

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



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Our Ref.: S/182/2016/JMT

December 19, 2016

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

Dear Sir,

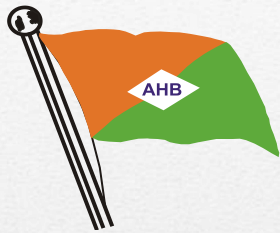
We enclose copy of updated presentation to be made by us in Investor/Analyst Meetings.

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 (SecI. & Legal) & Company Secretary

CC: Luxembourg Stock Exchange, LUXEMBOURG. ost@bourse.lu



The Great Eastern Shipping Co. Ltd.

Business & Financial Review

December 2016



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.



Corporate Profile

The Great Eastern Shipping Company

Shipping (Bulk)

Offshore

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

Tankers

- Crude**
- Products**

Bulk

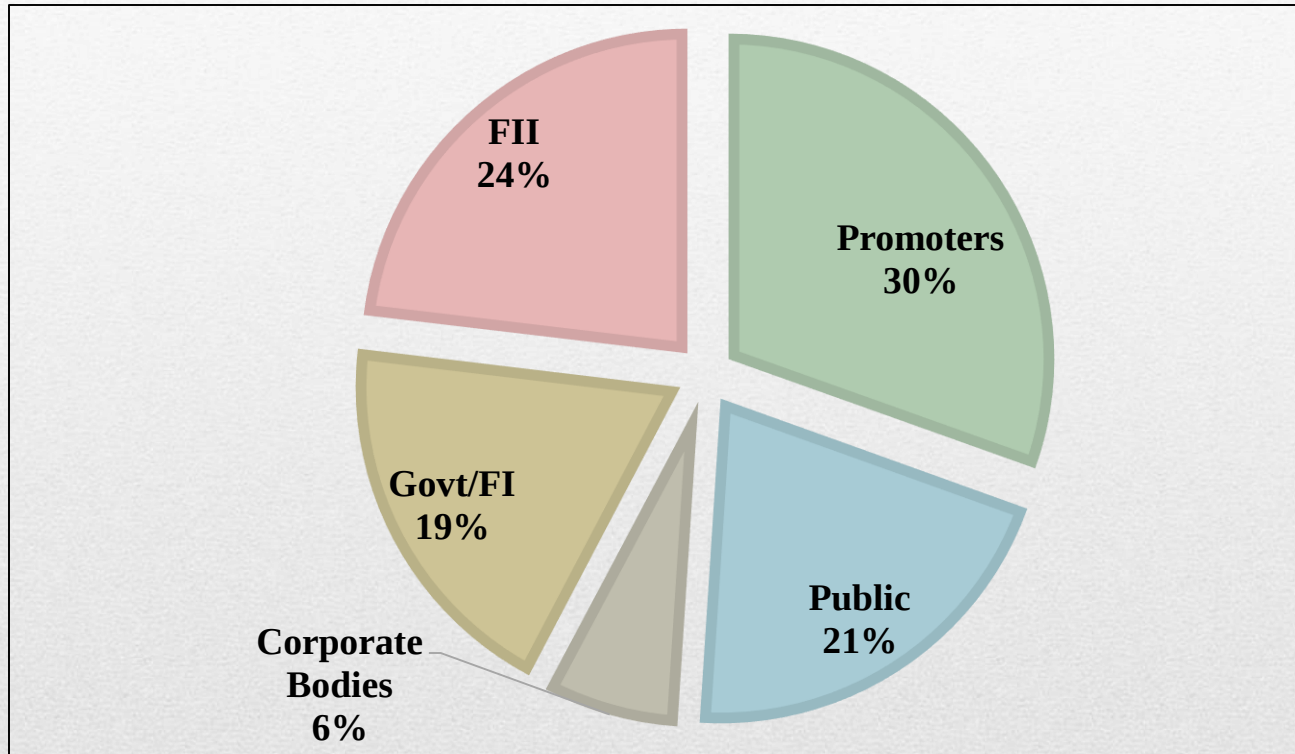
Logistics

Drilling

**India's largest private sector shipping company.
Over 68 years of experience**

Shareholding Pattern

Shareholding Pattern as on September 30, 2016



Shipping business - owned fleet

Sr. No.	Vessel Name	Type	Sr. No.	Vessel Name	Type
1	Jag Lalit	Suezmax	23	Jag Vishnu	VLGC
2	Jag Lok	Suezmax	24	Jag Vidhi	VLGC
3	Jag Lateef	Suezmax	2 Gas Carriers; Age - 21 years		
4	Jag Lakshita	Suezmax	25	Jag Anand	Capesize
5	Jag Lyall	Aframax	26	Jag Aarati	Kamsarmax
6	Jag Lata	Aframax	27	Jag Aditi	Kamsarmax
7	Jag Lavanya	Aframax	28	Jag Arya	Kamsarmax
7 Crude Carriers ; Average Age – 12.8 years			29	Jag Arnav	Kamsarmax
8	Jag Aabha	LR1	30	Jag Ajay	Kamsarmax
9	Jag Aanchal	LR1	31	Jag Aalok	Kamsarmax
10	Jag Amisha	LR1	32	Jag Akshay	Kamsarmax
11	Jag Aparna	LR1	33	Jag Ratan	Supramax
12	Jag Pahel	MR	34	Jag Rahul	Supramax
13	Jag Pankhi	MR	35	Jag Rishi	Supramax
14	Jag Prabha	MR	36	Jag Rani	Supramax
15	Jag Prakash	MR	37	Jag Roopa	Supramax
16	Jag Pushpa	MR	38	Jag Radha	Supramax
17	Jag Prerana	MR	14 Bulk Carriers; Average Age – 4.8 years		
18	Jag Pranav	MR	38 Vessels Average Age – 8.89 years Total dwt - 2.94 mn		
19	Jag Pranam	MR			
20	Jag Padma	MR			
21	Jag Punit	MR			
22	Jag Pooja	MR			
15 Product Carriers; Average Age – 8.4 years					



Vessels on Order & Capital Expenditure

Committed Capex - ~\$86 Mn
Payable as on Dec-2016 - ~\$68 Mn

Vessels on Committed Order & Expected Delivery

Vessel	Yard	Expected Delivery
2 Aframax Crude Carriers (5 year old)	Hyundai Heavy Ind. (Ulsan), South Korea	Q3/Q4FY17
1 Kamsarmax Dry Bulk Carrier (New Building)	Jiangsu New Yangzi Shipbuilding Co. Ltd., China	Q4 FY17



Key points on Tanker Markets – Q3FY16

Asset Prices:

- VLCC 5 yr old prices have gone down by 25% in Y-O-Y Q32016

Freight rates:

- BDTI almost doubled since August 2016 & BCTI up around 50% from lows of 346 in October 2016 to 505 in December 2016

Crude Market:

- Crude oil supply increased due to record production levels by various OPEC and few Non-OPEC nations.

