

Varroc Engineering Limited

Regd. & Corp. Office

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

Tel + 91 240 6653700
Fax + 91 240 2564540

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



VARROC/SE/INT/2022-23/28

May 30, 2022

To,

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.

NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation
Department,
**Bombay Stock Exchange
Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

BSE Security Code: 541578

Dear Sir/ Madam,

Sub: Outcome of 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 Monday, May 30, 2022, which commenced at 4:00 p.m. and concluded at 4:10 p.m. has considered and approved the following items.

1. Audited Financial Results (Standalone and Consolidated) for the quarter and Financial Year ended on March 31, 2022

The Audited (Standalone and Consolidated) Financial Results of the Company for the quarter and financial year ended on March 31, 2022 were approved.

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

- i. Statements showing the Audited Financial results (Standalone and Consolidated) of the Company for the quarter and year ended on March 31, 2022;
- ii. The Reports of the Statutory Auditors of the Company on the aforesaid Audited Financial Results (Standalone and Consolidated); and
- iii. Declaration pursuant to Regulation 33 (3) (d) of the Listing Regulations regarding Unmodified Opinion of the Statutory Auditors on the Audit Report (Standalone and Consolidated);
- iv. Press Release on the Audited Financial results pursuant to Regulation 30 of the Listing Regulations.

Varroc Engineering Limited

Regd. & Corp. Office

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

Tel + 91 240 6653700
Fax + 91 240 2564540

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



Further, these Financial Results will be uploaded on the Company's website www.varroc.com and will also be published in Business Standard (English) and Loksatta (Marathi) newspapers.

2. Re-appointment of Secretarial Auditors, M/s. Uma Lodha & Co. (CP No. 2593) to carry out Audit of Secretarial records for the Financial year 2022-23

M/s. Uma Lodha & Co., Practicing Company Secretaries a team of competent professionals is in practice for more than 22 years. The Firm is specialized in the areas of Corporate Advisory and Compliance Services and have successfully executed many challenging assignments.

3. Re-appointment of Cost Auditors, M/s. S. R. Bhargave & Co. (Partnership Firm Registration No. M-000218) to carry out Audit of Cost Accounting records for the Financial Year 2022-23

S. R. Bhargave & Co. is a firm of Cost Accountants comprising of over 10 qualified Cost Accountants & is in the practice for more than 20 years. The Firm is specialized in Indirect Taxes and provide consultancy in the areas of Cost Reduction, Maintenance of Cost Records and Cost Audit.

This intimation is also being uploaded on the Company's website i.e., www.varroc.com.

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

Thanking you,
Yours faithfully,

For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

Press Release

- Consolidated Revenue in Q4 FY22 from Continued Operations improved 11.0% on QoQ basis
- Consolidated EBITDA margins improved by 150 bps QoQ for Continued Operations.
- SPA signed in April'22 with Plastic Omnium to divest the 4W Lighting Business in Europe & America for Enterprise Value of Euro 600 Million
- Application for Production Linked Incentive (PLI) scheme approved by the Government; target investment of approx. Rs.2800 Million over 5 Years
- Lifetime New Order wins in India: ₹35.1 billion for the Full Year and which consist of ₹10.4 billion from EV players

Pune, May 30, 2022: Varroc Engineering Ltd. (Varroc), a global tier-I auto component group, today announced its results for the quarter ended March 31, 2022.

Mr. Tarang Jain, CMD, Varroc Engineering Ltd. commented,

"In India, the auto production for 2 wheelers in FY22 fell by 3.5% despite lower base of last year due to weak rural demand and higher cost of ownership. Passenger vehicle in India rose by 19.2% due to preference for personal mobility. Commercial Vehicle and 3 Wheeler also witnessed growth due to lower base and overall economic recovery.

Under this backdrop, the Revenue from continued operations for FY22 has grown by 33.6% to Rs.58,442 million as against Rs.43,739 million in FY21, outperforming the industry production numbers. The EBITDA margin for FY22 was 6.1% as against 7.7% in FY21 for the continued operations. The margins were impacted by higher commodity prices, forex losses on intercompany loans and lower operating utilization in some of the geographies.

The Revenue for Q4 FY22 for continued operations came at Rs.16,520 million which increased 11.0% Q-o-Q and 9.8% Y-o-Y again outperforming the Industry production numbers. The EBITDA margin improved on Q-o-Q basis by 150 basis point and came at 6.5%. The Margins for the quarter are still impacted by higher raw material prices

The focus of the company remains to pursue strategy which are combination of Growth and Margin Improvement for various business units. We have growth opportunity due to Mega Trends and some of our Business unit like Electric-Electronics in India, Polymer Business in India, Electronics in Romania are geared up to capitalize on specific growth opportunities. We are looking to improve the profitability of some of the business unit like IMES in Italy, Metallic Business in India, 4W lighting business in India and 2W global lighting business by mix of improving internal efficiency, higher capacity utilization and price increase from customers.

Strong Order wins for New Business in FY22 across business units will enable us to continue to outperform the Industry growth and it will also help us in improving the profitability. During FY22, lifetime revenue from New Order wins is Rs.35,509 million, and out of that, business win from EV customers is Rs.10,451 million.

To capture the growth from Mega Trends, we are happy to announce that the government has approved our application for Production Linked Incentive, and we will be investing around Rs.2800 million over 5 years under the scheme"

Press Release

In the financials, the business which is divested is now accounted as discontinued operations and only the profit or loss from discontinued operations is shown as one line item in the Income Statement as per the accounting standards.

Summary Consolidated Financials

(₹ million)					
Particulars	Q4 FY22	Q3 FY22	Q4 FY21	FY 2022	FY 2021
Revenue from Continued Operations	16520	14886	15043	58442	43739
EBITDA	1071	744	1282	3593	3380
EBITDA Margin	6.5%	5.0%	8.5%	6.1%	7.7%
PBT from Continued Operation Before JV	-39.7	-309.8	709.6	-296.3	910.0
Share of Profit/(Loss) from JV	-21.2	30.9	64.0	-4.3	356.3
PBT from Continued Opeartions	-60.9	-279.0	773.6	-300.6	1266.3
Profit After Tax from Continued Operations	-325.7	-284.5	468.9	-782.8	787.6
Profit (Loss) from Discontinued Operations	-2523.9	-2668.1	-1912.1	-10284.4	-7074.0
Total Profit for the Period	-2849.6	-2952.6	-1443.2	-11067.3	-6286.4

About Varroc Engineering Ltd.

Varroc Engineering Ltd is a global tier-1 automotive component group, ranked 124th in the 2019 Fortune India 500 list. It was incorporated in 1988. The group designs, manufactures and supplies exterior lighting systems, plastic and polymer components, electricals-electronics components, and precision metallic components to passenger car, commercial vehicle, two-wheeler, three-wheeler, and off-highway vehicle OEMs directly worldwide. The group revenue was close to ₹ 11,300 crore (USD 1.5 Billion) in FY21. The group employs more than **13,800** employees, has **43** global operating manufacturing facilities, and has **189** patents.

Varroc Engineering Limited's shares are listed on the National Stock Exchange (VARROC) and the Bombay Stock Exchange (541578).

For further information on Varroc Engineering Limited please visit www.varroc.com

Contact Details

Bikash Dugar Head Investor Relations bikash.dugar@varroc.com +91-8104233847	Pallavi Deshmukh Head Marketing and Communications Pallavi.deshmukh@varroc.com +91-9923005424	Suman Das Sarma Vice President - Avian WE sumans@avianwe.com +91 9820051946
--	--	---

Press Release

Safe Harbor

This release contains statements that contain “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Varroc Engineering Limited future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties, and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Varroc Engineering Limited undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.

