Our Ref.: S/2026/SECL

August 11, 2026

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Exchange Plaza, 5th Floor, Plot No. C/1,
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BSE Scrip code: **500620**

Trading Symbol **– GESHIP**

Sub: Transcripts of Earnings call conducted on August 04, 2026

Dear Sir/Madam,

Further to our letters dated July 29, 2026 and August 04, 2026, please find enclosed transcripts of the earnings call held on August 04, 2026.

We request you to take the same on record.

Thanking You,

Yours faithfully,

For **The Great Eastern Shipping Company Limited**

Anand Prabhakar Punde

Digitally signed by Anand Prabhakar Punde
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Company Secretary

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"The Great Eastern Shipping Limited

Financial Results for Quarter Ended 30th June 2026"

August 04, 2026

MANAGEMENT: **MR. G. SHIVAKUMAR – EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER, THE GREAT EASTERN SHIPPING COMPANY LIMITED**
MR. RAHUL SHETH – GENERAL MANAGER, MD'S OFFICE -THE GREAT EASTERN SHIPPING COMPANY LIMITED

Moderator: Good evening, ladies and gentlemen. Thank you for standing by. Welcome to GE Shipping Earnings Call on declaration of its Financial Results for the Quarter Ended 30th June 2026. At this moment, all participants are in listen-only mode. Later, we will conduct a question and answer session I now hand the conference over to Executive Director and Chief Financial Officer, Mr. G. Shivakumar, to start the proceedings. Thank you, and over to you, sir.

G. Shivakumar: Thank you. Good afternoon, everyone, and welcome to the conference call for discussing the results and the markets of Q1 FY27. As always, the customary disclaimers apply. We are not forecasting the market. We don't give earnings guidance either.

Let's look at the broad highlights. We've had our most profitable quarter ever by a significant margin. The consolidated profit is INR1,309 crores, while the stand-alone profit is INR1,157 crores. That's about INR 91-92/share on a consolidated basis. Our net asset value has also gone up by about INR 100/ share. So stand-alone NAV is about INR 1,512/share and consolidated is just short of INR 1,900/share. We also announced our 18th consecutive interim dividend of INR 14.40/share, again, our highest ever quarterly dividend.

I won't spend too much time on the numbers, except the highlights are, of course, we continue to accumulate cash. While we have done quite a few of the modernizing transactions, the cash continues to build up. I will skip through most of these, and let's discuss the markets. Moderator, I think we need to mute all the parts.

Moderator: Yes, the participants are muted.

G. Shivakumar: Yes. -- Thank you. So the big event of the last quarter and of February, March was the events around the Strait of Hormuz which had a huge impact on tanker markets. We saw freight rates going to all-time highs during the last quarter because of all the disruption which was caused in the Strait of Hormuz. As we mentioned in the last quarter's concall, a lot of oil cargoes come through the Strait of Hormuz. And consuming nations needed to look for different sources of this oil. As a result of that, the trade patterns went completely askew and therefore, ton-mile demand picked up hugely.

So for instance, instead of exporting from, say, the Middle East to Asia, the Asian countries had to source their oil from, say, the U.S. or Brazil, which is a much longer voyage, and therefore, it requires more ships. That tightened the market, and that's what resulted in significant strength in the market. Similarly for product tankers as well. So MR earnings in the spot market were close to $50,000 a day last quarter.

And yes, that's again all-time highs. The asset prices as a result of this, the asset prices did what is logical, and they went up further during the quarter, up about 5% to 10%. And the order book continues to build tremendously. There's a lot of ordering taking place. Bulk carrier earnings also were fairly strong. While they were not too affected by the Strait of Hormuz issue, the very little less than 5% of dry bulk cargoes actually go through the Strait of Hormuz. So it wasn't much of an issue for the bulk carrier market.

However, we had stronger earnings. Some of it is possibly because LNG was not able to come out of the Strait of Hormuz. And some of the power plants are able to switch from LNG to coal and therefore, some replacement of that demand took place, which means more coal transportation. What also happened was that the grain trade was quite strong, which led to increased demand for bulk carriers. Therefore, bulk carrier markets were slightly better than they were in the corresponding quarter of the previous year.

LPG, again, we have our ships in the time charter market and on time charters, while we have one vessel which is actually -- which has some upside participation in the spot market rates. Our vessels typically are on fixed rate charters. Markets were very strong again as importing countries typically went to U.S. to make up for the shortfall of LPG from the Middle East.

Therefore, asset prices also went up. Freight rates were in excess of $100,000 a day. I mentioned earlier, asset prices all going up across the board, just to varying degrees. The order book is picking up. The order book now for crude tankers is at 27%. The order book for VLGCs is currently at 35%, which is a huge number for product tankers continues to be at about 20%, 21%, while bulk carriers are at about 14%, having picked up from about 10% to 12%.

