

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/2019-20/57

November 12, 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. November 12, 2019, which commenced at 1:00 p.m. and concluded at 2:30 p.m. has considered and approved following items:

1. Approval of Standalone and Consolidated Unaudited Financial Results

Approval of Standalone and Consolidated Unaudited Financial Results for the quarter and half year ended September 30, 2019.

We are enclosing herewith Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report issued by the Statutory Auditors of the Company as an **Annexure A**.

2. Scheme of Amalgamation

The Board of Directors has considered and approved the Scheme of Amalgamation ("Scheme") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, providing for the amalgamation of wholly owned subsidiary, Varroc Lighting Systems (India) Private Limited ("VLSIPL or Transferor Company"), with Varroc Engineering Limited ("VEL or Transferee Company").

The Scheme would be subject to the requisite statutory / regulatory approvals including the approval of the National Company Law Tribunal (Mumbai Bench).

The Board shall take necessary actions for completing the requirements in this regard and to do all acts and deeds as may be deemed necessary.



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The disclosure in respect of the Scheme as required under the SEBI Listing Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as **Annexure - B**.

Kindly take the above on record and note the compliance.

Thanking you,

Yours faithfully,

For Varroc Engineering Limited

Chetan Sharma

Sr. Manager (Legal & Secretarial) & Compliance Officer



Encl: a/a

SRBC & CO LLP

Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

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

**Review Report to
The Board of Directors
Varroc Engineering Limited**

1. We have reviewed the accompanying statement of unaudited standalone financial results of Varroc Engineering Limited (the "Company") for the quarter ended September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Board of Directors of the Company but have not been subjected to review.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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SRBC & CO LLP

Chartered Accountants

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 19105754AAAAGG8151

Place: Mumbai

Date: November 12, 2019





Statement of standalone unaudited financial result for the quarter and half year ended September 30, 2019

Sr. No.	Particulars	(Rs. In million)					
		Quarter ended			Half year ended		Year ended
		September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
I	Revenue from operations	5,872.28	6,260.50	6,934.27	12,132.78	13,133.31	25,731.53
II	Other income	124.60	72.40	156.28	197.00	280.55	514.84
III	Total Income (I + II)	5,996.88	6,332.90	7,090.55	12,329.78	13,413.86	26,246.37
IV	Expenses						
	(a) Cost of materials consumed	3,675.46	3,828.11	4,516.27	7,503.57	8,542.23	16,993.69
	(b) Changes in stock of finished goods and work-in-progress	106.13	229.38	(25.19)	335.51	(55.65)	(244.52)
	(c) Employee benefits expense	544.50	587.29	538.05	1,131.79	1,071.98	2,196.13
	(d) Finance costs	102.26	111.57	101.18	213.83	201.59	392.01
	(e) Depreciation and amortisation expense	325.05	309.07	262.59	634.12	522.70	1,075.19
	(f) Other expenses	954.66	1,003.96	1,043.64	1,958.62	2,087.71	4,095.13
	Total expenses (IV)	5,708.06	6,069.38	6,436.54	11,777.44	12,370.56	24,507.63
V	Profit before tax (III- IV)	288.82	263.52	654.01	552.34	1,043.30	1,738.74
VI	Tax expense						
	Current tax	38.24	57.27	120.93	95.51	214.80	387.60
	Short/(excess) provision for tax relating to prior periods	(15.22)	-	0.01	(15.22)	(3.11)	(5.68)
	Deferred tax	21.74	18.71	58.79	40.45	99.05	161.42
	Total tax expense	44.76	75.98	179.73	120.74	310.74	543.34
VII	Profit for the period (V-VI)	244.06	187.54	474.28	431.60	732.56	1,195.40
VIII	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)	5.54	1.09	58.15	6.63	49.84	29.81
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(11.81)
	Other comprehensive income	5.54	1.09	58.15	6.63	49.84	18.00
IX	Total comprehensive income for the period (VII+VIII)	249.60	188.63	532.43	438.23	782.40	1,213.40
X	Paid-up equity share capital	134.81	134.81	134.81	134.81	134.81	134.81
XI	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						11,152.84
XII	Earnings per share (of Rs 1/- each) (not annualised):						
	Basic & diluted	1.81	1.39	3.52	3.20	5.43	8.87



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E-mail: investors@varroc.com



