

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



OCEAN HOUSE, 134/A, Dr. Annie Besant Road, Worli, Mumbai - 400 018, INDIA. Tel.: +91(22) 6661 3000 / 2492 2100 Fax : +91(22) 2492 5900

Our Ref.: S/041/2017/JMT

February 16, 2017

**BSE Limited**

1<sup>st</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
MUMBAI – 400 001

**National Stock Exchange of India Limited**

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

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, investor meet of the Company is scheduled to be held as follows:

Meeting scheduled with	Venue	Type	Date
Phillips Capital	Mumbai	Group	20-Feb-17
Fu Hwa - Taiwan	Mumbai	1-on-1	22-Feb-17

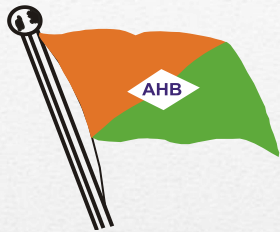
We enclose herewith the presentation to be made in this relation.

You are requested to kindly take note of the same.

Thanking You,  
Yours faithfully,  
For **The Great Eastern Shipping Co. Ltd.**

**Jayesh M. Trivedi**  
**President (Sec. & Legal) & Company Secretary**

CC: Luxembourg Stock Exchange, LUXEMBOURG. [ost@bourse.lu](mailto:ost@bourse.lu)



The Great Eastern Shipping Co. Ltd.

**Business & Financial Review**

**February 2017**

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# Forward Looking Statements

Except for historical information, the statements made in this presentation constitute forward looking statements. These include statements regarding the intent, belief or current expectations of GE Shipping and its management regarding the Company's operations, strategic directions, prospects and future results which in turn involve certain risks and uncertainties.

Certain factors may cause actual results to differ materially from those contained in the forward looking statements; including changes in freight rates; global economic and business conditions; effects of competition and technological developments; changes in laws and regulations; difficulties in achieving cost savings; currency, fuel price and interest rate fluctuations etc.

The Company assumes no responsibility with regard to publicly amending, modifying or revising the statements based on any subsequent developments, information or events that may occur.

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# Corporate Profile

## The Great Eastern Shipping Company

**Shipping (Bulk)**

**Offshore**

(Through wholly-owned subsidiary  
Greatship (India) Limited)

**Tankers**

- Crude  
- Products

**Bulk**

**Logistics**

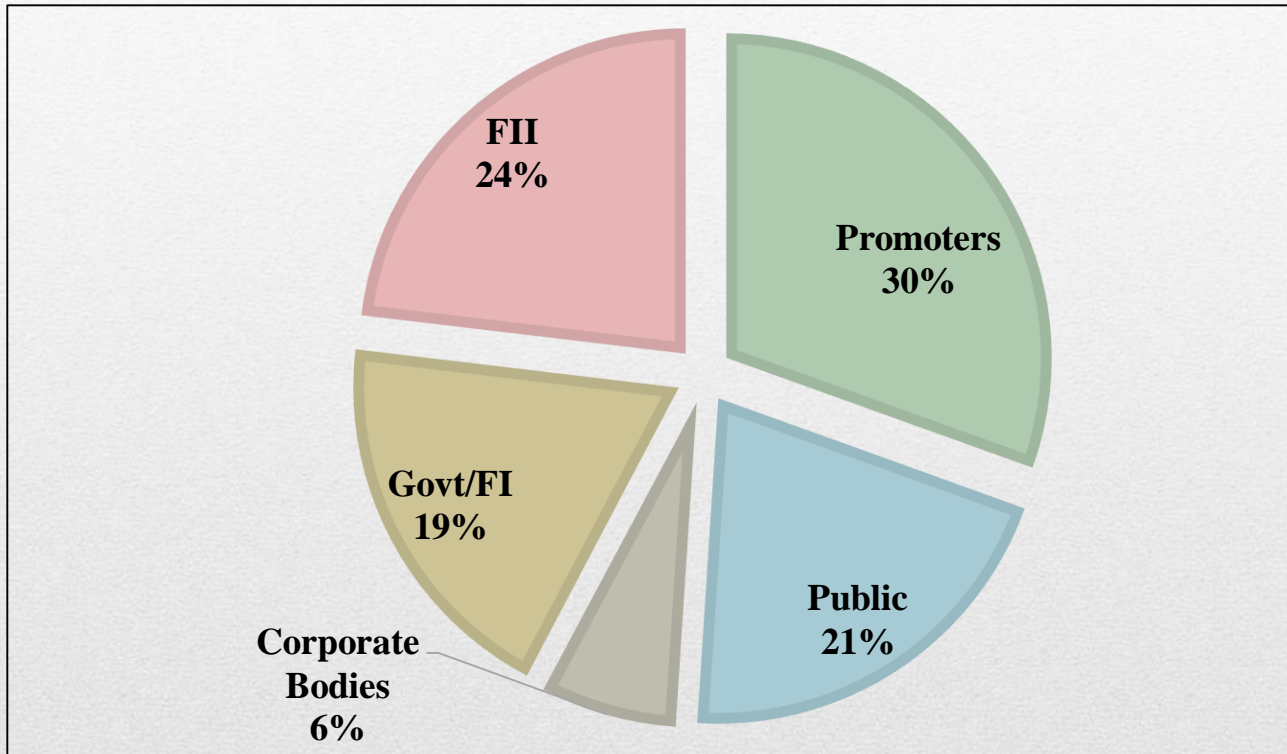
**Drilling**

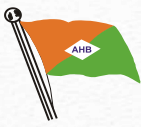
**India's largest private sector shipping company.  
Over 69 years of experience**



# Shareholding Pattern

## Shareholding Pattern as on December 31, 2016





# Shipping business - owned fleet

Sr. No.	Vessel Name	Type	Sr. No.	Vessel Name	Type
1	Jag Lalit	Suezmax	26	Jag Vishnu	VLGC
2	Jag Lok	Suezmax	27	Jag Vidhi	VLGC
3	Jag Lateef	Suezmax	<b>2 Gas Carriers; Age - 22 years</b>		
4	Jag Lakshita	Suezmax	28	Jag Anand	Capesize
5	Jag Laadki	Suezmax	29	Jag Aarati	Kamsarmax
6	Jag Lyall	Aframax	30	Jag Aditi	Kamsarmax
7	Jag Lata	Aframax	31	Jag Arya	Kamsarmax
8	Jag Lavanya	Aframax	32	Jag Arnav	Kamsarmax
9	Jag Leela	Aframax	33	Jag Ajay	Kamsarmax
10	Jag Laxmi	Aframax	34	Jag Aalok	Kamsarmax
<b>10 Crude Carriers ; Average Age – 12.6 years</b>			35	Jag Akshay	Kamsarmax
11	Jag Aabha	LR1	36	Jag Amar	Kamsarmax
12	Jag Aanchal	LR1	37	Jag Ratan	Supramax
13	Jag Amisha	LR1	38	Jag Rahul	Supramax
14	Jag Aparna	LR1	39	Jag Rishi	Supramax
15	Jag Pahel	MR	40	Jag Rani	Supramax
16	Jag Pankhi	MR	41	Jag Roopa	Supramax
17	Jag Prabha	MR	42	Jag Radha	Supramax
18	Jag Prakash	MR	<b>15 Bulk Carriers; Average Age – 5.1 years</b>		
19	Jag Pushpa	MR	<b>42 Vessels Average Age – 9.58 years Total dwt - 3.38 mn</b>		
20	Jag Prerana	MR			
21	Jag Pranav	MR			
22	Jag Pranam	MR			
23	Jag Padma	MR			
24	Jag Punit	MR			
25	Jag Pooja	MR	<b>15 Product Carriers; Average Age – 9.7 years</b>		



# Vessels on Order & Capital Expenditure

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Committed Capex - ~\$74 Mn  
Payable as on Feb-2016 - ~\$67 Mn

## Vessels on Committed Order & Expected Delivery

Vessel	Yard	Expected Delivery
2 Suezmax Secondhand Crude Carriers	Samsung Heavy Industries Co. Ltd, South Korea	Q4FY17





# Key points on Tanker Markets – Q4CY16

## **Asset Prices:**

-VLCC 5 yr old prices have gone down by 25% in Y-O-Y Q42016

## **Freight rates:**

-BDTI touched a 3-year high of 1,088 in January 2017 and corrected back to 846 & BCTI touched a 5-year high of 867 in January 2017 and corrected back to 580.