Varroc Engineering Limited

Regd. & Corp. Office

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

Tel + 91 240 6653700
Fax + 91 240 2564540

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



VARROC/SE/INT/2022-23/29

May 30, 2022

To,

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.

The Manager – Listing
The Corporate Relation
Department,
**Bombay Stock Exchange
Limited**
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.

NSE Symbol: VARROC

BSE Security Code: 541578

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, 2022.

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

Yours faithfully,

For Varroc Engineering Limited

**T R Srinivasan
Group CFO**



Statement of audited standalone financial results for the quarter and year ended March 31, 2022

(Rs. in million)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited (Refer Note 2)	Unaudited	Audited (Refer Note 2)	Audited	Audited
1	Revenue from operations	8,808.22	8,568.08	8,234.98	32,918.07	25,617.78
2	Other income (refer note 3)	158.10	138.93	392.88	646.14	1,114.15
3	Total Income (1 + 2)	8,966.32	8,707.01	8,627.86	33,564.21	26,731.93
4	Expenses					
	(a) Cost of materials consumed	5,902.53	5,795.27	6,054.88	22,356.90	17,462.19
	(b) Changes in stock of finished goods and work-in-progress	336.42	(89.15)	(389.23)	(176.70)	(746.45)
	(c) Employee benefits expense	815.39	801.22	811.70	3,304.17	2,686.87
	(d) Finance costs	323.99	286.34	139.89	909.76	561.10
	(e) Depreciation and amortisation expense	425.90	441.38	384.04	1,703.49	1,543.62
	(f) Other expenses (refer note 4)	1,111.67	1,546.51	1,108.10	5,019.50	3,853.09
	Total expenses (4)	8,915.90	8,781.57	8,109.38	33,117.12	25,360.42
5	Profit/(loss) before tax (3- 4)	50.42	(74.56)	518.48	447.09	1,371.51
6	Tax expense					
	(a) Current tax	7.01	(11.60)	67.09	79.92	247.55
	(b) Short/(excess) provision for tax relating to prior periods	8.71	-	(3.20)	(0.11)	(37.47)
	(c) Deferred tax	33.81	(22.89)	123.40	107.43	239.81
	Total tax expense (6)	49.53	(34.49)	187.29	187.24	449.89
7	Profit/(loss) for the period (5-6)	0.89	(40.07)	331.19	259.85	921.62
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)	-	-	19.90	-	-
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)					
	Remeasurement of defined benefit obligation (net of tax)	(19.63)	-	18.15	(19.63)	18.15
	Other comprehensive income (8)	(19.63)	-	38.05	(19.63)	18.15
9	Total comprehensive income for the period (7+8)	(18.74)	(40.07)	369.24	240.22	939.77
10	Paid-up equity share capital (Face value of the share in Re. 1/- each)	152.79	152.79	152.79	152.79	152.79
11	Reserves excluding revaluation reserves as per balance sheet				19,257.06	19,016.83
12	Earnings per share (of Re 1/- each) (not annualised):					
	Basic & diluted	0.01	(0.26)	2.43	1.70	6.82



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, 2022

(Rs. in million)

Sr. No.	Particulars	As at March 31, 2022 Audited	As at March 31, 2021 Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	9,934.88	8,893.39
	(b) Capital work-in-progress	549.25	1,245.32
	(c) Investment properties	124.18	129.67
	(d) Intangible assets	678.63	535.35
	(e) Intangible assets under development	69.42	326.49
	(f) Right to use asset	544.64	532.47
	(g) Investments in subsidiaries and joint venture	10,229.43	10,229.43
	(h) Financial assets		
	(i) Investments	0.15	0.15
	(ii) Other financial assets	251.67	210.37
	(i) Income tax assets (net)	98.22	57.95
	(j) Other non-current assets	439.83	550.39
		22,920.30	22,710.98
2	Current assets		
	(a) Inventories	3,616.33	3,120.98
	(b) Financial assets		
	(i) Trade receivables	3,971.87	3,628.24
	(ii) Cash and cash equivalents	427.55	2,467.06
	(iii) Bank balances other than (ii) above	2.56	6.85
	(iv) Loans	10,298.77	30.15
	(v) Other financial assets	72.98	44.48
	(c) Other current assets	729.19	1,262.08
		19,119.25	10,559.84
3	Assets classified as held for sale	36.37	-
	Total Assets (1+2+3)	42,075.92	33,270.82
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	19,257.06	19,016.83
		19,409.85	19,169.62
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,111.03	3,772.83
	(ii) Lease liabilities	124.82	77.25
	(b) Provisions	131.76	135.52
	(c) Deferred tax liabilities (net)	706.35	609.47
	(d) Other non-current liabilities	234.91	410.16
		3,308.87	5,005.23
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	9,515.71	1,306.35
	(ii) Lease liabilities	59.72	102.21
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,219.18	1,268.04
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	5,505.49	3,917.03
	(c) Acceptances	920.01	444.35
	(iv) Other financial liabilities	1,191.82	1,138.84
	(b) Provisions	149.18	123.64
	(c) Current tax liabilities (net)	-	66.61
	(d) Other current liabilities	796.09	728.90
		19,357.20	9,095.97
	Total Equity and Liabilities (1+2+3)	42,075.92	33,270.82





Statement of audited Cash Flows for the year ended March 31, 2022

(Rs. in million)

Sr.No	Particulars	Year ended March 31, 2022 (Audited)	Year ended March 31, 2021 (Audited)
A	Cash flow from operating activities		
	Profit before tax	447.09	1,371.51
	Adjustments for:		
	Depreciation and amortization expense	1,703.49	1,543.62
	Provision for doubtful debts / advances	3.36	0.94
	Unrealised exchange loss on restatement of intercorporate loan	278.15	-
	Finance cost	909.76	561.10
	Rent income from investment property	(19.64)	(20.96)
	Provisions/liabilities no longer required written back	(2.43)	(37.95)
	(Profit) on sale of property, plant and equipment	(1.11)	(241.41)
	Excess of insurance proceed over book value	-	(364.72)
	Increase in surrender value of key man insurance	(18.86)	(22.04)
	Dividend income	(157.25)	-
	Interest income	(147.15)	(47.27)
	Government grant	(184.93)	(190.39)
	Operating profits before working capital changes	2,363.39	1,180.92
		2,810.48	2,552.43
	Adjustments for changes in working capital (increase)/decrease		
	Trade receivables	(343.43)	(1,093.33)
	Trade payables	1,991.59	732.68
	Inventories	(495.35)	(259.79)
	Other financial assets	(110.06)	(5.05)
	Other current and non current asset	521.16	(344.59)
	Provision	(8.39)	(1.75)
	Other financial liabilities	111.65	115.38
	Other current and non current liabilities	(14.41)	34.03
	Cash generated from operations	4,463.24	1,730.01
	Income tax paid (net of refund)	(186.69)	(127.36)
	Net cash flow generated from operating activities	4,276.55	1,602.65
B	Cash flow from investing activities		
	Dividend received	157.25	-
	Interest received	1.03	119.89
	Government grant received	162.72	63.04
	Proceeds from insurance claim	-	515.32
	Proceeds from sale of property, plant and equipment	8.67	361.79
	Rent received on investment property	19.64	20.96
	Loan to subsidiaries	(10,400.26)	(1,265.42)
	Intercorporate loan repaid by overseas subsidiary	-	1,265.42
	Purchase of property, plant and equipment	(2,036.23)	(1,648.36)
	Fixed deposits (placed)/ redeemed (net)	4.29	(4.87)
	Investment in subsidiary	-	(6,056.17)
	Net cash used in investing activities	(12,082.89)	(6,628.40)
C	Cash flow from financing activities		
	Proceeds from issue of equity shares (net of issue expenses)	-	6,851.92
	Repayment of long term borrowings	(1,499.57)	(1,005.73)
	Proceeds from long term borrowings	4,441.18	2,455.00
	Proceeds/(repayment) in short term borrowings	796.57	(1,418.11)
	Proceeds from intercorporate deposit	2,860.00	-
	Payment of lease liability	(119.81)	(112.34)
	Interest paid	(717.26)	(535.28)
	Net cash flow generated from financing activities	5,761.11	6,235.46
	Net (decrease)/increase in cash and cash equivalents	(2,045.23)	1,209.71
	Opening cash and cash equivalents	2,466.29	1,256.58
	Closing cash and cash equivalents	421.06	2,466.29
	Cash and cash equivalents consists of :		
	Cash in hand	0.02	0.02
	Current accounts / deposit with maturity of less than 3 months	427.53	2,467.04
	Bank overdraft	(6.49)	(0.77)
		421.06	2,466.29

