

**VARUN SHIPPING COMPANY LIMITED**Our Ref. **2262**29th November, 2012

National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East),
MUMBAI - 400 051.
Fax No.26598237/8

SCRIP CODE NO.VARUNSHIP

Dear Sirs,

Re : Audited Accounts for the eighteen months period ended 30th September, 2012

In terms of Clause 41 of the Listing Agreement, we enclose herewith audited financial results of the company for the eighteen months period ended 30th September, 2012.

At the meeting of the Board of Directors held today, the directors recommended a dividend of Rs.0.50 (5 per cent) per equity share of Rs.10 each of the company, which will be paid to the shareholders on or after 25th January, 2013.

In terms of Clause 20 of the Listing Agreement, we enclose herewith statement of appropriations.

We also enclose herewith copy of Press Release issued by the company.

Thanking you,

Yours faithfully,

For Varun Shipping Company Limited

Manali Parekh
Vice President Corporate Affairs,
Secretarial & Legal and Company Secretary

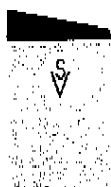
Encl: as above

Registered Office:

Laxmi Building, 6, Shoorji Vallabhdas Marg,

Ballard Estate, Mumbai-400 001, India.

Website: www.varunship.com**Tel. :** (91-22) 6635 0100 - 109**Fax :** (91-22) 6635 0274 / 280



VARUN SHIPPING COMPANY LIMITED

FINANCIAL RESULTS FOR THE QUARTER / 18 MONTH PERIOD ENDED 30TH SEPTEMBER, 2012

	Rs. in lacs			
	Standalone Quarter ended 30.09.2012 Audited	Standalone 18 months ended 30.09.2012 Audited	Standalone 12 months ended 31.03.2011 Audited	Consolidated 18 months ended 30.09.2012 Audited
1 Income from operations				
Freight & charter hire	8,581.55	48,550.23	49,142.68	75,158.89
Profit on Sale of Ship(s) and other assets (Net)	0.00	13,862.68	34,542.07	3,635.01
Total Income	8,581.55	60,412.91	83,684.73	78,793.90
2 Expenses				
a) Employee cost	1,761.41	10,653.58	10,709.43	15,057.86
b) Bunker cost	1,455.17	5,257.08	6,773.89	6,012.80
c) Port expenses	172.67	1,080.08	1,457.15	2,941.16
d) Stores, Lubricants & Victualling	311.43	1,942.40	2,696.27	3,007.28
e) Repairs & Maintenance including cost of spares and Survey	49.42	3,798.08	7,087.58	5,436.95
f) Depreciation	1,462.80	14,438.83	17,789.25	27,879.50
g) Hire of chartered ships	1,832.52	11,401.89	12,169.80	11,401.89
h) Other expenditure	1,269.83	6,125.20	5,647.14	10,316.64
Total	8,115.25	54,675.24	64,310.61	82,053.98
3 Profit / (Loss) from Operations before Other Income, Interest & Exceptional Items (1-2)	466.30	5,737.67	19,374.12	(3,260.08)
4 Other Income	(444.65)	10,782.54	403.34	11,485.90
5 Profit / (Loss) before Interest & Exceptional Items (3 plus 4)	21.65	16,520.21	19,777.46	8,225.82
6 Interest and Finance Charges (net)	4,834.36	28,821.32	17,629.85	41,310.44
7 Profit / (Loss) after interest but before Exceptional Items (5 minus 6)	(4,812.71)	(12,301.11)	2,147.61	(33,084.62)
8 Exceptional Items (Exchange gain / (loss) (Refer Note - 4)	(6,790.54)	16,073.77	(485.41)	16,073.77
9 Profit / (Loss) from Ordinary Activities before tax (7 minus 8)	(11,603.25)	3,772.68	1,662.20	(17,010.85)
10 Tax Expense				
Current Tax	-	175.00	335.24	184.00
(Excess)/short provision of income tax for prior years	-	(238.88)	(127.81)	(238.88)
11 Net Profit / (Loss) from Ordinary Activities after tax (9 minus 10)	(11,603.25)	3,836.54	1,474.77	(16,955.97)
12 Extraordinary Item (not of tax expense)	-	-	-	-
13 Net Profit / (Loss) for the period (11 minus 12)	(11,603.25)	3,836.54	1,474.77	(16,955.97)
14 Share of Profit / (Loss) of associates	-	-	-	1,729.69
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)	-	-	-	(15,226.28)
17 Paid-up equity share capital (Face value Rs.10/-)	15,000.78	15,000.78	15,000.78	15,000.78
18 Reserves excluding revaluation reserves	-	68,239.91	66,275.10	50,310.17
19 Earnings Per Share (EPS) (In Rs.)				
a) Basic and diluted EPS before Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized)	(7.74)	2.56	0.98	(11.30)
Earnings Per Share (EPS) (In Rs.)				
b) Basic and diluted EPS after Extraordinary Items for the period, for the year to date and for the previous year (not to be annualized)	(7.74)	2.56	0.98	(11.30)
20 Public shareholding				
- Number of shares	93,316,211	93,316,211	90,100,350	93,316,211
- Percentage of shareholding	62.21	62.21	60.06	62.21
21 Promoters and Promoter Group Shareholding				
a) Pledged/Encumbered				
- Number of shares	15,200,000	15,200,000	16,900,000	15,200,000
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	28.81	28.81	28.21	26.81
- Percentage of shares (as a % of the total share capital of the company)	10.13	10.13	11.27	10.13
b) Non-Encumbered				
- Number of shares	41,491,562	41,491,562	43,007,423	41,491,562
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	73.19	73.19	71.79	73.19
- Percentage of shares (as a % of the total share capital of the company)	27.66	27.66	28.67	27.66