## **Crude Market:**

-Crude oil supply increased slightly due to rampant OPEC production more than offsetting the decline in non-OPEC supplies.

## **Product Market:**

-Refinery runs improved Y-O-Y due to improvement in refinery margins. LR Freight rates improved significantly as long haul Naphtha arbitrage into Asia showed signs of recovery. US Exports increased due to refinery outages in Latin American countries

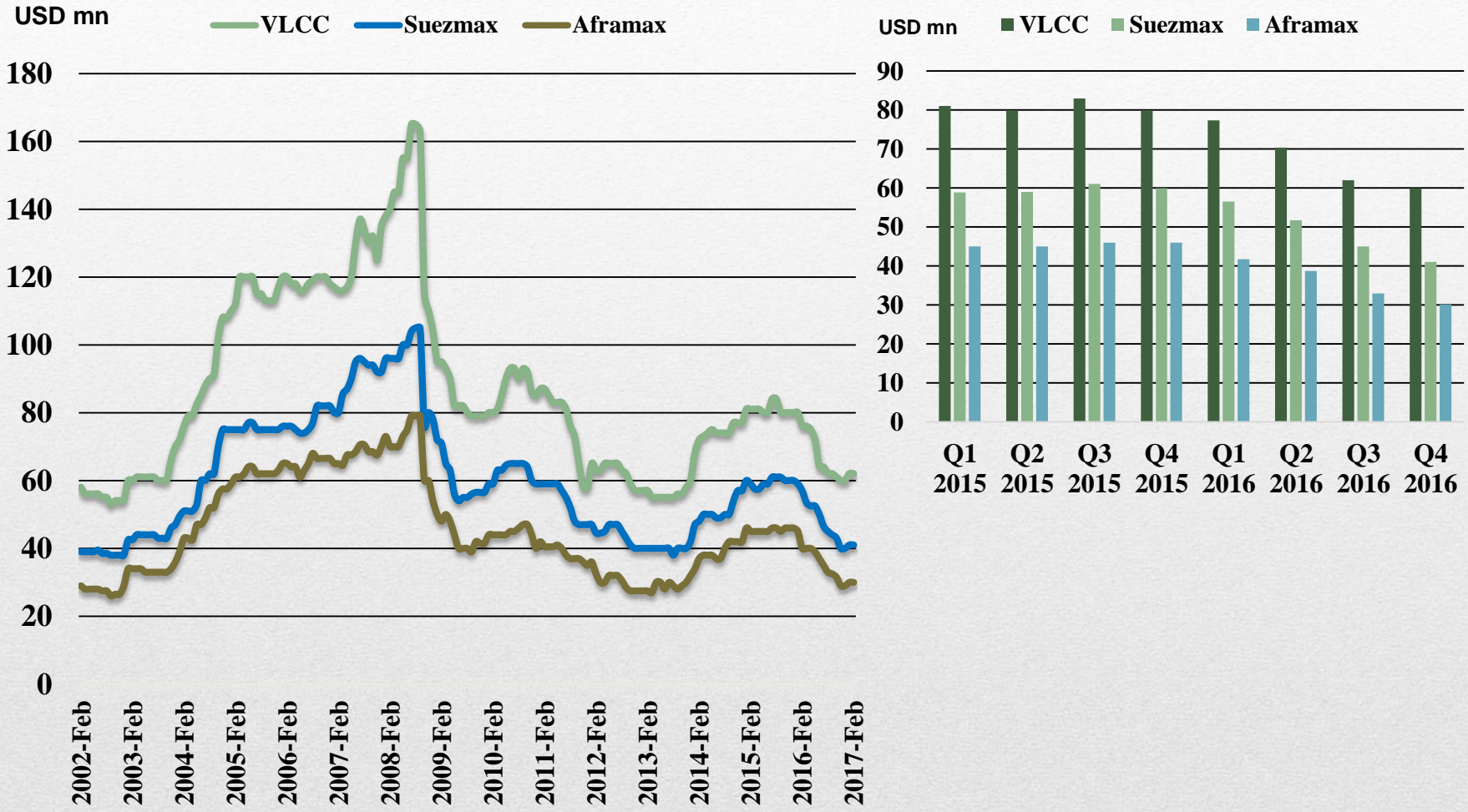
## **Fleet Growth:**

-Crude Tankers fleet growth in CY16 is 3.28% and product tankers fleet growth is 10.59%





