

Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel +91 240 6653600
Fax +91 240 2564540

email: varroc.info@varroc.com
www.varrocgroupp.com
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2019-20/15

May 24, 2019

To,

(1) The Manager – Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051

(2) The Manager - Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol: VARROC

BSE Security Code: 541578
Security ID: VARROC

Dear Sir/Madam,

Sub: Outcome of the Board Meeting

Ref: Regulation 30 (read with Part A of Schedule III) and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This is to inform you that the Board of Directors of the Company, at its meeting held today i.e. on May 24, 2019, which commenced at 1: 30 p.m. and concluded at 02 : 30 p.m. has considered and approved following items.

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended on March 31, 2019

The Audited (Standalone and Consolidated) Financial Results of the Company for the quarter and financial year ended on March 31, 2019 were approved.

Pursuant to Regulation 33 of the Listing Regulations, we enclose the following:

- i. Statements showing the Audited Financial results (Standalone and Consolidated) for the quarter and year ended on March 31, 2019;
- ii. Auditors' report on the Audited Financial Results - (Standalone and Consolidated); and
- iii. Declaration in respect of Auditors Report (Standalone and Consolidated) with Unmodified Opinion;

The results will be uploaded on the Company's website www.varrocgroupp.com and will be published in Business Standard (English) and Loksatta (Marathi) newspapers.

2. Record date

Pursuant to Regulation 42 of the Listing Regulations, this is to inform you that Friday, August 09, 2019, has been fixed as the record date for the purpose of ascertaining the entitlement of dividend for the FY 2018-19.

Further, the dividend if approved by the Members shall be paid to all the Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository



Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel +91 240 6653600
Fax +91 240 2564540

email: varroc.info@varroc.com
www.varrocgroup.com
CIN: L28920MH1988PLC047335



Limited and the Central Depository Services (India) Limited as of the close of business hours on Record date i.e. Friday, August 09, 2019.

1. Dividend

The Board is pleased to recommend Final dividend of Rs. 4/- (Rupees Four only) per equity share of face value of Rs.1/- each (i.e. @ 400%) for the financial year ended on March 31, 2019, subject to the approval of the shareholders at the ensuing Annual General Meeting ('AGM') of the Company.

The dividend if approved by the Members, will be dispatched / remitted commencing from August 14, 2019.

2. Cut-off date

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, as amended, the Company has fixed Friday, August 02, 2019 as the Cut-off date for the purpose of reckoning Voting Rights of the members who are eligible to cast their vote for the business to be transacted at the ensuing 31st AGM of the Company.

3. Annual General Meeting

The 31st Annual General Meeting of the Company is scheduled to be held on Friday, August 9, 2019 at 10:00 a.m., at the Auditorium located at the Registered Office of the Company at Plot No. L-4, MIDC Industrial Area, Waluj, Aurangabad-431136, Maharashtra.

Further, the Board of Directors has also, inter alia, considered and approved the following:

- i. Re-appointment of Secretarial Auditors, M/s. Uma Lodha & Co. to carry out Audit of Secretarial records for the Financial year 2019-20.
- ii. Re-appointment of Cost Auditors, M/s. S. R. Bhargave & Co. to carry out Audit of Cost Accounting records for the Financial year 2019-20.

We request you to take this on record, and to treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

Thanking you,

Yours faithfully,

For Varroc Engineering Limited

Rakesh Darji
Company Secretary & Compliance Officer



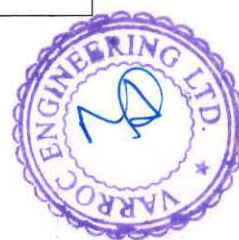
Encl: a/a



Statement of audited standalone financial results for the quarter and year ended March 31, 2019