Statement of unaudited standalone assets and liabilities as at September 30, 2019

		(Rs. In million)	
Sr. No.	Particulars	As at September 30, 2019	As at March 31, 2019
		Unaudited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	8,619.55	8,451.40
	(b) Capital work-in-progress	741.19	506.15
	(c) Investment properties	137.89	275.05
	(d) Intangible assets	196.82	91.34
	(e) Intangible assets under development	282.27	30.01
	(f) Right to use asset	230.93	-
	(g) Investments in subsidiaries and joint venture	4,854.74	4,647.34
	(h) Financial assets		
	(i) Investments	0.12	0.12
	(ii) Loans	24.74	23.35
	(iii) Other financial assets	126.05	125.32
	(i) Income tax assets (net)	40.28	20.52
	(j) Other non-current assets	536.63	420.06
		15,791.21	14,590.66
2	Current assets		
	(a) Inventories	1,800.97	2,257.72
	(b) Financial assets		
	(i) Trade receivables	3,136.74	3,060.46
	(ii) Cash and cash equivalents	263.69	65.40
	(iii) Bank balances other than (ii) above	125.63	1.95
	(iv) Loans	54.85	60.39
	(v) Other financial assets	11.20	17.72
	(c) Other current assets	392.89	330.11
		5,785.97	5,793.75
	Total Assets (1+2)	21,577.18	20,384.41
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	134.81	134.81
	(b) Other equity	10,926.39	11,152.84
		11,061.20	11,287.65
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,183.63	1,560.00
	(ii) Lease liabilities	166.01	-
	(b) Provisions	63.20	54.72
	(c) Deferred tax liabilities (net)	343.53	306.31
	(d) Other non-current liabilities	161.40	159.82
		2,917.77	2,080.85
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,476.28	821.96
	(ii) Lease liabilities	69.40	-
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	377.08	504.25
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,904.32	3,000.40
	(c) Acceptances	250.77	212.10
	(iv) Other financial liabilities	1,963.53	2,024.50
	(b) Provisions	217.45	200.51
	(c) Current tax liabilities (Net)	-	-
	(d) Other current liabilities	339.38	252.19
		7,598.21	7,015.91
	Total Equity and Liabilities (1+2+3)	21,577.18	20,384.41



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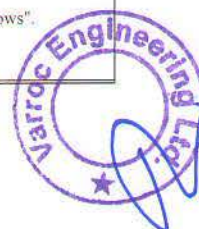
Statement of unaudited standalone cash flow for the half year ended September 30, 2019