# Tankers – Asset Price movement (5-year old)

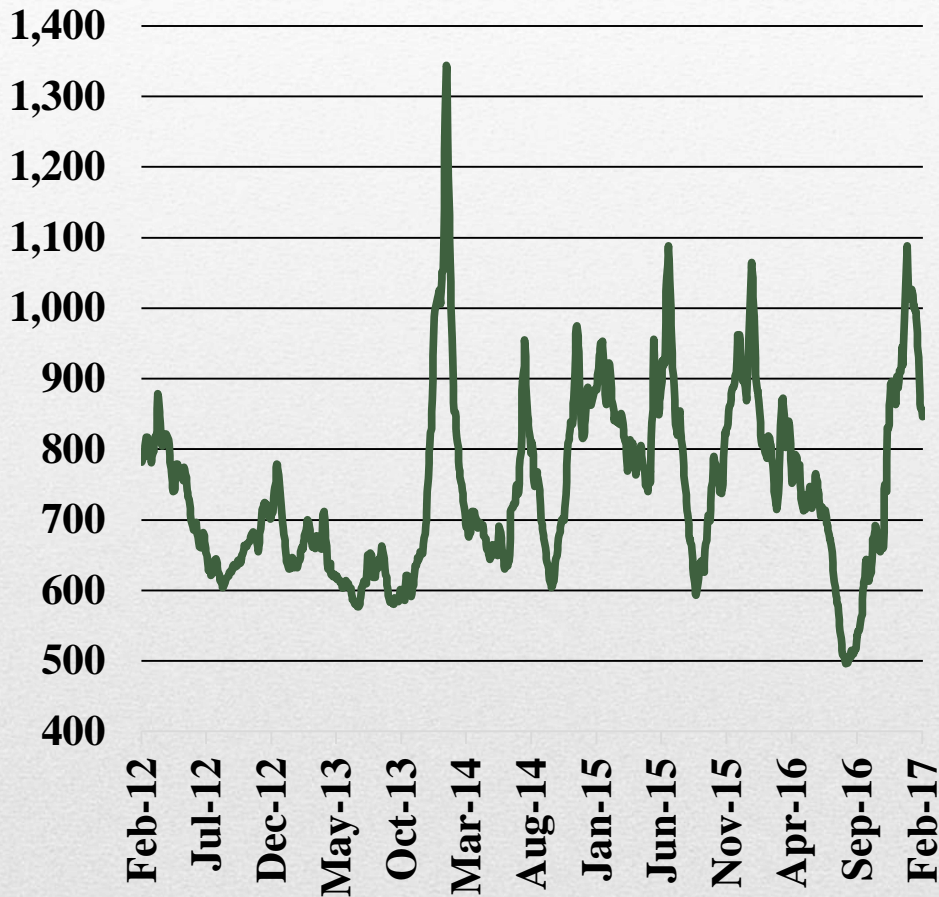


Source – Industry Reports

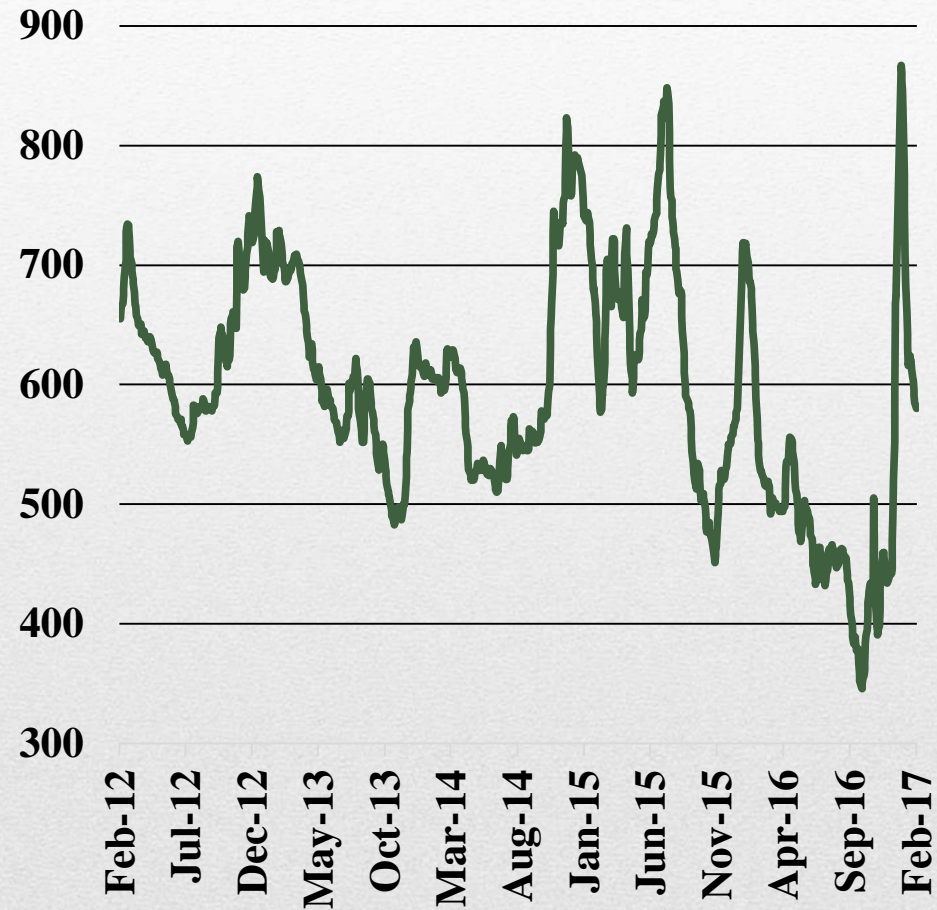


# Recovery of BDTI & BCTI

## Baltic Dirty Tanker Index



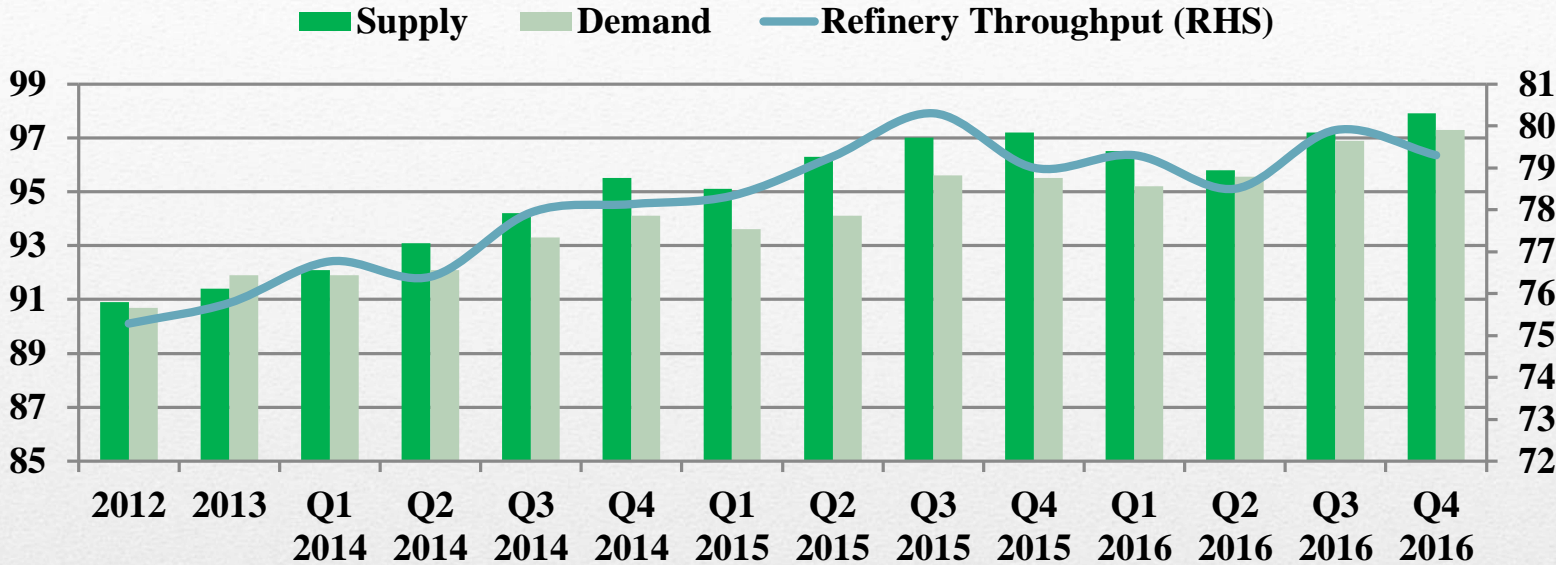
## Baltic Clean Tanker Index



Source – Industry Reports



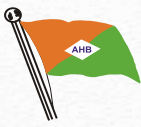
# Supply - driven Demand ahead of OPEC Cut



