



VARUN SHIPPING COMPANY LIMITED

CIN No. L61100MH1971PLC014985
FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2014

PART - I

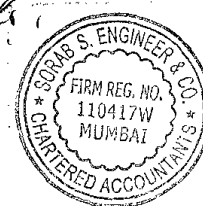
		₹ in lacs			
Sr.No	PARTICULARS	Standalone Quarter ended 30.06.2014 Un-Audited	Standalone Quarter ended 31.03.2014 Un-Audited	Standalone Quarter ended 30.06.2013 Un-Audited	Standalone 18 months ended 31.03.2014 Audited
1	Income from operations				
	Freight & charter hire	-	(2,518.35)	5,585.78	17,531.43
	Profit on Sale of Ship(s) and other assets (Net)	-	-	-	0.91
	Total Income	-	(2,518.35)	5,585.78	17,532.34
2	Expenses				
	a) Employee cost	1,230.64	590.37	1,460.37	7,215.83
	b) Bunker cost	392.10	758.91	1,033.07	5,370.03
	c) Port expenses	144.19	171.14	179.38	644.82
	d) Stores, Lubes & Victualling	124.36	153.73	239.90	997.62
	e) Repairs & Maintenance including cost of spares and Survey	3,302.22	27.44	158.17	617.80
	f) Depreciation	2,516.56	1,164.86	2,159.17	12,263.64
	g) Hire of inchartered ships	1,057.42	1,045.80	1,543.34	7,825.50
	h) Provision for doubtful receivables	-	-	-	14,000.00
	i) Other expenditure	663.57	958.86	797.45	4,493.81
	Total	9,431.06	4,871.11	7,570.85	53,429.05
3	Profit / (Loss) from Operations before Other Income, Finance Costs and Exceptional Items (1- 2)	(9,431.06)	(7,389.46)	(1,985.07)	(35,896.71)
4	Other Income	132.70	459.69	486.46	3,631.61
5	Profit / (Loss) from ordinary activities before Finance Costs and Exceptional Items (3 plus 4)	(9,298.36)	(6,929.77)	(1,498.61)	(32,265.10)
6	Finance Costs	3,928.39	3,472.32	3,096.23	23,865.74
7	Profit / (Loss) from ordinary activities after Finance Costs but before Exceptional Items (5 minus 6)	(13,226.75)	(10,402.09)	(4,594.84)	(56,130.84)
8	Exceptional Items (Exchange gain / (loss) (Refer Note - 5)	(269.74)	(1,516.31)	4,799.99	7,223.12
9	Profit / (Loss) from Ordinary Activities before tax (7 minus 8)	(13,496.49)	(11,918.40)	205.15	(48,907.72)
10	Tax Expense				
	Current Tax	-	85.87	-	85.87
	(Excess)/short provision of income tax for prior years	-	-	-	-
11	Net Profit / (Loss) from Ordinary Activities after tax (9 minus 10)	(13,496.49)	(12,004.27)	205.15	(48,993.59)
12	Extraordinary Item (net of - tax expense)	-	-	-	-
13	Net Profit / (Loss) after taxes (11 minus 12)	(13,496.49)	(12,004.27)	205.15	(48,993.59)
14	Paid-up equity share capital (Face value ₹ 10/-)	15,000.78	15,000.78	15,000.78	15,000.78
15	Reserves excluding revaluation reserves				20,246.32
16	Earnings Per Share (EPS) (in ₹)				
	a) Basic and diluted EPS before Extraordinary items for the period, for the year to date and for the previous year (not annualized)	(9.00)	(8.00)	0.14	(32.66)
	Earnings Per Share (EPS) (in ₹)				
	b) Basic and diluted EPS after Extraordinary items for the period, for the year to date and for the previous year (not annualized)	(9.00)	(8.00)	0.14	(32.66)
PART- II					
A	Particulars of Shareholding				
1	Public shareholding				
	- Number of shares	93,316,211	93,316,211	93,316,211	93,316,211
	- Percentage of shareholding	62.21	62.21	62.21	62.21
2	Promoters and Promoter Group Shareholding				
	a) Pledged/Encumbered				
	- Number of shares	23,300,000	23,300,000	23,300,000	23,300,000
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	41.10	41.10	41.10	41.10
	- Percentage of shares (as a % of the total share capital of the company)	15.53	15.53	15.53	15.53
	b) Non-Encumbered				
	- Number of shares	33,391,562	33,391,562	33,391,562	33,391,562
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	58.90	58.90	58.90	58.90
	- Percentage of shares (as a % of the total share capital of the company)	22.26	22.26	22.26	22.26
Particulars		3 Months Ended 30.06.2014			
B	Investor Complaints				
	Pending at the beginning of the quarter	580			
	Received during the quarter	91			
	Disposed off during the quarter	2			
	Remaining unresolved at the end of the quarter	669			