(Rs. In million)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		Audited (refer note 6)	Unaudited	Audited (refer note 6)	Audited	Audited
1	Revenue from operations (refer note 5)	6,137.46	6,460.76	5,572.33	25,731.53	20,954.75
2	Other income	94.90	139.39	70.03	514.84	287.71
3	Total Income (1 + 2)	6,232.36	6,600.15	5,642.36	26,246.37	21,242.46
4	Expenses					
	(a) Cost of materials consumed	4,096.60	4,354.86	3,673.46	16,993.69	13,045.36
	(b) Changes in stock of finished goods and work-in-progress	(22.27)	(166.60)	(83.08)	(244.52)	(10.54)
	(c) Excise duty	-	-	-	-	485.83
	(d) Employee benefits expense	570.77	553.38	481.69	2,196.13	1,753.76
	(e) Finance costs	94.47	95.95	106.32	392.01	401.50
	(f) Depreciation and amortisation expense	286.46	266.03	255.87	1,075.19	1,016.11
	(g) Other expenses	1,054.53	952.89	925.74	4,095.13	3,498.84
	Total expenses (4)	6,080.56	6,056.51	5,360.00	24,507.63	20,190.86
5	Profit before tax (3- 4)	151.80	543.64	282.36	1,738.74	1,051.60
6	Tax expense					
	Current tax	46.01	126.79	64.41	387.60	232.97
	Short/(excess) provision for tax relating to prior periods	-	(2.57)	-	(5.68)	-
	Deferred tax	22.89	39.48	43.97	161.42	120.33
	Total tax expense	68.90	163.70	108.38	543.34	353.30
7	Profit for the period (5-6)	82.90	379.94	173.98	1,195.40	698.30
8	Other comprehensive income					
	Items that will be reclassified to profit or loss in subsequent periods (net of tax)					
	Deferred hedging gains/(losses) on cash flow hedges (net of tax)	(3.74)	(16.29)	1.92	29.81	6.68
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)					
	Remeasurement of defined benefit obligation (net of tax)	(1.00)	(10.81)	12.02	(11.81)	10.82
	Other comprehensive income	(4.74)	(27.10)	13.94	18.00	17.50
9	Total comprehensive income for the period (7+8)	78.16	352.84	187.92	1,213.40	715.80
10	Paid-up share capital					
	Equity share capital	134.81	134.81	123.13	134.81	123.13
	Preference share capital	-	-	11.68	-	11.68
	Face value of the share in Re. 1/- each	-	-	-	-	-
11	Reserves excluding revaluation reserves as per balance sheet				11,152.84	9,980.66
12	Earnings per share (of Re 1/- each) (not annualised):					
	Basic & diluted	0.61	2.82	1.29	8.87	4.96



Varroc Engineering Limited



Registered and Corporate Office: L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra

CIN: L28920MH1988PLC047335

Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540

E-mail: investors@varroc.com

Statement of audited standalone assets and liabilities as at March 31, 2019

(Rs. In million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
		Audited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	8,451.40	7,632.20
	(b) Capital work-in-progress	506.15	217.13
	(c) Investment properties	275.05	286.42
	(d) Intangible assets	91.34	91.05
	(e) Intangible assets under development	30.01	5.97
	(f) Investments in subsidiaries and joint venture	4,647.34	4,647.09
	(g) Financial assets		
	(i) Investments	0.12	0.12
	(ii) Loans	23.35	17.45
	(ii) Other financial assets	125.32	0.39
	(h) Income tax assets (net)	20.52	24.04
	(i) Other non-current assets	420.06	328.51
		14,590.66	13,250.37
2	Current assets		
	(a) Inventories	2,257.72	1,946.90
	(b) Financial assets		
	(i) Investments	-	0.10
	(ii) Trade receivables	3,060.46	3,888.43
	(iii) Cash and cash equivalents	65.40	84.03
	(iv) Other bank balances	1.95	1.83
	(v) Loans	60.39	18.71
	(vi) Other financial assets	17.72	175.32
	(c) Other current assets	330.11	234.58
		5,793.75	6,349.90
	Total Assets (1+2)	20,384.41	19,600.27
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	134.81	123.13
	(b) Compulsorily convertible preference shares (entirely equity in nature)	-	11.68
	(c) Other equity	11,152.84	9,980.66
		11,287.65	10,115.47
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,560.00	2,204.61
	(ii) Other financial liabilities	-	5.64
	(b) Provisions	54.72	53.05
	(c) Deferred tax liabilities (net)	306.31	135.22
	(d) Other non-current liabilities	159.82	172.66
		2,080.85	2,571.18
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	821.96	1,724.32
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	504.25	8.75
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,000.40	3,234.54
	(c) Acceptances	212.10	184.12
	(iii) Other financial liabilities	2,024.50	1,331.00
	(b) Provisions	200.51	194.07
	(c) Other current liabilities	252.19	236.82
		7,015.91	6,913.62
	Total Equity and Liabilities (1+2+3)	20,384.41	19,600.27