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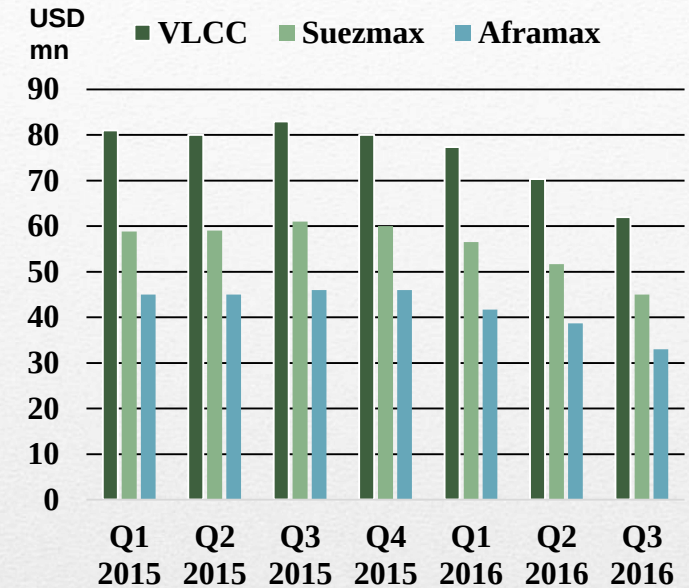
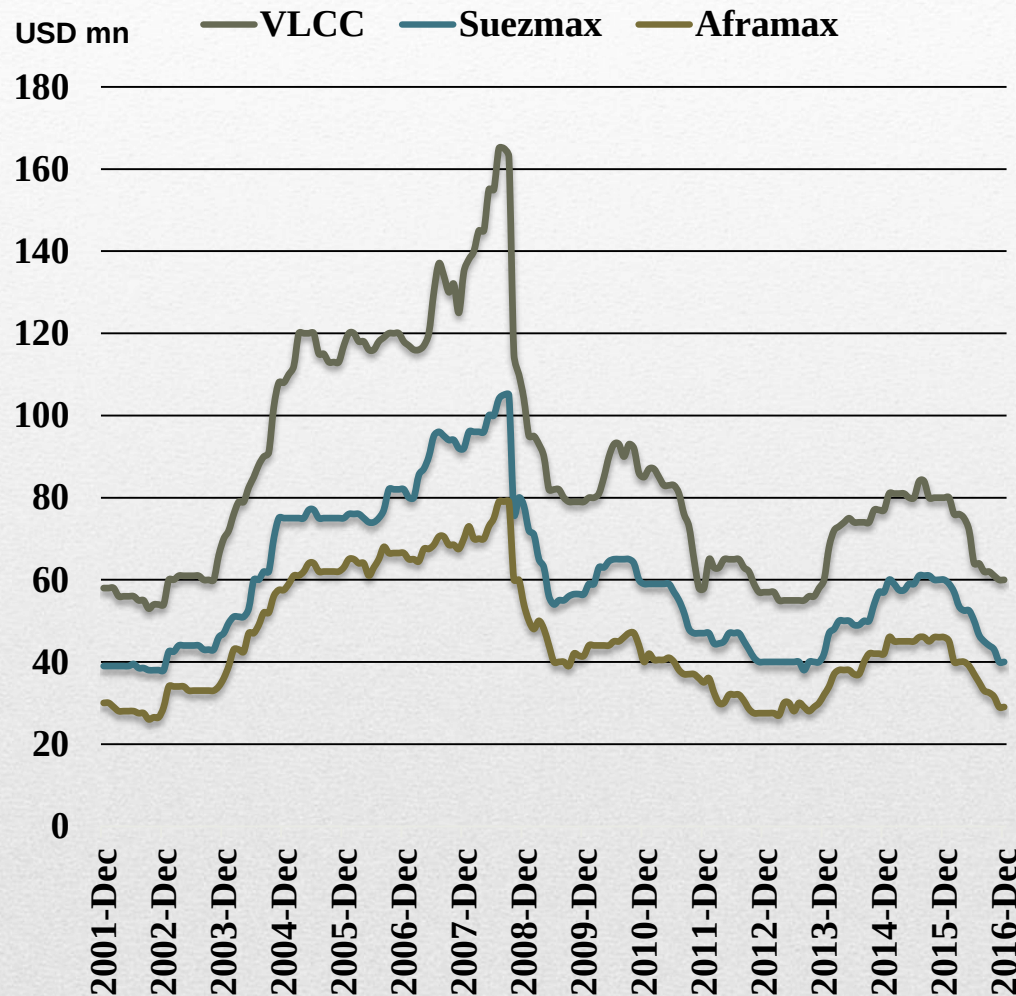
Product Market:

- Refinery runs low due to low refinery margins and extended maintenance resulting in stock drawdown. LR Freight rates remain low as long haul Naphtha arbitrage into Asia was non-existent.

Fleet Growth:

Crude Tankers fleet growth in CY16 is 5.37% and product tankers fleet growth is 8.32%

