – 400 001

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051

BSE Scrip code: **500620**

Trading Symbol - **GESHIP**

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform you that CRISIL Ratings Limited has upgraded its rating for bank loan facilities of Rs. 335 crore of Greatship (India) Limited, a material wholly owned subsidiary of the Company, to CRISIL AA+/ Stable from CRISIL AA/ Positive.

The rating letter received from CRISIL Ratings Limited is enclosed.

You are requested to take note of the above.

Thanking You,

Yours faithfully,

For **The Great Eastern Shipping Company Limited**

Anand Punde
Company Secretary
anand_punde@greatship.com

RL/GTSHILTD/363086/BLR/0225/110376
February 28, 2025



Mr. G Shivakumar
Chief Financial Officer
Greatship India Limited
Indiabulls Finance Centre
Tower 3 23rd Centre
"Senapati Bapat Marg Elphinstone Road West "
Mumbai City - 400013
9920038098

Dear Mr. G Shivakumar,

Re: Review of Crisil Ratings on the bank facilities of Greatship India Limited

All ratings assigned by Crisil Ratings are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for the debt instruments/facilities of the company, and the rating actions by Crisil Ratings on the ratings as on date.

Total Bank Loan Facilities Rated	Rs.335 Crore
Long Term Rating	Crisil AA+/Stable (Upgraded from 'Crisil AA/Positive')

(Bank-wise details as per Annexure 1)

As per our Rating Agreement, Crisil Ratings would disseminate the ratings, along with the outlook, through its publications and other media, and keep the ratings, along with the outlook, under surveillance over the life of the instrument/facility. Crisil Ratings reserves the right to withdraw, or revise the ratings, along with the outlook, at any time, on the basis of new information, or unavailability of information, or other circumstances which Crisil Ratings believes may have an impact on the ratings. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

In the event of the company not availing the proposed facilities within a period of 180 days from the date of this letter, a fresh letter of revalidation from Crisil Ratings will be necessary.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

Parth Shah
Associate Director - Crisil Ratings

Nivedita Shibu
Director - Crisil Ratings



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Crisil Ratings Limited

Corporate Identity Number: U67100MH2019PLC326247

Office Address: Lightbridge IT Park, Saki Vihar Road, Andheri East, Mumbai – 400 072, India.

Registered Office Address: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400 076, India.

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Annexure 1 - Bank-wise details of various facility classes (outstanding facilities)

S.No.	Bank Facility	Bank	Amount (Rs. in Crore)	Outstanding Rating
1	Working Capital Demand Loan	Kotak Mahindra Bank Limited	100	Crisil AA+/Stable
2	Working Capital Demand Loan	ICICI Bank Limited	100	Crisil AA+/Stable
3	Working Capital Demand Loan	YES Bank Limited	25	Crisil AA+/Stable
4	Working Capital Demand Loan	Standard Chartered Bank	110	Crisil AA+/Stable
	Total		335	

1-4. Interchangeable between non-fund-based facilities such as bank guarantee and letter of credit

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Rating Rationale

February 28, 2025 | Mumbai

Greatship India Limited Rating upgraded to 'Crisil AA+/Stable'

Rating Action

Total Bank Loan Facilities Rated	Rs.335 Crore
Long Term Rating	Crisil AA+/Stable (Upgraded from 'Crisil AA/Positive')

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has upgraded its rating on the long-term bank facilities of Greatship India Limited (GIL) to '**Crisil AA+/Stable**' from '**Crisil AA/Positive**'.

The rating upgrade follows a similar rating action for its parent, The Great Eastern Shipping Company Ltd (GESCO; '**Crisil AAA/Stable**'). The rating factors in GIL's strong operational and financial linkages with and strategic importance to GESCO.