So there has been a huge amount of ordering. You can see the blue line shooting up from below 10% to currently at 27%. A huge number of crude tankers have been ordered in the last 1 year or so.

Coming to the jack-up market, the utilization of jack-up rigs is a global number, remains where it was 3 to 6 months ago. The headline news is that rigs which were temporarily suspended during these hostilities by Saudi Aramco are slowly coming back on contract and going back to work. Coming to what's happening with our fleet. We have mentioned here that 3 rigs are up for repricing in the second half.

We have just received a letter of award for a 3-year contract on one of those rigs. So, we will now have 2 rigs which require to be repriced this year. Apart from that, we have some vessels coming up for repricing all the time. Just a short overview, 40 ships with an average age of 14.5 years, 19 offshore vessels and 4 rigs. These are the transactions we did over the last 4 months. So, we've sold 2 MR tankers replaced with 1 MR tanker, and we also bought a Kamsarmax dry bulk carrier.

In the month of July, we sold the Jag Lokesh, which is an LR2 tanker and replaced with the Jag Lakshya, which is also an LR2 tanker, but is 6 years younger and is an eco-ship as well. We continue to be on the spot market. About 25-26% of our capacity is currently on time charter. So we are predominantly on the spot market and able to, therefore, take benefit of the market spike.

And you can see the TC-wise, so crude tankers have produced a TC $90,000 a day, product tankers, $45,000. This is a coverage of the operating days for Q2. Of course, we are almost 40% through the quarter. So it makes sense that you would have at least 40% covered. While the supply vessels, you can see in 3 different categories, have about a 90% cover for Q2. We won't go too much into these financial metrics.

The NAV movement, of course, we've seen before. And this is where we stand at our share price to consolidated net asset value with consolidated NAV of just under INR 1,900/share, we trade at about a 25% discount to NAV. And these are the dividends that we paid out over the last 4 years plus, a very strong dividend payments over the last 4 years because the markets have enabled us to make a lot of profit. This is a debt which gets paid down over the next 2 years. Our last debt comes off in Nov'28. Again, these are the cash flows just showing the picture of how we invest countercyclically and then we collect cash and now we are waiting for the opportunity to invest.

To sum up, how are we positioned? We are predominantly spot market. We are currently at about 25-26% cover across our fleet of 40 ships plus 2 in chartered vessels. Our fleet strategy is to replace, not expand. So for capacity expansion, we will wait for prices which we think will enable us to make a good return in the long term. So we are willing to wait for those. We have been net cash for the last almost 4 years, now more than 3 years. And we've been paying out some dividends every quarter. Yes. And we've seen, of course, the NAV growth over the last 5 years or so.

That brings me to the end of the presentation. We are happy to take questions. I also have with me Rahul Sheth from the management team, and we'll be happy to take your questions.

Moderator: Thank you very much. Our first question comes from the line of Dhruv Jain with AMBIT Capital. Please go ahead.

Dhruv Jain: My first question is on the product tankers, right? So in your presentation, you mentioned that you saw some switching of product tankers to crude tankers, and that's why the supply was kind of restricted. Just want to understand if you think this is going to be a permanent phenomenon? Or do you think that this will kind of revert back to where it was to understand because obviously, the supply is rising on both accounts.

Rahul Sheth: Generally, this mainly happens on the LR2 tankers because basically, an LR2 and Aframax are identical in size, but an LR2 is coated, so it can carry products and crude and Aframax just carries crude. So we see this happening on the LR2s, where if you see the Aframax earnings to be very strong, people switch. Now the cost of switching is not really there because if the vessel is clean, she can carry crude dirty cargoes.

But if you're carrying dirty cargo, there is a cost to switch back to clean. But having said that, if the market are sufficiently strong, we can see the vessel category switch back to LR2. Currently, what we have seen is a substantial number of LR2 switching to Aframax more than we have seen in the past, but mainly because of the gap in the earnings.

We saw the Aframax earnings to be very strong and the LR2 earnings relatively to be much weaker. And the additional problem that because of the issue that we saw in the Strait, a lot of LR2 cargoes were not actually even available because the LR2 tankers are really dependent on the Gulf. And that's why we saw a large number of vessels switch to the dirty trade. But of course, if this reverses, it is possible for vessels to come back.

Dhruv Jain: And my second question is on buyback. So obviously, you've accumulated a large sum of cash on your balance sheet and asset prices have risen. So knowing you guys, I don't think you will do a substantial capex at these prices. I just want to understand at, say, the current valuation or if you can just help us understand the framework in terms of how you think about buyback? Is it price to NAV? And if that is, then what's the range that one should look at where you think about a larger buyback?

G. Shivakumar: Hi Dhruv, this is Shiva here. Yes, the way we look at buyback is as another capital allocation. And we will treat it exactly the same way. So this will be discussed. We don't have a policy as such, which is on a target or a target price or a target multiple. It will be discussed at the Board and it will be treated like any other capital allocation decision where we look at the other options available and decide on it. So there are no numbers that we have set in our…

Dhruv Jain: So basically, as things stand, I think -- or let me put it in another way, right? So these prices, do you think that buyback is feasible or you still want -- or you still wait?