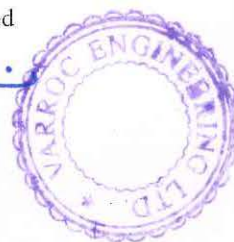


Notes to the Audited Standalone Financial Results:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 24, 2019 and are subjected to audit by the Statutory Auditors.
- 2) These audited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016. dated 5th July, 2016.
- 3) During the current year, the Company has completed a detailed evaluation of the impact of the new revenue standard Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. Application of Ind AS 115 did not have any material impact on the recognition and measurement of revenue and related items in the financial results for current and previous year.
- 4) The Board of Directors at its meeting held on May 24, 2019 proposed a dividend of Rs. 4 per equity share, subject to approval of the shareholders
- 5) Post the applicability of GST in India with effect from July 01, 2017, revenue is required to be disclosed net of GST, Accordingly, the revenue from operations for the year ended March 31, 2019 is not comparable with that for the year ended March 31, 2018 in the results.
- 6) The figures for the last quarter are the derived figures between audited figures in respect of full financial year upto March 31, 2019 and the unaudited published year-to-date figures upto December 31, 2018, being the date of the third quarter of the financial year which were subjected to limited review. Further, the figures for the quarter ended March 31, 2018 are the derived figures between the audited figures in respect of the full financial year ended March 31, 2018 and the audited figures for the nine months ended December 31, 2017.

Place: Mumbai
Date: 24/05/2019

For and on behalf of Board of Directors
Varroc Engineering Limited
Tarang Jain
Managing Director





Statement of audited consolidated financial results for the quarter and year ended March 31, 2019

(Rs. In million)

