



# VARUN SHIPPING COMPANY LIMITED

CIN No. L61100MH1971PLC014985  
FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER, 2014

## PART - I

|                 |                                                                                                                                     | ₹ in lacs                                                  |                                                            |                                                             |                                                            |                                                           |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------------------|------------------------------------------------------------|-----------------------------------------------------------|
| Sr.No           | PARTICULARS                                                                                                                         | Standalone<br>Quarter<br>ended<br>31.12.2014<br>Un-Audited | Standalone<br>Quarter<br>ended<br>30.09.2014<br>Un-Audited | Standalone<br>9 months<br>ended<br>31.12.2014<br>Un-Audited | Standalone<br>Quarter<br>ended<br>31.12.2013<br>Un-Audited | Standalone<br>18 months<br>ended<br>31.03.2014<br>Audited |
| 1               | Income from operations                                                                                                              |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | Freight & charter hire                                                                                                              | 3,033.37                                                   | -                                                          | 3,033.37                                                    | 733.42                                                     | 17,531.43                                                 |
|                 | Profit on Sale of Ship(s) and other assets (Net)                                                                                    | 0.00                                                       | -                                                          | 0.00                                                        | 0.07                                                       | 0.91                                                      |
|                 | <b>Total Income</b>                                                                                                                 | <b>3,033.37</b>                                            | <b>-</b>                                                   | <b>3,033.37</b>                                             | <b>733.49</b>                                              | <b>17,532.34</b>                                          |
| 2               | Expenses                                                                                                                            |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | a) Employee cost                                                                                                                    | 669.11                                                     | 986.40                                                     | 2,886.15                                                    | 1,310.83                                                   | 7,215.83                                                  |
|                 | b) Bunker cost                                                                                                                      | 61.95                                                      | 1,025.23                                                   | 1,479.28                                                    | 715.76                                                     | 5,370.03                                                  |
|                 | c) Port expenses                                                                                                                    | 5.64                                                       | (70.89)                                                    | 78.94                                                       | (49.45)                                                    | 644.82                                                    |
|                 | d) Stores, Lubcs & Vtlualling                                                                                                       | 127.98                                                     | 122.05                                                     | 374.40                                                      | 90.06                                                      | 997.62                                                    |
|                 | e) Repairs & Maintenance including cost of spares and Survey                                                                        | 4,311.29                                                   | 2,844.66                                                   | 10,458.17                                                   | 22.18                                                      | 617.80                                                    |
|                 | f) Depreciation                                                                                                                     | 2,550.77                                                   | 2,533.16                                                   | 7,600.49                                                    | 2,706.97                                                   | 12,263.64                                                 |
|                 | g) Hire of inchartered ships                                                                                                        | -                                                          | (116.20)                                                   | 941.22                                                      | 1,069.04                                                   | 7,825.50                                                  |
|                 | h) Provision for doubtful receivables                                                                                               | -                                                          | -                                                          | -                                                           | 14,000.00                                                  | 14,000.00                                                 |
|                 | i) Other expenditure                                                                                                                | 127.07                                                     | 686.53                                                     | 1,477.17                                                    | 443.20                                                     | 4,493.81                                                  |
|                 | <b>Total</b>                                                                                                                        | <b>7,853.81</b>                                            | <b>8,010.94</b>                                            | <b>25,295.82</b>                                            | <b>20,308.59</b>                                           | <b>53,429.05</b>                                          |
| 3               | Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items ( 1- 2 )                                   | (4,820.46)                                                 | (8,010.94)                                                 | (22,262.45)                                                 | (19,575.10)                                                | (35,896.71)                                               |
| 4               | Other Income                                                                                                                        | 107.48                                                     | 76.04                                                      | 316.22                                                      | 484.96                                                     | 3,631.61                                                  |
| 5               | Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 plus 4)                                      | (4,712.98)                                                 | (7,934.90)                                                 | (21,946.23)                                                 | (19,090.14)                                                | (32,265.10)                                               |
| 6               | Finance Costs                                                                                                                       | 5,147.91                                                   | 3,854.33                                                   | 12,930.63                                                   | 4,536.12                                                   | 23,865.74                                                 |
| 7               | Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items ( 5 minus 6 )                             | (9,860.89)                                                 | (11,789.23)                                                | (34,876.86)                                                 | (23,626.26)                                                | (56,130.84)                                               |
| 8               | Exceptional Items (Exchange gain / (loss) ( Refer Note - 5 )                                                                        | (928.47)                                                   | (788.95)                                                   | (1,987.16)                                                  | (1,904.59)                                                 | 7,223.12                                                  |
| 9               | Profit / (Loss) from Ordinary Activities before tax ( 7 minus 8 )                                                                   | (10,789.36)                                                | (12,578.18)                                                | (36,864.02)                                                 | (25,530.85)                                                | (48,907.72)                                               |
| 10              | Tax Expense                                                                                                                         |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | Current Tax                                                                                                                         | -                                                          | -                                                          | -                                                           | -                                                          | 85.87                                                     |
|                 | (Excess)/short provision of income tax for prior years                                                                              | -                                                          | -                                                          | -                                                           | -                                                          | -                                                         |
| 11              | Net Profit / (Loss) from Ordinary Activities after tax (9 minus 10)                                                                 | (10,789.36)                                                | (12,578.18)                                                | (36,864.02)                                                 | (25,530.85)                                                | (48,993.59)                                               |