The rating continues to reflect the healthy business risk profile of the company, supported by a young, technologically advanced and diverse fleet. Basis the current assessment, the utilization rate for the company's 4 rigs and 19 support vessels is estimated to be ~93% and 85% respectively, during the first nine months of fiscal 2025. The rating also factors in improvement in charter rates in domestic as well as global market, supported by revival in oilfield services business.

The operating performance of the company was healthy in fiscal 2024 and in the first nine months of fiscal 2025. One of GIL's rigs whose contract ended in fiscal 2024, was re-contracted at a charter rate about 70% higher than the previous rate and deployed from January 2024. The contracts for two other rigs which expired in the last 3-4 months are likely to be renewed in fiscal 2026 at better rates. Furthermore, though charter rates are inherently volatile, the existing market rates are higher than the lows seen in the 2017-19 period. Crisil Ratings understands that GIL enters into contracts which are locked in for the two-three years and thus provide medium-term revenue visibility.

The financial risk profile is supported by comfortable capital structure, improving debt protection metrics and healthy liquidity. GIL is a wholly owned subsidiary of GESCO which follows a conservative risk management policy, wherein a stress test is conducted on a quarterly basis to ensure sufficient cash is available to service debt obligation over the next three fiscals, even under a stressed earnings scenario.

These strengths are partially constrained by volatility in operating performance, owing to susceptibility of charter rates to fluctuations in crude oil prices, which are inherently volatile.

Analytical Approach

For arriving at its rating, Crisil Ratings has combined the business and financial risk profiles of GIL and its subsidiaries as these entities are in similar businesses and have strong operational and financial linkages. Furthermore, Crisil Ratings factors in the expected financial and operational support from GESCO, given GIL's strategic importance to the parent.

Crisil Ratings has treated preference shares of Rs. 360 crore, provided by GESCO, as debt since these shares have a fixed dividend payment and are due for redemption in four equal annual tranches starting from fiscal 2026.

Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.

Key Rating Drivers & Detailed Description

Strengths:

- **Young, technologically advanced and diverse fleet:** The company has 19 offshore-support vessels (nine anchor-handling tug-cum-supply vessels, four platform supply vessels, two multi-purpose platform supply and support vessels and four remotely operated, vehicle-support vessels) and four jack-up rigs. It strategically maintains a young and technologically advanced fleet, which has better functionality and operating efficiency than older rigs/vessels and

ensures wider acceptability and higher utilisations. The average age of its offshore support vessels and rigs (around 14.8 years and 13.3 years respectively as on January 28, 2025) is significantly lower than the industry average of 20 years and 30 years respectively.

- **Strategic importance to, and financial linkages with GESCO:** Revenue from GIL accounts for 15-20% of the parent's consolidated revenue. Considering GIL's strategic importance to GESCO, Crisil Ratings believes the parent will continue to provide operational, managerial and financial support to GIL.
- **Healthy financial risk profile:** The financial risk profile is supported by comfortable gearing and adequate liquidity. As on December 31, 2024, debt (including preference shares) was Rs 1126 crore, gearing was 0.38 time, and net debt was Rs 75 crore. The financial risk profile is expected to remain comfortable over the medium term considering the company's conservative risk management policy, in terms of maintaining the leverage threshold and liquidity, which has resulted the gearing to always remain below 1 time. With no major capital expenditure (capex) plans, the company is expected to deleverage the balance sheet over the medium term.

Weakness:

- **Susceptibility of charter rates to inherent volatility in crude oil prices:** Profitability and cash flow in the offshore business depend on offshore charter rates, which are dependent on offshore and deep-water expenditure incurred by oil majors. Offshore and deep-water block investments, which are larger than those in onshore blocks, are highly sensitive to crude oil prices. With slowdown in global oil and gas exploration and production (E&P) capex, demand for offshore equipment has declined over the past six years. Consequently, charter rates for offshore vessels and rigs have fallen by over 50%. While charter rates for the recently contracted rigs have improved, they are well below the \$100,000 per day seen in the last upcycle. Also, vessels and rigs fixed on term contracts during the downturn will drag the operating performance.

