

Brief profile of the Company and its business

Varun Shipping Company Limited (VSCL) was incorporated on January 27, 1971 under the Companies Act, 1956 and presently, its registered office is at Laxmi Building, 6 Shoorji Vallabhdas Marg, Ballard Estate, Mumbai - 400 001.

VSCL is listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).

Business Aspect

VSCL is primarily engaged in the following business :

- (a) **Shipping Business** - engaged in transportation of goods through its vessels from countries outside India and bringing goods into India under the time charter or voyage charter arrangement entered with various public sector companies and private companies.
- (b) **Ship Management & Shipping Investment Business** - includes providing services in the nature of technical and commercial management of the ships to the vessel owners and charterers operating across the world and also holds investments in group entities engaged in shipping business

Tarun Shipping and Industries Limited (TSIL), an associate company of VSCL, was incorporated on 6th October, 1994 with the objective of carrying on the business of Shipping and Investments. The paid-up capital of TSIL is Rs. 16,83,00,000 comprising of 1,68,30,000 Equity Shares of Rs. 10/- each. VSCL holds 49.91% of the Equity Capital of TSIL.

Varun Gas Infrastructure Limited (VGIL), a wholly owned subsidiary of VSCL, was incorporated on 8th April, 2011 with an objective to carry on business of Shipping.

Existing businesses of Varun, Tarun and VGIL

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VSCL	(i) Shipping Business (ii) Ship Management & Shipping Investment
Tarun	(i) Shipping Business (ii) Offshore Shipping & Shipping Investment
VGIL	(i) Shipping Business

NOTE ON COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION

Scheme

With a view to realign businesses and increase focus on individual growth strategies of each business, it was proposed to rearrange the businesses by segregating the traditional shipping business and Shipping Management & Shipping Investment Business into separate entities through a composite Scheme of Arrangement and Amalgamation under the provisions of Sections 391 to 394 read together with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956.

The Composite Scheme of Arrangement and Amalgamation envisages the following :

VSCL	Demerger of Ship Management & Shipping Investment Business into Varun Global Limited (VGL)
	Merger of remaining business of VSCL with Varun Resources Limited (VRL)
TSIL	Demerger of Offshore Shipping & Shipping Investment Business of TSIL into Varun Maritime Limited (VML)
	Merger of remaining business of TSIL with VRL
VGIL	Merger with VRL

Composite Scheme of Arrangement and Amalgamation

As per the Composite Scheme of Arrangement and Amalgamation (scheme), the businesses of Varun, Tarun and VGIL was rearrangement by way of demerger and merger scheme. The Scheme of Arrangement and Amalgamation has been approved by the Hon'ble High Court vide order dated May 9, 2014 and September 24, 2014.

After the scheme becoming effective, following companies will focus on :

3 New Companies	Business of 3 new companies
Varun Global Limited (VGL)	Focussing on Shipping Management & Shipping Investment Business of VSCL
Varun Resources Limited (VRL)	Focussing on Shipping Business of VSCL, TSIL and VGIL
Varun Maritime Limited (VML)	Focussing on Offshore Shipping & Shipping Investment Business of Tarun

After the Scheme becoming effective, following entities will be listed on BSE and NSE.

1. Varun Global Limited
2. Varun Resources Limited

Varun Shipping Company Limited (VSCL) will ceased to exist

Issue and Allotment of Shares by VGL upon Demerger

As per the Scheme, the Ship Management & Shipping Investment Business is to be demerged into Varun Global Limited (VGL).

VGL, a wholly owned subsidiary of VSCL, was incorporated on October 19, 2010 under the Companies Act, 1956, as Liza Real Estates Private Limited. The Company was later converted to public limited company and the name was changed to Varun Global Limited. Consequent upon the change of name and conversion into public limited company, a fresh Certificate of Incorporation was issued by the Registrars of Companies, Maharashtra on October 25, 2013.

Upon the demerger of Ship Management & Shipping Investment Business of VSCL into VGL, the Shareholders of VSCL which being demerged into VGL are issued Equity Shares of VGL as under :

Demerged entity	Ratio	Equity Shares issued by VRL
VSCL	1 Equity Share of Re. 1/- each against 1 Equity Share of Rs. 10/- each of VSCL	15,00,07,773 Equity Shares of Re. 1/- each
	Total	15,00,07,773 Equity Shares of Re. 1/- each

Issue and Allotment of Shares by VRL upon Merger/Amalgamation

VRL, a wholly owned subsidiary of VSCL, was incorporated on October 6, 2010 under the Companies Act, 1956, as Royal Orchid Conreal Private Limited. The Company was later converted to public limited company and the name was changed to Varun Resources Private Limited. A fresh Certificate of Incorporation consequent to the change of name was issued on May 29, 2012. Subsequently, the Company was converted into a public limited company and a fresh Certificate of Incorporation consequent to change to public limited company was issued by the Registrars of Companies, Maharashtra on October 25, 2013.

Upon the demerger of Ship Management & Shipping Investment Business of VSCL into VGL and Demerger of Offshore Shipping & Shipping Investment Business into VML, **the remaining of VSCL and TSIL and entire VGIL is merged with VRL**. The Shareholders of respective companies which being merged with VRL are issued Equity Shares of VRL as under :

Demerged entity	Ratio	Equity Shares issued by VRL
VSCL	1 Equity Share of Re. 1/- each against 4 Equity Share of Rs. 10/- each of VSCL	60,00,31,092 Equity Shares of Re. 1/- each
TSIL	1 Equity Share of Re. 1/- each against 11 Equity Share of Rs. 10/- each of TSIL	15,30,000 Equity Shares of Re. 1/- each
VGIL	No Shares issued since VGIL is a wholly owned subsidiary of VSCL and VSCL is also getting merged into VRL	Nil
	Total	60,15,61,092 Equity Shares of Re. 1/- each

Copy of the Hon'ble Bombay High Court Order and the Composite Scheme of Arrangement and Amalgamation sanctioned by the said court is attached as Annexure 3 & 4.