Particulars	Quarter ended			Year ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	Audited (refer note 3)	Unaudited (Restated) (refer note 6)	Audited (refer note 3)	Audited	Audited
Revenue from operations (refer note 4 and 8)	31,534.00	29,549.90	29,845.56	1,20,364.65	1,03,784.57
Other income	285.91	177.41	170.90	907.88	386.10
Total income	31,819.91	29,727.31	30,016.46	1,21,272.53	1,04,170.67
Expenses					
Cost of materials consumed	20,175.77	18,056.35	18,969.17	76,017.39	64,127.17
Changes in inventories of work-in-progress and finished goods	18.15	68.32	(12.46)	(559.46)	(300.31)
Excise duty	-	-	-	-	996.26
Employee benefits expense	4,028.20	3,841.30	3,544.40	15,014.93	13,135.17
Finance costs	258.56	272.92	246.82	968.45	861.70
Depreciation and amortisation expense (refer note 8)	1,529.68	1,398.90	1,071.73	5,656.42	3,864.65
Other expenses	4,380.58	4,910.66	4,868.79	19,002.70	17,017.97
Total expenses	30,390.94	28,548.45	28,688.45	1,16,100.43	99,702.61
Profit before share of profits of joint ventures and tax	1,428.97	1,178.86	1,328.01	5,172.10	4,468.06
Share of profits of Joint Ventures	50.78	61.88	157.98	314.54	690.27
Profit before tax	1,479.75	1,240.74	1,485.99	5,486.64	5,158.33
Tax expense					
Current tax	361.39	544.37	347.33	1,381.58	1,174.48
Short / (excess) provision in respect of earlier year	70.17	(42.37)	(4.79)	63.08	19.27
Net current tax	431.56	502.00	342.54	1,444.66	1,193.75
Deferred tax	(452.15)	(262.46)	(284.73)	(455.81)	(543.19)
Total tax expense	(20.59)	239.54	57.81	988.85	650.56
Profit for the period	1,500.34	1,001.20	1,428.18	4,497.79	4,507.77
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Deferred hedging gains/(losses) on cash flow hedges (net of tax)	(3.74)	(16.29)	1.92	29.81	6.68
Exchange differences in translating the financial statements of foreign operations	(474.87)	(358.57)	816.73	(1,045.68)	1,996.01
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Remeasurement of defined benefit obligation (net of tax)	(13.63)	(33.98)	(10.13)	(47.61)	(4.41)
Other comprehensive income, net of tax	(492.24)	(408.84)	808.52	(1,063.48)	1,998.28
Total comprehensive income for the period	1,008.10	592.35	2,236.70	3,434.31	6,506.05
Profit for the period attributable to:					
Shareholders of the Company	1,494.27	990.79	1,423.38	4,463.20	4,502.58
Non-controlling interests	6.07	10.41	4.80	34.59	5.19
Other comprehensive income attributable to:					
Shareholders of the Company	(491.67)	(408.64)	808.04	(1,062.71)	1,997.80
Non-controlling interests	(0.57)	(0.20)	0.48	(0.77)	0.48
Total comprehensive income for the period attributable to:					
Shareholders of the Company	1,002.60	582.14	2,231.42	3,400.49	6,500.38
Non-controlling interests	5.50	10.21	5.28	33.82	5.67
Paid-up equity share capital (face value of Rs 1)	134.81	134.81	134.81	134.81	134.81
Reserves excluding revaluation reserves as per balance sheet				30,736.21	28,145.24
Earnings per equity share attributable to Owners (Nominal value per share: Re. 1) (not annualised)					
Basic and diluted (in Rupees)	11.08	7.35	10.56	33.11	33.40



Varroc Engineering Limited



Registered and Corporate Office: L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra

CIN: L28920MH1988PLC047335

Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540

E-mail: investors@varroc.com

Statement of Audited consolidated Assets and Liabilities as at March 31, 2019

(Rs. In million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
		Audited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	29,137.15	25,863.21
	(b) Capital work-in-progress	6,662.80	2,440.47
	(c) Investment properties	134.40	140.55
	(d) Goodwill (refer note 6)	1,992.53	334.72
	(e) Other Intangible assets (refer note 6 and 8)	4,334.14	1,701.05
	(f) Intangible assets under development (refer note 8)	3,331.90	1,000.25
	(g) Investments accounted for using the equity method	3,433.86	3,564.96
	(h) Financial assets		
	(i) Investments	0.20	0.20
	(ii) Loans	127.88	106.81
	(iii) Other financial assets	374.90	138.71
	(i) Income tax assets (net)	152.03	124.35
	(j) Deferred tax assets (Net)	1,755.02	1,030.00
	(k) Other non-current assets	2,422.09	1,474.26
		53,858.90	37,919.54
2	Current assets		
	(a) Inventories	9,199.24	8,640.97
	(b) Financial assets		
	(i) Investments	186.41	30.32
	(ii) Trade receivables	13,495.13	14,027.34
	(iii) Cash and cash equivalents	1,608.42	3,265.78
	(iv) Bank balances other than (iii) above	25.86	23.59
	(v) Loans	179.48	40.07
	(vi) Other financial assets	18.72	222.56
	(c) Other current assets	8,958.20	4,353.75
		33,671.46	30,604.38
	Total Assets (1+2)	87,530.36	68,523.92
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	134.81	123.13
	(b) Compulsorily convertible preference shares (entirely equity in nature)	-	11.68
	(c) Other equity	30,736.21	28,145.24
	Equity attributable to owners	30,871.02	28,280.05
	Non-controlling interests	241.31	207.67
	Total equity	31,112.33	28,487.72