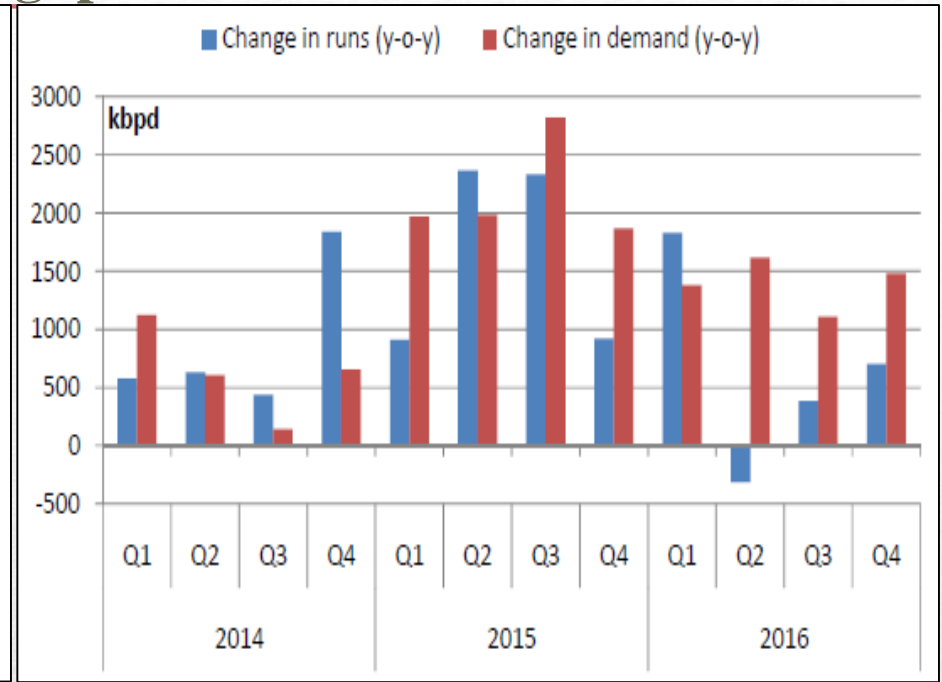
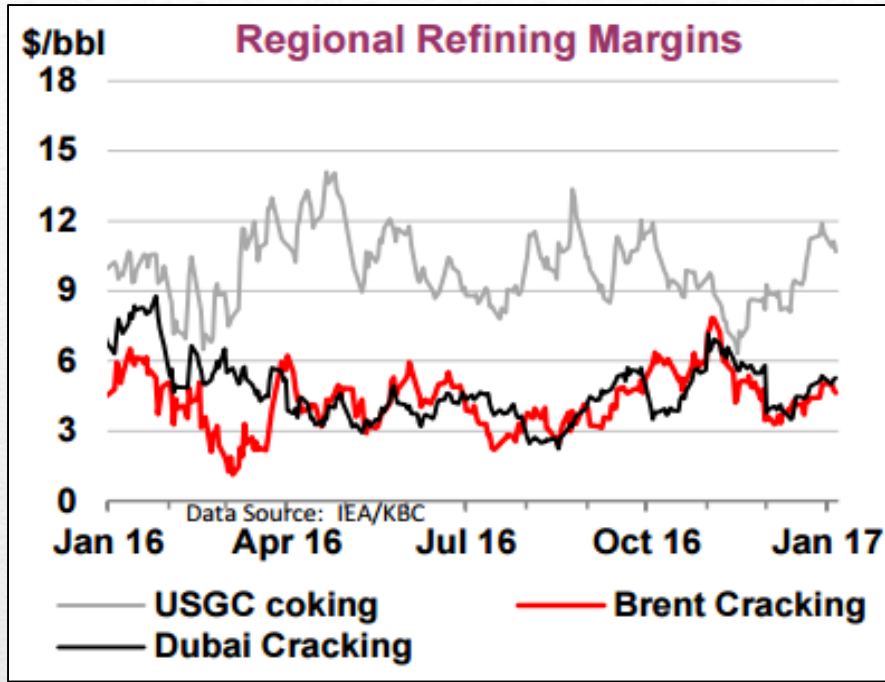
- In Q4CY16, Crude tankers rates improved due to the seasonality and piling of oil stock.
- In Q4CY16, Product tanker rates increased on account of higher refinery runs and arbitrage opportunity on Naphtha long haul.

Source – Industry Reports





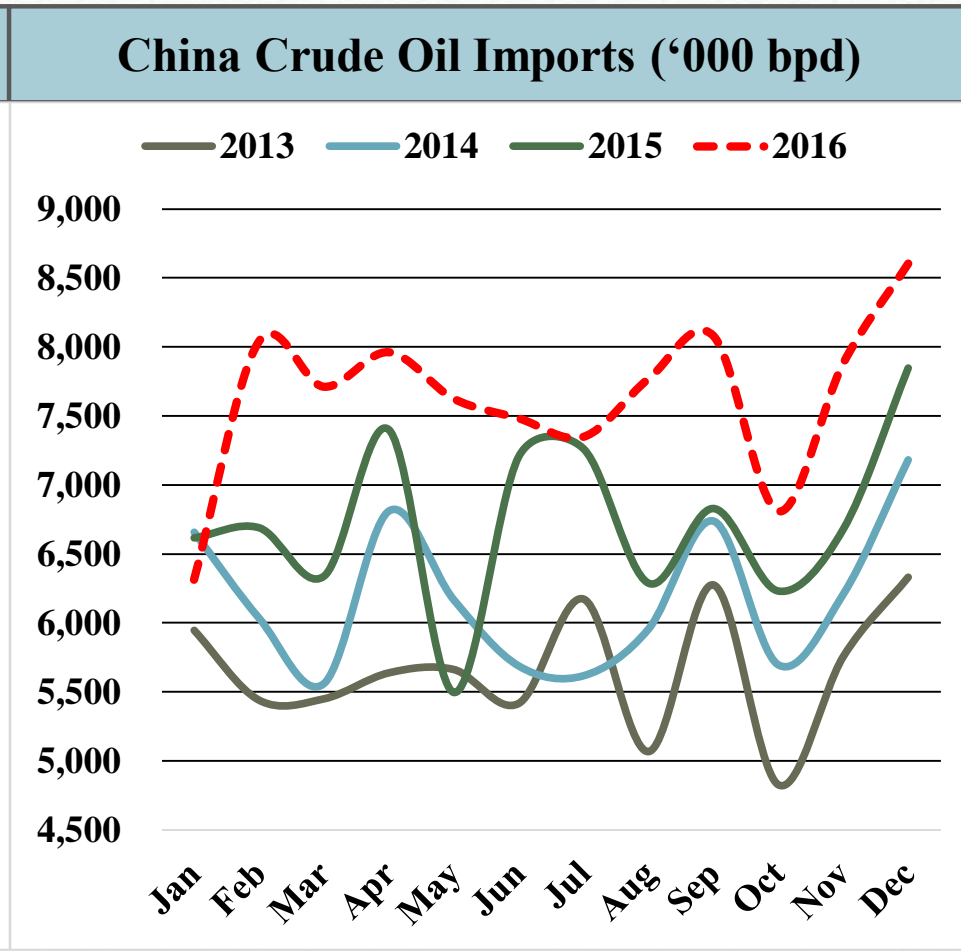
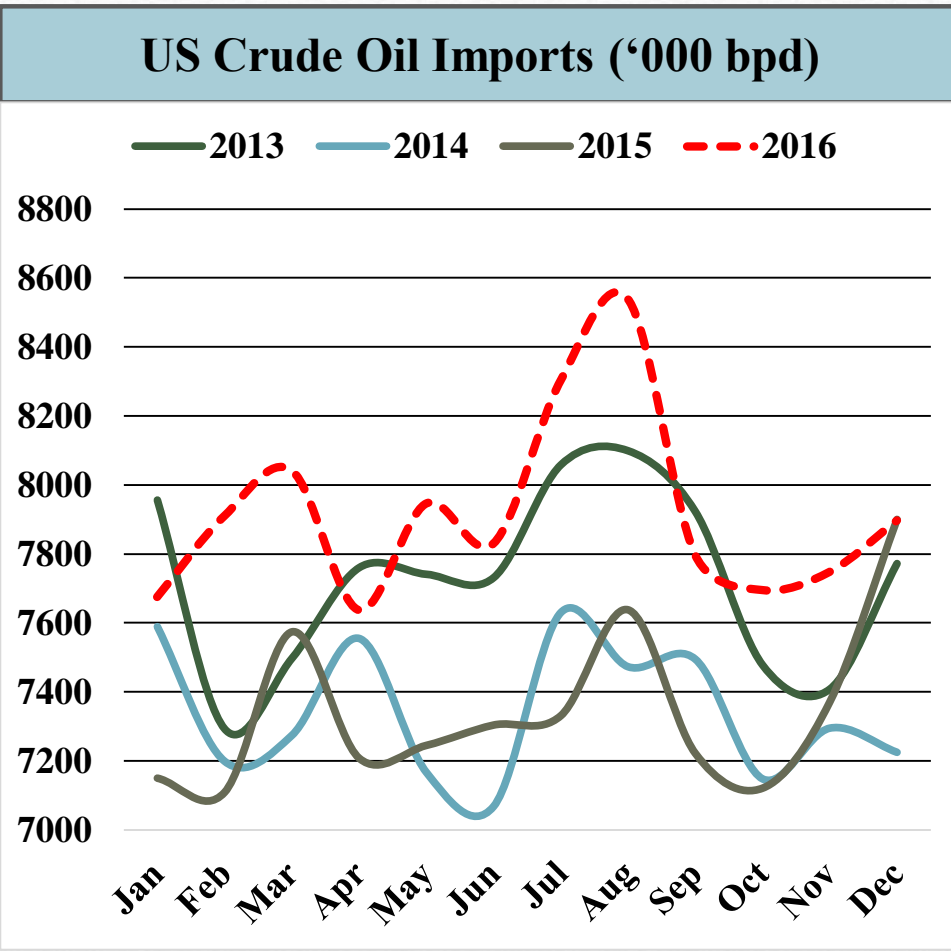
# Improvement in margins leading to higher refinery throughput