Liquidity: Strong

Cash and cash equivalent was adequate around Rs 1,040 crore as on December 31, 2024. The company is expected to generate cash accrual of Rs 550-650 crore in fiscals 2026 and 2027. Annual cash accrual as well as the surplus liquidity maintained, will be sufficient to cover its near-term annual repayment obligations of Rs. 300-400 crore in fiscals 2026 and 2027. GIL has received financial support from its parent, GESCO, in the past through infusion of funds in the form of preference shares and guarantees extended for outstanding debt and is expected to continue to receive support during exigencies. Furthermore, GIL has sufficient gearing headroom to contract additional debt, if required.

Outlook: Stable

Crisil Ratings believes GIL's credit risk profile will benefit from adequate revenue visibility, healthy liquidity and continued support from the parent.

Rating sensitivity factors

Upward factors

- Improvement in operating performance, resulting in return of capital employed (RoCE) of more than 15% on a sustained basis
- Substantial improvement in financial risk profile and build-up of liquidity cushion

Downward factors

- Sustained fall in rig charter rates to less than \$50,000 per day
- Lower-than-expected utilisation of vessels or rigs, weakening the cash accrual and debt protection metrics
- Reduced support from the parent or downgrade in the rating of GESCO by one or more notches

About the Company

Incorporated in 2002, GIL is a wholly owned subsidiary of GESCO. Along with its subsidiaries, GIL provides services in the offshore energy E&P domain and has presence in the offshore oilfield logistics support services, offshore construction services and offshore drilling services segments.

GESCO, set up in 1948, is the largest private sector shipping company in India. It operates under two businesses i.e. tankers and dry bulk carriers wherein it owns and operates 38 vessels (26 tankers and 12 dry bulk carriers) with a combined capacity of 30.4 lakh dead weight tonnage (as on February 21, 2025).

Key Financial Indicators (Crisil Ratings-adjusted)

Particulars	Unit	2024	2023
Operating income	Rs crore	1053	902
Profit after tax (PAT)	Rs crore	135	34
PAT margin	%	12.8	3.7
Adjusted debt/adjusted networth	Times	0.44	0.54
Adjusted interest coverage	Times	5.09	3.12

Any other information: Not Applicable

Note on complexity levels of the rated instrument:

Crisil Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

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Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Working Capital Demand Loan*	NA	NA	NA	335.00	NA	Crisil AA+/Stable

*Interchangeable between non-fund-based facilities such as bank guarantee and letter of credit

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Greatship Global Energy Services Pte. Ltd., Singapore	Full	Strong operational and financial linkages
Greatship Global Offshore Services Pte. Ltd., Singapore	Full	Strong operational and financial linkages
Greatship (UK) Ltd., United Kingdom	Full	Strong operational and financial linkages
Greatship Oilfield Services Ltd, India	Full	Strong operational and financial linkages

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	335.0	Crisil AA+/Stable		--	09-09-24	Crisil AA/Positive	02-01-23	Crisil AA-/Stable	02-09-22	Crisil AA-/Stable	Withdrawn
			--		--	19-06-24	Crisil AA/Positive		--		--	--
			--		--	01-04-24	Crisil AA/Stable		--		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Working Capital Demand Loan ^{&}	110	Standard Chartered Bank	Crisil AA+/Stable
Working Capital Demand Loan ^{&}	100	ICICI Bank Limited	Crisil AA+/Stable
Working Capital Demand Loan ^{&}	100	Kotak Mahindra Bank Limited	Crisil AA+/Stable
Working Capital Demand Loan ^{&}	25	YES Bank Limited	Crisil AA+/Stable

[&]Interchangeable between non-fund-based facilities such as bank guarantee and letter of credit

Criteria Details

Links to related criteria
Basics of Ratings (including default recognition, assessing information adequacy)
Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)
Criteria for factoring parent/ group/government linkages
Criteria for consolidation

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