

Un-Audited Financial Results (Stand-alone) for the Quarter and Nine Months Ended 31st December 2013
Part-I Statement of Results for the Quarter Ended 31st December 2013

(Rs. in Lac)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	(Un-Audited) 31.12.2013	(Un-Audited) 30.09.2013	(Un-Audited) 31.12.2012	(Un-Audited) 31.12.2013	(Un-Audited) 31.12.2012	(Audited) 31.03.2013
1 Net Sales/Income from Operations (Net of Exice Duty)	340.90	1,188.45	3,132.68	3,375.72	11,739.18	16,802.50
2 Expenses						
a. Cost of material consumed	260.62	612.25	1,688.23	1,187.29	5,439.01	7,106.85
b. Purchases of Stock-in-trade	0.38	30.66	217.40	264.71	779.10	1,174.05
c. Changes in inventories of Finished Goods, Work-in-Process and Stock-in-Trade	192.96	918.71	605.27	1,843.12	2,553.35	4,740.31
d. Employee Benefit Expense	124.58	128.52	201.48	412.10	552.50	789.85
e. Depreciation and Amortisation Expense	395.87	390.73	439.75	1,188.13	1,360.27	1,776.72
f. Other expenses	418.77	336.24	425.03	1,173.97	1,451.98	2,129.97
Total Expenses	1,393.18	2,417.11	3,577.16	6,069.32	12,136.21	17,717.74
3 Profit/(Loss) from Operations before Other Income, Finance Cost & Exceptional Items (1-2)	(1,052.28)	(1,228.66)	(444.48)	(2,693.60)	(397.03)	(915.25)
4 Other Income	32.83	(3,877.85)	3,606.47	75.55	13,682.70	17,196.82
5 Profit/(Loss) before Finance Cost & Exceptional Items (3+4)	(1,019.45)	(5,106.51)	3,161.99	(2,618.05)	13,285.68	16,281.58
6 Financial Cost	4,968.86	5,761.29	6,985.61	16,393.11	18,216.47	21,464.37
7 Profit/(Loss) after Finance Cost but before Exceptional Items (5-6)	(5,988.31)	(10,867.80)	(3,823.62)	(19,011.16)	(4,930.80)	(5,182.79)
8 Exceptional Items : *Foreign Exchange Fluctuation (Loss)/Profit (Net)	(0.00)	-	6,146.88	16,011.95	3,648.69	1,610.98
9 Profit/(Loss) from Ordinary Activities before tax (7+8)	(5,988.31)	(10,867.80)	2,323.26	(2,999.21)	(1,282.10)	(3,571.81)
10 Tax expense	0.50	0.80	(0.50)	2.00	1.50	(124.06)
11 Net Profit/(Loss) from Ordinary Activities after tax (9-10)	(5,988.81)	(10,868.60)	2,323.76	(3,001.21)	(1,283.60)	(3,447.75)
12 Extraordinary Items (net of tax expense)	-	-	-	-	-	-
13 Net Profit/(Loss) (11-12)	(5,988.81)	(10,868.60)	2,323.76	(3,001.21)	(1,283.60)	(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	(20.57)	(37.33)	7.98	(10.31)	(4.41)	(11.84)
b. Diluted	(20.57)	(37.33)	7.98	(10.31)	(4.41)	(11.84)