Notes:

- 1) The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows".
- 2) Prior period comparatives have been reclassified to conform with current period presentation, where applicable.
- 3) Figures in brackets represent outflow of cash and cash equivalents.



**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 30, 2022 and were subjected to audit by the Statutory Auditors.
- 2) The figures for the quarters ended March 31, 2022 and March 31, 2021 are the derived figures between audited figures in respect of full financial year and the unaudited published year to-date figures upto the third quarter of the respective financial year which were subjected to limited review.
- 3) The automotive lighting plant of the Company (erstwhile Varroc Lighting Systems India Private Limited) at Pune, India was destroyed by fire on February 18, 2020. The insurance claim in this regard was settled in previous year and accordingly the other income for the year ended March 31, 2021 includes an amount of Rs. 364.72 million being the excess of claim amount over net book value of assets destroyed. Further, the Company sold plot of land belonging to the above said plant in the year ended March 31, 2021. Accordingly, other income for the quarter and year ended March 31, 2021 includes amount of Rs. 241.87 million being profit on sale of such land.
- 4) Other expenses for the quarter and year ended March 31, 2022 includes amounts of Rs.(38.28) million and Rs.278.15 million respectively in respect of unrealised foreign exchange (gain)/loss on loans given to overseas subsidiaries.
- 5) During the previous year ended March 31, 2021, the Company had raised Rs.6,992.22 million (including securities premium of Rs.6,974.25 million) through eligible Qualified Institutional Placement (QIP). The unutilised proceeds of Rs.1,235.22 million from previous year have been utilised in current year for repayment of borrowings of the Company (Rs.843.17 million) and for working capital (Rs.392.06 million).
- 6) During the quarter ended September 30, 2021, the Company issued 3,750 Number of Debentures 8% Secured Listed Non-convertible Debentures of Rs. 1 million each aggregating to Rs.3,750 million on a private placement basis. The NCDs have bullet repayment on June 17, 2023 of Rs.1,250 million and on September 17, 2023 of Rs.2,500 million with coupon payments to be made on an annual basis. The proceeds from the issue have been utilised for investment in overseas subsidiary for loan repayments and for general corporate purposes. These debentures secured by exclusive charge by way of hypothecation on the specific identified movable properties of the Company. The asset cover in respect of the Non-Convertible Debentures of the Company as on March 31, 2022 is 1.01 times of the total due amount which is less than the requirement of 1.1 times of the said Secured Non-Convertible Debentures.
- 7) The Company has equity investment of Rs.9665.58 million and loan given of Rs. 9905.99 million to its wholly owned subsidiary VarrocCorp Holding BV Netherlands ('VCHBV') as at March 31, 2022. The Company along with VCHBV entered into a Securities Purchase Agreement ('SPA') dated April 28, 2022 with Compagnie Plastic Omnium SE, France for the sale of four-wheeler lighting business in the Americas and Europe ("VLS Business"). The management has assessed the recoverability of the equity investment/loan to VCHBV as at March 31, 2022 taking into account the consideration agreed with the buyer under the SPA and concluded that no amount needs to be provided against the said investments/loans as at March 31, 2022.
- 8) Pursuant to the amendments made to Schedule III to the Companies Act, 2013 which are applicable to the Company for period beginning April 1, 2021, the Company has presented Current maturities of non-current borrowings under Current liabilities – Financial liabilities – Borrowings instead of Current liabilities – Financial liabilities – Other financial liabilities as at March 31, 2022. Further, Security deposits have been presented under Other financial assets instead of Loans. Accordingly, the corresponding figures as at March 31, 2021 have also been regrouped/reclassified as below:

(Rs. in million)	
Particulars	As at March 31, 2021
Non-current assets	
Security deposits reclassified from Loans to Other financial assets	52.10
Current assets	
Security deposits reclassified from Loans to Other financial assets	35.34
Current liabilities	
Current maturities of non-current borrowings reclassified from Financial liabilities – Other financial	1,302.15

- 9) The Company has considered the possible effects of COVID-19 pandemic including the impact on sales projections for future periods and consequent impacts on the recoverable values of assets including property, plant and equipment, intangible assets, etc. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic and arriving at estimates, the Company, as at the date of approval of these financial results, has used internal and external sources of information. The Company has performed analysis on the assumptions used and based on current estimates, expects the carrying amounts of the assets to be recoverable as at March 31, 2022. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these standalone financial results.
- 10) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 11) Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year classification.

Place: Pune
Date: May 30, 2022



For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Chairman and Managing Director



Additional disclosures as per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Particulars		Quarter Ended			Year Ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March, 31 2022	March, 31 2021
Debt Equity ratio [refer note (i)]	(No of times)	0.60	0.61	0.26	0.60	0.26
Debt service coverage ratio [refer note (ii)]	(No of times)	1.21	0.80	2.42	1.27	2.22
Interest service coverage ratio [refer note (iii)]	(No of times)	2.47	2.28	7.45	3.36	6.20
Outstanding Redeemable Preference Shares (Qty / Value)		Not Applicable				
Capital Redemption Reserve		Not Applicable				
Debenture Redemption Reserve		Not Applicable				
Net Worth [refer note (iv)]	(Rs. In Millions)	19,409.85	19,428.58	19,169.62	19,409.85	19,169.62
Net profit after tax	(Rs. In Millions)	0.89	(40.07)	331.19	259.85	921.62
Earning per share (EPS)						
Basic EPS (Not Annualised)	(Rs)	0.01	(0.26)	2.43	1.70	6.82
Diluted EPS (Not Annualised)	(Rs)	0.01	(0.26)	2.43	1.70	6.82
Current Ratio [refer note (v)]	(No of times)	0.99	0.61	1.16	0.99	1.16
Long Term Debt To Working Capital [refer note (vi)] [^]	(No of times)	1.41	(2.30)	1.83	1.41	1.83
Bad Debts To Account Receivable Ratio [refer note (vii)]**	(No of times)	(0.00)	0.00	(0.00)	0.00	0.00
Current Liability Ratio [refer note (viii)]	(No of times)	0.85	0.63	0.65	0.85	0.65
Total Debts To Total Assets [refer note (ix)]	(No of times)	0.28	0.29	0.15	0.28	0.15
Debtors Turnover [refer note (x)]*	(No of times)	2.37	2.08	2.38	8.66	8.32
Inventory Turnover [refer note (xi)]*	(No of times)	1.67	1.50	1.74	6.58	5.79
Operating Margin [refer note (xii)]	(In %)	2.46%	0.85%	3.22%	2.16%	3.19%
Net Profit Margin [refer note (xiii)]	(In %)	0.01%	-0.47%	4.02%	0.79%	3.60%

