

VARROC/SE/INT/2020-21/45

November 10, 2020

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

Sub: Outcome of the Board Meeting of Varroc Engineering Limited

Ref: Regulation 30 and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company, at its meeting held today i.e. November 10, 2020, which commenced at 2:00 p.m. and concluded at 3:48 p.m. has, inter-alia, approved the following items:

1. Approval of Unaudited (Standalone and Consolidated) Financial Results

The Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter and half year ended on September 30, 2020 were approved.

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

- i. Statements showing the Unaudited (Standalone and Consolidated) Financial results of the Company for the quarter and half year ended on September 30, 2020;
- ii. The Limited Review Reports issued by the Statutory Auditors of the Company on the aforesaid Unaudited (Standalone and Consolidated) Financial Results; and

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. Resignation of Mr. Naresh Chandra as Chairman and Director of the Company

Mr. Naresh Chandra (DIN: 0027696), has decided to demit the office of Chairman and Director of the Company, due to personal reasons, after having been at the helm of the Varroc Group since its inception, for more than three decades. The Board of Directors have accepted his resignation and he has ceased to be the Chairman and Director of the Company, from the conclusion of this Board Meeting held on November 10, 2020.

Mr. Chandra has been inspirational and an integral part of the Company's growth from the initial one-product, one-customer, one-plant Company to its current size with over ₹12,000 crore in Revenue from 42 manufacturing plants, spread over 5 continents and

14 countries, serving leading Automotive OEM's in India and abroad across multiple products categories.

On behalf of the Company, the Board of Directors acknowledged Mr. Naresh Chandra's outstanding wealth of experience, expertise and insights in steering the Varroc Group spanning over 30 years, first as a Founding shareholder and then as the Chairman & Board member of the Company. Further, the Board has placed on record its deep appreciation and gratitude for his immense contribution and valuable guidance during his association with the Company.

3. To appoint of Mr. Tarang Jain as Chairman of the Company

The Board of Directors have approved the appointment of Mr. Tarang Jain (DIN: 0027505), currently designated as the Managing Director of the Company, as Chairman and Managing Director of the Company with immediate effect.

We would also like to inform you that, post the above changes, the composition of the Board of Directors of the Company is as follows:-

Sl. No.	Name of Director	Designation
i.	Mr. Tarang Jain	Chairman and Managing Director
ii.	Mr. Arjun Jain	Whole Time Director
iii.	Mr. Gautam Khandelwal	Independent Director
iv.	Mr. Marc Szulewicz	Independent Director
v.	Mrs. Vijaya Sampath	Independent Director
vi.	Mr. Vinish Kathuria	Independent Director
vii.	Mr. Rohit Prakash	Whole Time Director

You are requested to kindly take the above change in your records.

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 to 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



Statement of unaudited standalone financial results for the quarter and half year ended September 30, 2020