(Rs. in Million)				
Sr.No	Particulars	Half year ended September 30, 2019 Unaudited	Half year ended September 30, 2018 Unaudited (refer note 3)	Year ended March 31, 2019 Audited
A	Cash flow from operating activities			
	Profit before tax	552.34	1,043.30	1,738.74
	Adjustments for:			
	Depreciation and amortization expense	634.12	522.70	1,075.19
	Loss on sale of property, plant and equipment / intangible assets	16.36	57.54	56.26
	Provision for doubtful debts / advances	-	-	0.45
	Unrealised exchange loss on restatement of borrowings	-	57.92	11.48
	Finance cost (other than above)	213.83	201.59	392.01
	Rent income from investment property	(16.66)	(24.86)	(50.42)
	Provision for guarantees for loan taken by subsidiary	0.93	7.35	(5.89)
	Provisions/liabilities no longer required written back	(0.93)	(1.18)	(19.89)
	Increase in surrender value of key man insurance	(5.14)	(90.30)	(98.23)
	Dividend income	(31.45)	(6.61)	(6.62)
	Interest income	(6.07)	(5.36)	(7.16)
	Government grant	(72.10)	(102.19)	(180.16)
	Operating profits before working capital changes	1,285.23	1,659.90	2,905.76
	Adjustments for changes in working capital (increase)/decrease			
	Trade receivables	(75.97)	(1,078.27)	830.42
	Trade payables	(183.96)	987.87	309.24
	Inventories	456.75	(333.24)	(310.82)
	Other financial assets	10.81	128.45	83.38
	Other current and non current asset	(76.34)	(137.37)	(71.09)
	Provision	24.49	11.47	(4.16)
	Other financial liabilities	40.15	66.70	46.11
	Other current and non current liabilities	82.94	83.02	5.78
	Cash generated from operations	1,564.10	1,388.53	3,794.62
	Income tax paid	(102.83)	(155.24)	(376.74)
	Net cash flow generated from operating activities	1,461.27	1,233.29	3,417.88
B	Cash flow from investing activities			
	Dividend received	31.45	6.61	6.62
	Interest received	6.19	5.42	7.10
	Government grant received	1.80	66.32	94.67
	(Purchase of)/ proceeds from sale of current investments (net)	-	0.10	0.10
	Proceeds from sale of property, plant and equipment	7.05	9.79	14.68
	Rent received on investment property	16.66	24.86	50.42
	Loan to Subsidiaries	(20.00)	-	-
	Purchase of property, plant and equipment	(1,313.16)	(1,333.30)	(2,341.58)
	Fixed deposits (placed)/ redeemed (net)	(123.68)	(0.06)	(0.12)
	Payment for non current investments	(207.40)	-	(0.25)
	Net cash used in investing activities	(1,601.09)	(1,220.26)	(2,168.36)
C	Cash flow from financing activities			
	Repayment of long term borrowings	(460.25)	(346.19)	(966.34)
	Proceeds from long term borrowings	1,000.00	-	1,000.00
	Payment of lease liability	(33.04)	-	-
	Proceeds/(repayment) in short term borrowings	664.54	293.60	(880.89)
	Dividend paid on equity shares and preference shares (including dividend distribution tax thereon)	(643.63)	(7.03)	(7.03)
	Interest paid	(179.29)	(169.89)	(392.42)
	Net cash flow generated from/(used in) financing activities	348.33	(229.51)	(1,246.68)
	Increase/(decrease) in cash and cash equivalents	208.51	(216.48)	2.84
	Opening cash and cash equivalents	34.23	31.39	31.39
	Closing cash and cash equivalents	242.74	(185.09)	34.23
	Cash and cash equivalents consists of			
	Cash in hand	0.54	0.76	0.75
	Current accounts / deposit with maturity of less than 3 months	263.15	100.40	64.65
	Bank overdraft	(20.95)	(286.25)	(31.17)
		242.74	(185.09)	34.23

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".
- Prior period comparatives have been reclassified to conform with current year, presentation, where applicable.
- Figures in brackets represent outflow of cash and cash equivalents.



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Notes:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 12, 2019 and were subjected to limited review by the Statutory Auditors.
- 2) Effective April 1, 2019, the Company has adopted Ind AS 116 - "Leases" using the modified retrospective approach, as a result, the Company has recognised Right of Use Asset amounting to Rs. 145.82 million and Lease Liability of Rs. 165.27 million, with net impact of Rs. 12.66 million (net of tax) recognised in retained earnings as at April 1, 2019. Had the Company continued to apply the previous accounting standard on leases, the depreciation and finance costs would have been lower by Rs. 25.28 million and Rs. 8.19 million respectively, the other expenses would have been higher by Rs. 31.91 million and the profit before tax would have been higher by Rs. 1.56 million for the half year ended September 30, 2019.
- 3) The standalone Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited standalone financial results have been approved by the Company's Board of Directors but have not been subjected to review by the Statutory auditors.

For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Managing Director



Place: Mumbai

Date: November 12, 2019

Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**Review Report to
The Board of Directors
Varroc Engineering Limited**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Varroc Engineering Limited (the "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 September 30, 2019 and year to date from April 1, 2019 to September 30, 2019 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations"). Attention is drawn to the fact that the consolidated Statement of cash flows for the corresponding period from April 1, 2018 to September 30, 2018, as reported in these unaudited consolidated financial results have been approved by the Holding Company's Board of Directors but have not been subjected to review.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the following entities:

List of Subsidiaries:

Varroc Polymers Private Limited; Durovalves India Private Limited; Team Concepts Private Limited; Varroc Lighting Systems (India) Private Limited; CarlQ Technologies 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