Varroc Engineering Limited



Registered and Corporate Office: L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra

CIN: L28920MH1988PLC047335

Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540

E-mail: investors@varroc.com

Statement of Audited consolidated Assets and Liabilities as at March 31, 2019

(Rs. In million)

Sr. No.	Particulars	As at March 31, 2019	As at March 31, 2018
		Audited	Audited
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,571.96	6,361.46
	(ii) Other financial liabilities	127.17	122.81
	(b) Provisions	978.19	1,002.42
	(c) Deferred tax liabilities (net)	913.31	508.87
3	(d) Other non current liabilities	328.22	310.33
		6,918.85	8,305.89
	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	12,014.65	3,439.27
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	658.70	27.22
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19,663.32	19,766.57
	(c) Acceptances	240.37	210.34
	(iii) Other financial liabilities	11,418.94	5,785.37
	(b) Provisions	382.02	316.17
	(c) Current tax liabilities (net)	279.90	81.33
	(d) Other current liabilities	4,841.28	2,104.04
		49,499.18	31,730.31
Total Equity and Liabilities (1+2+3)		87,530.36	68,523.92



Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. In million)

Particulars	Quarter ended			For the year ended	
	March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
	Audited (refer note 3)	Unaudited (Restated) (refer note 6)	Audited (refer note 3)	Audited	Audited
1) Segment Revenue					
(i) Automotive	30,740.76	28,820.43	28,982.59	117,318.26	101,042.03
(ii) Others	793.24	729.47	862.97	3,050.69	2,750.08
	31,534.00	29,549.90	29,845.56	120,368.95	103,792.11
Less: Inter segment revenue	-	-	-	4.30	7.54
	31,534.00	29,549.90	29,845.56	120,364.65	103,784.57
2) Segment Results					
(i) Automotive	1,622.56	1,258.97	1,501.24	5,707.29	5,077.86
(ii) Others	17.28	93.57	20.71	148.63	89.55
Total Segment Results	1,639.83	1,352.54	1,521.95	5,855.92	5,167.41
Add/ (Less):					
(a) Finance Cost	(258.56)	(272.92)	(246.82)	(968.45)	(861.70)
(b) Net unallocated (expenditure) / income	98.48	161.12	210.86	599.17	852.62
Total profit before tax	1,479.75	1,240.74	1,485.99	5,486.64	5,158.33
3) Segment Assets					
(i) Automotive	78,642.37	75,864.25	60,641.61	78,642.37	60,641.61
(ii) Others	2,402.58	2,469.42	2,511.08	2,402.58	2,511.08
Total segment assets	81,044.95	78,333.67	63,152.69	81,044.95	63,152.69
Add: Unallocated	6,485.41	5,726.17	5,371.23	6,485.41	5,371.23
Total assets	87,530.36	84,059.84	68,523.92	87,530.36	68,523.92
4) Segment Liabilities					
(i) Automotive	29,608.00	28,231.35	27,162.52	29,608.00	27,162.52
(ii) Others	839.35	812.69	1,005.72	839.35	1,005.72
Total segment liabilities	30,447.35	29,044.04	28,168.24	30,447.35	28,168.24
Add: Unallocated	25,970.68	24,819.06	11,867.96	25,970.68	11,867.96
Total liabilities	56,418.03	53,863.10	40,036.20	56,418.03	40,036.20