G. Shivakumar: If we haven't announced one, we are waiting.

Moderator: The next question is from the line of Amit Khetan with Laburnum Capital.

Amit Khetan: So my question is just a follow-up on the buyback question, right? Now historically, there used to be a tax on buybacks. Now under the new framework of SEBI, which comes in effect from this month, I don't think there are taxes and therefore, that leakage is gone. So is it fair to assume that the discount to NAV that we required to conduct a buyback should now be lower than what it was in the past?

G. Shivakumar: Okay. The tax went last year. So the tax has been gone now for some time. yes, so the short answer to the question is the regulatory and tax burdens or disadvantages which existed for buybacks have gone now. So you're absolutely right on that. Now it will only come down to is the price at which we want to do a buyback and the value that we think it brings vis-a-vis buying a ship. So broadly, yes, the premium you will have to pay to the market, let's say, assuming you had to pay a premium to compensate for the tax treatment, that is no longer there. So that tax premium, which you had to pay, that has gone now because of the change in the tax rules.

Amit Khetan: Secondly, we've not benefited a lot from the swing in LPG rates because all of our vessels are on time charter. Just wanted to understand when is the repricing due for these tankers -- by LPG tankers specifically? And what would be the current market rates on time charter, just to get a sense of what might be the delta there?

Yes. So we have 1 repricing, 2 repricings have happened in the last 3 months. So one of those was a ship that has gone on charter. I mentioned this when I was in the presentation, which has a base rate plus profit and upside sharing based on the spot market. So that's happened. So the base rate is around the same as the old charter rate, plus there is an upside sharing. The second is a time charter, which is coming off now and where we've already got the repricing done, which is at about 25% to 30% higher than the previous charter rate. Repricings have got done. There's one third VLGC, which we have, which comes off charter early 2027, first quarter.

Moderator: The next question is from the line of Rajesh Jain, an individual investor.

Rajesh Jain: So I missed your cash figure, but I guess you have enough cash to increase your capacity -- I mean, your ships capacity by 3%, right, considering ships of 12, 13-year old, which is your preference, right, and considering ships of about 80,000 DWT, right? But while I understand that you want to preserve cash for attractive asset prices in future. But don't you see merit in at least deploying the incremental cash from here on, let's say, from next quarter onwards because the incremental cash itself could probably buy you about 2 ships, if I'm not wrong, okay? So you could preserve your cash and also increase your capacity at the same time. So is my thought process wrong? Or like how do you think about it?

Rahul Sheth: Firstly, I just wanted to correct on the way you calculated the number of ships you can buy the particular DWT. As you can understand, we have ships in different sectors. And depending on the age, the size, the type of sector you buy, the price of the ships vary dramatically. So just as a word of advice, don't just take it as one number, and I'm not sure how you've done that calculation.

But on your point of whether you should do a certain amount of expansion, of course, I think that warrants some merit in thought. We do constantly go back and look at our decisions of whether our decisions have been right to wait or not. One of the lessons we have seen in the past is not to get too carried away with the current years when deciding to buy, which means that when the asset value -- when the earnings are the highest, the asset values also become very high.

So a lot of the returns that you are seeing today are because we have bought ships at a much lower price and therefore, benefiting today. If you buy ships at a higher price, of course, the yields on those assets tend to reduce. And we have to look at these assets over a very long period of time and then know whether they generate our threshold returns when we are deciding to buy.

Having said that, we have undertaken a certain number of transactions, which are replenishing our fleet, buying many more years to the fleet. And as you can imagine, at these asset values, it costs also a lot more money to replace those ships. So there is a certain amount of capex that we are undertaking. We'll be able to even see that in the cash flow statement.

Rajesh Jain: But the gist of the question, I'll just rephrase it or break it into parts because I'm not clear on 1, 2 points, okay? So I'll just break it down. So how much cash do you have? And I'm considering the average that you paid for 12-13-year-old ships that you bought, right, 3 ships you bought in the last quarter, right? So the average of that, does it come to INR 300 crores? Or how much does it come across all asset classes, whatever you have actually paid on an average, you don't need to give exact figure, but the average.

Rahul Sheth: It varies quite a bit from the assets we have bought, but let's just take your example.

G. Shivakumar: Yes. So let's start with -- we have $700 million in cash in Great Eastern Shipping. about $600 million net of the debt. Yes, the answer to your question on whether we can do capex and whether we can do a significant amount of capex, certainly, yes. Now the question is do we want to increase the chances of the money we invest, making a good return for our shareholders? Yes, we want to do that. And that's why we are waiting.