Sr. No.	Particulars	Quarter ended			Half year ended		(Rs. in million)
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	Year ended March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	6,464.41	2,131.18	5,872.28	8,595.59	12,132.78	23,039.47
2	Other income	115.77	80.95	124.60	196.72	197.00	682.77
3	Total Income (1 + 2)	6,580.18	2,212.13	5,996.88	8,792.31	12,329.78	23,722.24
4	Expenses						
	(a) Cost of materials consumed	4,206.86	1,358.85	3,675.46	5,565.71	7,503.57	14,600.24
	(b) Changes in stock of finished goods and work-in-progress	(32.26)	(24.83)	106.13	(57.09)	335.51	166.86
	(c) Employee benefits expense	486.67	400.33	544.50	887.00	1,131.79	2,181.80
	(d) Finance costs	161.38	127.58	102.26	288.96	213.83	423.76
	(e) Depreciation and amortisation expense	364.68	363.26	325.05	727.94	634.12	1,316.90
	(f) Other expenses	1,006.12	477.09	954.66	1,483.21	1,958.62	3,822.15
	Total expenses (4)	6,193.45	2,702.28	5,708.06	8,895.73	11,777.44	22,511.71
5	Profit/(loss) before tax (3- 4)	386.73	(490.15)	288.82	(103.42)	552.34	1,210.53
6	Tax expense						
	Current tax	-	-	38.24	-	95.51	149.16
	Short/(excess) provision for tax relating to prior periods	-	-	(15.22)	-	(15.22)	(24.22)
	Deferred tax	139.79	(176.27)	21.74	(36.48)	40.45	95.32
	Total tax expense (6)	139.79	(176.27)	44.76	(36.48)	120.74	220.26
7	Profit/(loss) for the period (5-6)	246.94	(313.88)	244.06	(66.94)	431.60	990.27
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)	(20.09)	7.14	5.54	(12.95)	6.63	21.72
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(18.43)
	Other comprehensive income	(20.09)	7.14	5.54	(12.95)	6.63	3.29
9	Total comprehensive income for the period (7+8)	226.85	(306.74)	249.60	(79.89)	438.23	993.56
10	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
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						11,048.04
12	Earnings per share (of Re 1/- each) (not annualised): Basic & diluted	1.83	(2.33)	1.81	(0.50)	3.20	7.35

Varroc Engineering Limited

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

CIN: L28920MH1988PLC047335

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

E-mail: investors@varroc.com

Statement of unaudited standalone assets and liabilities as at September 30, 2020



(Rs. in million)

Sr. No.	Particulars	As at September 30, 2020 Unaudited	As at March 31, 2020 Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	9,035.23	8,926.28
	(b) Capital work-in-progress	179.34	635.23
	(c) Investment properties	132.39	135.16
	(d) Intangible assets	419.92	464.21
	(e) Intangible assets under development	-	0.05
	(f) Right to use asset	545.72	572.81
	(g) Investments in subsidiaries and joint venture	4,618.35	4,854.73
	(h) Financial assets		
	(i) Investments	0.12	0.12
	(ii) Loans	1,082.06	28.15
	(iii) Other financial assets	137.68	130.86
	(i) Income tax assets (net)	56.85	49.80
	(j) Other non-current assets	489.45	259.43
		16,697.11	16,056.83
2	Current assets		
	(a) Inventories	2,308.70	2,327.19
	(b) Financial assets		
	(i) Trade receivables	2,979.39	2,157.53
	(ii) Cash and cash equivalents	555.92	1,056.57
	(iii) Bank balances other than (ii) above	6.77	1.98
	(iv) Loans	479.00	55.42
	(v) Other financial assets	9.73	20.25
	(c) Other current assets	442.23	514.56
		6,781.74	6,133.50
	Total Assets (1+2)	23,478.85	22,190.33
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	134.81	134.81
	(b) Other equity	10,983.15	11,048.04
		11,117.96	11,182.85
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,645.27	2,779.49
	(ii) Lease liabilities	108.59	135.49
	(iii) Other financial liabilities	0.18	0.18
	(b) Provisions	113.01	111.92
	(c) Deferred tax liabilities (net)	316.36	351.73
	(d) Other non-current liabilities	141.40	156.47
		4,324.81	3,535.28
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,203.07	1,420.83
	(ii) Lease liabilities	76.36	72.51
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	636.02	671.98
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,656.36	3,135.79
	(c) Acceptances	-	144.24
	(iv) Other financial liabilities	2,014.53	1,453.25
	(b) Provisions	135.91	265.28
	(c) Other current liabilities	313.83	308.32
		8,036.08	7,472.20
	Total Equity and Liabilities (1+2+3)	23,478.85	22,190.33

Varroc Engineering Limited

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E-mail: investors@varroc.com