Formulae for calculation of ratios are as follows:

- (i) Debt Equity Ratio = [Total Debt / Total Equity]
(ii) Debt service coverage ratio = [(Earning before Interest Tax & Depreciation)/((Interest Expense + Principal repayments of long term loan made during the period))]
(iii) Interest service coverage ratio = [(Earning before Interest and Tax & Depreciation)/(Interest Expense)]
(iv) Net Worth = [Equity share capital + Other equity]
(v) Current ratio = [Current Assets / Current Liabilities]
(vi) Long term debt to working capital = [Non Current borrowing (including current maturity of long term borrowing) / Working Capital]
(vii) Bad debts to Accounts receivable ratio = [(Bad debts written off +Provision for bad debts charged to profit and loss account) / Average Trade Receivables]
(viii) Current liability ratio = [Current Liability / Total Liability]
(ix) Total debts to Total assets = [Total Debt / Total Assets]
(x) Debtors Turnover = [Revenue from Operations / Average Debtors]
(xi) Inventory Turnover = [(Cost of Material Consumed+Changes in stock of finished goods and work-in-progress) / Average Inventory]
(xii) Operating Margin = [(EBIT-Other Income) / Revenue from operation]
(xiii) Net Profit Margin = [Net profit after tax / Revenue from operation]
(xiv) Total Debt = Long Term Borrowings + Short Term Borrowings (includes Current Maturities of Long Term Borrowings)
(xv) Total Equity = Equity Share Capital + Other Equity
(xvi) Working Capital = [Total Current Assets - Total Current Liabilities (excluding current maturity of long term borrowing)]

* Ratio not annualised, except for the year ended March 31, 2022 and March 31, 2021

** numbers are below 0.01

[^] Ratio for December 31, 2021 is negative because net working capital is negative



Independent Auditor's Report on the Quarterly and Year to Date Audited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Varroc Engineering Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Varroc Engineering Limited (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the



preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



SRBC & COLLP

Chartered Accountants

Other Matter

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For SRBC & COLLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 22105754AJWJPJ5304

Place: Pune

Date: May 30, 2022





Statement of audited consolidated financial results for the quarter and year ended March 31, 2022

(Rs. in Million)

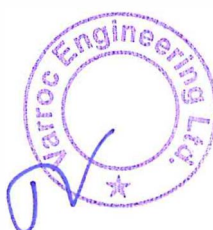
S. No.	Particulars	Quarter ended			Year ended	
		March 31, 2022 (refer note 2 & 11)	December 31, 2021 (refer note 2)	March 31, 2021 (refer note 2 & 11)	March 31, 2022 (refer note 2)	March 31, 2021 (refer note 2)
		Audited	Unaudited	Audited	Audited	Audited
	Continuing Operations					
1	Revenue from operations	16,519.87	14,886.09	15,043.48	58,442.01	43,738.79
2	Other income (refer note 5)	95.59	84.94	347.38	339.33	1,157.35
3	Total income (1+2)	16,615.46	14,971.03	15,390.86	58,781.34	44,896.14
4	Expenses					
	Cost of materials consumed	10,727.51	9,842.69	10,244.24	39,034.78	28,628.09
	Changes in inventories of work-in-progress and finished goods	491.29	(63.45)	(284.21)	(541.23)	(720.60)
	Employee benefits expense	1,448.64	1,565.15	1,527.06	6,192.64	5,097.67
	Finance costs	370.83	353.80	226.23	1,183.52	889.41
	Depreciation and amortisation expenses	835.82	785.13	693.18	3,045.47	2,737.87
	Other expenses	2,781.05	2,797.55	2,274.76	10,162.43	7,353.68
	Total expenses	16,655.14	15,280.87	14,681.26	59,077.61	43,986.12
5	Profit/(loss) before share of profit/(loss) of joint ventures and tax from continuing operations (3-4)	(39.68)	(309.84)	709.60	(296.27)	910.02
6	Share of profit/(loss) of Joint Ventures	(21.20)	30.87	63.96	(4.33)	356.28
7	Profit/(loss) before tax from continuing operations (5+6)	(60.88)	(278.97)	773.56	(300.60)	1,266.30
8	Tax expense					
	Current tax	142.43	28.19	155.59	347.97	387.85
	Short/ (excess) provision in respect of earlier year	11.31	-	(59.35)	2.23	(93.62)
	Deferred tax	111.05	(22.69)	208.44	132.05	184.51
	Total tax expense	264.79	5.50	304.68	482.25	478.74
9	Profit/(loss) for the period from continuing operations (7-8)	(325.67)	(284.47)	468.88	(782.85)	787.56
	Discontinued operations (refer note 2)					
10	Profit/(loss) before tax for the period from discontinued operations	(2,492.92)	(2,546.59)	(1,951.13)	(10,348.85)	(6,248.33)
11	Tax (Income)/expense of discontinued operations	30.98	121.53	(39.06)	(64.43)	825.64
12	Profit/ (loss) for the period from discontinued operations (10-11)	(2,523.90)	(2,668.12)	(1,912.07)	(10,284.42)	(7,073.97)
13	Profit/(loss) for the period (9 + 12)	(2,849.57)	(2,952.59)	(1,443.19)	(11,067.27)	(6,286.41)
14	Other comprehensive income from continuing operations					
A	Items to be reclassified to profit or loss in subsequent periods					
	Deferred hedging gains on cash flow hedges (net of tax)	-	-	19.90	-	-
	Exchange differences in translating the financial statements of foreign operations	10.93	(104.85)	40.02	(89.40)	(3.31)
B	Items not to be reclassified to profit or loss in subsequent periods					
	Remeasurement of defined benefit obligation (net of tax)	(121.94)	-	7.27	(121.94)	7.27
15	Other comprehensive income from discontinued operations					
A	Items to be reclassified to profit or loss in subsequent periods					
	Exchange differences in translating the financial statements of foreign operations	275.48	164.26	(284.15)	835.40	(352.38)
B	Items not to be reclassified to profit or loss in subsequent periods					
	Remeasurement of defined benefit obligation (net of tax)	81.42	-	44.63	81.42	44.63
16	Total Other comprehensive income/(loss), net of tax from continuing and discontinued operations (14+15)	245.89	59.41	(172.33)	705.48	(303.79)
17	Total comprehensive income/(loss) for the period (13+16)	(2,603.68)	(2,893.18)	(1,615.52)	(10,361.79)	(6,590.20)
18	Profit/(loss) for the period attributable to:					
	Shareholders of the Company	(2,853.22)	(2,959.83)	(1,454.01)	(11,098.79)	(6,319.07)
	Non-controlling interests	3.65	7.24	10.82	31.52	32.66
19	Other comprehensive income/(loss) attributable to:					
	Shareholders of the Company	247.27	59.41	(172.19)	706.86	(303.65)
	Non-controlling interests	(1.38)	-	(0.14)	(1.38)	(0.14)
20	Total comprehensive income/(loss) for the period attributable to:					
	Shareholders of the Company	(2,605.95)	(2,900.42)	(1,626.20)	(10,391.93)	(6,622.72)
	Non-controlling interests	2.27	7.24	10.68	30.14	32.52
21	Paid-up equity share capital (face value of Re.1)	152.79	152.79	152.79	152.79	152.79
22	Reserves excluding revaluation reserves as per balance sheet	-	-	-	19,734.42	30,126.34
23	Earnings per equity share attributable to Owners [Nominal value per share: Re. 1 (Previous year : Re. 1)] (not annualised)					
	-for continuing operations					
	Basic and diluted (in Rupees)	(2.16)	(1.91)	3.36	(5.33)	5.59
	- for discontinued operations					
	Basic and diluted (in Rupees)	(16.52)	(17.46)	(14.04)	(67.31)	(52.34)
	- for continuing and discontinued operations					
	Basic and diluted (in Rupees)	(18.68)	(19.37)	(10.68)	(72.64)	(46.75)