Rajesh Jain: Sir, may I interrupt you because, again, I think the answer is going in a different direction than where I intend to ask. So I got that you have around INR 6,000 crores of cash net of debt approx, right? And I assume that based on -- again, whether that assumption is right or not, maybe you can correct me. So, if I assume that you paid on an average, like you bought 3 ships, 12-13-14 year old and you paid maybe around INR 900 crores, okay?

So that gives you in the calculation that at INR 6,000 crores, probably you can buy 20 ships probably, okay? And I'm not even suggesting that you buy them today because I understand your philosophy, right? All I'm saying is while you can preserve this cash of INR 6,000 crores for future, right, when the asset prices are significantly more attractive.

But the incremental cash because looking at the situation, it looks like even the next quarter or next to next quarter could give you handsome operating cash flows or free cash flows also, right? Even if the next quarter or next to next quarter is not as good as the July quarter, but it could be probably good equivalent to March quarter or the January quarter, right -- sorry, the December quarter, right? So all I'm saying is the incremental cash flow that you're going in each of the upcoming quarters. That itself can probably buy you 2 ships, again, 12-13 year old, around 80,000 DWT, okay, it could be plus or minus.

So why don't you think of at least deploying the incremental cash because it gives you the best of both worlds because there are forecast by Morgan Stanley, which says that the prolonged undersupply of vessels is going to continue for a very long time, right? And if you buy a ship today and if this -- the elevated freight rates remain for, let's say, around 2 years, then there is a significant payback already in 2 years' time. So that was my thought process, and I wanted to understand your thought process on deploying the incremental cash flow, not the cash in hand that you have today?

G. Shivakumar: Yes. So just on that last statement on the prolonged undersupply, you may have seen the order book data and the order book has increased very, very dramatically over the last 12 to 18 months, especially for crude tankers, not so much for bulk carriers, but crude tankers and a little bit in product tankers and LPG as well. So, as we get further into this cycle, the chances of the market coming off due to oversupply increase.

Having said that, we don't know what's going to happen to the market because these kind of disruptions seem to be keeping the market at pretty high levels. Your point is very valid that a ship bought today, especially a tanker, which -- where the assets are at higher points in the cycle and earnings are also at very high levels, will write down significantly.

Unfortunately, the write-down is not enough to take the ship's price back to long-term averages, nowhere near those numbers. so your point is valid that if you don't know what the market is going to do, you invest a little bit of money. How we are taking it is, we are investing -- last year, we invested about INR 1,200 crores in changing the fleet mix. So, we have invested INR 1,200 crores.

This year, in the first quarter, we invested INR 300 crores in doing those transactions. Last month, already, we have invested between INR 250 crores and INR 300 crores. So it's just a question of degree, how much money additional do we invest just in additional capacity. We believe that we'll be best served by holding on to the majority of the money rather than investing it in ships today.

So again, there is no right or wrong in this. This is the approach that has served us well -- that has served us well over these past decades, and that's why we are sticking with it for now. Again, the only way to do it is to take a market call. We don't think that we can take that market call because there's so much uncertainty around it.

And you have left yourself no margin of safety by buying at today's prices. So, we do invest incrementally, maybe 1 or 2 ships, as you said, but that's again going to be on the margin. But 1 or 2 ships, you're absolutely right. It doesn't make that much of a difference to the overall picture.

Rajesh Jain: So that was my first question. So far, we have been dwelling on the first question itself. So I just want to ask you 2 more questions. One is on the offshore side. So, the government has announced a Samudra Manthan program, right? And there could be a significant government focus and even like on the oil exploration and the offshore side, right?

So how does GE benefit from that, your offshore business, how does it benefit? And do you -- I mean -- and once you see the activity on the ground, once you see it taking off, do you plan any acquisition or capex in your offshore business?

Rahul Sheth: Firstly, I think it is too soon to decide on a capex plan based on what the government is going to do. While they have showed intention, we have not seen on the ground any more further tenders coming from the government for rigs or offshore vessels. So I think just let it translate into on-ground demand before we share any plans or speculate on how this will all develop.

G. Shivakumar: Yes, it should be positive, but we don't know what kind of assets will be required, etcetera. We will -- certainly, we keep it in mind when we are making our plans for the future.

Rajesh Jain: And my third question is, so the switch rates that you have been doing, are the newer ships, the relatively newer ships? Are you able to save a significant amount of fuel per day? because I read somewhere that the switch rate itself can give you a savings of TC equivalent of $1,000 per day. Now I'm not from the industry, so I don't know whether that figure is far-fetched or not.

So I just wanted to hear from you what are the savings like in the switch rate in terms of fuel and the operational savings, okay? And related to that, will this sale of ships continue over the next few quarters because you have been selling 2 to 3 ships, I mean, these switch rates, right? So will it continue over the next few quarters if you get the opportunity?

Rahul Sheth: Yes. So just to answer the first question on the fuel savings, that is true there are fuel savings on these newer ships. Of course, it depends on how newer ship you buy. So just to give you some dates, vessels built prior to 2013 were defined as non-eco ships. Then in 2013, more fuel-efficient vessels came about.