Statement of Unaudited Cash Flows for the half year ended September 30, 2020

Sr.No	Particulars	Half year ended September 30, 2020 (Rs. in Million)	Half year ended September 30, 2019 (Rs. in Million)
A	Cash flow from operating activities		
	Profit/(Loss) before tax	(103.42)	552.34
	Adjustments for:		
	Depreciation and amortization expense	727.94	634.12
	(Profit) Loss on sale of property, plant and equipment / intangible assets	0.12	16.36
	Provision for doubtful debts / advances	0.74	-
	Finance cost	288.96	213.83
	Rent income from investment property	(9.09)	(16.66)
	Provision for guarantees for loan taken by subsidiary	-	0.93
	Provisions/liabilities no longer required written back	-	(0.93)
	Increase in surrender value of key man insurance	(12.03)	(5.14)
	Dividend income	-	(31.45)
	Interest income	(11.93)	(6.07)
	Government grant	(60.32)	(72.10)
	Operating profits before working capital changes	924.39	732.89
		820.97	1,285.23
	Adjustments for changes in working capital (increase)/decrease		
	Trade receivables	(815.27)	(75.97)
	Trade payables	340.37	(183.96)
	Inventories	18.49	456.75
	Other financial assets	15.58	10.81
	Other current and non current asset	150.99	(76.34)
	Provision	28.11	24.49
	Other financial liabilities	22.07	40.15
	Other current and non current liabilities	17.99	82.94
	Cash generated from operations	599.30	1,564.10
	Income tax paid	(7.05)	(102.83)
	Net cash flow generated from operating activities	592.25	1,461.27
B	Cash flow from investing activities		
	Dividend received	-	31.45
	Interest received	3.47	6.19
	Government grant received	17.40	1.80
	Proceeds from sale of property, plant and equipment	2.93	7.05
	Rent received on investment property	9.09	16.66
	Loan to Subsidiaries	(1,474.04)	(20.00)
	Purchase of property, plant and equipment	(602.54)	(1,313.16)
	Fixed deposits (placed)/ redeemed (net)	(4.79)	(123.68)
	Payment for non current investments	-	(207.40)
	Net cash used in investing activities	(2,048.48)	(1,601.09)
C	Cash flow from financing activities		
	Repayment of long term borrowings	(379.07)	(460.25)
	Proceeds from long term borrowings	1,839.94	1,000.00
	Proceeds/(repayment) in short term borrowings	(667.21)	664.54
	Payment of Lease Liability	(40.02)	(33.04)
	Loan from Subsidiaries	450.00	-
	Dividend paid on equity shares and preference shares (including dividend distribution tax thereon)	-	(643.63)
	Interest paid	(247.51)	(179.29)
	Net cash flow generated from / (used in) financing activities	956.13	348.33
	Decrease / Increase in cash and cash equivalents	(500.10)	208.51
	Opening cash and cash equivalents	1,055.74	34.23
	Closing cash and cash equivalents	555.64	242.74
	Cash and cash equivalents consists of		
	Cash in hand	0.19	0.54
	Current accounts / deposit with maturity of less than 3 months	555.73	263.15
	Bank overdraft	(0.28)	(20.95)
		555.64	242.74
	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 year, presentation, where applicable.		
3)	Figures in brackets represent outflow of cash and cash equivalents.		

Varroc Engineering Limited

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Notes to the Unaudited 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 November 10, 2020 and were subjected to limited review by the Statutory Auditors.
- 2) Pursuant to provisions of Section 230-232 of the Companies Act 2013, the Board of Directors of the Company on November 12, 2019 had approved the scheme of amalgamation of Varroc Lighting Systems (India) Private Limited ('VLSIPL') (wholly owned subsidiary of the Company) with Varroc Engineering Limited with appointed date of April 01, 2020 ('the Scheme') subject to requisite approvals. National Company Law Tribunal ('NCLT') order dated November 2, 2020 approving the Scheme is hosted on NCLT website, however a certified copy of the order has not been received by the Company. Under the provisions of the Scheme, the Scheme will become effective only on filing of the certified copy of the NCLT order with the Registrar of Companies. Accordingly, these results do not include any adjustments arising from the Scheme.
- 3) As at September 30, 2020, the Company has not complied with some covenants under loan agreements. Accordingly non-current loans of Rs.284.38 million have been reclassified as current. The management does not expect any material impact on the financial statements/cash flows due to the above.
- 4) The Company has considered the possible effects of the 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 September 30, 2020. 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.