Statement of audited consolidated Assets and Liabilities as at March 31, 2022

		(Rs. in Million)	
Sr. No.	Particulars	As at March 31, 2022 Audited (Refer Note 2)	As at March 31, 2021 Audited
A.	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	17,653.55	37,530.29
	(b) Capital work-in-progress	1,124.13	4,936.78
	(c) Investment properties	123.92	-
	(d) Goodwill	464.93	1,743.50
	(e) Other Intangible assets	914.49	5,426.86
	(f) Right-of-use assets	1,301.46	7,605.20
	(g) Intangible assets under development	273.99	3,625.48
	(h) Investments accounted for using the equity method	3,875.95	3,762.25
	(i) Financial assets		
	(i) Investments	0.20	0.20
	(ii) Other financial assets	337.18	403.87
	(j) Income tax assets (net)	119.81	395.16
	(k) Deferred tax assets (net)	89.67	1,783.98
	(l) Other non-current assets	591.53	1,967.33
	Total non-current assets	26,870.81	69,180.90
II	Current assets		
	(a) Inventories	6,155.91	12,564.56
	(b) Financial assets		
	(i) Trade receivables	5,175.33	16,407.38
	(ii) Cash and cash equivalents	1,156.48	7,415.30
	(iii) Bank balances other than (ii) above	21.34	37.02
	(iv) Loans	2.15	8.73
	(v) Other financial assets	79.11	222.49
	(c) Other current assets	1,691.26	6,416.85
	Total current assets	14,281.58	43,072.33
III	Assets classified as held for sale (refer note 2)	68,827.67	-
	Total Assets (I+II+III)	109,980.06	112,253.23
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	19,734.42	30,126.34
	Equity attributable to owners	19,887.21	30,279.13
	Non-controlling interests	253.11	281.77
	Total equity	20,140.32	30,560.90
II	Liabilities		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,500.22	9,361.22
	(ia) Lease liabilities	559.44	6,192.10
	(ii) Trade payables	-	-
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	134.98
	(iii) Other financial liabilities	78.83	222.50
	(b) Provisions	293.47	1,257.10
	(c) Deferred tax liabilities (net)	1,265.74	1,334.47
	(d) Other non current liabilities	373.39	1,604.91
	Total non-current liabilities	5,071.09	20,107.28
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	13,034.08	20,618.25
	(ia) Lease Liabilities	157.99	774.49
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,583.82	1,661.33
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,575.97	28,048.31
	(c) Acceptances	1,182.45	601.97
	(iii) Other financial liabilities	1,870.44	5,612.74
	(b) Provisions	186.34	694.53
	(c) Current tax liabilities (net)	33.08	118.29
	(d) Other current liabilities	1,666.10	3,455.14
	Total current liabilities	30,290.27	61,585.05
III	Liabilities directly associated with the assets classified as held for sale (refer note 2)	54,478.38	-
IV	Total Equity and Liabilities (I+II+III)	109,980.06	112,253.23





Consolidated Statement of cash flows for the year ended March 31, 2022

		(Rs. in Million)	
Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A	Cash flow from operating activities		
	Profit/(loss) before tax from continuing operations	(300.60)	1,266.30
	Profit/(loss) before tax from discontinued operations	(10,348.85)	(6,248.33)
	Adjustments for:		
	Depreciation and amortization expense	9,738.64	8,950.93
	Net loss/(gain) on disposal of property, plant and equipment	11.82	(230.02)
	Excess of insurance proceed over book value	-	(364.72)
	Provision for doubtful debts and advances	149.00	84.27
	Finance costs	1,905.62	1,626.29
	Gain on sale of current investments	(1.44)	(1.38)
	Share in (profit)/loss of Joint Venture accounted for using the equity method	4.33	(356.28)
	Liabilities no longer required written back	(3.70)	(39.25)
	Increase in surrender value of keyman insurance policy	(18.86)	(23.83)
	Government grants	(267.80)	(313.45)
	Unrealised exchange loss on restatement	278.15	-
	Interest income	(11.25)	(16.29)
	Operating profits before working capital changes	11,784.51	9,316.27
	Adjustments for changes in:	1,135.06	4,334.24
	Inventories	(1,674.64)	(1,248.40)
	Trade receivables	(1,068.29)	(5,322.54)
	Other Assets	(69.36)	1,591.15
	Trade payables	5,525.13	5,907.37
	Other liabilities and provisions	3,243.54	(327.24)
		5,956.38	600.34
	Cash generated from operations	7,091.43	4,934.58
	Taxes paid (net of refund received)	(735.68)	(197.50)
	Net cash flow generated from operating activities	6,355.75	4,737.08
B	Cash flow from investing activities		
	Dividend received	199.68	-
	Interest received	11.89	16.23
	Government grant received during the period	521.70	326.07
	(Purchase)/proceeds from sale of current investments (net)	1.44	41.61
	Acquisition of remaining equity stake in joint venture	-	(78.59)
	Proceeds from sale of property, plant and equipment	99.40	474.41
	Purchase of property, plant and equipment	(6,536.69)	(5,610.56)
	Costs incurred on intangible assets	(1,998.51)	(2,140.89)
	Proceeds from insurance claim	-	515.32
	Fixed deposits (with maturity of more than 3 months) redeemed/(Purchased) (net)	76.02	16.86
	Net cash used in investing activities	(7,625.07)	(6,439.54)
C	Cash flow from financing activities		
	Proceeds from issue of equity (net of expenses)	-	6,851.92
	Proceeds from long term borrowings	5,723.29	5,719.94
	Repayment of long term borrowing	(7,096.12)	(2,876.38)
	Repayment of lease liability	(834.80)	(331.09)
	Repayment of interest on lease liability	(194.38)	(205.45)
	Funding support from customers (short term)	1,931.34	-
	Proceeds/(repayments) of short term borrowings (net)	(1,255.84)	(9,309.73)
	Dividend on equity shares including tax thereon related to non-controlling interest of a subsidiary	(58.80)	-
	Interest paid	(1,563.32)	(1,370.99)
	Net cash flow used in financing activities	(3,348.63)	(1,521.78)
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)	(4,617.95)	(3,224.24)
	Opening cash and cash equivalents	7,414.35	10,330.97
	Effect of exchange difference on translation of foreign currency cash and cash equivalents	5.52	307.62
	Total	7,419.87	10,638.59
	Closing cash and cash equivalents	2,801.92	7,414.35

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
		(Rs. in Million)	(Rs. in Million)
	Cash and cash equivalents consists of:		
A	Cash and cash equivalent- discontinued operations (refer note 2)	1,645.44	3,044.97
B	Cash and cash equivalents of continuing operations:		
i.	Cash in hand	0.21	0.37
ii.	Bank balances		
	- Current accounts	1,156.27	4,369.96
	- Bank overdraft	-	(0.95)
		2,801.92	7,414.35

Notes:

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash Flows".
- Figures in brackets represent out flow of Cash and cash equivalents.