| 12              | Extraordinary Item ( net of - tax expense )                                                                                         | -                                                          | -                                                          | -                                                           | -                                                          | -                                                         |
| 13              | Net Profit / (Loss) after taxes (11 minus 12)                                                                                       | (10,789.36)                                                | (12,578.18)                                                | (36,864.02)                                                 | (25,530.85)                                                | (48,993.59)                                               |
| 14              | Share of Profit / (Loss) of associates                                                                                              | -                                                          | -                                                          | -                                                           | -                                                          | -                                                         |
| 15              | Minority interest                                                                                                                   | -                                                          | -                                                          | -                                                           | -                                                          | -                                                         |
| 16              | Net Profit / (Loss) for the period after taxes and minority interest & share of profit / (loss) of associates (13 plus 14 plus 15)  | (10,789.36)                                                | (12,578.18)                                                | (36,864.02)                                                 | (25,530.85)                                                | (48,993.59)                                               |
| 17              | Paid- up equity share capital (Face value ₹ 10/-)                                                                                   | 15,000.78                                                  | 15,000.78                                                  | 15,000.78                                                   | 15,000.78                                                  | 15,000.78                                                 |
| 18              | Reserves excluding revaluation reserves                                                                                             |                                                            |                                                            |                                                             |                                                            | 20,246.32                                                 |
| 19              | Earnings Per Share (EPS) (in ₹)                                                                                                     |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | a) Basic and diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not annualized) | (7.19)                                                     | (8.39)                                                     | (24.57)                                                     | (17.02)                                                    | (32.66)                                                   |
|                 | Earnings Per Share (EPS) (in ₹)                                                                                                     |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)  | (7.19)                                                     | (8.39)                                                     | (24.57)                                                     | (17.02)                                                    | (32.66)                                                   |
| <b>PART- II</b> |                                                                                                                                     |                                                            |                                                            |                                                             |                                                            |                                                           |
| A               | Particulars of Shareholding                                                                                                         |                                                            |                                                            |                                                             |                                                            |                                                           |
| 1               | Public shareholding                                                                                                                 |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | - Number of shares                                                                                                                  | 93,391,017                                                 | 93,316,211                                                 | 93,391,017                                                  | 93,316,211                                                 | 93,316,211                                                |
|                 | - Percentage of shareholding                                                                                                        | 62.26                                                      | 62.21                                                      | 62.26                                                       | 62.21                                                      | 62.21                                                     |
| 2               | Promoters and Promoter Group Shareholding                                                                                           |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | a) Pledged/Encumbered                                                                                                               |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | - Number of shares                                                                                                                  | 23,225,194                                                 | 23,300,000                                                 | 23,225,194                                                  | 23,300,000                                                 | 23,300,000                                                |
|                 | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                                            | 41.02                                                      | 41.10                                                      | 41.02                                                       | 41.10                                                      | 41.10                                                     |
|                 | - Percentage of shares (as a % of the total share capital of the company)                                                           | 15.48                                                      | 15.53                                                      | 15.48                                                       | 15.53                                                      | 15.53                                                     |
|                 | b) Non-Encumbered                                                                                                                   |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | - Number of shares                                                                                                                  | 33,391,562                                                 | 33,391,562                                                 | 33,391,562                                                  | 33,391,562                                                 | 33,391,562                                                |
|                 | - Percentage of shares (as a % of the total shareholding of promoter and promoter group)                                            | 58.98                                                      | 58.90                                                      | 58.98                                                       | 58.90                                                      | 58.90                                                     |
|                 | - Percentage of shares (as a % of the total share capital of the company)                                                           | 22.26                                                      | 22.26                                                      | 22.26                                                       | 22.26                                                      | 22.26                                                     |
|                 |                                                                                                                                     | <b>3 Months Ended 31.12.2014</b>                           |                                                            |                                                             |                                                            |                                                           |
| B               | Particulars                                                                                                                         |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | Investor Complaints                                                                                                                 |                                                            |                                                            |                                                             |                                                            |                                                           |
|                 | Pending at the beginning of the quarter                                                                                             | 766                                                        |                                                            |                                                             |                                                            |                                                           |
|                 | Received during the quarter                                                                                                         | 10                                                         |                                                            |                                                             |                                                            |                                                           |
|                 | Disposed off during the quarter                                                                                                     | 2                                                          |                                                            |                                                             |                                                            |                                                           |
|                 | Remaining unresolved at the end of the quarter                                                                                      | 774                                                        |                                                            |                                                             |                                                            |                                                           |