**For and on behalf of Board of Directors
Varroc Engineering Limited**

**TARANG
JAIN**

Digitally signed by TARANG JAIN
DN: cn=JAIN, o=Varroc, postalCode=431001,
st=MAHARASHTRA,
serialNumber=4405025594521710546230
856124909756594984918095214084617
d06648, cn=TARANG JAIN
Date: 2020.11.10 14:15:07 +05'30'

Tarang Jain

Managing Director

Place : Pune

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, 2020 and year to date from April 01, 2020 to September 30, 2020 (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").
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.
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 S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

PAUL
MICHAEL
ALVARES
per Paul Alvares

Digitally signed by PAUL MICHAEL
ALVARES
DN: cn=PAUL MICHAEL ALVARES,
c=IN, o=Personal,
email=paul.alvares@srb.in
Location: Pune
Date: 2020.11.10 14:33:36 +05'30'

Partner

Membership No.: 105754

UDIN: 20105754AAAAGV5301

Place: Pune

Date: November 10, 2020



Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2020

(Rs. In million)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited (Refer Note 8)	Unaudited	Unaudited (Refer Note 8)	Audited
1	Revenue from operations	29,161.46	12,746.93	27,032.31	41,908.39	55,733.10	1,11,218.68
2	Other income	231.57	500.01	113.98	731.58	405.61	988.86
3	Total income (1+2)	29,393.03	13,246.94	27,146.29	42,639.97	56,138.71	1,12,207.54
4	Expenses						
	Cost of materials consumed	18,564.34	8,340.40	16,131.79	26,904.74	33,503.28	70,193.63
	Changes in inventories of work-in-progress and finished goods	206.37	283.27	468.58	489.64	457.99	(332.12)
	Employee benefits expense	3,782.85	3,387.39	3,703.64	7,170.24	7,896.28	15,929.19
	Finance costs	442.75	431.54	351.31	874.29	663.83	1,391.67
	Depreciation and amortisation expense	2,270.31	2,068.95	1,666.06	4,339.26	3,312.32	7,318.64
	Other expenses	4,175.08	2,640.19	4,504.86	6,815.27	8,962.13	17,220.02
	Total expenses	29,441.70	17,151.74	26,826.25	46,593.44	54,795.83	1,11,721.03
5	Profit/ (loss) before share of profits of joint ventures and tax (3-4)	(48.67)	(3,904.80)	320.04	(3,953.47)	1,342.88	486.51
6	Share of Profits/(loss) of Joint Ventures	90.16	109.71	(65.80)	199.87	(67.25)	(91.65)
7	Profit/ (loss) before tax (5+6)	41.49	(3,795.09)	254.24	(3,753.60)	1,275.63	394.86
8	Tax expense						
	Current tax	264.58	-	123.82	264.58	419.98	344.26
	Deferred tax	164.61	(709.21)	(97.39)	(544.60)	(247.14)	25.54
	Total tax expense	429.19	(709.21)	26.43	(280.02)	172.84	369.80
9	Profit/ (loss) for the period (7-8)	(387.70)	(3,085.88)	227.81	(3,473.58)	1,102.79	25.06
10	Other comprehensive income to be reclassified to profit or loss in subsequent periods						
	Deferred hedging gains/(losses) on cash flow hedges (net of tax)	(20.09)	7.14	5.54	(12.95)	6.63	21.72
	Exchange differences in translating the financial statements of foreign operations	(381.69)	107.13	63.32	(274.56)	126.38	786.92
11	Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(207.15)
12	Other comprehensive income/(loss), net of tax (10+11)	(401.78)	114.27	68.86	(287.51)	133.01	601.49
13	Total comprehensive income/(loss) for the period (9+12)	(789.48)	(2,971.61)	296.68	(3,761.09)	1,235.80	626.55
14	Profit/(Loss) for the period attributable to:						
	Shareholders of the Company	(400.63)	(3,077.18)	221.91	(3,477.81)	1,090.25	1.91
	Non-controlling interests	12.93	(8.70)	5.91	4.23	12.54	23.15
15	Other comprehensive income/(loss) attributable to:						
	Shareholders of the Company	(401.78)	114.27	68.86	(287.51)	133.01	602.72
	Non-controlling interests	-	-	-	-	-	(1.23)
16	Total comprehensive income/(loss) for the period attributable to:						
	Shareholders of the Company	(802.41)	(2,962.91)	290.77	(3,765.32)	1,223.26	604.63
	Non-controlling interests	12.93	(8.70)	5.91	4.23	12.54	21.92
17	Paid- up equity share capital(face value of Rs 1)	134.81	134.81	134.81	134.81	134.81	134.81
18	Reserves excluding revaluation reserves as per balance sheet						29,910.45
19	Earnings per equity share attributable to Owners [Nominal value per share: Re. 1 (Previous year : Re. 1)](not annualised)						
	Basic and diluted (in Rupees)	(2.97)	(22.83)	1.65	(25.80)	8.09	0.01



