



14th November, 2013

To,
Department of Corporate Services,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051.

Scrip Symbol: VARUN

Dear Sirs,

Sub.: Outcome of Board Meeting held on Thursday, 14th November, 2013.

We wish to inform you that the Board of Directors of Varun Industries Limited, at its meeting held on Thursday, 14th November, 2013 i.e. today, inter alia approved/transacted the following:

1. Approved Un-audited Standalone Financial Results of the Company for the second quarter and half year ended on 30th September, 2013.
2. Approved Limited Review Report for the second quarter and half year ended on 30th September, 2013.

Kindly take the same on your records and acknowledge the receipt.

Thanking you,

Yours faithfully,
For Varun Industries Limited


Jitendra J. Gandhi
General Manager (Corporate) & Company Secretary

Encl.: a/a.



Un-Audited Financial Results (Stand-alone) for the Quarter and Half Year Ended 30th September 2013

Part-I Statement of Results for the Quarter Ended 30th September 2013

(Rs. in Lacs)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	(Un-Audited) 30.09.2013	(Un-Audited) 30.06.2013	(Un-Audited) 30.09.2012	(Un-Audited) 30.09.2013	(Un-Audited) 30.09.2012	(Audited) 31.03.2013
1 Net Sales/Income from Operations (Net of Excise Duty)	1,188.45	1,846.37	4,023.94	3,034.82	8,606.50	16,802.50
2 Expenses						
a. Cost of material consumed	612.25	314.42	2,011.03	926.67	3,750.78	7,106.85
b. Purchases of Stock-in-trade	30.66	233.67	201.47	264.33	561.70	1,174.05
c. Changes in inventories of Finished Goods, Work-in-Process and Stock-in-Trade	918.71	731.45	943.14	1,650.16	1,948.08	4,740.31
d. Employee Benefit Expense	128.52	159.00	319.74	287.52	351.03	789.85
e. Depreciation and Amortisation Expense	390.73	401.53	455.53	792.26	920.52	1,776.72
f. Other expenses	336.24	418.96	514.28	755.20	1,026.94	2,129.97
Total Expenses	2,417.11	2,259.03	4,445.19	4,676.14	8,559.05	17,717.74
3 Profit/(Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	(1,228.66)	(412.66)	(421.25)	(1,641.32)	47.44	(915.25)
4 Other Income	(3,877.85)	3,920.57	6,899.24	42.72	10,076.23	17,196.82
5 Profit/(Loss) before Finance Cost & Exceptional Items (3+4)	(5,106.51)	3,507.91	6,477.99	(1,598.60)	10,123.67	16,281.58
6 Financial Cost	5,761.29	5,662.96	8,638.96	11,424.25	11,230.86	21,464.37
7 Profit/(Loss) after Finance Cost but before Exceptional Items (5-6)	(10,867.79)	(2,155.05)	(2,160.97)	(13,022.84)	(1,107.19)	(5,182.79)
8 Exceptional Items : *Foreign Exchange Fluctuation (Loss)/Profit (Net)	0.00	16,011.95	(8,209.07)	16,011.95	(2,498.19)	1,610.98
9 Profit/(Loss) from Ordinary Activities before tax (7+8)	(10,867.79)	13,856.90	(10,370.04)	2,989.11	(3,605.38)	(3,571.81)
10 Tax expense	0.80	0.70	1.00	1.50	2.00	(124.06)
11 Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(10,868.59)	13,856.20	(10,371.04)	2,987.61	(3,607.38)	(3,447.75)
12 Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13 Net Profit/(Loss) (11-12)	(10,868.59)	13,856.20	(10,371.04)	2,987.61	(3,607.38)	(3,447.75)
14 Paid-up Equity Share Capital (Face Value of Rs.10/- each)	2,911.39	2,911.39	2,911.39	2,911.39	2,911.39	2,911.39
15 Reserves excluding Revaluation Reserves	-	-	-	-	-	1,460.68
16 Earning Per Share (EPS)						
a. Basic	(37.33)	47.59	(35.62)	10.26	(12.39)	(11.84)
b. Diluted	(37.33)	47.59	(35.62)	10.26	(12.39)	(11.84)

Part-II Information for the Quarter Ended 30th September 2013

PARTICULARS OF SHAREHOLDING						
1 Public Shareholding		17988423	17650427	17607427	17988423	17607427
- Number of shares						
- Percentage of shareholding		61.79%	60.63%	60.48%	61.79%	60.48%
2 Promoters and Promoters group shareholding						
a) Pledged/Encumbered						
- Number of shares		3391049	3729049	3837049	3391049	3794049
- Percentage of shares (as a % of total share holding of promoters and promoters group)		30.48%	32.53%	33.35%	30.48%	33.10%
- Percentage of shares (as a % of total share capital of the Company)		11.65%	12.81%	13.18%	11.65%	13.03%
b) Non-encumbered						
- Number of shares		7734469	7734469	7669469	7734469	7669469
- Percentage of shares (as a % of total share holding of promoters and promoters group)		69.52%	67.47%	66.65%	69.52%	66.90%
- Percentage of shares (as a % of total share capital of the Company)		26.57%	26.57%	26.34%	26.57%	26.34%
B Investor Complaints:-	Quarter ended 30.09.2013					
Pending at the beginning of the quarter	Nil					
Remained during the quarter	1					