As the years have progressed, ships have become increasingly more fuel efficient. So if you compare the ship built in the 2020s compared to what was built prior to 2013, fuel savings could be up to maybe 20%, 25%. And then depending on the size of the ship, it can translate from $1,000 to maybe even $2,000, $2,500 per day on the earnings.

And we don't have a plan of selling ships every quarter specifically. We time it based on the kind of transactions we can get. Our vessels, we do have vessels which are coming close to the end of their lives. So we will continue switching vessels over the next few quarters. Now which transactions come in which quarter we'll have to see as the deals fructify.

Moderator: The next question is from Anuj Sharma with SteadFort Investment Managers.

Anuj Sharma: A couple of questions. One is on the LPG carrier. One, the profit share model, if we were to look at it today, what is the difference versus the earlier charter? And the second or the third one, which is yet to come, if we were to reprice it today, what would be the mark-to-market difference in the spot rates?

Rahul Sheth: You're comparing the time charter with the current spot rates?

Anuj Sharma: The repricing rates.

G. Shivakumar: So the ship which is coming off charter early next year, the current charter rates are probably $15,000 to $20,000 -- no, closer to $20,000 a day higher than that ship's charter rate.

Anuj Sharma: And the one in which we have a profit share, assuming the charter rates are today and if you add back the profit share, what would be that charter…

G. Shivakumar: Based on current spot rates, yes, we make significantly higher, maybe 25%, 30% higher than the previous charter rate -- previous fixed charter rate based on today's spot rate. Again, this changes every month.

Anuj Sharma: And on the ONGC tender, the rig, which is now tendered, what is the rate which we have closed it at?

G. Shivakumar: We don't disclose the rates of any of the contracts.

Anuj Sharma: Just on the spot rates of OSVs, a couple of them are expected to be repriced. So now what -- if we compare it with CY '25 and '24, what would be the difference in those, the spot rates versus the spot rates in '25 and '24 for OSVs?

G. Shivakumar: Okay. It's tough to give a specific number. In some regions, the markets are a little weaker. So for a large anchor handler, it's probably weaker today than it was a year ago, marginally weaker today. In some regions for a larger anchor handler in the North Sea market is much stronger than it was a year ago.

So these are very specific assets for -- it's very different from the shipping business. They are very specific assets with very specific markets. So it's tough to put that number. In general, our earnings are higher than they were, say, a year ago, also because of repricing of time charters that we have. The term charters have got repriced.

Rahul Sheth: And we are largely covered for this financial year. So we'll look at how the repricing develop in the next financial year.

Anuj Sharma: And one last question. Last time we spoke, there were 2 ships of us in the Hormuz of Strait. What is the status now?

Rahul Sheth: So all the ships that had to come out of the Strait have already come out. We have one ship in the Strait currently, but she's on time charter to ADNOC. So she continues to do business there.

G. Shivakumar: She doesn't have to come through the Strait of Hormuz. She's employed on a trade, which is within the Strait.

Moderator: The next question is from the line of Siddharth Chauhan with 360 ONE Capital.

Siddharth Chauhan: Congratulations on great set of results. A couple of questions. Firstly, you have one rig which is idle since 4Q FY '26. So what is the status on that tendering for that rig?

G. Shivakumar: She's not idle since 4Q. She's idle since end of April. She is -- we are trying to bid her for some short term -- or we are in discussions for some potential short-term business. Nothing has crystallized.

Rahul Sheth: Yes. She came off in April, and I'm not sure if you know, but in the monsoon month, really rigs don't get deployed because you can't actually take them to the location. So we are hoping to manage a contract sometime after the monsoon. So this is a natural part of the rig business.

Siddharth Chauhan: And we have another rig which is up for repricing. Has the tendering been done by ONGC for that or are we also looking out for some short-term contracts for that rig? What is the strategy?

Rahul Sheth: One rig is -- we have won the ONGC tender and we expect that to start.

G. Shivakumar: We have the one which is -- other one which is coming up for repricing on a short-term contract.

Rahul Sheth: On a short-term contract, but we don't know about the exact end date of that contract. So we'll have to negotiate that rig once closer to the expiry date.

G. Shivakumar: Again, the customer is probably interested in retaining that for further work.

Siddharth Chauhan: Secondly, what percentage of order book across tanker and bulker is expected to be delivered next year? Do you have figures handy?

G. Shivakumar: We don't have that. We used to put that before. Yes, probably have 7%. Yes, 4% of bulk, 7% of product tanker.

Rahul Sheth: I think our team can share this separately with you.

Siddharth Chauhan: And lastly, you mentioned about capex in the fourth quarter and in July. Is there a budget for the entire year? And secondly, how do you benchmark it? Is it that ships older than, let's say, x number of years you plan to replace them or is there a different way in which you look at it?

