



VARUN SHIPPING COMPANY LIMITED

PRESS RELEASE

**VARUN SHIPPING'S BOARD RECOMMENDS PREFERENTIAL
ISSUE OF UPTO RS.233 CRORES AT A PRICE OF RS.75 PER
SHARE / OFCW**

**SIX MONTHS' PROFIT BEFORE TAX IS
RS. 73.30 CRORES**

DECLARES INTERIM DIVIDEND OF 15 PER CENT

Varun Shipping's profit before tax for six months ended 30th September, 2006 was Rs.73.30 crores as against Rs.71.18 crores for the corresponding period in the previous year. Profit before tax for the quarter ended 30th September, 2006 was Rs.49.26 crores as compared to Rs.43.81 crores for the corresponding quarter in the previous year.

The company's total income for six months ended 30th September, 2006 was Rs.352.75 crores as compared to Rs. 264.38 crores for the corresponding six months in the previous year. The company's total income for the quarter ended 30th September, 2006 was Rs.204.87 crores as compared to Rs. 146.24 crores for the corresponding quarter in the previous year.

The company has declared interim dividend of 15 per cent for the current financial year ending on 31st March, 2007.

At the Board meeting of the company held today, the Board also decided to recommend to the shareholders issue of equity shares and / or Optionally Fully Convertible Warrants to Foreign Institutional Investors (FIIs), sub accounts of FIIs, bodies corporate, Venture Capital Fund, Promoter group companies and

Registered Office :

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

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Vice Chairman & Managing Director aggregating upto a total of Rs.233 crores. This amount will be used mainly for expansion of company's fleet. The company envisages an investment of upto Rs.2000 crores for purchase of tankers, gas carriers and for expanding its asset base in the oil and gas exploration and production industry.

30th October, 2006

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