



Great Eastern Shipping complies with STCW 1995 norms in time

January 31, 2002

The Board of Directors of The Great Eastern Shipping Company Limited at its meeting held on January 30, 2002 approved the Unaudited Financial Results for the third quarter ended December 31, 2001 and for the nine months period ended on that date.

The Q3 FY2002 registered a total income of Rs. 2,937 million as compared to Rs. 2,804 million in the corresponding quarter of the previous year. Net Profit after current tax stood at Rs. 735 million, an increase of 77% as against Rs. 415 million in the corresponding quarter of the previous year. Interest for the third quarter (Rs. 115 million) was 4.05% of the operating income, significantly lower as compared to previous year of 6.52% of operating income (Rs. 176 million).

The nine month performance of the company saw a total income of Rs. 9,379 million recording 17.2% growth as compared to the corresponding of the previous year (Rs. 8,001 million). Net Profit after current tax of Rs. 1,922 million was up by 56.5% as against Rs. 1,228 million in the corresponding nine month period of FY2001.

During the quarter ended December 31, 2001, operating profits of the Shipping Division stood at Rs. 576 million, registering a 11.7% growth on a y-on-y basis. Shipping Division contributed to around 71% of the revenues and 60.3% of the profits for Q3 FY2002. Significant cuts in OPEC supply and growth in shorter haul non-OPEC oil cargoes reduced the tonne-mile demand impacting tanker earnings. The quarter also witnessed continued softening of dry bulk rates. The company was poised to face the significant downturn well in advance by entering into long term period

charters, thereby reducing its exposure to spot markets. The sale of M.V. Jag Kanti and two mini bulk carriers registered a profit of Rs. 38 million.

The revenues for the quarter ended December 31, 2001, for the Offshore Division stood at Rs. 666 million registering a 21% growth on a y-on-y basis. The division contributed to around 23.5 % of the company's revenues and 35% of the profits at Rs. 334 million. Weak oil and gas prices kept investments in exploration and production (E&P) activities in abeyance. However, higher utilisation rates combined with rupee depreciation contributed to the divisions increased gross revenues and operating profits.

The outlook in the short to medium term in the shipping sector both in case of tankers and dry bulk would continue to be weak as it is largely dependent on global recovery. However, the company has been taking efforts towards improving revenue visibility through a judicious mix of spot and period covers. Prospects of the offshore sector will be determined by the policy changes and thrust on the E&P efforts by the NELP block operators along with additional investments in the existing oil fields.

Under the Second Buy Back scheme, the Company has bought back and extinguished 6,819,123 equity shares reducing the share capital to Rs. 2,080 million. The company also recorded an EPS of Rs. 3.20 per share for Q3 FY2002 (Rs. 7.90 for nine months ended December 31, 2001).