Rahul Sheth: No. So the larger principle is the age of the ship because what we try to avoid is that we don't want any ship to have restricted tradability. So sometimes it is somewhat like a hard number where if it approaches a certain age, business can become very challenging or restricted. And sometimes maybe the ship is a bit younger, but we still feel that the options are reducing for the vessel. So it is a bit ship specific, but it is largely guided by the age of the ship.

And also, we look at what we can switch it into because today, the idea is not to lose capacity. But if we find a good ship and a good deal that we can switch the vessel into, then we may sell her slightly before that. That theoretical age where we are concerned about the tradability of the asset.

Siddharth Chauhan: And any budget -- capex budget for the year for modernization?

Rahul Sheth: No, we look at it more ship specific. We have a guiding idea because we know the ships, how they're aging and where we would ideally like to do certain things. But as you can imagine, if the markets change, we do change the way we stick to that plan.

Moderator: Our next question is a text question from Rakesh Roy of Boring Asset Management Company. How much revenue spills from Q4 to Q1? Any revenue spill Q3 from Q2 due to closure of the Hormuz during June?

G. Shivakumar: Yes. So again, this happens from time to time in these voyages. Last quarter, we had a INR50 crores spillover from Q4 to Q1. This time, it's not really significant. And this keeps happening in and out keeps happening depending on the voyage timing.

Moderator: The next text question is from Ronak Singhvi with NAFA Asset Managers. One, current WS and average WS for Q1. And two, crude carriers operating days in presentation shows 46%, which is less than 50%. Is it only the war which is dragging down the operating days? Or is there any other reason like maintenance or something else?

G. Shivakumar: Yes. I'll take the second question first. I think there's some confusion here. The 46% indicates the number of days of this quarter, which have got fixed. It doesn't indicate the utilization of the ship. It means that 46% -- the pricing for 46% of the days has been fixed. And because we operate all of the crude tankers in the spot market, that's why this number is lower than for the other sectors.

Current WS, I assume this is world scale rates. I'm not sure. But again, this is -- for product tankers, they are probably significantly lower than they were in Q1, the current freight rates. For crude tankers, Suezmaxes are probably around the same or slightly lower. Aframaxes are significantly lower than they were in Q1. Bulk carriers are marginally higher.

Moderator: The next question is from Mehul Mehta, an Individual Investor. Not sure if this is answered, but is the management thinking about share buyback?

G. Shivakumar: This question was asked and answered.

Moderator: The next question is an audio question from Rajesh Jain, an Individual Investor.

Rajesh Jain: Sir, a few short questions. In this quarter, in the June quarter, our crude and product tankers, how much was the volatility in the freight rates? So basically, what were the high and low rates in the quarter?

Rahul Sheth: We have to -- we can send you this data separately. But one thing you should know that because of what happened in the Strait, it's generally part of shipping, but it got exaggerated because of the issue we saw in the Strait. The rates that we saw in different parts of the world were dramatically different. Because you had the Strait shut, if you looked at vessels trying to be fixed just outside the Strait, there were a lot of ships competing for those cargoes.

So there were periods of time when either cargoes were not available or the rates were depressed. If you were willing to go to the Strait or if you were willing to go to certain areas next to the Strait, where there was a higher risk premium, those rates were higher.

If you're willing to transit the Red Sea because of the threat of the Houthis, the rates were higher. But they were lower at one point, then they were higher. It changes based on the risk premium someone associates were doing that trade. In the West, we saw when the Strait shut a large -- big spike in the rates because there were many vessels that were not in position, and there were a lot of charterers and end customers who were desperate to own those cargoes and buy those -- secure those cargoes.

And so vessels that were in positions at ports, at exporting terminals were able to take advantage of that. So the rates, the volatility, the difference is all over the place. But what I can do is I can ask Shiv to send you separately some information that may be able to give you some idea of this.

Rajesh Jain: Yes, that will be helpful. I will look forward to that data point.

G. Shivakumar: Yes, you can drop a mail to the corporate communication team, and we will send across the information.

Rajesh Jain: The next question is, so are you seeing structural changes in the trade routes due to refinery dislocations? And are they likely to stay for a very long time in your assessment?

Rahul Sheth: So we are seeing certain changes in the trading pattern. Now what will stick and not stick time will tell. You can imagine that maybe, and this is just pure speculation on our part, that a lot of countries are very dependent on the Middle East for LPG oil. And that will -- some countries like India, Japan, countries that were heavily dependent on the region, may say we want to diversify our source of supply.

One also has to keep in mind that the Middle East, the amount that they produce, where can you diversify that supply from, okay? There are not many other nations that you can say like just take LPG, for example, 40% of the LPG trade is dependent on the Middle East. 40%, 45%, it comes from the U.S.

There are not many nations from which you can diversify the supply. But what could potentially happen is that countries like in the Middle East, we have seen them making -- building pipelines, which say that the oil will be -- oil or gas will be exported away from the Strait of Hormuz.