Statement of unaudited consolidated Assets and Liabilities as at September 30, 2020

(Rs. In million)

Sr. No.	Particulars	As at September 30, 2020	As at March 31, 2020
		Unaudited	Audited
A.	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	37,629.29	36,697.16
	(b) Capital work-in-progress	3,436.61	3,975.92
	(c) Right-of-use assets	8,088.38	8,282.42
	(d) Goodwill	1,754.87	2,008.98
	(e) Other Intangible assets	5,293.15	5,840.75
	(f) Intangible assets under development	4,035.49	3,925.40
	(g) Investments accounted for using the equity method	3,527.83	3,262.14
	(h) Financial assets		
	(i) Investments	0.20	0.20
	(ii) Loans	255.63	160.89
	(iii) Other financial assets	207.28	231.93
	(i) Income tax assets (net)	624.82	672.12
	(j) Deferred tax assets (net)	2,718.07	2,180.76
	(k) Other non-current assets	1,509.01	1,373.42
		69,080.63	68,612.09
II	Current assets		
	(a) Inventories	10,628.44	10,758.16
	(b) Financial assets		
	(i) Investments	52.62	40.23
	(ii) Trade receivables	13,775.01	10,893.33
	(iii) Cash and cash equivalents	2,863.89	10,659.74
	(iv) Bank balances other than (iii) above	36.52	27.93
	(v) Loans	105.11	121.62
	(vi) Other financial assets	9.79	21.16
	(c) Other current assets	7,565.52	8,888.47
		35,036.90	41,410.64
	Total Assets (I+II)	1,04,117.53	1,10,022.73
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	134.81	134.81
	(b) Other equity	26,161.46	29,910.45
	Equity attributable to owners	26,296.27	30,045.26
	Non-controlling interests	253.58	249.24
	Total equity	26,549.85	30,294.50
II	Liabilities		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6,962.85	9,002.04
	(ii) Lease liabilities	6,196.20	6,522.15
	(iii) Other financial liabilities	271.99	232.59
	(b) Provisions	1,352.57	1,181.65
	(c) Deferred tax liabilities (net)	852.43	985.83
	(d) Other non current liabilities	1,733.93	1,831.75
		17,369.97	19,756.01
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	13,118.40	17,004.44
	(ii) Lease Liabilities	864.05	603.97
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	795.70	866.28
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	21,570.10	22,780.07
	(c) Acceptances	-	157.47
	(iv) Other financial liabilities	17,013.30	13,598.80
	(b) Provisions	917.28	575.12
	(c) Current tax liabilities (net)	186.24	111.81
	(d) Other current liabilities	5,732.64	4,274.26
		60,197.71	59,972.22
III	Total Equity and Liabilities (I+II)	1,04,117.53	1,10,022.73