Additional disclosures as per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Particulars		Quarter Ended			Year Ended	Year Ended
		March 31, 2022	December 31, 2021	March 31, 2021	March, 31 2022	March, 30 2021
Debt Equity ratio [refer note (i)]	(No of times)	1.45	1.26	0.98	1.45	0.98
Debt service coverage ratio [refer note (ii)]	(No of times)	0.28	0.09	1.05	0.11	1.24
Interest service coverage ratio [refer note (iii)]	(No of times)	1.15	0.44	4.19	0.52	3.44
Outstanding Redeemable Preference Shares (Qty / Value)		Not Applicable				
Capital Redemption Reserve		Not Applicable				
Debenture Redemption Reserve		Not Applicable				
Net Worth [refer note (iv)]	(Rs. In Millions)	20,140.32	22,743.29	30,560.90	20,140.32	30,560.90
Net profit after tax (from continued and discontinued operations)	(Rs. In Millions)	(2,849.57)	(2,952.59)	(1,443.19)	(11,067.27)	(6,286.41)
Earning per share (EPS) (continued and discontinued)						
Basic EPS (Not Annualised)	(Rs)	(18.68)	(19.37)	(10.68)	(72.64)	(46.75)
Diluted EPS (Not Annualised)	(Rs)	(18.68)	(19.37)	(10.68)	(72.64)	(46.75)
Current Ratio [refer note (v)]	(No of times)	0.54	0.60	0.70	0.54	0.70
Long Term Debt To Working Capital [refer note (vi)] ^	(No of times)	(1.16)	(1.64)	(3.56)	(1.16)	(3.56)
Bad Debts To Account Receivable Ratio [refer note (vii)] *	(No of times)	0.00	0.00	0.00	0.01	0.01
Current Liability Ratio [refer note (viii)]	(No of times)	0.85	0.74	0.75	0.85	0.75
Total Debts To Total Assets [refer note (ix)]	(No of times)	0.27	0.27	0.27	0.27	0.27
Debtors Turnover [refer note (x)]	(No of times)	2.29	2.06	2.35	7.55	9.21
Inventory Turnover [refer note (xi)]	(No of times)	1.72	1.40	1.98	6.51	6.44
Operating Margin [refer note (xii)]	(In %)	-5.87%	-7.83%	-3.40%	-7.29%	-4.19%
Net Profit Margin [refer note (xiii)]	(In %)	-7.86%	-9.42%	-3.99%	-8.69%	-5.56%

^ Ratio is negative because net working capital is negative.

* numbers are below 0.01

Formulae for calculation of ratios are as follows:

(i) Debt Equity Ratio = [Total Debt / Total Equity]

(ii) Debt service coverage ratio = [(Earning before Interest, Tax & Depreciation) / ((Interest Expense + Principal repayments of long term borrowings made during the period excluding prepayment))]

(iii) Interest service coverage ratio = [(Earning before Interest and Tax & Depreciation) / (Interest Expense)]

(iv) Net Worth (Total Equity) = [Equity share capital + Other equity + Non-controlling interests]

(v) Current ratio = [Current Assets / Current Liabilities]

(vi) Long term debt to working capital = [Non Current borrowing (including current maturity of long term borrowing) / Working Capital]

(vii) Bad debts to Accounts receivable ratio = [(Bad debts written off + Provision for bad debts charged to profit and loss account) / Average Trade Receivables]

(viii) Current liability ratio = [Current Liability / Total Liability]

(ix) Total debts to Total assets = [Total Debt / Total Assets]

(x) Debtors Turnover = [Revenue from Operations / Average Debtors]

(xi) Inventory Turnover = [(Cost of Material Consumed + Changes in stock of finished goods and work-in-progress) / Average Inventory]

(xii) Operating Margin = [(Earning before Interest and Tax - Other Income) / Revenue from operation]

(xiii) Net Profit Margin = [Net profit after tax / Revenue from operation]

(xiv) Total Debt = Long Term Borrowings + Short Term Borrowings (includes Current Maturities of Long Term Borrowings)

(xv) Working Capital = [Total Current Assets - Total Current Liabilities (excluding current maturity of long term borrowing)]





Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities

Particulars	Quarter ended			Year ended	
	March 31, 2022 (refer note 2)	December 31, 2021 (refer note 2)	March 31, 2021 (refer note 2)	March 31, 2022 (refer note 2)	March 31, 2021 (refer note 2)
	Audited	Unaudited	Audited	Audited	Audited
1) Segment Revenue					
(i) Automotive	15,621.66	14,175.59	14,473.13	55,509.00	41,848.91
(ii) Others	898.21	710.50	570.35	2,933.01	1,889.88
Total Segment Revenue from continuing operations	16,519.87	14,886.09	15,043.48	58,442.01	43,738.79
Segment revenue from discontinued operations (automotive segment) (refer note 2)	19,730.10	16,463.42	21,149.09	68,899.04	69,288.73
Revenue from continuing and discontinued operations	36,249.97	31,349.51	36,192.57	127,341.05	113,027.52
2) Segment Results					
(i) Automotive	403.45	132.92	897.09	1,079.65	1,889.48
(ii) Others	(132.31)	(135.01)	(64.73)	(417.60)	(373.42)
Total segment results from continuing operations	271.14	(2.09)	832.36	662.05	1,516.06
Segment results of discontinued operations					
Profit / (loss) of discontinued operations (automotive segment) (refer note 2)	(2,303.14)	(2,381.57)	(1,850.81)	(9,626.76)	(5,558.08)
Add/ (Less):					
(a) Finance Cost	(560.61)	(518.71)	(373.20)	(1,905.61)	(1,626.29)
(b) Net unallocated (expenditure) / income	38.82	76.81	214.07	220.87	686.29
Profit/(loss) before tax	(2,553.79)	(2,825.56)	(1,177.58)	(10,649.45)	(4,982.03)
3) Segment Assets					
(i) Automotive	33,886.39	96,288.03	102,849.49	33,886.39	102,849.49
(ii) Others	2,458.67	2,450.94	2,546.73	2,458.67	2,546.73
Total segment assets of continuing operations	36,345.06	98,738.97	105,396.22	36,345.06	105,396.22
Add: Segment assets of discontinued operations (automotive segment) (refer note 2)	66,417.12	-	-	66,417.12	-
Add: Unallocated	7,217.88	7,066.95	6,857.01	7,217.88	6,857.01
Total assets	109,980.06	105,805.92	112,253.23	109,980.06	112,253.23
4) Segment Liabilities					
(i) Automotive	16,734.68	50,633.11	48,674.58	16,734.68	48,674.58
(ii) Others	1,081.07	1,024.15	650.21	1,081.07	650.21
Total segment liabilities of continuing operations	17,815.75	51,657.26	49,324.79	17,815.75	49,324.79
Add: Segment liabilities of discontinued operations (automotive segment) (refer note 2)	40,304.38	-	-	40,304.38	-
Add: Unallocated	31,719.61	31,097.02	32,367.54	31,719.61	32,367.54
Total liabilities	89,839.74	82,754.28	81,692.33	89,839.74	81,692.33





Notes :

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 30, 2022 and were subjected to audit by the Statutory Auditors.
- 2 The Board of Directors in its meeting dated April 28, 2022, approved divestment of four-wheeler lighting business of the Group in the Americas and Europe ('VLS business'). The Company along with its wholly owned subsidiary VarrocCorp Holding B.V. entered into Securities Purchase Agreement ('SPA') dated April 29, 2022 with Compagnie Plastic Omnium Se, France ('PO' or 'Buyer') for the sale of VLS business at an enterprise value of Euro 600 million. The management has assessed that VLS business satisfies the criteria prescribed under Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" for classification as discontinued operation as at March 31, 2022. Accordingly, VLS business has been classified and presented as discontinued operation and the previous period/year figures for statement of profit and loss in the consolidated financial results have been restated. The income and expenses of continuing operations includes transactions with discontinued operation, which does not have impact on "Profit / (loss) for the period from continuing and discontinued operations" as disclosed in Consolidated financial results.
- i. Details of income and expenses attributable to discontinued operations are as follows:

Particulars	Quarter ended			Year ended	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Revenue from operations	19,730.10	16,463.42	21,149.09	68,899.04	69,288.73
Other income	39.05	63.08	79.84	196.10	220.77
Total income	19,769.15	16,526.50	21,228.93	69,095.14	69,509.50
Expenses					
Cost of materials consumed	14,060.41	11,321.47	14,799.34	48,744.38	47,217.03
Changes in inventories of work-in-progress and finished goods	(113.47)	363.76	(115.81)	48.84	(8.80)
Employee benefits expense	2,953.37	2,988.36	3,149.12	12,087.80	11,198.09
Finance costs	189.78	165.10	146.96	722.09	736.87
Depreciation and amortisation expenses	1,802.21	1,749.68	1,671.31	6,693.18	6,213.06
Other expenses	3,369.77	2,484.82	3,529.16	11,147.70	10,401.58
Total expenses	22,262.07	19,073.09	23,180.08	79,443.99	75,757.83
Profit/(loss) before tax	(2,492.92)	(2,546.59)	(1,951.13)	(10,348.85)	(6,248.33)
Tax expense	30.98	121.53	(39.06)	(64.43)	825.64
Profit/(loss) for the period	(2,523.90)	(2,668.12)	(1,912.07)	(10,284.42)	(7,073.97)

- ii. Details of assets and liabilities attributable to discontinued operations are as follows:

Particulars	(Rs. in Million)	
	As at March 31, 2022	
Assets		
Property, plant and equipment		22,870.94
Capital work-in-progress		1,436.12
Goodwill		1,210.93
Other Intangible assets		5,107.78
Right-of-use assets		6,195.01
Intangible assets under development		1,567.54
Inventories		8,091.93
Financial assets		
(i) Trade receivables		12,163.27
(ii) Cash and cash equivalents		1,645.44
(iii) Loans		5.96
(iv) Other financial assets		938.19
Income tax assets (net)		219.33
Deferred tax assets (net)		2,191.21
Other assets		5,184.01
Assets classified as held for sale		68,827.67
Liabilities		
Financial liabilities		
(i) Borrowings		13,761.99
(ia) Lease liabilities		6,218.34
(ii) Trade payables		22,649.60
(iii) Other financial liabilities		3,293.10
Provisions		1,339.15
Deferred tax liabilities (net)		66.94
Current tax liabilities (net)		208.03
Other liabilities		6,941.22
Liabilities associated with assets classified as held for sale		54,478.38





iii. Net cash flows attributable to the discontinued operations are as follows:

Particulars	(Rs. in Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Net cash generated from/(used in) operating activities	(1,701.39)	1,566.53
Net cash used in investing activities	(5,212.10)	(6,644.27)
Net cash generated from/(used in) financing activities	5,513.95	(547.25)

* Cash flow generated/used in financing activities for year ended March 31, 2022 include amount of Rs 9,206.47 (March 31, 2021: Rs 4,328.72 million) being funds received by discontinued operations from Holding Company which is part of continuing operations.

iv. Other notes pertaining to discontinued operations

- a. The Group had received notices from a third-party auto component supplier for certain alleged patent infringements in respect of some of the products supplied by an overseas subsidiary of the Group in the European region. During the year ended March 31, 2022, the Group has received Court Orders confirming infringement by the Group in two cases whereas for three other cases, court hearings are not yet completed/order has not been received. The quantification of compensation payable in respect of such infringements has not yet been initiated. The management has assessed that these Orders do not materially impact the current or future sales deliveries to respective OEMs. The Group has filed appeals against these Orders which are pending with appellate authorities. Further, the Group had separately filed for nullification of patents for which separate proceedings are pending with the relevant authorities, which if successful would have the effect that all claims will lose their legal basis. Based on a legal opinion, the management believes that it has grounds to defend all cases under litigation and accordingly no provision has been considered in respect of these matters in these results for the quarter and year ended March 31, 2022. Under the SPA signed with PO, the Group has provided indemnity to PO in respect of this matter. The auditors in their audit report have drawn Emphasis of Matter in relation to this matter.
- b. The Group while finalising the year end financials identified an error in inventory balance in an overseas subsidiary which resulted in the inventory balance as at December 31, 2021 being higher and loss after tax (from discontinued operations) for the quarter then ended being lower by approx. Rs. 308.35 million. The management has rectified the same by restating the comparative figures for the quarter ended December 31, 2021. The auditors in their audit report have drawn Emphasis of Matter in relation to this matter.
- c. The Czech subsidiary of the company had, in earlier years, recognised certain tax credits as deferred tax assets under two different incentive schemes available to the company. In the previous year, the management had reassessed the recoverability of these tax assets based on revised business plans, taking into account the impact of COVID-19 on the business volumes and profitability of the Czech subsidiary for future years. Based on this assessment, management had concluded that there was an uncertainty on the recoverability of the deferred tax assets recognised under the first scheme, which expires by March 2024. Accordingly, the Group had written down these tax assets amounting to Rs. 1,077.76 million under the abovementioned scheme during the year ended March 31, 2021. Thus tax expenses of discontinued operations for the year ended March 31, 2021 includes above expense.
- d. As at March 31, 2022, certain entities forming part of the Discontinued operations have not complied with some of the covenants under loan agreements. Accordingly, liabilities associated with assets classified as held for sale include borrowings of Rs. 4,890.21 million which are subject to above covenant default. The management does not expect any material impact on the financial statements/cash flows due to the above.
3. The Group has incurred significant losses in the previous year due to impact of COVID 19 and in the current period primarily due to the impact of semiconductor shortages which impacted and continues to impact the automotive sales volumes of its customers significantly. The reduction in sales volumes and losses have affected the working capital cycle and cash generation from operations of the Group. The Group had certain term loans and working capital facilities from banks (forming part of the Discontinued operations) maturing by end of March 22 of Eur 49.97 (Rs. 4,220.03 mn) in an overseas subsidiary for which the Group has availed extension till end of June 2022 and the management is confident of getting a further extension. There are further borrowings of Eur 112.99 mn (Rs 9,541.56 mn) in VLS business outstanding as at the balance sheet date. All external borrowings of VLS business will be repaid out of the sale proceeds on the closing of the VLS business sale transaction which is expected to happen by Q2FY23 and hence the management does not foresee any risk of non-payment/default. Accordingly, the results as at and for the year ended March 31, 2022 are prepared based on going concern assumption being appropriate for the next 12 months.
4. During the quarter ended March 31, 2021, the Company had issued 17,974,870 equity shares of Re. 1 each at an issue price of Rs. 389 per equity share, aggregating to Rs. 6,992.22 million (including securities premium of Rs. 6,974.25 million). The issue was made through eligible Qualified Institutional Placement (QIP) in terms of chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, Section 42 and other relevant provisions of the Companies Act, 2013. The proceeds (net of issue expenses) have been utilised for repayment of borrowings of the Group to the extent of Rs. 2,442 million and remaining amount of Rs. 4,409.92 million has been utilised by the Group for working capital requirements and capital expenditure.
5. The Group's automotive lighting plant at Pune, India was destroyed by fire on February 18, 2020. The insurance claim in this regard was settled in previous year and accordingly the other income from continuing operations for year ended March 31, 2021 includes an amount of Rs. 364.71 million being the excess of claim amount over net book value of assets destroyed. Further, the Group sold plot of land belonging to the above said plant in the year ended March 31, 2021. Accordingly, other income from continuing operations for the quarter and year ended March 31, 2021 also includes amount of Rs. 241.87 million being profit on sale of such land.
6. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
7. The Group has considered the possible effects of COVID-19 pandemic including the impact on sales projections for future periods and consequent impacts on the recoverable values of assets including property, plant and equipment, intangible assets, deferred tax assets, etc and impact on liquidity position. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic and arriving at estimates, the Group, as at the date of approval of these financial results, has used internal and external sources of information. The Group has performed analysis on the assumptions used and based on current estimates, expects that the carrying amounts of the assets to be recoverable as at March 31, 2022. The impact of COVID-19 on the Group's financial results may differ from that estimated as at the date of approval of these consolidated financial results.
8. As at March 31, 2022, the Group has not complied with some of the covenants under loan agreements. Accordingly, non-current loans of Rs. 8,902.03 million (forming part of continuing operations) have been reclassified as current. The management does not expect any material impact on the financial statements/cash flows due to the above.