Registered Office :

Laxmi Building, 6, Shoorji Vallabhdas Marg,
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VARUN SHIPPING COMPANY LIMITED

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- 1) The Statutory Auditors have carried out a "Limited Review" for the quarter ended 30th June, 2014.
- 2) The above results were reviewed by the Audit Committee and were taken on record by the Board of Directors at their meetings held on 18th February, 2015.
- 3) During the quarter under review all ships of the Company were under dry dock and hence there is no operating income. However, currently, two ships of the Company are operational. Two more ships will become operational by the end of February, 2015 and balance one ship will be operational by March 2015.
- 4) The Composite Scheme of Arrangement and Amalgamation between Varun Shipping Company Limited, Varun Gas Infrastructure Limited, Tarun Shipping and Industries Ltd., Varun Global Limited, Varun Maritime Limited and Varun Resources Limited and their respective Shareholders and Creditors under the Provisions of Sections 391 to 394, read with Sec. 100 to 103 of the Companies Act, 1956 has been sanctioned and approved by the Honorable High Court of Judicature at Mumbai vide its Order dated May 9, 2014 and further validated by its Order dated September 24, 2014, a certified copy of which was received on November 25, 2014. The certified copy of the said Order, alongwith the Scheme, has been filed with the Registrar of Companies, Mumbai on December 8, 2014. As per the High Court order once the above Scheme comes into effect the Company shall without any further act or deed, stand dissolved without winding up.
- 5) Exchange Loss of ₹ 269.74 Lacs during the quarter is due to net exchange loss on revaluation of short term and long term foreign currency monetary assets and liabilities. Above mentioned accounting treatment is in conformity with the Accounting Standard 11 (Revised) issued by the Institute of Chartered Accountants of India and the notification issued by the Ministry of Corporate Affairs.
- 6) The Company has made long term strategic investments which are carried "at cost" and has exposures in various subsidiaries and associates in which there has been a temporary reduction in revenues due to lack of working capital that has affected the operation of the vessels. While there is a degree of uncertainty as to the final outcome, the Management is in the process of raising resources to streamline the operations of the vessels in the future. The subsidiaries and associates are taking steps to fully operationalise their vessels, to enable them to repay their liabilities to the Company. These being long term investments and considering the fair value of the subsidiary as at 30th June, 2014, Management is of the view that diminution in the value of these investments is temporary in nature, the balance outstandings are good and recoverable and consequently no provision has been made during the quarter under review.
- 7) As per the latest audited accounts of VSC International Pte Ltd (the "Company") as at 31st March, 2011, the statutory auditors of the Company have given a disclaimer in their report to the shareholders of the Company to the effect that they are unable to and do not express their opinion on whether the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards so as to give a true & fair view of the state of affairs of the Company as at 31st March, 2011.
The Management is of the opinion that on account of this qualification there is no impact on the financial results of VSC International Pte. Ltd. and consequently there is no permanent diminution in the value of investments of Varun Shipping Company Limited in the shares of VSC International Pte. Ltd.
- 8) At the Annual General Meeting held on 4th February 2013, the Shareholders of the Company had approved payment of Dividend of ₹ 0.50 per Equity Share for the 18 months period ended 30th September 2012 aggregating to ₹ 750.04 Lacs. However due to paucity of funds and economic slowdown in shipping industry, this amount of ₹ 750.04 Lacs together with Dividend Distribution Tax of ₹ 121.68 Lacs has remained unpaid till date.
- 9) During the quarter ended 30th June 2014, the Company has provided Depreciation on Fixed Assets considering useful lives specified in Schedule II of the Companies Act, 2013, or as reassessed by the Company. Accordingly the useful life of certain assets required a change from the previous estimates. Management believes that the revised useful lives of the assets reflect the periods over which these Assets are expected to be used. As a result of the change, the charge on account of Depreciation for the quarter ended 30th June 2014 is higher by ₹ 169.67 Lacs for the assets held as on 1st April 2014 as compared to the method used and useful lives estimated in the earlier periods.
- 10) Remuneration of ₹ 12.00 Lacs for the quarter ended 30th June, 2014 payable to the Chairman and Managing Director is subject to the approval of the Central Government.
- 11) The Company is primarily engaged in shipping business and there are no separate reportable segments as per the Accounting Standard 17.
- 12) Since the Company has incurred loss for period of 3 months under audit, it has not made any provision for income tax for this period.
- 13) The figures of the quarter ended 31st March, 2014 are the balancing figures between the audited figures in respect of the full financial year ended 31st, March, 2014 and the unaudited published year to date figures upto the third quarter ended 31st December, 2013.
- 14) The figures for the previous periods have been restated / regrouped, wherever necessary to make them comparable.