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 6 and 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The accompanying Statement includes unaudited interim financial statements/financial information/financial results and other unaudited financial information of 8 subsidiaries, whose interim financial statements/financial information/financial results reflect Group's share of total assets of Rs. 58,944.69 million as at September 30, 2019, and Group's share of total revenues of Rs. 16,275.41 million and Rs. 33,577.04 million, Group's share of total net profit/(loss) after tax of Rs. (133.51) million and Rs. 129.07 million, Group's share of total comprehensive income/(loss) of Rs. (133.51) million and Rs. 129.07 million, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019 respectively, and net cash outflows of Rs. 475.80 million for the period from April 1, 2019 to September 30, 2019, as considered in the Statement, which have been reviewed by their respective independent auditors. The Statement also includes the Group's share of net loss after tax of Rs. 62.42 million and Rs. 63.37 million and total comprehensive loss of Rs. 62.42 million and Rs. 63.37 million, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the Statement, in respect of one joint venture, whose interim financial statements/financial information/financial results have been reviewed by its independent auditors. The independent auditor's reports on interim financial statements/ financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries and joint venture is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above
7. Certain of these subsidiaries/joint venture are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries/joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiaries/joint venture located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and reviewed by us.



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8. The accompanying Statement of unaudited consolidated financial results include unaudited interim financial statements/financial information/financial results and other unaudited financial information in respect of 7 subsidiaries, which have not been reviewed/audited by their auditors, whose interim financial statements/financial information/financial results reflect Group's share of total assets of Rs. 3,443.25 million as at September 30, 2019, Group's share of total revenues of Rs. 138.30 million and Rs. 359.31 million, Group's share of total net profit after tax of Rs. 15.43 million and Rs. 20.01 million, Group's share of total comprehensive income of Rs. 15.43 million and Rs. 20.01 million, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019 respectively, and net cash outflows of Rs. 102.81 million for the period from April 1, 2019 to September 30, 2019, as considered in the Statement. The Statement also includes the Group's share of net loss after tax of Rs. 3.38 million and Rs. 3.88 million and total comprehensive loss of Rs. 3.38 million and Rs. 3.88 million, for the quarter ended September 30, 2019 and for the period from April 1, 2019 to September 30, 2019, respectively, as considered in the Statement, in respect of 3 joint ventures, based on their interim financial statements/financial information/financial results which have not been reviewed/audited by their auditors. These unaudited interim financial statements/financial information/financial results and other unaudited financial information have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries and joint ventures, is based solely on such unaudited interim financial statement/financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial statements/financial information/financial results are not material to the Group.

Our conclusion on the Statement in respect of matters stated in para 6, 7 and 8 above is not modified 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.

For SRBC & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

per Paul Alvares

Partner

Membership No.: 105754



UDIN: 19105754AAAAGH3388

Place: Mumbai

Date: November 12, 2019



Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2019

(Rs. In million)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	March 31, 2019
	Unaudited	Unaudited	Unaudited (Restated) (refer note 5)	Unaudited	Unaudited (Restated) (refer note 5)	Audited
Revenue from operations	27,032.31	28,700.79	30,010.51	55,733.10	59,280.75	1,20,364.65
Other income	113.98	291.63	183.03	405.61	444.56	907.88
Total income	27,146.29	28,992.42	30,193.54	56,138.71	59,725.31	1,21,272.53
Expenses						
Cost of materials consumed	16,131.79	17,371.49	18,687.71	33,503.28	37,785.27	76,017.39
Changes in inventories of work-in-progress and finished goods	468.58	(10.59)	59.20	457.99	(645.93)	(559.46)
Employee benefits expense	3,703.64	4,192.64	3,402.98	7,896.28	7,145.43	15,014.93
Finance costs	351.31	312.52	207.95	663.83	436.97	968.45
Depreciation and amortisation expense	1,663.98	1,646.26	1,664.55	3,310.24	2,728.51	5,656.42
Other expenses	4,504.86	4,457.27	4,822.14	8,962.13	9,711.46	19,002.70
Total expenses	26,824.16	27,969.59	28,844.53	54,793.75	57,161.71	1,16,100.43
Profit before share of profits of joint ventures and tax	322.13	1,022.83	1,349.01	1,344.96	2,563.60	5,172.10
Share of profits/(loss) of Joint Ventures	(65.80)	(1.45)	73.36	(67.25)	201.88	314.54
Profit before tax	256.33	1,021.38	1,422.37	1,277.71	2,765.48	5,486.64
Tax expense						
Current tax	123.82	296.16	182.05	419.98	511.10	1,444.66
Deferred tax	(96.85)	(149.75)	248.55	(246.60)	258.23	(455.81)
Total tax expense (refer note 4)	26.97	146.41	430.60	173.38	769.33	988.85
Profit for the period	229.36	874.97	991.77	1,104.33	1,996.15	4,497.79
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)	5.54	1.09	58.15	6.63	49.84	29.81
Exchange differences in translating the financial statements of foreign operations	63.32	63.06	(21.28)	126.38	(211.63)	(1,045.68)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(47.61)
Other comprehensive income, net of tax	68.86	64.15	36.87	133.01	(161.79)	(1,063.48)
Total comprehensive income for the period	298.22	939.12	1,028.64	1,237.34	1,834.36	3,434.31
Profit for the period attributable to:						
Shareholders of the Company	223.45	868.34	983.28	1,091.79	1,978.04	4,463.20
Non-controlling interests	5.91	6.63	8.49	12.54	18.11	34.59
Other comprehensive income attributable to:						
Shareholders of the Company	68.86	64.15	36.87	133.01	(161.79)	(1,062.71)
Non-controlling interests	-	-	-	-	-	(0.77)
Total comprehensive income for the period attributable to:						
Shareholders of the Company	292.31	932.49	1,020.15	1,224.80	1,816.25	3,400.49
Non-controlling interests	5.91	6.63	8.49	12.54	18.11	33.82
Paid-up equity share capital (Face value of the share in Re. 1/- each)	134.81	134.81	134.81	134.81	134.81	134.81
Reserves excluding revaluation reserves as per balance sheet of previous accounting year						30,736.21
Earnings per equity share attributable to Owners [Nominal value per share: Re. 1 (Previous year : Re. 1)](not annualised)						
Basic and diluted (in Rupees)	1.66	6.44	7.29	8.10	14.67	33.11