So some pipelines are being built from the Strait of Hormuz -- Persian Gulf to the Red Sea. Some are being built to the Mediterranean, some are being built directly to Oman. So the idea is to try to move away from the dependency of the Strait. But the Red Sea has its own consequences. We've seen attacks by the Houthis.

And so does the diversification of the pipeline to the Red Sea help or not. There are also security risks of building a pipeline because if these drone attacks can happen on ships, they can even happen on pipelines.

And that's why it would be difficult for us to say that these pipelines that we are seeing being built is the end solution, and there won't be another solution that they may come up with. So I think we can see people trying to make certain changes. But I think it's too soon to tell what those changes will be and whether they will be permanent.

Just to go back, we are very focused on the Strait. But in 2022, when the Russian war broke out, a large part of the Russian crude used to go to Europe, including the product export. Now with the war, as you may know, that has been diverted to all other nations. If theoretically, the war ended -- if theoretically the war ended, there would probably be a requirement for the sanctions on Russia to be lifted.

Would Europe go back to the way they were importing oil and gas before the '22 war? We are not sure. Maybe part of it, maybe none of it, I don't know. But that again has to be seen based on -- because the economics favor Europeans buying more from Russia. But politically, they may want to have a diversification. I think we'll have to see at that point in time how individual players take it up. I hope I answered your question.

Rajesh Jain: Yes. Yes, you have partly answered. I mean -- so basically, I was mainly looking at the refinery dislocations of Russia and the trade from Venezuela because I've been -- I mean, I've been listening to the con calls of a few U.S. listed shipping companies, and they were quite positive on long-term structural tailwinds for the industry across multiple companies which I track?

Rahul Sheth: And what is the point they were raising? And more Atlantic crude will come to the East. Is that the point?

Rajesh Jain: Yes. So the attack on the Russian refineries, that was one point, then the Venezuela trade is the other point. And there were a few more points, which I could not fully contend because I'm not from the industry. But I got the gist that they were structurally bullish medium-term perspective?

Rahul Sheth: So the thing is Venezuela after what happened in January '26, we are seeing some of that trade was sanctioned. And there were a lot of restrictions on that country and a lot of that oil was going to China and other places. Now that the Americans have taken control of those oil supplies, a large part of that Venezuelan crude is now available in the international market.

And that's a long-haul trade because largely, the East is the countries that are increasing their demand for oil. So most of that oil goes long haul from Venezuela East. If you are talking about Russia, you know what's happened on the crude trade, where all that crude that was going short haul from Russia to Europe is now coming East, either India or China or other Southeast Asian nations. So that's a longer haul trade.

Now what's happening on the refinery capacity in Russia. Recently, we have seen an increase in the amount of drone attacks by the Ukrainians and Russian refineries. So actually, what we have seen is Russia reduced the export of products from that region. Now if there is a deficit of refined oil, that has to be supplemented by some other countries.

This refined product used to actually go to Europe, which for many years, has now moved away to other countries like in Africa and Asia. Now that has to be supplied by other countries. Now refining capacity has largely grown in Asia. So one can assume that compared to '23, maybe there's slightly more shorter haul trades filling up those gaps.

G. Shivakumar: But it's not quite a structural. It just has happened. The refineries are down. There is a shortage of that diesel export from Russia, which has to be made up by other refineries. And that is not structural at all. It is a temporary phase. We don't know if those refineries are out of action forever. If they're out of action forever, then it's structural. For now, it just seems that they're out of action temporarily.

Rahul Sheth: So the call is whether the -- like I said earlier on in this question that if the -- it depends on the Russian war ends, then it may not be structural if the sanctions are lifted. It depends on how the state develops because if that opens up, then again, a large percentage of the global refining capacity is in the Middle East, which today is not really available largely to the world, which will open up again.

So these are -- so right now, we are seeing a dislocation in the way the trade patterns are. But whether it returns back to normal, how much it returns back to normal, that we'll have to see if these incidences resolve itself and in what form they resolve itself.

Rajesh Jain: And sir, are you seeing any early signs of El Nino impact on Suez Canal crossings?

Rahul Sheth: Not Suez Canal. In the Panama Canal, while it's not been a large impact, we have seen certain water levels starting to drop off.

G. Shivakumar: And the number of transits actually being restricted because of that in the Panama Canal. The Suez Canal has not had this problem, never had this problem.

Rahul Sheth: Yes. It's mainly a Panama Canal phenomenon.

Rajesh Jain: So this phenomena develops, so that will be basically, again, a benefit for the shipping industry in terms of the freight rates, right?

Rahul Sheth: Mainly for LPG because LPG is very largely dependent on the Panama Canal. We'll also have to see how this affects on the dry bulk trade because of crops. It can affect -- it can cause droughts in certain regions, and therefore, the crop yields can fall. And then we'll have to again see which nations get affected by that and how the crop yields get affected accordingly.