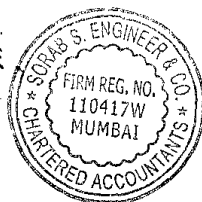
As per our report of even date attached
For SORAB S. ENGINEER & CO.

Chartered Accountants

Firm Registration No. 110417W

CA N.D. Ankdesaria
Partner
Membership No. 10250

Place : Mumbai
Date : February 18, 2015



For VARUN SHIPPING COMPANY LIMITED

YUDHISHTHIR D. KHATAU
Chairman & Managing Director

Registered Office :

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MUMBAI-400 001.

18th February, 2015

Ref : No. 285/

Review Report to The Board of Directors,
Varun Shipping Company Ltd.,
Laxmi Building,
6, Shoorji Vallabhdas Marg,
MUMBAI - 400 001.

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of **VARUN SHIPPING COMPANY LIMITED** for the period of three months ended 30th June, 2014 except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. *Attention is invited to the following:-*
 - a. *Note No. 6 regarding Long Term Strategic Investments made by the Company which are carried at cost and also other exposures of the Company in its various subsidiaries and associates in which there has been a significant erosion in the net worth on account of temporary reduction in revenues due to lack of working capital that has affected operations of the vessels. The management is in the process of raising resources to streamline the operations of the vessels in the future. The Company regards the diminution in the value of its investments and the recoverability of the receivables from its subsidiaries and associates to be temporary in nature considering the Company's strategic and long term commitment to these investments. Consequently, management is*

M.A.

of the view that the outstandings are good and recoverable and that no provision is required for the reasons stated in the note.

We are unable to express an opinion on the non-provision for diminution in the value of the Investments and other outstandings as well as the recoverability/realizability of the above mentioned items and the impact of the same on the loss for the period under review.

- b. *Note No. 8 regarding nonpayment of Dividend of Rs. 750.04 Lacs and Dividend Distribution Tax of Rs. 121.68 Lacs for the period ended 30th September, 2012 which had been approved by the shareholders of the Company at the Annual General Meeting held on 4th February, 2013. As such failure has continued for a period of over 1 year all the Directors are disqualified as on 30th June, 2014 from being re-appointed as a Director in this Company or from being appointed as a Director in any other Company for a period of five years under Section 164(2) of the Companies Act, 2013.*

No Annual General Meeting of the Company has been held after 4th February, 2013, for the reason stated in Note No. 4.

- c. *Note No. 10 regarding remuneration of Rs.12 Lacs for the quarter payable to the Chairman & Managing Director is subject to the approval of the Central Government*

4. *Based on our review conducted as above, subject to our remarks in Para 3 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited quarterly financial results, prepared in accordance with applicable accounting standards notified under the Companies Act, 1956 read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.*

MR

For **SORAB S. ENGINEER & CO.**
CHARTERED ACCOUNTANTS.
Firm Registration No.110417W



CA N. D. ANKLESARIA
(PARTNER).
MEMB. NO. 10250.