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Statement of unaudited consolidated Assets and Liabilities as at September 30, 2019

(Rs. In million)

Sr. No.	Particulars	As at September 30, 2019	As at March 31, 2019
		Unaudited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	32,221.85	29,137.15
	(b) Capital work-in-progress	7,395.73	6,662.80
	(c) Investment properties	-	134.40
	(d) Goodwill	2,273.10	1,992.53
	(e) Other Intangible assets	3,968.23	4,334.14
	(f) Intangible assets under development	4,978.81	3,331.90
	(g) Right-of-use assets	2,936.44	-
	(h) Investments accounted for using the equity method	3,036.58	3,433.86
	(i) Financial assets		
	(i) Investments	0.20	0.20
	(ii) Loans	126.61	127.88
	(iii) Other financial assets	215.91	374.90
	(j) Income tax assets (net)	300.43	152.03
	(k) Deferred tax assets (net)	2,083.33	1,755.02
	(l) Other non-current assets	2,493.14	2,422.09
		62,030.36	53,858.90
2	Current assets		
	(a) Inventories	8,795.01	9,199.24
	(b) Financial assets		
	(i) Investments	199.55	186.41
	(ii) Trade receivables	13,033.28	13,495.13
	(iii) Cash and cash equivalents	1,563.44	1,608.42
	(iv) Bank balances other than (iii) above	160.50	25.86
	(v) Loans	172.13	179.48
	(vi) Other financial assets	12.15	18.72
	(c) Other current assets	9,182.42	8,958.20
		33,118.48	33,671.46
	Total Assets (1+2)	95,148.84	87,530.36
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	134.81	134.81
	(b) Other equity	31,247.45	30,736.21
	Equity attributable to owners	31,382.26	30,871.02
	Non-controlling interests	241.92	241.31
	Total equity	31,624.18	31,112.33
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	10,047.66	4,571.96
	(ii) Lease liabilities	2,706.12	-
	(iii) Other financial liabilities	208.23	127.17
	(b) Provisions	854.07	978.19
	(c) Deferred tax liabilities (net)	962.72	913.31
	(d) Other non current liabilities	339.26	328.22
		15,118.06	6,918.85
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	12,356.75	12,014.65
	(ii) Lease liabilities	398.32	-
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	506.91	658.70
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	20,184.36	19,663.32
	(c) Acceptances	283.59	240.37
	(iv) Other financial liabilities	8,633.81	11,418.94
	(b) Provisions	543.56	382.02
	(c) Current tax liabilities (net)	225.74	279.90
	(d) Other current liabilities	5,273.56	4,841.28
		48,406.60	49,499.18
	Total Equity and Liabilities (1+2+3)	95,148.84	87,530.36