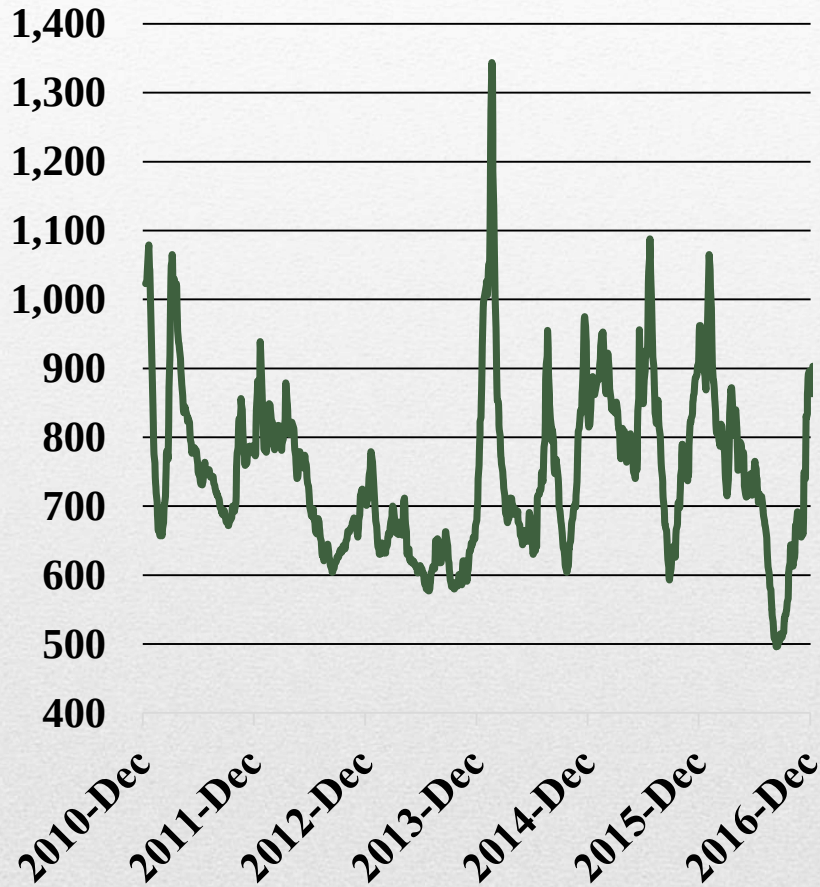
Tankers – Asset Price movement (5-year old)



