



VARUN SHIPPING COMPANY LIMITED

PRESS RELEASE

VARUN SHIPPING POSTS NET PROFIT OF Rs.1413.50 MILLION

Varun Shipping's net profit after tax for the year ended 31st March, 2007 was Rs.1413.50 million as compared to Rs.1808.92 million for the previous year.

The company has recommended a final dividend of 15 per cent for the current year in addition to the two interim dividends of 15 per cent each already paid earlier. Total dividend for the year works out to 45 per cent.

EPS (Basic) for the year ended 31st March, 2007 was Rs.11.26 compared to Rs.15.82 for the previous year. EPS (Basic) based on consolidated accounts was Rs.11.54 compared to Rs.16.09 for the previous year.

Income from operations for the year ended 31st March, 2007 has gone upto Rs.6,726.27 million from Rs.6,429.32 million in the previous year.

The average freight rates during the year were lower compared to the previous year mainly due to weak winter throughout the northern hemisphere.

In order to strengthen its presence in the hydrocarbon sector, during the financial year ended 31st March, 2007, company acquired one large gas carrier, Maharshi Vamadeva, one aframax crude oil tanker, Amba Bhargavee and one Anchor Handling Towing and Supply (AHTS) vessel, Subhiksha. **Subhiksha is the most powerful AHTS vessel with highest bollard pull under Indian flag. The vessel is specially designed for deep sea offshore anchor handling and towing operations. This vessel is presently on long term time charter to Reliance Industries Limited for its offshore exploration activities in Krishna Godavari basin.**

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



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he company has also contracted to purchase another AHTS vessel which is a sister vessel of Subhiksha and one Very Large Gas Carrier. Both these vessels are expected to be delivered to the company during May and June, 2007 respectively. With the acquisition of above mentioned vessels, the company will have completed an investment of around US\$ 320 million out of the proposed expansion plan of US\$ 400 million. The company is already on the lookout for suitable ships and hopes to complete the balance plan for investment of US\$ 80 million soon.

The company presently owns a diversified fleet of 19 vessels which includes a fleet of 12 LPG carriers. With the acquisition of two more vessels, as mentioned above, company will have a fleet of 21 vessels. The company's LPG fleet is the largest in India in terms of both fleet size and cargo carrying capacity. It forms approximately 80 per cent of the aggregate cargo carrying capacity of LPG carriers operating under Indian flag. The company transports approximately 77 per cent of all LPG cargoes imported into the country by Public Sector Undertakings (PSUs).

3rd May, 2007

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