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### Registered Office :

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# VARUN SHIPPING COMPANY LIMITED

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- 1) The Statutory Auditors have carried out a "Limited Review" for the quarter ended 31st December, 2014.
- 2) The above results were reviewed by the Audit Committee and were taken on record by the Board of Directors at their meetings held on 6th July, 2015
- 3) During the quarter under review three ships of the Company were under dry dock and hence there is less operating income. However, currently, four ships of the Company are operational. These ships are given on Bare Boat Charter basis to Varun Global Limited. Hence the operating cost for the previous periods is not comparable.
- 4) The Composite Scheme of Arrangement and Amalgamation between Varun Shipping Company Limited, Varun Gas Infrastructure Limited, Tarun Shipping and Industries Limited., Varun Global Limited, Varun Maritime Limited and Varun Resources Limited and their respective Shareholders and Creditors under the Provisions of Sections 391 to 394, read with Section 100 to 103 of the Companies Act, 1956 has been sanctioned and approved by the Honorable High Court of Judicature at Bombay vide its Order dated May 9, 2014 and further validated by its Order dated September 24, 2014, a certified copy of which was received on November 20, 2014. The certified copy of the said Order, along with the Scheme, has been filed with the Registrar of Companies, Mumbai on December 8, 2014. As per the High Court order once the above Scheme comes into effect the Company shall without any further act or deed, stand dissolved without winding up. As per the records of the Registrar of Companies (ROC) Maharashtra the name of the Company "Varun Shipping Company Limited" has been struck off the records of the ROC and hence the Company's ability to continue to operate as a going concern does not arise.
- 5) Exchange Loss of ₹ 928.47 Lacs during the quarter and ₹ 1,987.16 Lacs for the nine month period is due to net exchange loss on revaluation of short term and long term foreign currency monetary assets and liabilities. Above mentioned accounting treatment is in conformity with the Accounting Standard 11 (Revised) issued by the Institute of Chartered Accountants of India and the notification issued by the Ministry of Corporate Affairs.
- 6) The Company has made long term strategic investments which are carried "at cost" and has exposures in various subsidiaries and associates in which there has been a temporary reduction in revenues due to lack of working capital that has affected the operation of the vessels. While there is a degree of uncertainty as to the final outcome, the Management is in the process of raising resources to streamline the operations of the vessels in the future. The subsidiaries and associates are taking steps to fully operationalise their vessels, to enable them to repay their liabilities to the Company. These being long term investments, Management is of the view that diminution in the value of these investments is temporary in nature, the balance outstandings are good and recoverable and consequently no further provision has been made during the quarter under review.
- 7) During the quarter ended 31st December 2014, the Company has provided Depreciation on Fixed Assets considering useful lives specified in Schedule II of the Companies Act, 2013, or as reassessed by the Company. Accordingly the useful life of certain assets required a change from the previous estimates. Management believes that the revised useful lives of the assets reflect the periods over which these Assets are expected to be used. As a result of the change, the charge on account of Depreciation for the quarter ended 31st December 2014 is higher by ₹ 174.67 Lacs and Rs. 523.41 Lacs for the nine months period ended 31<sup>st</sup> December 2014 for the assets held as on 1<sup>st</sup> April 2014 as compared to the method used and useful lives estimated in the earlier periods.
- 8) As per the latest audited accounts of VSC International Pte Ltd (the "Company") as at 31st March, 2012, the statutory auditors of the Company have given a disclaimer in their report to the shareholders of the Company to the effect that they are unable to and do not express their opinion on whether the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards so as to give a true & fair view of the state of affairs of the Company as at 31st March, 2012.  
The Management is of the opinion that on account of this qualification there is no impact on the financial results of VSC International Pte. Ltd. and consequently there is no permanent diminution in the value of investments of Varun Shipping Company Limited in the shares of VSC International Pte. Ltd.
- 9) At the Annual General Meeting held on 4th February, 2013, the shareholders of the company had approved payment of dividend of ₹ 0.50 paise per equity share for the 18 month period ended 30th September, 2012 aggregating to ₹ 750.04 lacs. Due to paucity of funds and economic slow down in shipping industry, the amount of dividend relating to non-promoter shareholding (public shareholders) were paid in the month of April, 2015 aggregating to ₹ 466.58 lakhs (together with interest of ₹ 111.98 lakhs) out of ₹ 750.04 lacs. The Dividend Distribution Tax of ₹ 121.68 lacs has remained unpaid till date.
- 10) Remuneration of ₹ 12.00 Lacs for the quarter ended 31st December, 2014 and ₹ 36.00 Lacs for the nine months period ended 31st December, 2014, payable to the Chairman and Managing Director is subject to the approval of the Central Government.
- 11) The Company is primarily engaged in shipping business and there are no separate reportable segments as per the Accounting Standard 17.
- 12) Since the Company has incurred loss for period of 3 months under audit, it has not made any provision for income tax for this period.
- 13) The figures for the previous periods have been restated / regrouped, wherever necessary to make them comparable.



For VARUN SHIPPING COMPANY LIMITED

YUDHISHTHIR D. KHATAU  
Chairman and Managing Director

Place: Mumbai  
Date: 6th July 2015

**Registered Office :**

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