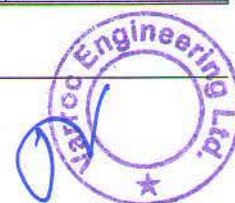
Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2019

(Rs. In million)

Sr. No.	Particulars	For the half year ended September 30, 2019		For the half year ended September 30, 2018		For the year ended March 31, 2019	
		Unaudited		Unaudited (Refer note 7)		Audited	
A	Cash flow from operating activities						
	Profit before tax		1,277.71		2,765.48		5,486.64
	Adjustments for:						
	Depreciation and amortization expense	3,310.24		2,728.51		5,656.42	
	Loss/(Profit) on sale of Property, plant and equipment/Intangible assets	78.23		57.74		(40.91)	
	Provision for doubtful debts and advances	65.57		11.49		41.18	
	Finance costs	663.83		436.97		968.45	
	Gain on sale of current investments	(6.74)		(2.54)		(6.91)	
	Share in profit of Joint Venture accounted for using the Equity Method	67.25		(201.88)		(314.54)	
	Liabilities no longer required written back	(3.90)		(0.52)		(124.54)	
	Other non cash income	(14.48)		(123.65)		(157.44)	
	Government grants	(125.31)		(127.54)		(271.65)	
	Interest income	(15.10)	4,019.59	(10.09)	2,768.49	(12.98)	5,737.08
	Operating profits before working capital changes		5,297.30		5,533.97		11,223.72
	Adjustments for changes in:						
	Inventories	404.23		(1,419.75)		(529.76)	
	Trade receivables	396.28		(2,530.24)		615.85	
	Other Assets	(263.97)		(1,497.77)		(5,111.65)	
	Trade payables	416.37		(912.22)		1,005.53	
	Other liabilities and Provisions	(19.91)		(428.75)		(1,187.66)	
			932.99		(6,788.73)		(5,207.71)
	Cash generated from operations		6,230.29		(1,254.76)		6,016.01
	Taxes paid		(622.54)		(850.80)		(1,276.52)
	Net cash flow from operating activities		5,607.76		(2,105.56)		4,739.49
B	Cash flow from investing activities						
	Dividend received	259.64		333.65		404.93	
	Interest received	15.73		10.09		12.98	
	Government grant received during the year	71.08		215.10		154.27	
	Rent received on investment properties	8.84		22.33		47.40	
	(Purchase)/proceeds from sale of current investments (net)	(6.40)		-		(149.18)	
	Acquisition of minority stake	(25.51)		(165.00)		(165.00)	
	Acquisition of business, net of cash acquired	(188.55)		(3,453.07)		(3,469.29)	
	Investment in Joint venture	(56.09)		-		-	
	Proceeds from sale of Property, plant and equipment	39.56		8.00		168.51	
	Purchase of Property, plant and equipment	(5,432.45)		(4,526.13)		(11,091.56)	
	Costs incurred on intangible assets	(1,918.05)		(1,911.03)		(3,322.37)	
	Fixed deposits redeemed/(Purchase) (net)	31.27		(65.20)		(162.75)	
	Net cash used in investing activities		(7,200.93)		(9,531.26)		(17,572.06)
C	Cash flow from financing activities						
	Proceeds from long term borrowings	4,431.10		4,804.60		5,758.32	
	Repayment of long term borrowing	(1,698.92)		(1,062.63)		(2,189.45)	
	Repayment of lease liability	(229.91)		-		-	
	Proceeds/(repayments) of short term borrowings (net)	342.07		6,588.55		8,681.79	
	Dividend on equity and preference shares including tax thereon	(652.51)		(8.39)		(8.39)	
	Interest paid	(634.28)		(293.86)		(952.83)	
	Net cash flow from financing activities		1,557.55		10,028.27		11,289.45
	Net increase/(decrease) in Cash and Cash Equivalents (A+B+C)-		(35.63)		(1,608.55)		(1,543.13)
	Opening cash and cash equivalents		1,455.28		3,117.05		3,117.05
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		(9.33)		-		(118.65)
	Total		1,445.95		3,117.05		2,998.40
	Closing cash and cash equivalents		1,410.32		1,508.50		1,455.28
D	Cash and cash equivalents consists of -						
	Cash in hand		1.52		2.28		2.26
	Bank balances						
	Current accounts and deposits with maturity of less than three months		1,561.91		2,193.93		1,606.16
	Bank overdraft		(153.10)		(687.70)		(153.13)
			1,410.32		1,508.50		1,455.28

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.