- Due to continued unplanned refinery stoppages, gasoline and diesel cracks were pushed higher, resulting in as much as \$2/bbl month-on-month gains for margins in Q4CY2016.
- Q4CY2016 global refinery throughput is up by 520 kb/d Y-O-Y at 79.26 mb/d.



# CY2016 has seen higher imports due to low oil price



Source – Industry Reports



## World Fleet Growth – Crude Tankers

Tanker Fleet - mn Dwt	1st Feb 2017	1st Jan 2016	1st Jan 2015	1st Jan 2014
VLCC	218.04	200.00	193.75	186.13
Suezmax	80.93	71.09	69.68	68.43
Aframax	67.21	64.37	64.15	63.71
<b>Total (80k+)</b>	<b>366.18</b>	<b>335.46</b>	<b>327.58</b>	<b>318.27</b>

Order Book - mn dwt	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	<i>7%</i>	<i>6%</i>	<i>0%</i>	<i>13%</i>

**Slippage – 30% CY2016**





# World Fleet Growth – Product Tankers and VLGC

Product Fleet - mn Dwt	1st Feb 2017	1st Jan 2016	1st Jan 2015	1st Jan 2014
LR2	34.87	30.44	27.42	26.93
LR1	25.66	23.75	23.72	23.61
MR	91.14	82.95	78.40	75.74
<b>Total (35k+)</b>	<b>151.67</b>	<b>137.14</b>	<b>129.54</b>	<b>126.28</b>

Order Book - mn dwt	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	<b>6%</b>	<b>3%</b>	<b>1%</b>	<b>10%</b>

Fleet - No. of Vessels	1st Feb 2017	1st Jan 2016	1st Jan 2015
<b>VLGC</b>	<b>247</b>	<b>199</b>	<b>164</b>

Order Book - No. of Vessels	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	<b>11%</b>	<b>2%</b>	<b>3%</b>	<b>17%</b>

**Slippage (Product) – 30% CY2016**



# Key points on Dry Bulk Markets – Q4CY16

## **Asset Prices:**

- Capesize 5 year old continues to remain low at \$24 Mn (Consistent with previous 3 quarters)
- Panamax & Supramax 5 year olds continues to trade at \$14-\$15 Mn levels

## **Freight rates:**

- BDI has declined from high of 1200+ in Dec'16 to 714 in Feb'17

## **Coal Market:**

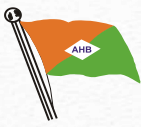
- Coal imports improved significantly for China whereas declined for India

## **Iron Ore Market:**

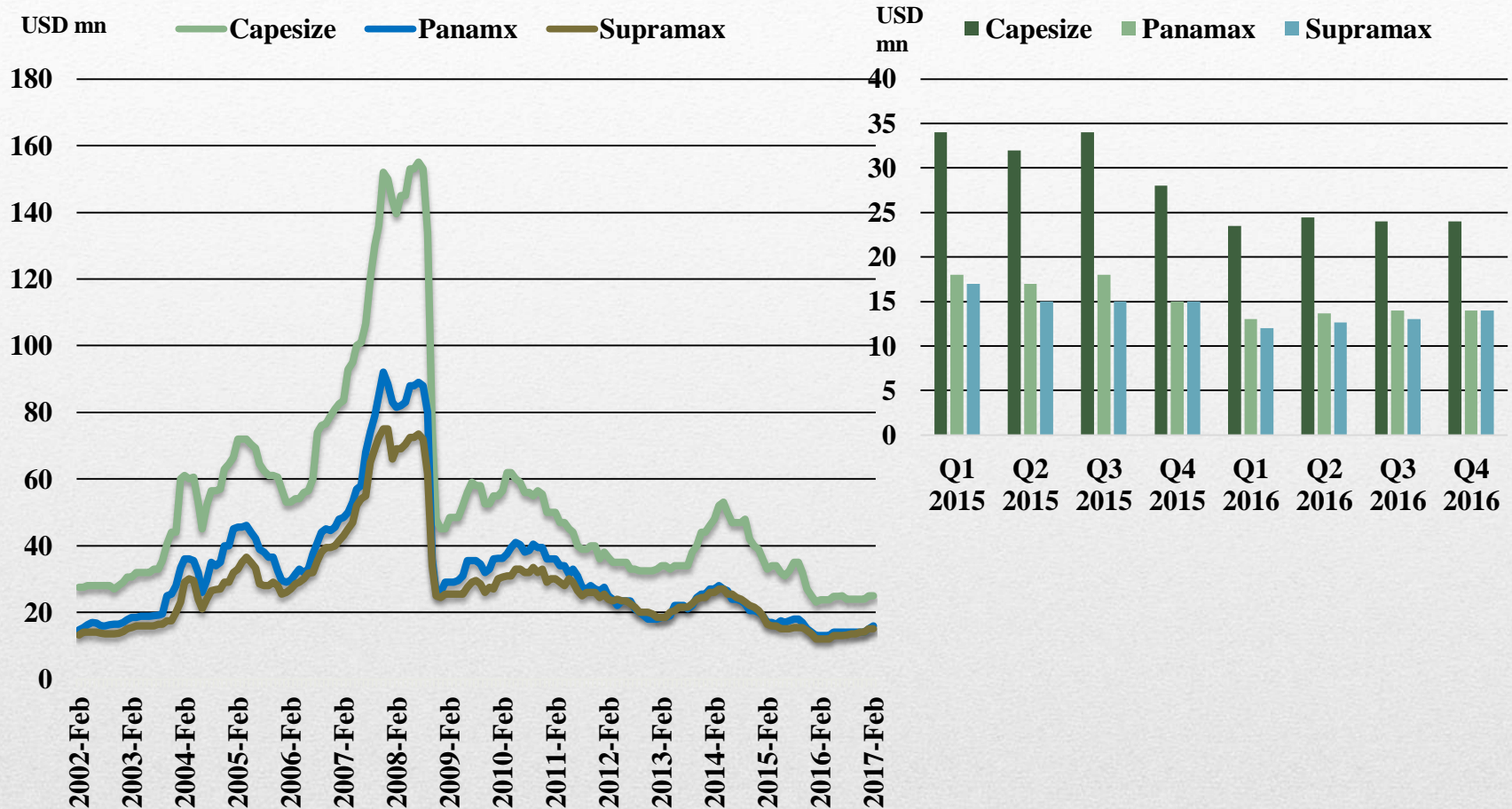
- China's Iron Ore imports grew by 7.4% in CY2016 compared to 2% in CY2015