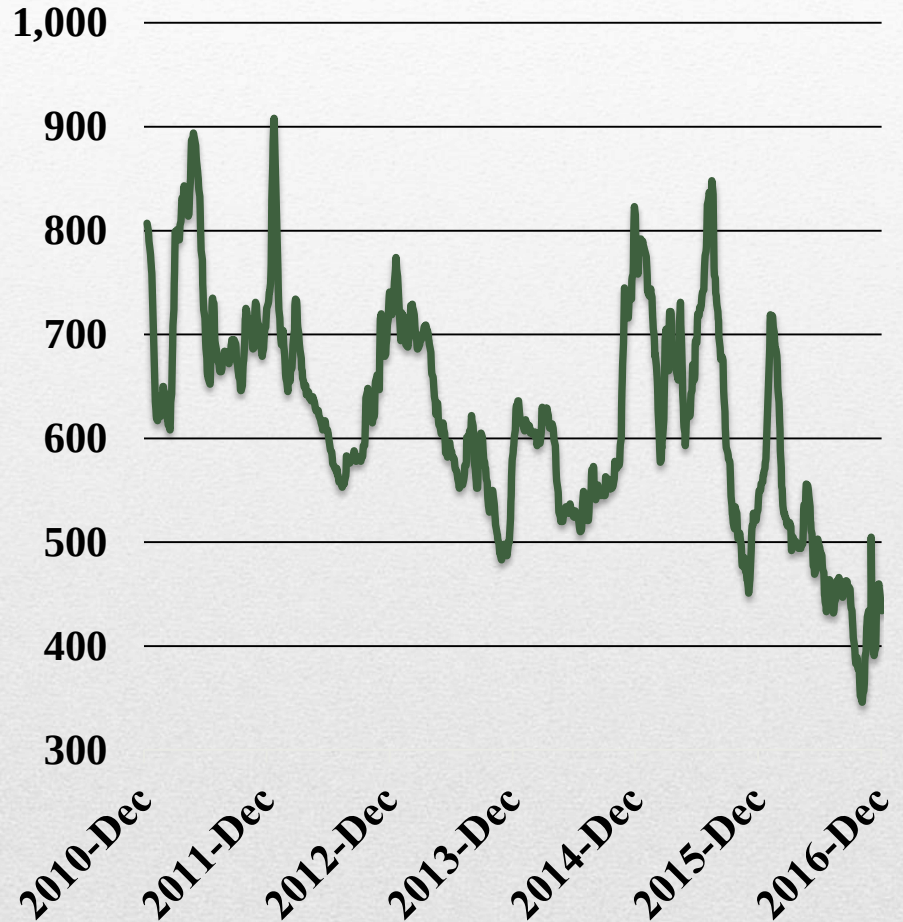
Source – Industry Reports

Recovery of BDTI & BCTI

Baltic Dirty Tanker Index

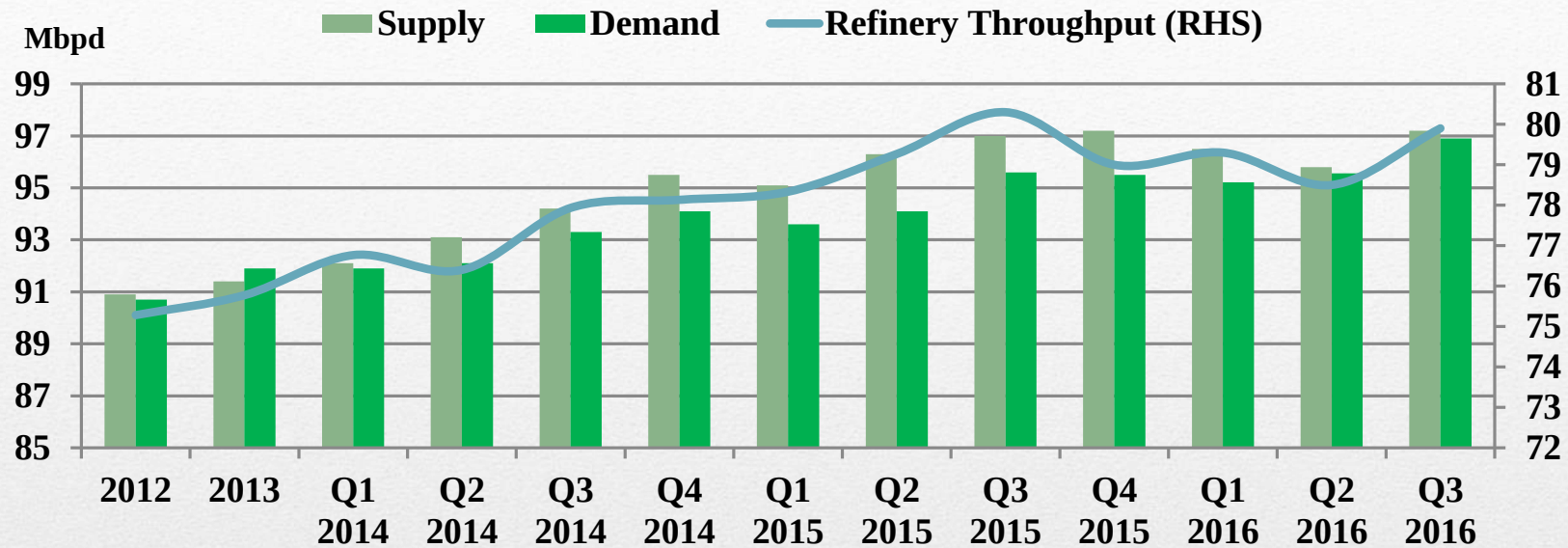


Baltic Clean Tanker Index



Source – Industry Reports

Supply - driven Demand ahead of potential OPEC Cut

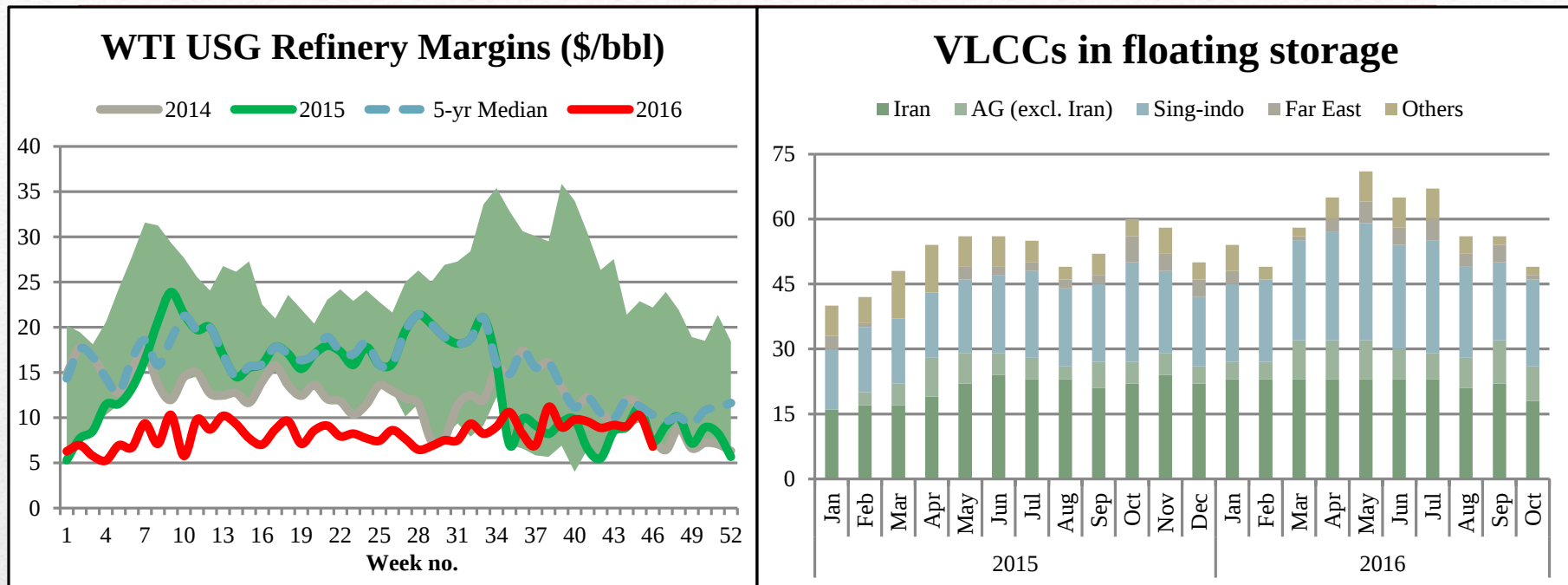


- In Q3CY16, Crude tankers rates improved due to increase in availability of cargoes before potential OPEC Cut leading to increased demand
- In Q3CY16, Product tanker rates remain low on account of lower refinery runs and extended maintenance leading to inventory drawdown. Low arbitrage on Naptha long haul and high fleet growth also affected rates.

Source – Industry Reports



Low margins leading to low refinery throughput

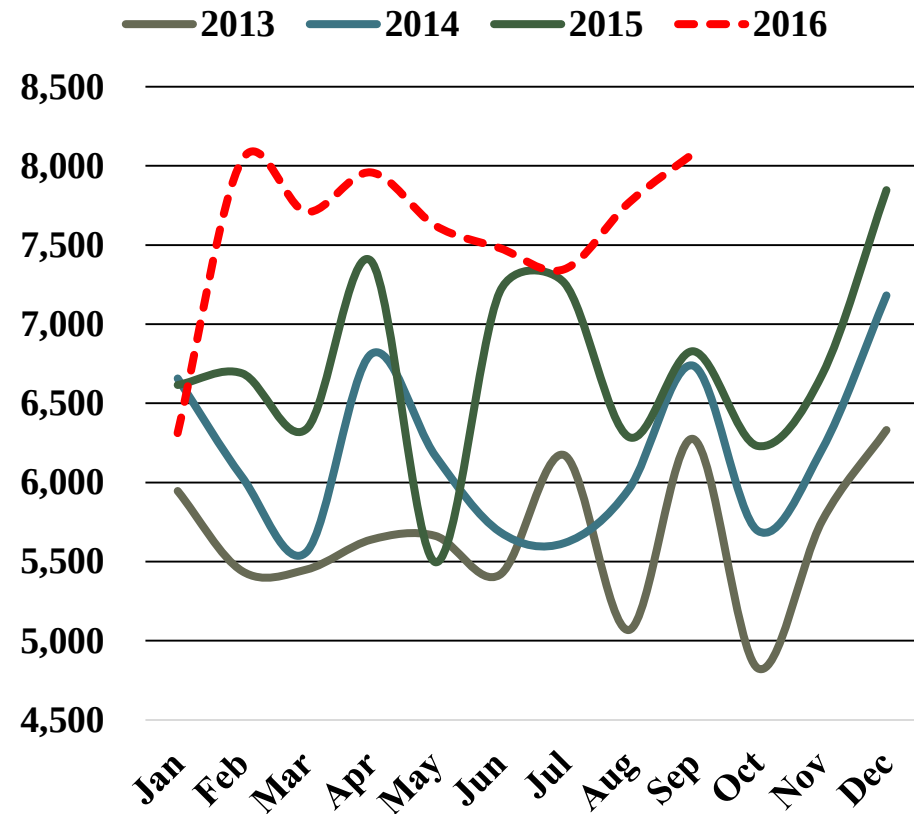
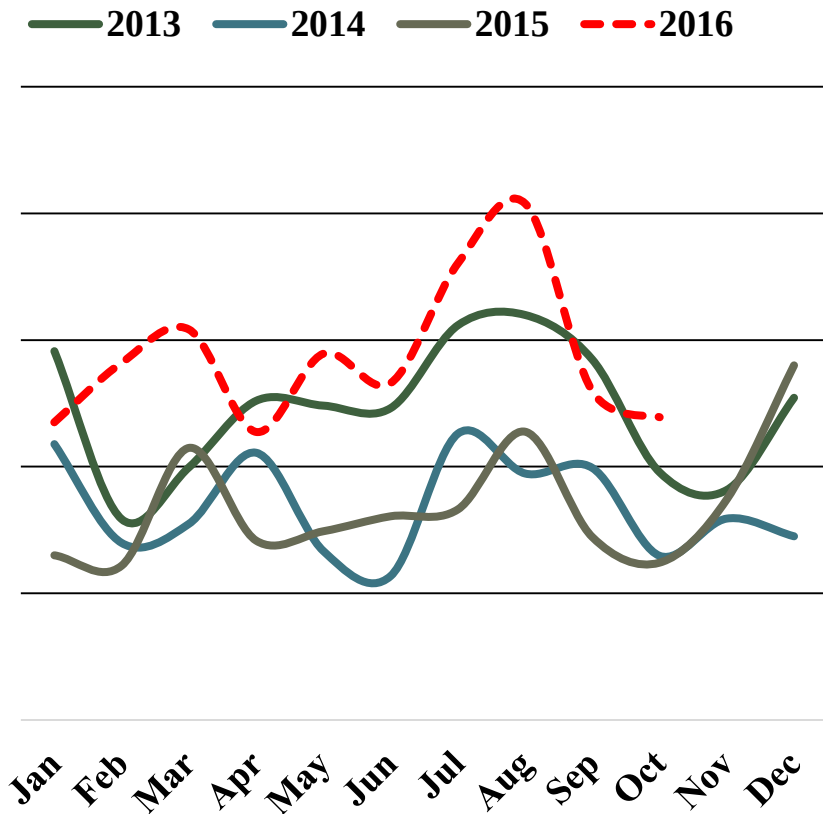