Notes to the audited consolidated Financial Results:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 24, 2019 and are subjected to audit by the Statutory Auditors.
- These audited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI Circular no. CIR/CFD/FAC/62/2016, dated 5th July, 2016.
- The figures for the last quarter are the derived figures between audited figures in respect of full financial year upto March 31, 2019 and the unaudited published year-to-date figures upto December 31, 2018, being the date of the third quarter of the financial year which were subjected to limited review. Further, the figures for the quarter ended March 31, 2018 are the derived figures between the audited figures in respect of the full financial year ended March 31, 2018 and the audited figures for the nine months ended December 31, 2017.
- Post the applicability of GST in India with effect from July 01, 2017, revenue is required to be disclosed net of GST. Accordingly, the revenue from operations for the year ended March 31, 2019 is not comparable with that for the year ended March 31, 2018 in the results.
- The "Automotive" segment consists of the business of automobile products consisting of auto parts for two-wheelers, three-wheelers and four-wheelers and related design, development and engineering activities and other services. "Others" comprise of forging components for off road vehicles and components for mining and oil drilling industry which is below the thresholds for reporting as separate operating segment. Investment in Joint Venture and corresponding share of profit from joint venture is considered under unallocated assets and profit respectively.
- On July 02, 2018, the Group acquired "SA-BA Endustriyel Urunler Imalat ve Ticaret Anonim Sirketi", a Turkey based company engaged in the manufacture and supply of interior and exterior lighting products mainly for the automotive sector. During the current period, the Group has finalised the allocation of the purchase consideration of Eur 43.30 million to the assets and liabilities (including intangible assets viz. Customer relationships and Brand which were not recognised in acquiree's books) based on their acquisition date fair values. The consideration in excess of fair values of the assets and liabilities acquired has been allocated to Goodwill. Since the Group has finalised purchase price allocation in the current quarter, the comparative information for the quarter ended December 31, 2018 has been restated after giving effect of such allocation.
- The deferred tax in "Tax expense" for the year ended March 31, 2019 includes a credit of Rs. 531.06 million (Year ended March 31, 2018: Rs. 657.50 million) and for the quarter ended March 31, 2019 a credit of Rs. 300.25 Million (Qtr ended December 31, 2018: Rs. 230.81 million; Qtr ended March 31, 2018: Rs. 177.50 million) recognised on tax incentive on eligible investments by the subsidiary in Czech Republic which can be utilised against future taxable income over the next 10 years. Further, deferred tax for the quarter ended March 31, 2019 in "Tax expense" includes a credit of Rs. 108.98 Million recognised on provision for pension scheme by the subsidiary in Germany which will be utilised upon payments made under such scheme.



8 During the current year, the Group has completed a detailed evaluation of the impact of the new revenue standard Ind AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. Ind AS 115 has impact on the product development/engineering services which are now considered as related to sale of parts rather than a separate performance obligation. As a result, revenue from engineering services is now recognised over the period of production. Costs incurred in respect of providing engineering services are recognised as intangible assets and amortised over the period of production. The Group has applied the modified retrospective approach as permitted by Ind AS 115 to the contracts which were not completed as of April 1, 2018 and has debited Rs. 689.92 million (net of tax) to retained earnings as at April 1, 2018. Due to the above change, the revenue and profit after tax for the year ended March 31, 2019 are higher by Rs. 235.70 million and Rs. 175.47 million respectively.

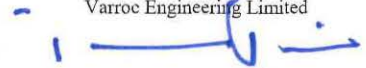
Since under the modified retrospective approach, the cumulative effect of applying Ind AS 115 has been recognised as at April 1, 2018 and the comparative information has not been restated and continues to be reported under Ind AS 11 and Ind AS 18, hence the figures for the quarter and year ended March 31, 2018 may not be comparable with the figures for the quarter and year ended March 31, 2019.

9 The Board of Directors at its meeting held on May 24, 2019 proposed a dividend of Rs. 4 per equity share, subject to approval of the shareholders.