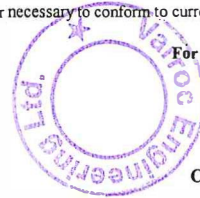




- 9 Pursuant to the recent amendments made to Schedule III to the Companies Act, 2013 which are applicable to the Group for period beginning April 1, 2021, the Group has presented Current maturities of non-current borrowings under Current liabilities – Financial liabilities – Borrowings instead of Current liabilities – Financial liabilities – Other financial liabilities as at March 31, 2022 Further, Security deposits have been presented under Other financial assets instead of Loans. Accordingly, the corresponding figures as at March 31, 2021 have also been regrouped/reclassified as below:

Particulars	Amount in Million)
	As at 31 March 2021
Non-current assets	
Security deposits reclassified from Loans to Other financial assets	170.64
Current assets	
Security deposits reclassified from Loans to Other financial assets	212.67
Current liabilities	
Current maturities of non-current borrowings reclassified from Financial liabilities – Other financial liabilities to Financial liabilities – Borrowings	12,400.65

- 10 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/loss from joint venture is considered under unallocated assets and profit/loss respectively.
- 11 The figures for the quarters ended March 31, 2022 and March 31, 2021 are the derived figures between audited figures in respect of full financial year and the unaudited published year to-date figures upto the third quarter of the respective financial year which were subjected to limited review as adjusted for the reclassifications required pertaining to classification of discontinued operations as explained in Note 2 above.
- 12 During the quarter ended September 30, 2021, the Group issued 3,750 Number of Debentures 8% Secured Listed Non-convertible Debentures of Rs. 1 million each aggregating to Rs.3,750 million on a private placement basis. The NCDs have bullet repayment on June 17, 2023 of Rs.1,250 million and on September 17, 2023 of Rs. 2,500 million with coupon payments to be made on an annual basis. The proceeds from the issue have been utilised for investment in overseas subsidiary for loan repayments and for general corporate purposes.
These debentures secured by exclusive charge by way of hypothecation on the specific identified movable properties of Varroc Engineering Ltd. The asset cover in respect of the Non-Convertible Debentures as on March 31, 2022 is 1.01 times of the total due amount which is less than the requirement of 1.1 times of the said Secured Non-Convertible Debentures.
- 13 Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year's classification.



For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Chairman and Managing Director

Place : Pune
Date : 30-May-22

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Varroc Engineering Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Varroc Engineering Limited ("Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

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 the other auditors on separate audited financial statements/ financial results/financial information of the subsidiaries / joint ventures, the Statement:

- i. includes the results of the following entities

Subsidiaries

Varroc Polymers Private Limited; Durovalves India Private Limited; Team Concepts Private Limited (merged with 'Varroc Polymers Private Limited'); CarlQ Technologies Private Limited; Varroc European 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.; 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, Varroc Lighting Systems Electronics Romania SRL.

Joint Ventures

Nuova CTS, Srl, Italy; Varroc TYC Corporation BVI; Varroc Dell'Orto Private Limited;

- ii. are presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Results" section of our report. We are independent of the Group and its joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions



of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- i. We draw attention to Note 2(iv)(a) of the accompanying consolidated financial results which describes the litigations relating to alleged patent infringements. As informed, the Group has received court orders confirming infringement in two cases whereas for three other cases, court hearings are not yet completed/order has not been announced. The Group has filed appeals against these orders which are pending with appellate authorities. The Group had also separately filed for nullification of patents with the relevant authorities. Based on a legal opinion, the management believes that it has grounds to defend all cases under litigation and accordingly no provision has been considered in respect of these matters in these results.
- ii. We draw attention to Note 2(iv)(b) to the accompanying consolidated financial results which describes that the figures for the quarter ended Dec 31, 2021 have been restated to rectify an error in inventory balance as at Dec 31, 2021 resulting in increase in Cost of materials consumed and Loss after tax for the quarter ended Dec 31, 2021 by Rs. 308.35 million.

Our opinion is not modified in respect of the above matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net loss and other comprehensive income and other financial information of the Group including its joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.



Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



SRBC & COLLP

Chartered Accountants

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 issued by the Securities Exchange Board of India under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Other Matter

The accompanying Statement includes the financial statements /financial information/ financial results of:

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of:

- 8 subsidiaries, whose financial results/statements (without giving effect of elimination of intra-group transactions) include total assets of Rs. 60,846.07 million as at March 31, 2022, total revenues of Rs. 20,141.26 million and Rs. 69,363.51 million, total net profit/(loss) after tax of Rs. 78.98 million and Rs. (3,637.29) million, total comprehensive income/(loss) of Rs. 36.33 million and Rs. (3,679.94) million, for the quarter and the year ended on that date respectively, and net cash outflows of Rs. 345.53 million for the year ended March 31, 2022, as considered in the Statement which have been audited by their respective independent auditors.
- 2 joint ventures, whose financial results/statements include Group's share of net loss of Rs. 25.35 million and Rs. 25.49 million and Group's share of total comprehensive loss of Rs. 25.35 million and Rs. 25.49 million for the quarter and for the year ended March 31, 2022 respectively, as considered in the Statement whose financial results/financial statements, other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries/joint ventures are located outside India whose financial results/financial statements and other financial information have been prepared in accordance with the 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 Holding Company's management has converted the financial results / financial statements of such subsidiaries/ 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 Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/joint ventures located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

The accompanying Statement includes unaudited financial results /statements and other unaudited financial information in respect of:

- 4 subsidiaries, whose financial results/statements and other financial information (without giving effect of elimination of intra-group transactions) reflect total assets of Rs. 1,924.89 million as at March 31, 2022, and total revenues of Rs. 173.04 million and Rs. 699.86 million, total net loss after tax of Rs. 410.58 million and Rs. 781.44 million, total comprehensive loss of Rs. 410.58 million and Rs. 781.44 million, for the quarter and the year ended on that date respectively and net cash outflows of Rs. 447.96 million for the year ended March 31, 2022, whose financial results /statements and other financial information have not been audited by any auditor.
- 1 joint venture, whose financial results/statements includes the Group's share of net profit of Rs. 4.14 million and Rs. 20.25 million and Group's share of total comprehensive income of Rs. 4.14



S R B C & C O L L P

Chartered Accountants

million and Rs. 20.25 million for the quarter and for the year ended March 31, 2022 respectively, as considered in the Statement whose financial results /statements and other financial information have not been audited by any auditor.

These unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements/ financial information/financial results. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information/financial results are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Management.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 22105754AJWISV6015

Place: Pune

Date: May 30, 2022

