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Restructured Varun seeks operating license via new arm

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Varun Shipping Company Ltd (VSCL), which runs one of the world's largest fleet of LPG tankers, has sought a license to operate its ships under its ship management company Varun Global as part of the company's recast approved by Mumbai High Court. "We have put it a fresh application as we have reorganized the company under three businesses - one for tanker business, and another for gas tankers and the third one for offshore business," Yudhishtir Khatau, chairman and MD, told Oceaneus. He said his tankers were sent for dry-docking and the crew salaries are being paid as per the "schedule".

Meanwhile, Mint reported that VSCL has lost its licence to operate ships after it failed to carry out a mandatory dry-docking of its ships for safety surveys and pay wage arrears to its crew. "I am directed to notify you that the Document of Compliance (DoC) issued to Varun Shipping Co. Ltd on December 14, 2012 is null and void since March 4, 2014, and that the vessels under your ownership/management are liable to be rendered 'unseaworthy'...", Ajithkumar Sukumaran, deputy chief surveyor and senior deputy director general of shipping (technical), wrote in a March 12 notice to Varun.

Khatau told Oceaneus that Varun is exiting VLGC business and in the process of selling three big tankers. "Once it is done, our debt will come down by \$60 million." The company will focus on medium-sized LPG tankers, he said.

Varun Shipping, head quartered in Mumbai and listed on Bombay Stock Exchange, has a fleet of 18 ships comprising 10 LPG carriers, three crude oil tankers and five so-called anchor handling, towing and supply vessels, or AHTSVs, that are used to support offshore oil exploration activities. Of these, six LPG carriers and two AHTSVs are registered in India. Of the other four LPG vessels, one each is registered in Singapore, Cyprus, Indonesia and Marshall Islands; three crude tankers are registered in Singapore and three AHTSVs in Cyprus.

In October, DG Shipping, India's maritime regulator, had issued a notice to Varun Shipping asking why its DoC should not be suspended for not complying with the rules and regulations under India's maritime law. Varun Shipping was also asked to produce a financial package to meet its backlog of crew wages and dry-docking commitments.