Place: Mumbai
Date: May 24, 2019



For and on behalf of Board of Directors
Varroc Engineering Limited


Tarang Jain
Managing Director

Auditor's Report On Quarterly Financial Results and Year to Date Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
Board of Directors of
Varroc Engineering Limited,

1. We have audited the accompanying statement of quarterly standalone Ind AS financial results of Varroc Engineering Limited ('the Company') for the quarter ended March 31, 2019 and for the year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The standalone Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the standalone Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual standalone Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual standalone Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us, these quarterly standalone Ind AS financial results as well as the year to date results:
 - i. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - ii. give a true and fair view of the net profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2019.
4. The comparative financial information of the Company for the quarter ended March 31, 2018, included in the accompanying Standalone financial results, represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the audited figures for the nine months ended December 31, 2017 which were audited by the predecessor auditor who expressed an unmodified opinion on that financial information on June 6, 2018 and March 25, 2018 respectively. The comparative financial information of the Company for the year ended March 31, 2018, included in the accompanying Standalone financial results is based on the audited standalone financial statements of the Company for the year ended March 31, 2018 which



were audited by the predecessor auditor who expressed an unmodified opinion on those standalone financial statements on June 6, 2018.

5. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S R B C & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner

Membership No.: 105754

Place: Mumbai

Date: May 24, 2019



Auditor's Report On Quarterly Consolidated Financial Results and Year to Date Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
Board of Directors of
Varroc Engineering Limited,

1. We have audited the accompanying statement of quarterly consolidated Ind AS financial results of Varroc Engineering Limited ('the Company') comprising its subsidiaries (together, 'the Group') and joint ventures for the quarter ended March 31, 2019 and the consolidated Ind AS financial results for the year ended March 31, 2019 ('the Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ('the Circular'). The consolidated Ind AS financial results for the quarter ended March 31, 2019 and year ended March 31, 2019 have been prepared on the basis of the consolidated Ind AS financial results for the nine-month period ended December 31, 2018, the audited annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019, and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company. Our responsibility is to express an opinion on these consolidated Ind AS financial results based on our review of the consolidated Ind AS financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India; our audit of the annual consolidated Ind AS financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate financial statements and the other financial information of subsidiaries and joint controlled entities, these quarterly consolidated Ind AS financial results as well as the year to date results:
 - i. includes the results of the entities mentioned below;
 - ii. are presented in accordance with the requirements of the Regulation read with the Circular, in this regard; and
 - iii. give a true and fair view of the consolidated net profit including other comprehensive income and other financial information for the quarter and year ended March 31, 2019.



The Statement includes results of following entities:

List of subsidiaries:

Varroc Polymers Private Limited; Durovalves India Private Limited; Team Concepts Private Limited; Varroc Lighting Systems (India) Private Limited; Varroc European Holding B.V.; Aries Mentor Holding B.V.; VarrocCorp Holding B.V.; Varroc Japan Co. Ltd.; IMES, Italy ; Varroc Lighting Systems Italy, S.p.A.; Varroc Lighting Systems Romania S.A.; Varroc Lighting Systems Vietnam Co. Ltd.; TRI.O.M. S.A.de.C.V, Mexico; Varroc Lighting Systems SRO CZ; Varroc Lighting Systems, INC; Varroc Lighting Systems, GmbH; Varroc Lighting Systems, S.de.R.L.de.C.V.; Varroc Lighting Systems SA, Morocco; Varroc do Brasil Industria E Comercio LTDA; Varroc Lighting Systems, S.p.z.o.o.; Varroc Lighting Systems Endüstriyel Ürünler İmalat ve Ticaret Anonim Şirketi; Varroc Lighting Systems Bulgaria Eood

List of Joint Ventures

Nuova CTS, Srl, Italy; Varroc Elba Electronics SRL, Romania; Varroc TYC, Corporation BVI; Varroc Dell'Orto Private Limited