## **Fleet Growth:**

- Dry Bulk fleet growth in CY16 is around 2%



# Bulkers – Asset Prices (5-year old)



**Dry Bulk asset prices remains at 20-year low**





# Baltic Dry Index (Feb 2014 – Feb 2017)

Dry Bulk freight rates has corrected during this quarter

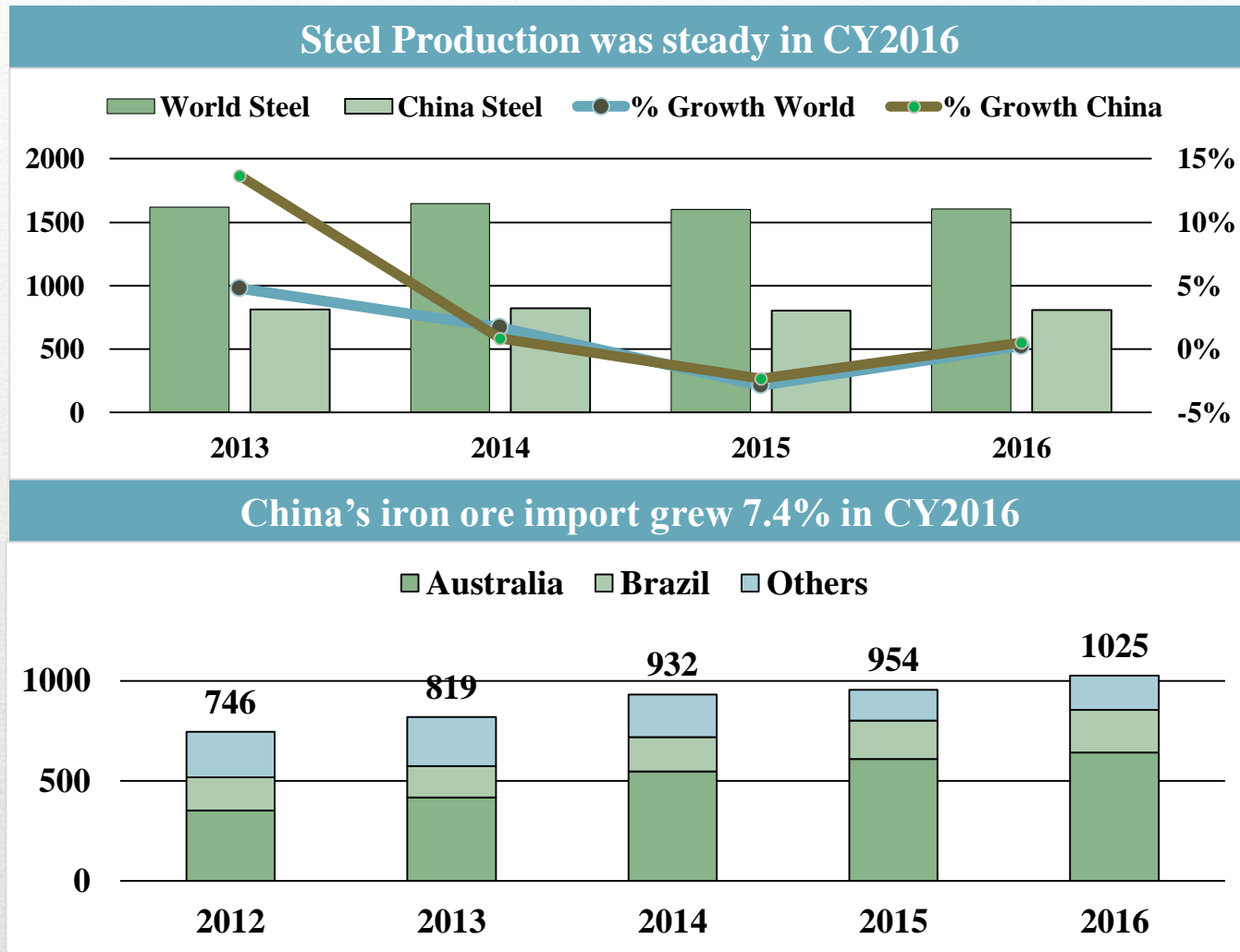
Baltic Dry Index



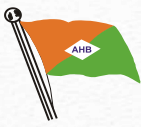
Baltic Dry Index has moved down to 714 in Feb'17 from a 2 years high of 1,257 in Dec'16