- Refining runs have been weak due to weak refinery margins
- Floating storage has been coming off due to lowering of contango

CY2016 has seen higher imports due to low oil price

US Crude Oil Imports ('000 bpd)

China Crude Oil Imports ('000 bpd)



Source – Industry Reports

World Fleet Growth – Crude Tankers

Tanker Fleet - mn Dwt	11th Nov 2016	1st Jan 2016	1st Jan 2015	1st Jan 2014
VLCC	211.86	200.00	193.75	186.13
Suezmax	74.69	71.09	69.68	68.43
Aframax	66.61	64.37	64.15	63.71
Total (80k+)	353.16	335.46	327.59	318.27

	2017	2018	2019+	Total
Orderbook as % of current fleet	8%	5%	0%	13%

Slippage – 30% YTD2016



World Fleet Growth – Product Tankers and VLGC

Product Fleet - mn Dwt	11th Nov 2016	1st Jan 2016	1st Jan 2015	1st Jan 2014
LR2	33.71	30.44	27.42	26.93
LR1	24.72	23.75	23.72	23.61
MR	90.12	82.95	78.40	75.74
Total (35k+)	148.55	137.14	129.53	126.27

	2017	2018	2019+	Total
Orderbook as % of current fleet	6%	2%	1%	9%

Fleet - Mn Dwt	11th Nov 2016
VLGC	14.7

	2017	2018	2019+	Total
<i>Orderbook as % of current fleet</i>	12%	3%	3%	19%

Slippage – 30% YTD2016



Key points on Dry Bulk Markets – Q3FY16

Asset Prices:

- Capesize 5 year old continues to remain low at \$24 Mn (Consistent with previous 2 quarters)
- Panamax & Supramax 5 year olds continues to trade at \$13-\$14 Mn levels

Freight rates:

- BDI has improved from low of 297 in Feb'16 to 1200+ in Dec'16

Coal Market:

- Coal imports improved significantly for China

Iron Ore Market:

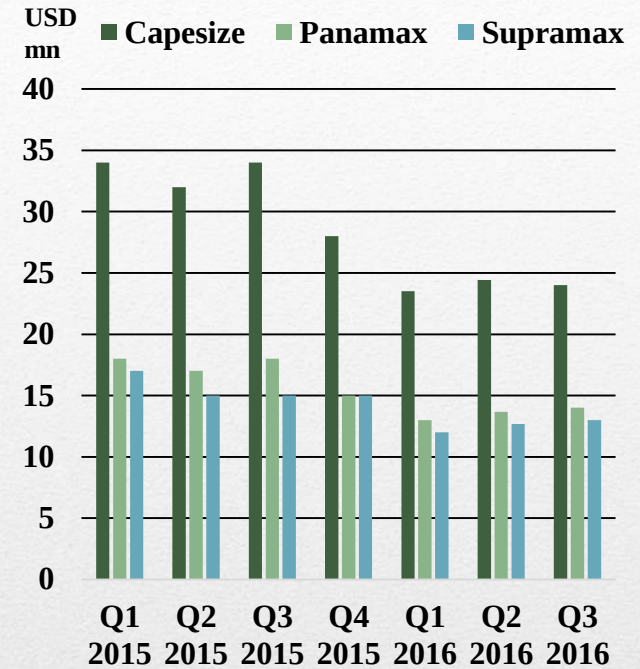
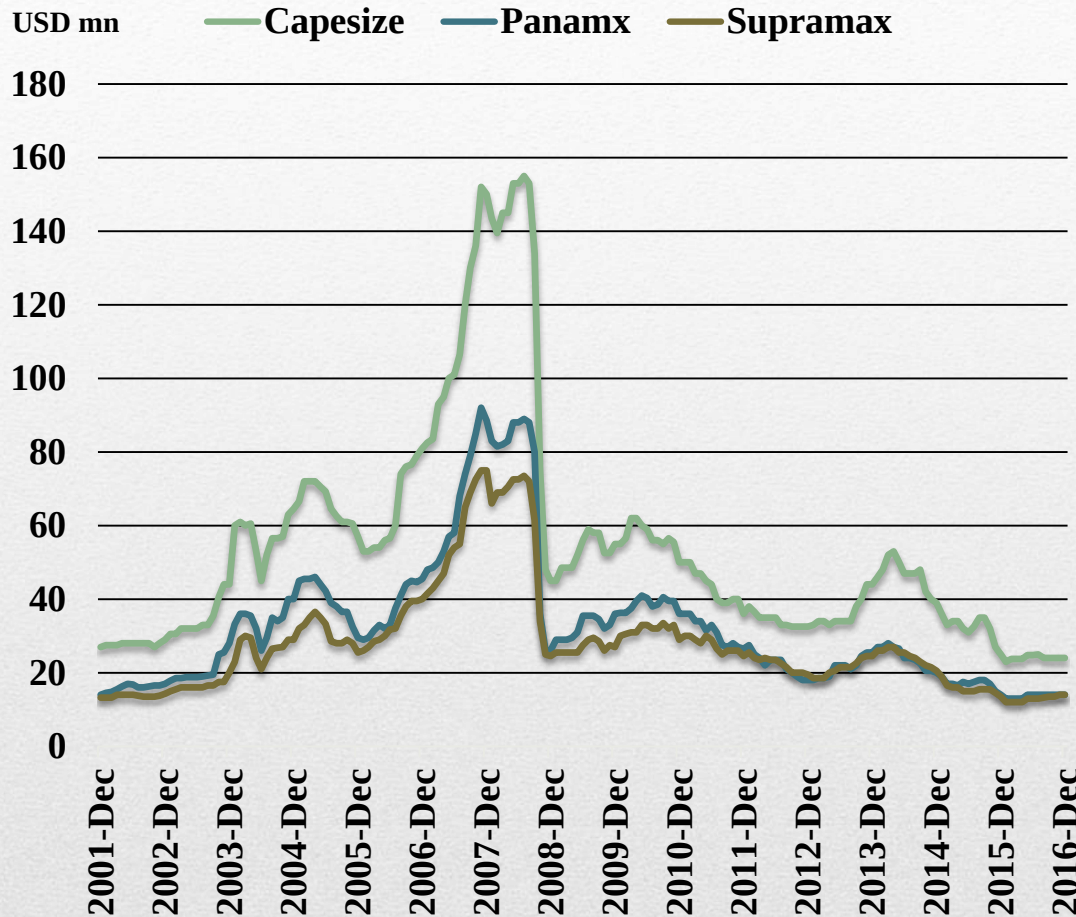
- China's Iron Ore imports grew by 9% in YTD16 compared to 2% in CY15