4. We did not audit the financial results/statements and other financial information, in respect of 8 subsidiaries whose Ind AS financial results/statements include total assets of Rs 54,195.65 million as at March 31, 2019, and total revenues of Rs 20,867.37 million and Rs 74,185.67 million for the quarter and the year ended on that date respectively. These Ind AS financial results/statements and other financial information have been audited by other auditors, whose financial results/statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial results also include the Group's share of net profit of Rs. 48.58 million and Rs. 302.86 million for the quarter and for the year ended March 31, 2019 respectively, as considered in the consolidated Ind AS financial results, in respect of 1 joint ventures, whose financial results/statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries and joint controlled entities is based solely on the report of other auditors. Our opinion is not modified/qualified in respect of this matter.

Certain of these subsidiaries are located outside India whose financial results/statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial results/statements of such subsidiaries and joint ventures located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.



5. The accompanying consolidated Ind AS financial results include unaudited financial results /statements and other unaudited financial information in respect of 9 subsidiaries, whose financial results/statements and other financial information reflect total assets of Rs 12,633.21 million as at March 31, 2019, and total revenues of Rs 572.57 million and Rs 1,458.44 million for the quarter and the year ended on that date respectively. These unaudited financial results/statements and other unaudited financial information have been furnished to us by the management. The consolidated Ind AS financial results also include the Group's share of net profit of Rs. 2.89 million and Rs 12.37 million for the quarter and for the year ended March 31, 2019 respectively, as considered in the consolidated Ind AS financial results, in respect of 3 joint ventures, whose financial results /statements and other financial information have not been audited and whose unaudited financial statements, other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of these subsidiaries and joint ventures, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial results/statements and other financial information are not material to the Group. Our opinion is not modified/qualified in respect of this matter.
6. The comparative financial information of the Group for the quarter ended March 31, 2018, included in the accompanying consolidated Ind AS financial results, represent the derived figures between the audited figures in respect of the financial year ended March 31, 2018 and the audited figures for the nine months ended December 31, 2017 which were audited by the predecessor auditor who expressed an unmodified opinion on that financial information on June 6, 2018 and March 25, 2018 respectively. The comparative financial information of the Group for the year ended March 31, 2018, included in the accompanying consolidated Ind AS financial results is based on the audited consolidated financial statements of the Company for the year ended March 31, 2018 which were audited by the predecessor auditor who expressed an unmodified opinion on those consolidated financial statements on June 6, 2018.
7. Further, read with paragraph 1 above, we report that the figures for the quarter ended March 31, 2019 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to a limited review as stated in paragraph 1 above, as required under the Regulation and the Circular.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003
per Paul Alvares

Partner

Membership No.: 105754

Place: Mumbai

Date: May 24, 2019



Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area
Waluj, Aurangabad 431 136
Maharashtra, India

Tel +91 240 6653600
Fax +91 240 2564540

email: varroc.info@varroc.com
www.varrocgroup.com
CIN: L28920MH1988PLC047335



VARROC/SE/INT/2019-20/14

May 24, 2019

To,

(1) The Manager – Listing
The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051

(2) The Manager - Listing
The Corporate Relation Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001

NSE Symbol: VARROC

BSE Security Code: 541578
Security ID: VARROC

Dear Sir/ Madam,

Sub: Declaration in respect of Auditors Report (Standalone & Consolidated) with Unmodified Opinion

Ref: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the captioned subject, we hereby declare that the Statutory Auditors of the Company, SRBC & Co., LLP, Chartered Accountants, Pune (Registration Number 324982E/E300003), have issued the Audit Report with unmodified opinion in respect of the Audited (Standalone & Consolidated) Financial Statements of the Company for the Financial year ended March 31, 2019.

Request you to please take the above on record and oblige.

Thanking you,

Yours Faithfully,
For Varroc Engineering Limited


T. R. Srinivasan
Chief Financial Officer