..2..

Registered Office:

Laxmi Building, 6, Shoorji Vallabhdas Marg,

Tel. : (91-22) 6635 0100 - 109

Ballard Estate, Mumbai-400 001, India.

Fax : (91-22) 6635 0274 / 280

Website: www.varunship.com



VARUN SHIPPING COMPANY LIMITED

Notes:-

1 STATEMENT OF ASSETS AND LIABILITIES	Stand alone	Stand alone	Consolidated
	Rs in lacs As at 30.09.2012 (Audited)	Rs in lacs As at 31.03.2011 (Audited)	Rs in lacs As at 30.09.2012 (Audited)
A) EQUITY AND LIABILITIES			
Shareholders' Fund			
(a) Capital	13,000.71	16,000.78	15,000.78
(b) Reserves and Surplus	88,239.91	88,275.09	60,310.17
Non-current liabilities			
a) Long-term borrowings	68,082.08	194,147.51	107,844.15
b) Long-term provisions	706.20	670.78	705.20
c) Finance Lease Payable	2,880.26	4,685.70	2,880.26
Current liabilities			
a) Short-term borrowings	14,736.00	8,444.80	21,230.00
b) Trade payables	33,454.38	19,218.18	78,489.28
c) Other current liabilities	87,280.13	72,607.18	72,551.80
d) Short-term provisions	1,515.85	1,855.36	1,515.85
e) Finance Lease Payable	3,522.73	1,492.68	3,522.73
f) Difference in Exchange on Consolidation			460.00
TOTAL	275,281.29	304,677.82	444,280.05
B) ASSETS			
a) Fixed assets			
i) Tangible assets	85,326.10	180,230.43	290,405.80
b) Goodwill on consolidation	-	-	701.41
c) Non-current investments	5,034.08	2,732.10	8,386.48
d) Long-term loans and advances	10,080.61	11,027.98	10,080.01
e) Finance Lease Receivable	2,722.04	4,488.37	2,722.04
f) Foreign Currency Monetary Item Translation Difference	92.41	-	92.41
Current assets			
a) Inventories	781.77	934.91	781.77
b) Trade receivables	78,316.14	14,280.54	20,944.13
c) Cash and Cash Equivalents	33,476.75	1,621.21	30,104.46
d) Short-term loans and advances	80,241.81	42,938.88	54,431.75
e) Other current assets	16,333.77	7,808.02	9,377.38
f) Finance Lease Receivable	2,902.71	110,157.29	2,902.71
TOTAL	275,281.29	304,677.82	444,280.05

- 2 The Directors have recommended a dividend of Rs. 0.50 per equity share of Rs. 10 each (Previous year Rs. 0.60 per equity share) and the total outgo will be Rs. 871.72 Lacs (Previous year Rs. 1,304.73)
- 3 The Board at its meeting held on 31st March 2012 had considered and approved the composite scheme of arrangement and amalgamation between Varun Shipping Company Limited, Varun Gas Infrastructure Limited, Varun Shipping and Industries Limited, Varun Global Private Limited, Varun Maritime Private Limited and Varun Resources Private Limited and their respective shareholders and creditors under the provisions of Sections 391 to 394 read together with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956, so as to segregate shipping business, ship management and shipping investment business into separate entities ("Scheme"). During the quarter ended September, 2012 the Company has received the no objection letters from Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Subsequent to that the Company has filed an application with the Hon'ble Bombay High Court in November, 2012 for its approval.
- 4 Exchange loss of Rs. 8,700.54 lacs during the quarter, is due to the net exchange loss on revaluation of short term and long term foreign currency monetary assets and liabilities, on account of significant appreciation of Rupee against US Dollar. 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.
- 5 Other income includes mainly management fees earned in respect of ships which have been taken on technical & commercial management and interest on unsecured loans.
- 6 Interest cost is net of interest on finance lease receivables, interest on loans given of Rs 410.54 lacs for the quarter.
- 7 The accounting year of the Company is a period of 18 months upto 30th September, 2012. The Company has made provision for tax on the basis of 12 months period upto 31st March, 2012 as per Minimum Alternate Tax (MAT). The tax liability for the six months period from 1st April, 2012 to 30th September, 2012 can not be estimated with reasonable accuracy as the tax liability for the financial year ending on 31st March, 2013 which includes the above six month period will be determined and provided subsequent to 31st March, 2013.
- 8 The previous year's figures for 18 months period from 1.4.2010 to 30.09.2011 have not been given
- 9 There were 3 investor complaints pending as on 1st July 2012. 48 investor complaints were received during the quarter and 31 complaints were disposed off during the quarter. Hence Nil complaints remained unresolved on 30th September, 2012.
- 10 The Company is engaged primarily in shipping business and there are no separate reportable segments as per the Accounting Standard 17.
- 11 Figures for the previous accounting periods have been regrouped wherever necessary. The figures of last quarter are the balancing figures between audited figures in respect of the full 18 months period and the published year to date figures upto the fifth quarter of the current financial year.
- 12 The above results have been reviewed by Audit Committee at its meeting held on 29th November, 2012 and have been approved by the Board of Directors of the Company at its meeting held on 29th November 2012.