Statement of Unaudited Consolidated Cash Flows for the period ended September 30, 2020

Sr. No.	Particulars	For the period ended September 30, 2020		For the period ended September 30, 2019	
		Unaudited		Unaudited (Refer note 8)	
A	Cash flow from operating activities				
	Profit before tax		(3,753.60)		1,275.63
	Adjustments for:				
	Depreciation and amortization expense	4,339.26		3,312.32	
	Loss/(Profit) on sale of Property, plant and equipment/Intangible assets	(364.30)		78.23	
	Provision for doubtful debts and advances	99.72		65.57	
	Finance costs	874.29		663.83	
	Gain on sale of current investments	(0.32)		(6.74)	
	Share in (profit)/ loss of Joint Venture accounted for using the Equity Method	(199.87)		67.25	
	Liabilities no longer required written back	-		(3.90)	
	Other non cash income	(12.98)		(14.48)	
	Government grants	(106.97)		(125.31)	
	Interest income	(13.72)	4,615.11	(15.10)	4,021.67
	Operating profits before working capital changes		861.51		5,297.30
	Adjustments for changes in:				
B	Inventories	468.12		404.23	
	Trade receivables	(2,832.83)		396.28	
	Other Assets	712.85		(263.97)	
	Trade payables	(1,770.34)		416.37	
	Other liabilities and Provisions	2,019.80		(19.91)	
			(1,402.40)		932.99
	Cash generated from operations		(540.89)		6,230.29
	Taxes paid		(226.92)		(622.54)
	Net cash flow from operating activities		(767.81)		5,607.75
	Cash flow from investing activities				
	Dividend received	-		259.64	
	Interest received	14.65		15.73	
	Government grant received during the year	95.99		71.08	
	Rent received on investment properties	0.06		8.84	
	(Purchase)/proceeds from sale of current investments (net)	(12.07)		(6.40)	
	Acquisition of minority stake	-		(25.51)	
	Acquisition of business	-		(188.55)	
	Investment in Joint venture	-		(56.09)	
	Proceeds from sale of Property, plant and equipment	-		39.56	
	Purchase of Property, plant and equipment	(2,963.80)		(5,432.45)	
	Costs incurred on intangible assets	(981.52)		(1,918.05)	
	Proceeds from insurance claim	515.32		-	
	Fixed deposits redeemed/(Purchase) (net)	(58.67)		31.27	
	Net cash used in investing activities		(3,390.04)		(7,200.93)
C	Cash flow from financing activities				
	Proceeds from long term borrowings	2,360.06		4,431.10	
	Repayment of long term borrowing	(622.14)		(1,698.92)	
	Payments towards lease liability	(374.35)		(229.91)	
	Proceeds/(repayments) of short term borrowings (net)	(4,163.24)		342.07	
	Dividend on equity shares including tax thereon	-		(652.51)	
	Interest paid	(679.27)		(634.28)	
	Net cash flow from /(used in) financing activities		(3,478.94)		1,557.55
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)		(7,636.79)		(35.63)
	Opening cash and cash equivalents		10,330.97		1,455.28
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		165.73		(9.33)
	Total		10,496.70		1,445.95
	Closing cash and cash equivalents		2,859.91		1,410.32
	Cash and cash equivalents consists of				
	Cash in hand		0.52		1.52
	Bank balances				
	Current accounts and deposits with maturity of less than three months		2,863.37		1,561.91
	Bank overdraft		(3.98)		(153.10)
			2,859.91		1,410.32

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

(Rs. In million)