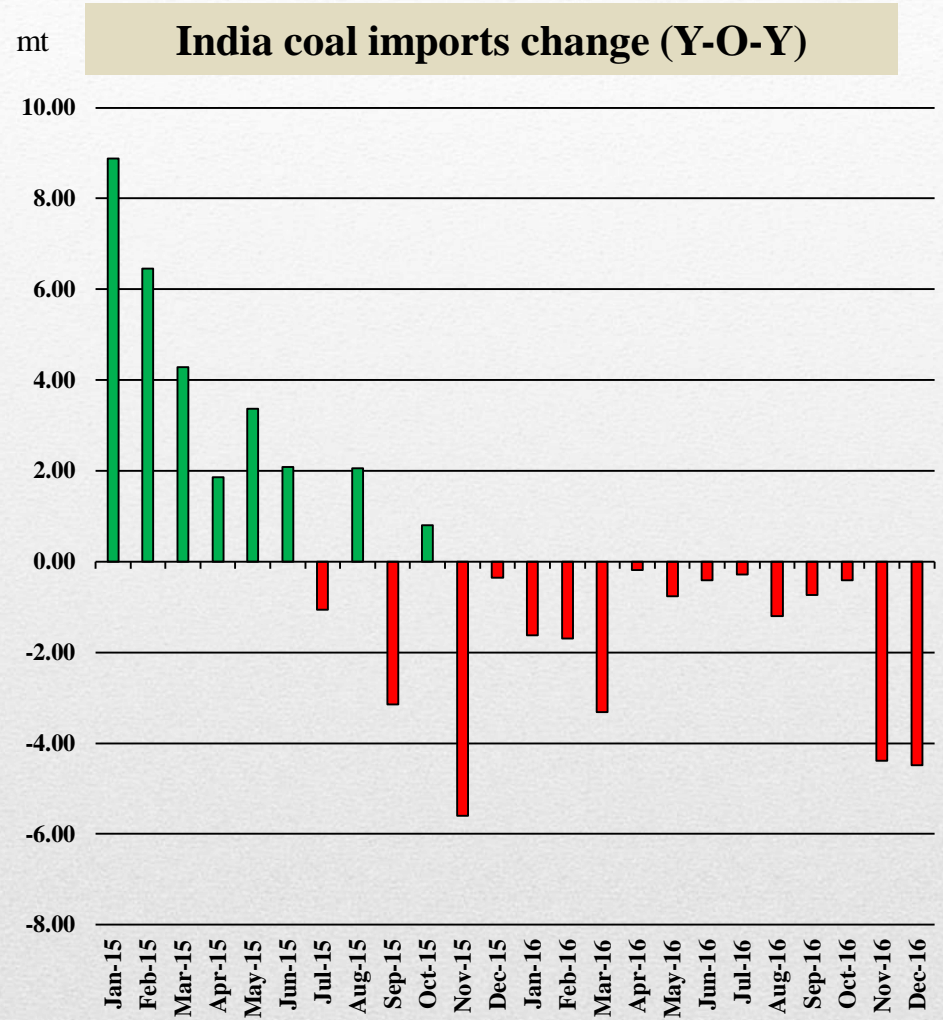
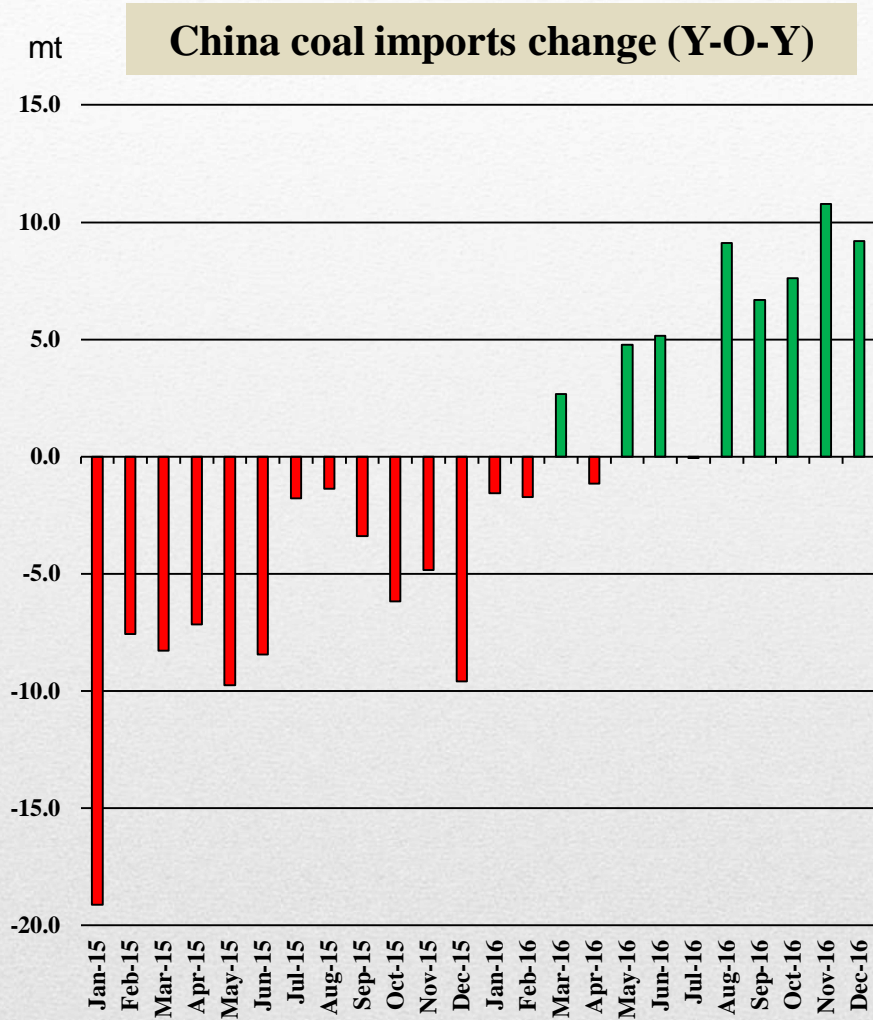
# China's iron ore import grows with decent numbers



Source – Industry Reports



# Coal imports by China shows signs of recovery



Source – Industry Reports





## World Fleet Growth – Dry Bulk

Fleet - Mn Dwt	1st Feb 2017	1st Jan 2016	1st Jan 2015
Capesize	317	309	307
Panamax	198	195	192
Handymax	191	180	167
Handysize	95	93	91
<b>Total</b>	<b>800</b>	<b>776</b>	<b>757</b>

	2017	2018	2019+	Total
Gross Orderbook %Fleet	6%	2%	1%	10%

**Slippage – 48% CY2016**



# Accelerated scrapping in Dry Bulk

## Scrapping as % of world fleet (year-wise)

Vessel Category	Fleet as on		Scrapping		
	February 17 (in mn dwt)	2016	2015	2014	2013
Crude	366	0.35%	0.23%	1.60%	2.40%
Product	152	0.62%	0.61%	1.19%	1.69%
Dry Bulk	800	3.67%	4.03%	2.25%	3.36%



# **Greatship (India) Limited**

**(a 100% subsidiary)**

## **Business Review**

**February 2017**

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# Offshore business- Fleet Profile

## The Greatship Group

### ➤ Current Owned Fleet

- **4 Jack Up Rigs (350ft)**
- **5 Platform Supply Vessels (PSV)**
- **8 Anchor Handling Tug cum Supply Vessels (AHTSV)**
- **2 Multipurpose Platform Supply and Support Vessels (MPSSV)**
- **5 Platform / ROV Support Vessels (ROVSV)**

### High Fleet Utilization

Category	Extent of coverage of fleet's operating days (per cent) (FY17)
PSV	40
ROVSV	71
AHTSV	89
MPSSV	50
Jackup Rigs	78

\* 1 Platform Supply Vessel "Greatship Disha" contracted to sell



## Key points on E&P markets – Q4FY16

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### Day rates:

- Day rates for both AHTS & PSV have come off by ~45%-50% since 2014

### Fleet Growth:

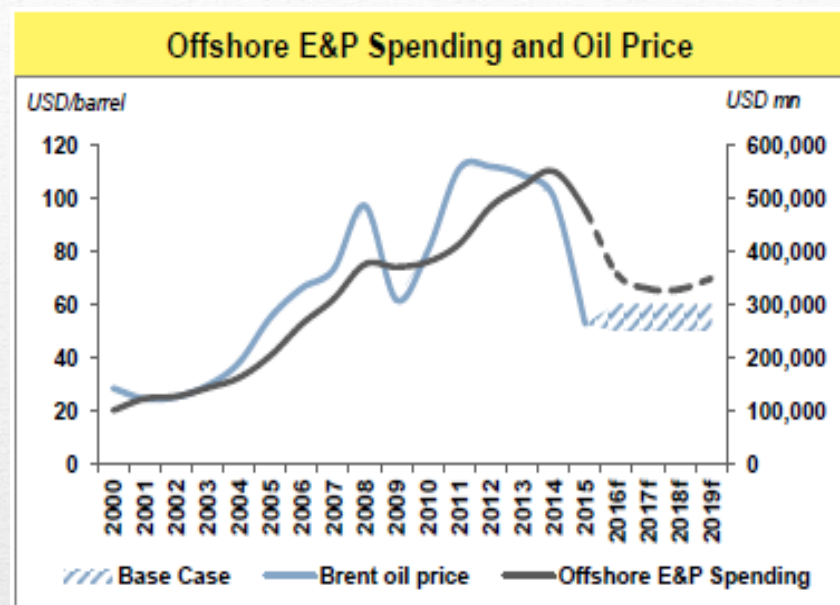
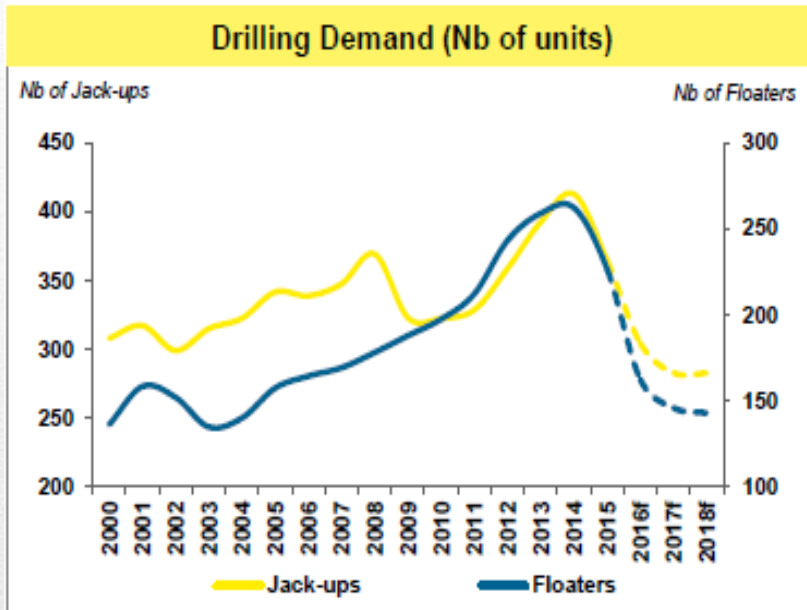
- Rigs: No growth from previous quarter
- OSV's: No growth from previous quarter

Fleet Utilization Levels: Sub 55%

### Slippage:

- OSV – 60% - 70% CY2016
- Rigs – 60% - 70% CY2016

# Double-digit decline in drilling demand in CY2016



- Drilling demand has been declining continuously since the peak in 2014
- With the Brent oil price falling sharply since 2014, Offshore E&P spending has also come off significantly



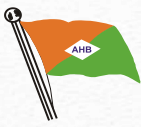


# Global Fleet Supply – Offshore

## Fleet & Orderbook

(Nos)	Jackup Rigs	AHTSVs	PSV
Current Fleet	542	2130	1630
Orderbook	103	175	199
<i>% of O/B to current fleet</i>	<i>19%</i>	<i>8%</i>	<i>12%</i>

- **CY2016 actual deliveries have been far lower than scheduled. Due to bleak employment scenario owners have refrained from taking delivery. A lot of deliveries due in 2016 were pushed forward to 2017. Going forward slippage is expected to remain high.**
- **Asset utilization levels continue to come off. For premium Jack ups, lack of contract renewals has resulted in utilization levels coming down from around 90% at the start of 2014 to sub 55% as on date.**
- **In case of PSVs and AHTSVs more than half the fleet is either idle/stacked or working in spot market at a very low utilization.**



# FINANCIAL HIGHLIGHTS

Q3 FY 2016-17

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# Q3 FY 2016-17 Financial Highlights

Standalone			Key Figures	Consolidated		
Q3 FY'17	Q3 FY'16	9M FY'17	(Amount in Rs. crs)	Q3 FY'17	Q3 FY'16	9M FY'17
			<b>Income Statement</b>			
567.99	580.31	1609.15	Revenue (including other income)	920.49	1037.97	2754.56
338.24	317.01	914.51	EBITDA (including other income)	557.77	623.64	1665.17
171.96	201.20	446.05	Net Profit	238.36	358.13	740.73
			<b>Balance Sheet</b>			
10118.52	8970.77	10118.52	Total Assets	16425.34	15545.88	16425.34
5063.31	4799.74	5063.31	Equity	8478.41	7892.66	8478.41
3830.69	2800.56	3830.69	Total Debt (Gross)	6463.56	5912.61	6463.56
284.43	(334.75)	284.43	Long Term Debt (Net of Cash)	1473.89	1703.45	1473.89
			<b>Cash Flow</b>			
158.13	297.05	480.70	From operating activities	404.05	617.79	1199.22
(77.85)	(25.28)	(740.65)	From investing activities	23.58	(209.25)	(676.14)
301.43	(143.34)	800.30	From financing activities	182.64	(126.27)	396.81
381.71	128.43	540.35	Net cash inflow/(outflow)	610.27	282.27	919.89





# Q3 FY 2016-17 Financial Highlights

Standalone			Key Figures	Consolidated		
Q3 FY'17	Q3 FY'16	9M FY'17	(Amount in Rs. crs)	Q3 FY'17	Q3 FY'16	9M FY'17
			<b>Key financial figures</b>			
59.55%	54.63%	56.83%	EBITDA Margin (%)	60.60%	60.08%	60.45%
13.82%	17.13%	12.28%	Return on Equity (ROE) (%)	11.46%	18.62%	12.25%
11.04%	13.07%	10.13%	Return on Capital Employed (ROCE) (%)	8.97%	12.77%	9.43%
0.76	0.58	0.76	Gross Debt/Equity Ratio (x)	0.76	0.75	0.76
0.06	-	0.06	Net Debt/Equity Ratio (x)	0.17	0.22	0.17
67.23	65.85	67.00	Exchange rate USD/INR, average (Rs)	67.23	65.85	67.00
67.92	66.15	67.92	Exchange rate USD/INR, end of period (Rs)	67.92	66.15	67.92
			<b>Share related figures</b>			
11.40	13.34	29.58	Earnings per share, EPS (Rs)	15.81	23.75	49.13
11.38	13.31	29.53	Diluted earnings per share (Rs)	15.78	23.71	49.03
17.71	17.92	47.49	Cash Profit per share (Rs)	28.99	34.84	86.33
3.60	6.00	3.60	Dividend per share (Rs)	3.60	6.00	3.60



# Q2 FY 2016-17 Performance Highlights

## Breakup of revenue days

Revenue Days	Q3'FY17	Q3'FY16
Owned Tonnage	3,339	2,593
Inchartered Tonnage	89	115
<b>Total Revenue Days</b>	<b>3,428</b>	<b>2,708</b>
<b>Total Owned Tonnage (mn.dwt)*</b>	<b>3.23</b>	<b>2.36</b>

\* As on 31<sup>st</sup> December 2016

## Average TCY Details

Average (TCY \$ per day)	Q3'FY17	Q3'FY16	% Chg
Crude Carriers	19,048	30,767	-38%
Product Carriers (Incl. Gas)	16,285	24,092	-32%
Dry Bulk	6,972	6,320	10%

## Mix of Spot & Time

Days (in %)	Q3'FY17	Q3'FY16
<b><u>Dry Bulk</u></b>		
Spot %	45%	92%
Time %	55%	8%
<b><u>Tankers</u></b>		
Spot %	50%	71%
Time %	50%	29%
<b><u>Total</u></b>		
Spot %	49%	73%
Time %	51%	27%



THANK YOU

visit us at [www.greatship.com](http://www.greatship.com)

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