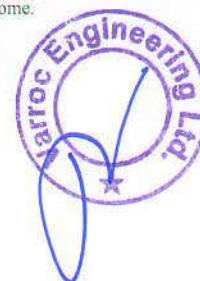


Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities

Particulars	Quarter ended			Half year ended		(Rs. In million)
	September 30, 2019	June 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018	Year ended March 31, 2019
	Unaudited	Unaudited	Unaudited (Restated) (refer note 5)	Unaudited	Unaudited (Restated) (refer note 5)	Audited
1) Segment Revenue						
(i) Automotive	26,422.98	28,132.81	29,313.41	54,555.79	57,757.08	1,17,318.26
(ii) Others	609.33	567.98	697.10	1,177.31	1,527.97	3,050.69
	27,032.31	28,700.79	30,010.51	55,733.10	59,285.05	1,20,368.95
Less: Inter segment revenue	-	-	-	-	4.30	4.30
	27,032.31	28,700.79	30,010.51	55,733.10	59,280.75	1,20,364.65
2) Segment Results						
(i) Automotive	629.82	1,291.22	1,459.81	1,921.04	2,825.10	5,707.29
(ii) Others	(32.07)	(20.79)	(11.67)	(52.86)	37.78	148.63
Total Segment Results	597.75	1,270.43	1,448.14	1,868.18	2,862.88	5,855.92
Add/ (Less):						
(a) Finance Cost	(351.31)	(312.52)	(207.95)	(663.83)	(436.97)	(968.45)
(b) Net unallocated (expenditure) / income	9.89	63.47	182.18	73.36	339.57	599.17
Total profit before tax	256.33	1,021.38	1,422.37	1,277.71	2,765.48	5,486.64
Segment Assets						
(i) Automotive	86,482.55	84,421.58	76,455.29	86,482.55	76,455.29	78,642.37
(ii) Others	2,140.29	2,278.06	2,579.01	2,140.29	2,579.01	2,402.58
Total segment assets	88,622.84	86,699.64	79,034.30	88,622.84	79,034.30	81,044.95
Add: Unallocated	6,526.00	7,491.98	5,798.19	6,526.00	5,798.19	6,485.41
Total assets	95,148.84	94,191.63	84,832.49	95,148.84	84,832.49	87,530.36
Segment Liabilities						
(i) Automotive	33,785.35	33,173.76	29,581.02	33,785.35	29,581.02	29,608.00
(ii) Others	723.27	700.13	943.79	723.27	943.79	839.35
Total segment liabilities	34,508.62	33,873.89	30,524.81	34,508.62	30,524.81	30,447.35
Add: Unallocated	29,016.04	28,316.32	24,751.05	29,016.04	24,751.05	25,970.68
Total liabilities	63,524.66	62,190.21	55,275.86	63,524.66	55,275.86	56,418.03

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 12, 2019 and were subjected to limited review by the Statutory Auditors.
- 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.
- Effective April 1, 2019, the Group has adopted Ind AS 116 - "Leases" using the modified retrospective method without adjusting the comparatives and the cumulative impact has been adjusted to retained earning on the date of initial application i.e. April 1, 2019. Had the Group continued to apply the previous accounting standard on leases, the depreciation and finance costs would have been lower by Rs.194.42 million and Rs.48.47 million respectively, the other expenses would have been higher by Rs. 235.34 million and the profit before tax would have been higher by Rs. 7.55 million for the half year ended September 30, 2019.
- The deferred tax in "Tax expense" for the quarter ended September 30, 2019 and quarter ended June 30, 2019 includes a credit of Rs.195.82 million and Rs 117.97 million respectively (for year ended March 31, 2019 : Rs. 531.06 million) recognised on tax incentive on eligible investments by the subsidiary in Czech Republic which can be utilised against future taxable income. Further, deferred tax for the year 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 against future taxable income.