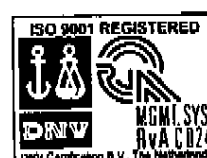
For VARUN SHIPPING COMPANY LIMITED

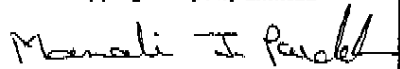

 YUDHISHTIR D. KHATAU
 Chairman & Managing Director


 Place : Mumbai
 Date : November 29, 2012

Registered Office :
 Laxmi Building, 8, Shoorji Vallabhdas Marg,
 Ballard Estate, Mumbai-400 001, India.
 website : www.varunship.com

Tel. : (91-22) 6635 0100-109
 Fax : (91-22) 6635 0278/ 280



(Meeting of the Board of Directors of the company held on 29th November, 2012) Statement of Appropriations (As per Clause 20 of the Listing Agreement) Name of the Company : VARUN SHIPPING COMPANY LIMITED For the eighteen months period ended : 30.09.2012			
		Current Year 2011-2012 Eighteen months ended 30.09.2012 (Rupees)	Previous Year 2010-2011 (Rupees)
1	Total Turnover and other Receipts	7,842,022,863	8,805,953,989
2	Gross Profit :	5,425,757,839	4,107,275,889
	(Before deducting any of the following)		
	(a) Interest	3,604,609,376	2,160,130,617
	(b) Depreciation	1,443,882,706	1,778,925,086
	(c) Tax Liability		
	Current tax	(6,388,320)	20,742,715
3	Net Profit available for appropriation	383,654,077	147,477,471
4	Provision for Investment Allowance Reserve	-	-
5	Net Profit	383,654,077	147,477,471
	Add : B/fd. From last year's balance	942,921,632	934,918,388
	Other adjustments, if any:		
	Less : Transferred to General Reserve		-
6	Dividend :		
	Per Ordinary Share Rs 0.50 per share	75,003,887	120,006,218
	No. of shares : 150,007,773		
	(Previous Year : Rs.0.80 per share		
	No. of Shares : 150,007,773)		
	Tax on Equity Dividend	12,167,506	19,468,009
7	Balance carried forward	1,239,404,316	942,921,632
8	Particulars of proposed Right/Bonus Shares/Convertible Debenture issue - NA		
9	Closure of Register of Members will be intimated to you later.		
10	Date from which the dividend is payable : On or after 25th January, 2013		
For Varun Shipping Company Limited  Manali Parekh Vice President - Corporate Affairs, Secretarial & Legal and Company Secretary			
Date : 29th November, 2012			

**VARUN SHIPPING COMPANY LIMITED****PRESS RELEASE****VARUN SHIPPING'S PROFIT AFTER TAX IS Rs.38.36 CRORES FOR THE
18 MONTHS PERIOD ENDED 30TH SEPTEMBER, 2012
RECOMMENDS DIVIDEND OF 5 PER CENT**

Varun Shipping's freight and charter hire income for the eighteen months period ended 30th September, 2012 was Rs.465.50 crores as compared to Rs.491.42crores for the previous financial year ended 31st March, 2011.

Company's profit after tax for the 18 months period ended 30th September, 2012 was Rs.38.36 crores as compared to Rs.14.74 crores for the previous financial year ended 31st March, 2011.

Company has recommended dividend of 5 per cent (Rs.0.50) per share of Rs.10 each for the eighteen months period ended 30th September, 2012.

Earnings Per Share (EPS) (basic) for the eighteen months period ended 30th September, 2012 was Rs.2.56.

The company presently owns and/or operates a well diversified fleet of 20 vessels comprising of 10 LPG carriers, 3 double hull aframax crude tankers and 7 Anchor Handling Towing Supply (AHTS) vessels. The LPG Carrier fleet presently owned and/or operated by the company is the largest in India in terms of both fleet size and cargo carrying capacity.

29th November, 2012

Registered Office:

Laxmi Building, 6, Shoorji Vallabhdas Marg,
Ballard Estate, Mumbai-400 001, India.

Website: www.varunship.com

Tel. : (91-22) 6635 0100 - 109

Fax : (91-22) 6635 0274 / 280

