



VARUN SHIPPING COMPANY LIMITED

Date : 23rd June, 2015

The General Manager
Department of Corporate Services,
BSE Limited,
1st Floor, P.J.Towers,
Dalal Street, Mumbai – 400 001.

✓ The General Manager
Listing Department
National Stock Exchange Ltd.
BKC, Bandra,
Mumbai – 400 051

Scrip Code – VARUNSHIP / 500465

Dear Sir

Sub: Recent Developments

As informed to you vide our letters dated December 15, 2014, December 17, 2014 and May 20, 2015, the Composite Scheme of Arrangement and Amalgamation under section 391 to 394 r/w sections 100 to 103 of the Companies Act, 1956, involving our Company together with its group companies has been approved by the Hon'ble Bombay High Court (the "Scheme"). As per the approved Scheme, our Company will be split into two separate listed entities, namely. Varun Global Limited (to which our ship management and shipping investment business is transferred pursuant to the Scheme) and Varun Resources Limited (to which our shipping business is transferred pursuant to the Scheme).

Varun Global Limited as well as Varun Resources Limited will be independently approaching you for listing its shares on your exchange. Currently these companies are in the process of completing the formality of allotment of shares pursuant to merger/demerger. We will let you know about the Record Date once the same is fixed for the purpose of allotment of shares of the resulting companies to our shareholders.

As part of the Scheme, the debts relating to the shipping business have been transferred to Varun Resources Limited, which has successfully restructured its debt through Joint Lending Forum (JLF) mechanism formulated by the Reserve Bank of India. As per the JLF package approved by the consortium of lenders led by the State Bank of India, the banks have agreed to restructure the debt and extend additional funds through the JLF for an amount of Rs.425 crores towards operationalisation of vessels. As part of JLF package, the company gets a moratorium period of one year with the overall debt repayment spread over eight years. The banks have also agreed to convert their Rupee loans to FCNRB(\$) as the company's earnings are contributed in USD. This will reduce the effective interest rate from 12-13% to 6-7% in USD and also a considerable savings from hedging cost as most of Company's earnings and expenses are dollar related. The promoter group has already complied with all requirements of bringing in equity and the Master Restructuring Agreement (MRA) is signed by all banks in March 2015. The Company had already availed part disbursement out of the JLF package for the operationalisation of its LPG fleet.

Currently, our LPG vessels, namely Maharshi Bhardwaj, Maharshi Mahatreya and Maharshi Vamadeva and Maharshi Krishnatreya have completed the dry docking and are commercially operational. Of these, two vessels are currently on time charter with HPCL and BPCL and remaining two are on short term charters (spot voyages). The vessels Maharshi Bhavatreya and Maharshi Devatreya are currently in Dubai Drydock and expected to complete dry-dock within July/August 2015. Maharshi Shubhatreya a trading vessel is also likely to enter Dubai Drydock shortly for routine lay-up. The Company will assess the progress on the 3 vessels by end July 2015 and take further decision on the last two remaining vessels, namely, Maharshi Shivatreya and Maharshi Dattatreya. The LPG market continues to remain strong at this time.

Thanking you

Yours faithfully
For Varun Shipping Company Limited

Chairman & Managing Director

Registered Office :

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

Tel. : (91-22) 6635 0100 - 109
Fax : (91-22) 6635 0274 / 280

Website : www.varunship.com