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- 5) 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 quarter ended March 31, 2019, the Group has finalised the allocation of the purchase consideration of Eur 45.30 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 quarter ended March 31, 2019, the comparative information for the quarter and half year ended September 30, 2018 has been restated after giving effect of such allocation.
- 6) On August 30, 2019, the Group has acquired "CarIQ Technologies Private Limited ", engaged in supply of connected car platforms. Given the recent acquisition, the management is in the process of allocation of the purchase consideration of Rs 258.61 Million to assets and liabilities based on their acquisition date fair values. As at September 30, 2019, the consideration in excess of book value of the assets and liabilities acquired has been allocated to the Goodwill on provisional basis. The Group expects to finalize the purchase price allocation as above before end of current financial year ending March 31, 2020.
- 7) The Consolidated Statement of Cash Flow for the corresponding period from April 01, 2018 to September 30, 2018, as reported in these unaudited consolidated financial result have been approved by the Holding Company's Board of Directors but have not been subjected to review by the Statutory Auditor.

Place : Mumbai
Date: November 12, 2019

For and on behalf of
Varroc Engineering Limited

Tarang Jain
Managing Director



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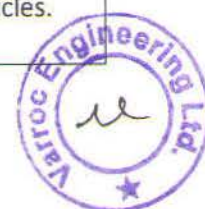
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Annexure B:

Disclosure in terms of Regulation 30 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015:

Sl no.	Details	Information
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc	<ol style="list-style-type: none">1. Transferor Company: Varroc Lighting Systems (India) Private Limited ('VLSIPL')2. Transferee Company: Varroc Engineering Limited ('VEL')3. The Scheme of Amalgamation provides for amalgamation of Varroc Lighting Systems (India) Private Limited ("Transferor Company") with Varroc Engineering Limited ("Transferee Company"). The Transferor Company is a wholly owned subsidiary of the Transferee Company.4. Turnover as on March 31, 2019: VLSIPL: INR 2465.75 Million VEL: INR 26246.37 Million
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	<p>The Transferor Company is wholly owned subsidiary of the Transferee Company. The proposed Scheme of Amalgamation being dealt under the specific sections of the Companies Act, 2013, does not fall within the purview of related party transaction pursuant to the circular no. 30/2014 dated 17.07.2014 issued by the Ministry of Corporate Affairs.</p> <p>Further, the Scheme, being the Scheme of Amalgamation between holding company and its wholly owned subsidiary, pursuant to the provisions of Regulations 23(5)(b) of SEBI Listing Regulations, 2015 it is exempt from the relevant provisions of related party transactions under the said SEBI Listing Regulations, 2015 as well as from the provisions of SEBI circular dated March 10, 2017.</p>
c)	Area of business of the entity(ies)	The Transferor Company is engaged in the business of design, manufacture and sale of automotive lighting applications mainly head lamps, tail lamps, fog lamps and other automotive lighting products for four-wheeler passenger/ commercial vehicles.



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		<p>The Transferee Company is a publicly listed Company with its shares listed on the National Stock Exchange and Bombay Stock Exchange. It is engaged in the business of manufacturing of automobile components and caters to customers both in the domestic and International markets. The Transferee Company and its subsidiaries operate from manufacturing plants and technical development centres across 4 continents and 14 countries spread across the globe.</p>
d)	Rationale for amalgamation/ merger	<p>Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company their business activities are mostly similar and complement each other. Both companies under this Scheme of Amalgamation therefore believe that the restructuring would have the following benefits:</p> <ol style="list-style-type: none">Merger of Transferor Company into Transferee Company will provide synergies by strengthening the operational capabilities;Streamline operations and reduce operational cost by sharing common functions like legal, human resource, finance, etc.;Better economic and efficient management, control and running of the businesses;Improved organizational capability and leadership by pooling human capital resource with diverse skills, talent and experience. The consolidation would enable the business units of Transferor Company and Transferee Company to leverage on talent pool to compete successfully in an increasingly competitive industry.
e)	In case of cash consideration – amount or otherwise share exchange ratio	<p>Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares of the Transferee Company shall be allotted under the Scheme of Amalgamation in lieu or exchange of the shares of the Transferor Company.</p>
f)	Brief details of change in shareholding pattern (if any) of listed entity	<p>No shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company.</p> <p>There would be no change in shareholding pattern of the Transferee (Listed) Company.</p>