Fleet Growth:

- Dry Bulk fleet growth in CY16 is around 1.87%



Bulkers – Asset Prices (5-year old)



Dry Bulk asset prices at 20-year low

Source – Industry Reports

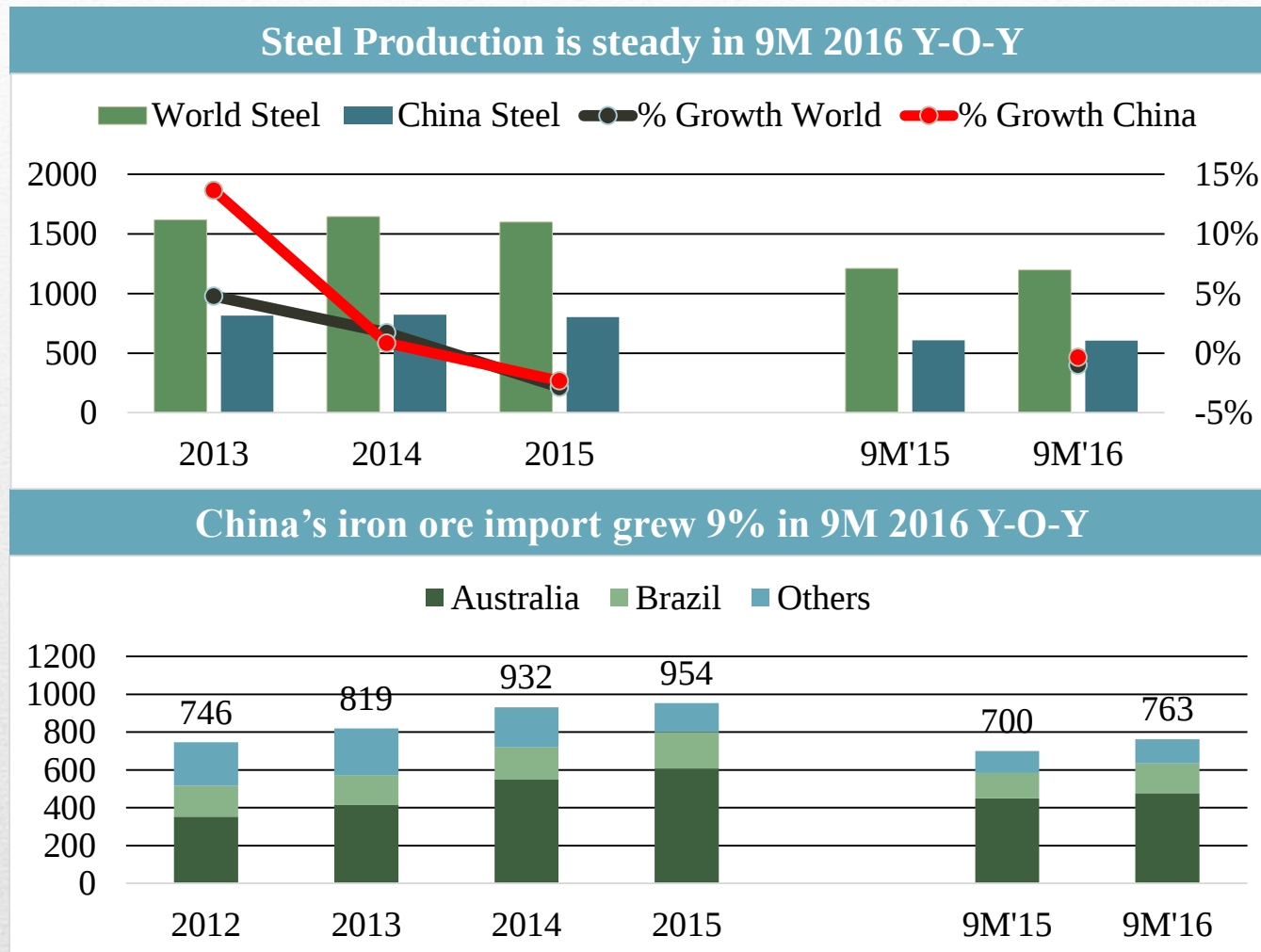
Baltic Dry Index (Dec 2000 – Dec 2016)