Particulars	Quarter ended			Half year ended		For the year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited (Refer Note 8)	Unaudited	Unaudited (Refer Note 8)	Audited
1) Segment Revenue						
(i) Automotive	28,746.45	12,352.91	26,422.98	41,099.36	54,555.79	1,08,967.10
(ii) Others	415.01	394.02	609.33	809.03	1,177.31	2,251.58
	29,161.46	12,746.93	27,032.31	41,908.39	55,733.10	1,11,218.68
2) Segment Results						
(i) Automotive	453.62	(3,460.58)	627.74	(3,006.96)	1,918.96	1,724.16
(ii) Others	(133.74)	(59.18)	(32.07)	(192.92)	(52.86)	(95.76)
Total Segment Results	319.88	(3,519.76)	595.67	(3,199.88)	1,866.09	1,628.40
Add/ (Less):						
(a) Finance Cost	(442.75)	(431.54)	(351.31)	(874.29)	(663.83)	(1,391.67)
(b) Net unallocated (expenditure) / income	164.36	156.21	9.88	320.57	73.37	158.13
Profit/(loss) before tax	41.49	(3,795.09)	254.24	(3,753.60)	1,275.63	394.86
Segment Assets						
(i) Automotive	94,368.58	90,520.34	86,482.56	94,368.58	86,482.55	1,00,808.11
(ii) Others	2,059.21	2,179.78	2,140.29	2,059.21	2,140.29	2,113.75
Total segment assets	96,427.79	92,700.12	88,622.85	96,427.79	88,622.84	1,02,921.86
Add: Unallocated	7,689.74	7,592.40	6,526.00	7,689.74	6,526.00	7,100.87
Total assets	1,04,117.53	1,00,292.52	95,148.84	1,04,117.53	95,148.84	1,10,022.73
Segment Liabilities						
(i) Automotive	41,627.45	33,704.47	33,785.35	41,627.45	33,785.35	41,935.98
(ii) Others	561.97	581.82	723.27	561.97	723.27	551.15
Total segment liabilities	42,189.42	34,286.29	34,508.62	42,189.42	34,508.62	42,487.13
Add: Unallocated	35,378.26	38,689.33	29,016.04	35,378.26	29,016.04	37,241.10
Total liabilities	77,567.68	72,975.62	63,524.66	77,567.68	63,524.66	79,728.23

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 10, 2020 and were subjected to limited review by the Statutory Auditors.
- 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. 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 September 30, 2020. 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.
- 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.
- On March 31, 2020, the Group had received a warranty claim of approx. Rs. 944 million from one of its overseas customers. Based on discussions with the said customer, final settlement of the claim has been agreed in October 2020 at Rs. 131.68 Million. The Group believes that the provision for warranty as at September 30, 2020 is adequate to cover the above settlement of the claim.
- The Group's automotive lighting plant at Pune, India was destroyed by fire on February 18, 2020. During the quarter ended on June 30, 2020, insurance company has settled the claim and accordingly, an amount of Rs. 364.72 million bring excess of claim amount over net book value of assets destroyed has been recognised in Other income.
- During quarter ended September 30, 2020, subsidiary company in Czech Republic has received a government grant of Rs. 56.59 Million (quarter ended June 30, 2020: Rs.158.88 million) towards employee benefit expenses incurred during the lockdown imposed due to Covid-19 pandemic.
- The deferred tax in "Tax expense" for the quarter ended September 30, 2020 includes a credit of Nil (Quarter ended June 30, 2020: Nil and Quarter ended September 30, 2019: credit of Rs. 195.82 million; Year ended March 31, 2020: credit of Rs. 387.19 million) recognized on tax incentive on eligible investments by the subsidiary in Czech Republic which can be utilized against future taxable income over 10 years from date of investment.
- On August 30, 2019, the Group acquired "CarlQ Technologies Private Limited", engaged in supply of connected car platforms. During the quarter ended March 31, 2020, the Group finalized the allocation of the purchase consideration of Rs. 258.61 million to the assets and liabilities (including intangible assets viz. Technology platforms and Brand which were not recognized in acquiree's books) based on their acquisition date fair values. The consideration in excess of fair values of the assets and liabilities acquired was allocated to Goodwill. Since the Group has finalized purchase price allocation during the quarter ended March 31, 2020, the comparative information for the quarter and half year ended September 30, 2019 has been restated after giving effect of such allocation.