Rajesh Jain: And sir, do you keep track of the strategic petroleum reserves of different countries? And if you do, then what is your assessment of the crude demand, if not immediate, then maybe 6 months down the line. So what is your assessment? Can it support crude demand?

Rahul Sheth: You mean whether the inventories can support it?

Rajesh Jain: Yes. There have been reports of a large inventory drawdowns, right? But yes, you can tell me your assessment.

Rahul Sheth: Yes. So we basically -- so the data is somewhat available. So we have seen in the past few years, China build up one of the largest reserves of oil. How much they have exactly drawn down during these last 3, 4 months, they haven't actually declared. So we have to make a certain amount of guess of how much oil has been drawn down.

One other -- in the U.S., they do publish the data. So we know that the SPRs, they used to be at 750 million barrels, they have fallen to about 450 million barrels before the Iran war. And now they're down to about 300-odd million.

They are one of the lowest they have been, although America has changed its -- it used to be a heavily oil importing nation. It no longer is. It has -- it is somewhat self-sufficient in oil. So now whether they want to restock their balances, we'll have to see.

But I think the larger concern is that there are certain nations that import oil, but that does not mean that the stocks are in those nations, which means that considering that there have been so many months without a large supply of oil, it will strain a lot of supplies. We don't have full information of how tight those supplies will be.

But the longer the war draws down, there has to be a limit at which nations will come to a limit where they cannot just rely on inventory, and they may have to then start securing barrels from those who are producing, and that can have an impact.

Moderator: Our next question is a text question from Mehul Mehta, an Individual Investor. What is our treasury strategy? Do we still hold cash in U.S. treasuries or diversify to earn better returns?

G. Shivakumar: Yes, I should clarify, we don't hold any cash in U.S. treasuries. Our money sits in the bank. We have some dollar balances, which just sit in the bank. Our rupee balances are invested in debt funds or bank deposits typically. So we don't have any exposure to U.S. treasuries.

Moderator: The next is a text question from Arun Biswas, an Individual Investor. The rate fluctuation we have seen in the last quarter or the kind of sudden demand spike has been seen in the last quarter. Is similar demand and fluctuation exist in present time as well or intensity has been reduced a little bit?

Rahul Sheth: I think rates continue to fluctuate quite a bit. Now you can always question the degree of that fluctuation, but that will be difficult to comment on. We have to also see how this war develops because that could lead to more volatility, positive or negative, we'll have to see.

Moderator: The next is an audio question, a follow-up from Rajesh Jain, an Individual Investor.

Rajesh Jain: Sir, while the order book is increasing, what is your assessment on the delivery of the new ships? Are they likely to be on time or do you think they could be delayed by 6 months or 1 year?

Rahul Sheth: I think 6 months to 1 year is a very long delay. I think it's -- I think broadly, they should be delivered on time.

G. Shivakumar: There's no reason to believe that they will be delayed.

Rajesh Jain: And in the past cycle highs, let's say, the 2007-08 cycle high, so when the cycle started cooling off, how much used to be the volatility in asset prices in a quarter? So was it around 10% to 15% drawdown in a quarter or was it much higher in the previous cycle?

G. Shivakumar: Yes, we've had -- during the dry bulk cycle, I just recall this because we actually took an impairment. During the dry bulk cycle, in the middle of the cycle between beginning of 2005 and end of 2005 calendar year, I think we had a 15% to 20% drawdown over a period of 3 quarters. This was between March 2005 and December 2005. We had a 20% type drop in the prices, which we had in this cycle also.

And we took an impairment in March 2025 for vessels, which we bought in between May and -- between end of '23 and middle of '24. And we actually took an impairment on some of those ships because the prices dropped by 20% in that period. In the middle of a very hot market, obviously, you can have soft batches in that market as well. So that happens. Ship prices do a lot of that.

Rajesh Jain: And have your ships been taking any routes from Hormuz and Bab-el-Mandeb Strait?

G. Shivakumar: No, we don't go through the Strait of Hormuz -- we have not gone through the Strait of Hormuz. After our ships came out, we have not gone into that area.

Rajesh Jain: And sir, my last suggestion is basically on the very first point. I will -- just a suggestion to seriously introspect adding at least 1 to 2 ships every quarter using incremental cash flows because in a year time, you can end up having 6 to 8 more ships while still preserving your cash war chest. So that will give you the best of both the worlds is -- I mean, my suggestion to seriously think about it.

Management: Yes, it is a fair point.

Moderator: We have no further questions, ladies and gentlemen. I would now like to hand the conference over to the management for closing comments.

G. Shivakumar: Thank you, everyone, for attending this call. As always, the transcript will be up on our website and on the stock exchange website. And for any queries, please feel free. We have the e-mail ID at the end of our presentation, and you can drop us any questions that you have. Thank you.

Moderator: Thank you. On behalf of GE Shipping, that concludes this conference call. Thank you all for joining us. You may now disconnect your lines.