SEGMENT RESULTS		Quarter Ended			Half Year Ended		Year Ended
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
		30.09.2013	30.06.2013	30.09.2012	30.09.2013	30.09.2012	31.03.2013
(Rs. in Lac)							
1	Total Segment Revenue	1,151.17	1,740.84	3,727.81	2,892.01	7,852.81	15,916.86
	a. Merchandise Sale	-	-	0.95	-	199.95	199.95
	b. Petroleum Oil Rig Hire(Net)	-	-	295.18	142.81	553.74	685.69
	c. Wind Power	37.28	105.53	4,023.94	3,034.82	8,606.50	16,802.50
	Total	1,188.45	1,846.37	-	-	-	-
	Less: Inter Segment Revenue	-	-	-	-	-	-
	Net Sales	1,188.45	1,846.37	4,023.94	3,034.82	8,606.50	16,802.50
2	Segment Results (Profit before Interest and Tax)						
	a. Merchandise Sale	(1,085.03)	(265.55)	(485.75)	(1,350.58)	(268.47)	(948.10)
	b. Petroleum Oil Rig Hire	(76.22)	(92.08)	(110.62)	(168.27)	(5.51)	(197.36)
	c. Wind Power	(67.41)	(55.06)	175.12	(122.47)	321.43	230.22
	Total	(1,228.66)	(412.66)	(421.25)	(1,641.32)	47.44	(915.25)
	Add: Other Income	(3,877.85)	3,920.57	6,899.24	42.72	10,076.23	17,196.82
	Less: Finance Cost	5,761.29	5,662.96	8,638.96	11,424.25	11,230.86	21,464.37
	Less: Exceptional Items : *Foreign Exchange Fluctuation	(0.00)	(16,011.95)	8,209.07	(16,011.95)	2,498.19	(1,610.98)
	Net Profit before Tax	(10,367.79)	13,856.90	(10,370.04)	2,989.11	(3,605.38)	(3,571.81)
3	Capital Employed (Segment Assets less Segment Liabilities)						
	a. Merchandise Sale	20,493.59	31,265.03	14,625.72	20,493.59	14,625.72	16,804.05
	b. Petroleum Oil Rig Hire	1,599.96	1,671.23	1,921.51	1,599.96	1,921.51	1,755.88
	c. Wind Power	6,716.52	6,833.18	7,609.38	6,716.52	7,609.38	7,021.48
	d. Unallocated	1,700.67	1,700.67	1,700.67	1,700.67	1,700.67	1,700.67
	Total	30,510.74	41,470.11	25,857.28	30,510.74	25,857.28	27,282.09

Statement of Assets and Liabilities

Particulars	Standalone	
	As at	As at
	30.09.2013	31.03.2013
	(Unaudited)	(Audited)
EQUITY AND LIABILITIES		
Shareholders' Fund		
(a) Share Capital	2,911.39	2,911.39
(b) Reserves & Surplus	25,535.85	22,815.94
	28,447.24	25,727.34
Share Application Money Pending allotment	2,063.50	1,554.75
Minority Interest	-	-
Non-Current Liabilities		
Long-Term Borrowings	120,191.54	110,204.28
Deferred Tax Liability	1,051.93	1,051.93
	121,243.47	111,256.21
Current Liabilities		
Short-Term Borrowings	36,887.20	36,060.99
Trade Payables	3,181.49	4,970.96
Other Current Liabilities	43,915.94	43,859.53
Short Term Provisions	344.20	195.74
	84,328.83	85,087.21
Total	236,083.04	223,625.51
ASSETS		
Non-Current Assets		
Fixed Assets	37,094.83	38,205.09
Non-current Investments	1,700.67	1,700.67
	38,795.49	39,905.76
Current Assets		
Inventories	1,399.23	3,410.51
Trade Receivables	187,830.94	172,387.20
Cash and Cash Equivalents	588.29	830.02
Short Term Loans and Advances	3,718.52	3,789.72
Other Current Assets	3,750.56	3,302.29
	197,287.55	183,719.75
Total	236,083.04	223,625.51

**Notes:-****1. Qualification in the limited review report**

The qualifications made by the auditors in their limited review report for the Quarter ended 30th September, 2013 are set out as under:

1.1 Valuation of overseas debtors with closing exchange rate of foreign currency as on 30th Sept, 2013 has not been done required under AS 11 "The Effects of changes in Foreign Exchange Rates"

1.2 Company has received show cause notice under The Securitization and Reconstruction of Financial Assets and Enforcement of Securities Act, 2002 from the consortium lenders after withdrawal of CDR Scheme by CDR Empower group. However bank interest charged to P&L, is as per the rate sanctioned by letter of approval issued by CDR cell.

2. Responses to Auditors qualifications

2.1 With regards to the Auditors qualification in Note 1.1 above, Management has decided not to report the overdue debtors i.e. foreign currency receivables on the closing exchange rate of foreign currency as on 30th September 2013 as:

- a) Such Debtors are long overdue and have not realized within the time frame agreed by the debtors.
- b) Due to high volatility of foreign currency exchange rate, foreign currency gain is not reflecting the true profits of the operations of the company.
- c) Managements has decided to account the gain/loss on foreign currency exchange translation on actual realization of overdue debtors.

Since the overdue export receivables have not realised as per the time frame the management has decided not to account any interest due on the export receivables on accrual basis and instead decided to account the same on receipt basis only.

2.2 With regards to the Auditors qualification in Note 1.2 above The management has taken up the issue of the unilateral withdrawal of the CDR with the bank and will take necessary steps in this regard to ensure compliance.

3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on Thursday, 14th November 2013.

4. The Statutory Auditors have carried out limited review of the above results as required by Clause 41 of the Listing Agreement.

5. Figures for the previous year have been regrouped / rearranged, wherever necessary, to correspond with those of the current year, as per amended format of SEBI circular dated 16th April 2012.

Place: Mumbai

Date: 14th Nov, 2013

By Order of the Board

For Varun Industries Limited

Kiran N. Mehta

Chairman & Managing Director