Varroc Engineering Limited
Registered and Corporate Office: L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra
CIN : L28920MH1988PLC047335
Tel : +91 240 6653 700/6653 699, Fax : +91 240 2564 540
E-mail : investors@varroc.com



- 9 As at September 30, 2020, the Group has not complied with some covenants under loan agreements. Accordingly non-current loans of Rs.6,888.68 million (March 31, 2020: Rs. 5,329.50 Million) have been reclassified as current. The management does not expect any material impact on the financial statements/cash flows due to the above.
- 10 Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary.

**For and on behalf of Board of Directors
Varroc Engineering Limited**

**TARANG
JAIN**

Digitally signed by TARANG JAIN
DN: cn=TARANG JAIN, o=Varroc Engineering Limited,
ou=Varroc Engineering Limited, email=tarang.jain@varroc.com,
c=IN

**Tarang Jain
Managing Director**

**Place : Pune
Date : November 10, 2020**

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, 2020 and year to date from April 01, 2020 to September 30, 2020 (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").
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 (the "Circular") 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; CarIQ 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.

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 Standard 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 the unaudited interim financial results/statements and other financial information, in respect of:
 - 7 subsidiaries, whose unaudited interim financial results/statements include total assets of Rs. 22,833.46 Million as at September 30, 2020, total revenues of Rs. 6,967.48 Million and Rs. 10,353.19 Million, total net loss after tax of Rs. 359.15 Million and Rs. 938.52 Million, total comprehensive loss of Rs. 359.15 Million and Rs. 938.52 Million for the quarter ended September 30, 2020 and period ended on that date respectively and net cash outflows of Rs. 127.59 Million for the period April 01, 2020 to September 30, 2020 as considered in the Statement which have been reviewed by their respective independent auditors.
 - 1 joint venture, whose unaudited interim financial results/statements include Group's share of net profit of Rs. 110.82 Million and Rs. 240.17 Million and Group's share of total comprehensive income of Rs. 110.82 Million and Rs. 240.17 Million for the quarter ended September 30, 2020 and for the period April 01, 2020 to September 30, 2020 respectively, as considered in the Statement whose interim financial results/financial statements, other financial information 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.

S R B C & COLLP

Chartered Accountants

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

- 4 subsidiaries, whose interim financial results/statements and other financial information reflect total assets of Rs. 735.44 Million as at September 30, 2020, and total revenues of Rs. 157.39 Million and Rs. 282.72 Million, total net loss after tax of Rs. 8.41 Million and Rs. 52.47 Million, total comprehensive loss of Rs. 8.41 Million and Rs. 52.47 Million, for the quarter ended September 30, 2020 and period ended on that date respectively and net cash outflows of Rs. 11.34 Million for the period from April 01, 2020 to September 30, 2020.
- 3 joint ventures, whose interim financial results/statements includes the Group's share of net loss of Rs. 20.65 Million and Rs. 40.30 Million and Group's share of total comprehensive loss of Rs. 20.65 Million and Rs. 40.30 Million for the quarter ended September 30, 2020 and period ended on that date respectively.

These unaudited interim financial statements/ financial information/ financial results and other unaudited financial information of these subsidiaries and joint ventures have not been reviewed by any auditor and 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 S R B C & CO LLP

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

**PAUL MICHAEL
ALVARES**

Digitally signed by PAUL MICHAEL
ALVARES
DN: cn=PAUL MICHAEL ALVARES, o=IN,
ou=Personal, email=paul.alvares@srbc.in
Location: Pune
Date: 2020.11.10 14:34:37 +05'30'

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 20105754AAAAGW8334

Place: Pune

Date: November 10, 2020