Dry Bulk freight rates improved during the quarter

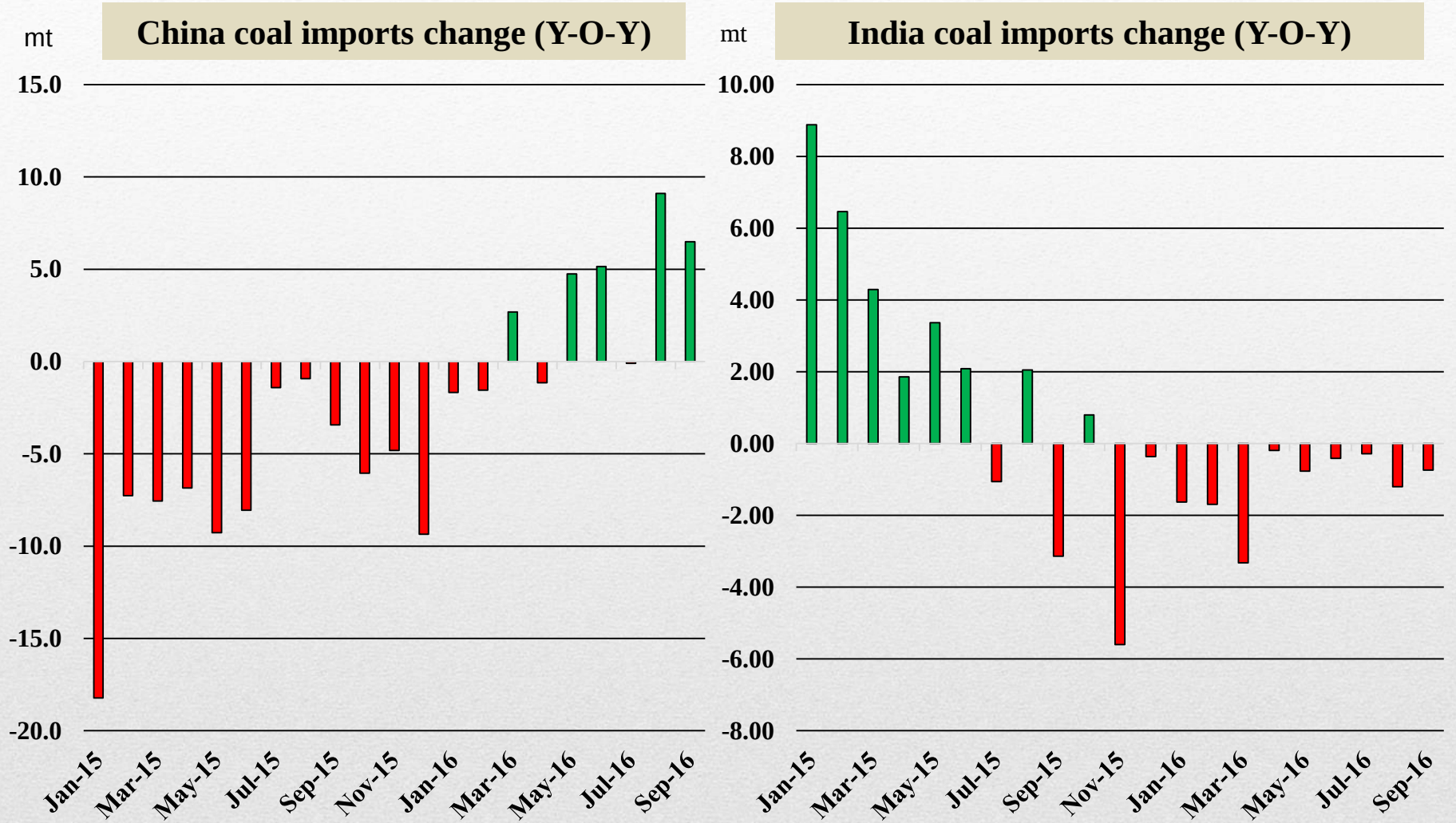


Baltic Dry Index has moved to a high of 1257 in Dec '16 from a low of 290 in Feb'16

China's iron ore import growth picked up



Coal imports by China shows signs of recovery



Source – Industry Reports



World Fleet Growth – Dry Bulk

Fleet - Mn Dwt	Current Fleet
Capesize	314
Panamax	196
Handymax	187
Handysize	94
Total	791

	2017	2018	2019+	Total
Gross Orderbook %Fleet	6%	2%	1%	9%

Slippage – 48% YTD2016

Accelerated scrapping in Dry Bulk

Scrapping as % of world fleet (year-wise)

Vessel Category	Fleet as on		Scrapping		
	November 16 (in mn dwt)	2016 YTD	2015 (% of beginning fleet)	2014	2013
Crude	353	0.25%	0.23%	1.60%	2.40%
Product	149	0.52%	0.61%	1.19%	1.69%
Dry Bulk	791	3.57%	4.03%	2.25%	3.36%



Greatship (India) Limited

(a 100% subsidiary)

Business Review

December 2016



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	68
AHTSV	92
MPSSV	44
Jackup Rigs	88



Key points on E&P markets – Q3FY16

Day rates:

- Day rates for both AHTS & PSV have come off by ~40%-45% since 2014

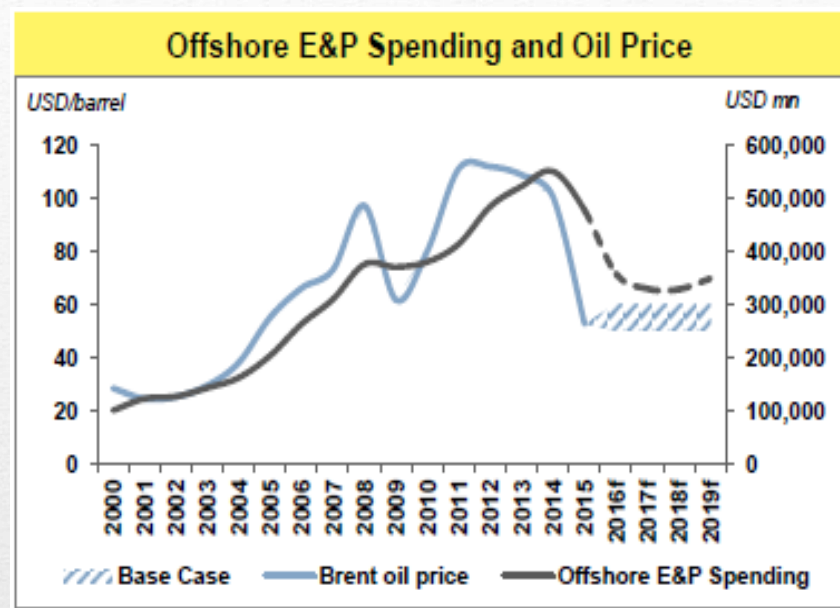
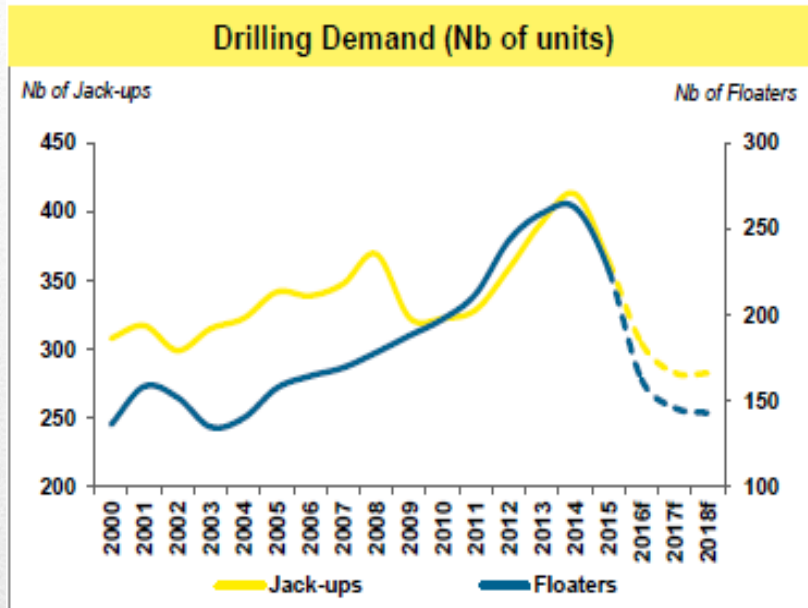
Fleet Growth:

- Rigs: 2% absolute growth from previous quarter
- OSV's: No growth from previous quarter

Slippage:

- OSV – 60% - 70% YTD2016
- Rigs – 60% - 70% YTD2016

Double-digit decline in drilling demand in 2016



- 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	540	2126	1626
Orderbook	108	176	210
<i>% of O/B to current fleet</i>	<i>20%</i>	<i>8%</i>	<i>13%</i>

- **YTD 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 have now been pushed back to 2017. Going forward slippage is expected to remain high.**
- **Asset utilisation levels continue to come off. For premium Jack ups, lack of contract renewals has resulted in utilisation levels coming down from around 90% at the start of 2014 to sub 60% 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 utilisation.**



FINANCIAL HIGHLIGHTS

Q2 FY 2016-17

Q2 FY 2016-17 Financial Highlights

Standalone			Key Figures	Consolidated		
Q2 FY'17	Q2 FY'16	H1 FY'17	(Amount in Rs. crs)	Q2 FY'17	Q2 FY'16	H1 FY'17
			Income Statement			
579.18	595.87	1057.16	Revenue (including other income)	956.92	1033.90	1846.77
326.63	333.21	576.27	EBITDA (including other income)	580.93	617.24	1107.40
170.53	220.38	274.09	Net Profit	268.75	353.59	502.37
			Balance Sheet			
9651.48	8823.43	9651.48	Total Assets	15861.53	15218.82	15861.53
4887.41	4594.77	4887.41	Equity	8157.55	7505.14	8157.55
3486.61	2916.72	3486.61	Total Debt (Gross)	6169.07	6140.75	6169.07
393.63	(78.20)	393.63	Long Term Debt (Net of Cash)	1881.38	2239.59	1881.38
			Cash Flow			
191.45	170.71	325.00	From operating activities	455.54	460.84	797.61
(503.02)	232.56	(1438.57)	From investing activities	(519.84)	10.55	(1608.82)
43.25	(334.32)	498.87	From financing activities	(90.30)	(558.68)	211.69
(268.32)	68.95	(614.70)	Net cash inflow/(outflow)	(154.60)	(87.29)	(599.52)

Q2 FY 2016-17 Financial Highlights

Standalone			Key Figures	Consolidated		
Q2 FY'17	Q2 FY'16	H1 FY'17	(Amount in Rs. crs)	Q2 FY'17	Q2 FY'16	H1 FY'17
			Key financial figures			
56.40%	55.92%	54.51%	EBITDA Margin (%)	60.71%	59.70%	59.96%
7.11%	19.44%	11.53%	Return on Equity (ROE) (%)	13.36%	19.31%	12.71%
5.54%	14.32%	9.68%	Return on Capital Employed (ROCE) (%)	10.22%	12.66%	9.73%
0.71	0.63	0.71	Gross Debt/Equity Ratio (x)	0.76	0.82	0.76
0.08	(0.02)	0.08	Net Debt/Equity Ratio (x)	0.23	0.30	0.23
67.11	64.69	66.88	Exchange rate USD/INR, average (Rs)	67.11	64.69	66.88
66.62	65.59	66.62	Exchange rate USD/INR, end of period (Rs)	66.62	65.59	66.62
			Share related figures			
11.31	14.62	18.18	Earnings per share, EPS (Rs)	17.82	23.45	33.32
11.29	14.59	18.14	Diluted earnings per share (Rs)	17.79	23.41	33.25
17.47	19.24	29.79	Cash Profit per share (Rs)	30.22	34.45	57.34
-	-	-	Dividend per share (Rs)	-	-	-

Q2 FY 2016-17 Performance Highlights

Breakup of revenue days

Revenue Days	Q2'FY17	Q2'FY16
Owned Tonnage	3,131	2,777
Inchartered Tonnage	101	57
Total Revenue Days	3,232	2,834
Total Owned Tonnage (mn.dwt)*	2.88	2.36

* As on 30th September 2016

Average TCY Details

Average (TCY \$ per day)	Q2'FY17	Q2'FY16	% Chg
Crude Carriers	23,591	31,012	-24%
Product Carriers (Incl. Gas)	19,975	30,128	-34%
Dry Bulk	6,324	7,874	-20%

Mix of Spot & Time

Days (in %)	Q2'FY17	Q2'FY16
<u>Dry Bulk</u>		
Spot %	31%	89%
Time %	69%	11%
<u>Tankers</u>		
Spot %	30%	76%
Time %	70%	24%
<u>Total</u>		
Spot %	30%	80%
Time %	70%	20%



THANK YOU

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