Part-II Information for the Quarter Ended 31st December 2013

A PARTICULARS OF SHAREHOLDING						
1 Public Shareholding						
- Number of shares	17988423	17988423	17607427	17988423	17607427	17650427
- Percentage of shareholding	61.79%	61.79%	60.48%	61.79%	60.48%	60.63%
2 Promoters and Promoters group shareholding						
a) Pledged/Encumbered						
- Number of shares	3391049	3391049	3837049	3391049	3837049	3794049
- Percentage of shares (as a % of total share holding of promoters and promoters group)	30.48%	30.48%	33.35%	30.48%	33.35%	33.10%
- Percentage of shares (as a % of total share capital of the Company)	11.65%	11.65%	13.18%	11.65%	13.18%	13.03%
b) Non-encumbered						
- Number of shares	7734469	7734469	7669469	7734469	7669469	7669469
- Percentage of shares (as a % of total share holding of promoters and promoters group)	69.52%	69.52%	66.65%	69.52%	66.65%	66.90%
- Percentage of shares (as a % of total share capital of the Company)	26.57%	26.57%	26.34%	26.57%	26.34%	26.34%
B Investor Complaints:-	Quarter ended 31.12.2013					
Pending at the beginning of the quarter	Nil					
Received during the quarter	Nil					
Disposed of during the quarter	Nil					
Remaining unresolved at the end of quarter	Nil					

SEGMENT RESULTS

Particulars	Quarter Ended			Nine Months Ended		(Rs. in Lac)
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	Year Ended
	31.12.2013	30.09.2013	31.12.2012	31.12.2013	31.12.2012	(Audited)
1 Total Segment Revenue						
a. Merchandise Sale	290.24	1,151.17	3,060.75	3,182.25	10,913.56	15,916.86
b. Petroleum Oil Rig Hire(Net)	-	-	-	-	199.95	199.95
c. Wind Power	50.66	37.28	71.93	193.47	625.67	685.69
Total	340.90	1,188.45	3,132.68	3,375.72	11,739.18	16,802.50
Less: Inter Segment Revenue	-	-	-	-	-	-
Net Sales	340.90	1,188.45	3,132.68	3,375.72	11,739.18	16,802.50
2 Segment Results (Profit before Interest and Tax)						
a. Merchandise Sale	(919.07)	(1,085.03)	(302.40)	(2,269.65)	(570.88)	(948.10)
b. Petroleum Oil Rig Hire	(71.27)	(76.22)	(101.33)	(239.54)	(106.84)	(197.36)
c. Wind Power	(61.94)	(67.41)	(40.74)	(184.41)	280.69	230.22
Total	(1,052.28)	(1,228.66)	(444.47)	(2,693.60)	(397.03)	(915.25)
Add: Other Income	32.83	(3,877.85)	3,606.47	75.55	13,682.70	17,196.82
Less: Finance Cost	4,968.86	5,761.29	6,985.61	16,393.11	18,216.47	21,464.37
Less: Exceptional Items : *Foreign Exchange Fluctuation	0.00	-	(6,146.89)	(16,011.95)	(3,648.69)	(1,610.98)
Net Profit before Tax	(5,988.31)	(10,867.80)	2,323.28	(2,999.21)	(1,282.10)	(3,571.81)
3 Capital Employed (Segment Assets less Segment Liabilities)						
a. Merchandise Sale	14,672.17	20,493.59	17,249.03	14,672.17	17,249.04	16,804.05
b. Petroleum Oil Rig Hire	1,528.68	1,599.96	1,839.09	1,528.68	1,839.09	1,755.88
c. Wind Power	6,485.94	6,716.52	7,245.85	6,485.94	7,245.85	7,021.48
d. Unallocated	1,700.67	1,700.67	1,700.67	1,700.67	1,700.67	1,700.67
Total	24,387.47	30,510.74	28,034.64	24,387.47	28,034.64	27,282.09

Notes:-

1. Qualification in the limited review report

The qualifications made by the auditors in their limited review report for the Quarter ended 31st December, 2013 are set out as under:

- 1.1 Valuation of overseas debtors with closing exchange rate of foreign currency as on 31st December, 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 31st December 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.

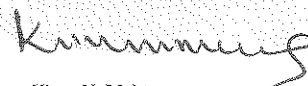
3. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on Friday, 14th February 2014.
4. The Statutory Auditors have carried out limited review of the above results as required by Clause 41 of the Listing Agreement
5. Figures for the 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 Feb, 2014

By Order of the Board

For Varun Industries Limited



Kiran N. Mehta
Chairman & Managing Director