

Varroc Engineering Ltd.

Regd. & Corp. Office

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136, Maharashtra, India

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CIN: L28920MH1988PLC047335



VARROC/SE/INT/2020-21/65

February 9, 2021

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.

BSE Security Code: 541578

NSE Symbol: VARROC

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. February 9, 2021, which commenced at 1:35 p.m. and concluded at 3:15 p.m. has, inter-alia, approved the Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter ended on December 31, 2020.

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

- Statements showing the Unaudited (Standalone and Consolidated) Financial results of the Company for the quarter ended on December 31, 2020; and
- The Limited Review Reports issued by the Statutory Auditors of the Company on the aforesaid Unaudited (Standalone and Consolidated) Financial Results

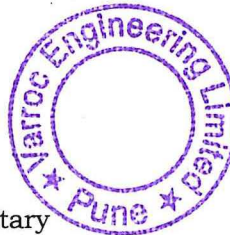
Further, these Financial Results will be uploaded on the Company's website www.varroc.com and will also be published in Business Standard (English) and Loksatta (Marathi) newspapers.

Kindly take the same on your record and note the compliance.

For Varroc Engineering Limited

Ajay Sharma

Group General Counsel and Company Secretary

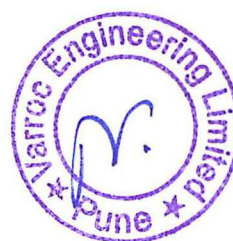


Encl: a/a



Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2020

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		Unaudited	Unaudited (Restated refer note 2)	Unaudited (Restated refer note 2)	Unaudited	Unaudited (Restated refer note 2)	Audited (Restated refer note 2)
1	Revenue from operations	7,909.55	6,960.96	6,238.68	17,382.80	19,376.07	24,981.50
2	Other income (refer note 3)	152.75	123.85	86.10	718.48	284.33	735.45
3	Total Income (1 + 2)	8,062.30	7,084.81	6,324.78	18,101.28	19,660.40	25,716.95
4	Expenses						
	(a) Cost of materials consumed	5,404.99	4,449.63	3,914.53	11,407.31	11,876.76	15,461.27
	(b) Changes in stock of finished goods and work-in-progress	(259.54)	(59.14)	(90.94)	(357.22)	253.04	207.82
	(c) Employee benefits expense	665.26	541.58	566.20	1,657.79	1,772.53	2,462.00
	(d) Finance costs	128.68	160.85	105.86	420.83	335.41	450.75
	(e) Depreciation and amortisation expense	395.92	386.33	366.52	1,159.58	1,060.49	1,437.64
	(f) Other expenses	1,237.99	1,170.14	1,060.35	2,959.96	3,293.49	4,421.88
	Total expenses (4)	7,573.30	6,649.38	5,922.53	17,248.25	18,591.72	24,441.35
5	Profit before tax (3- 4)	489.00	435.42	402.25	853.03	1,068.68	1,275.59
6	Tax expense						
	Current tax	77.51	102.95	80.44	180.46	189.21	170.00
	Short/(excess) provision for tax relating to prior periods	(34.27)	-	-	(34.27)	-	(1.79)
	Deferred tax	90.81	51.65	34.97	116.41	82.81	68.70
	Total tax expense (6)	134.05	154.60	115.42	262.60	272.02	236.91
7	Profit for the period (5-6)	354.95	280.83	286.84	590.43	796.66	1,038.69
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)	(6.95)	(20.09)	0.82	(19.90)	7.45	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)	-	-	-	-	-	(18.02)
	Other comprehensive income	(6.95)	(20.09)	0.82	(19.90)	7.45	3.70
9	Total comprehensive income for the period (7+8)	348.00	260.74	287.66	570.53	804.11	1,042.39
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						11,238.88
12	Earnings per share (of Re 1/- each) (not annualised): Basic & diluted	2.63	2.08	2.13	4.38	5.91	7.70



Varroc Engineering Limited

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

CIN: L28920MH1988PLC047335

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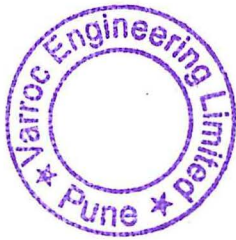
E-mail: investors@varroc.com



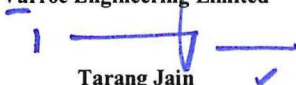
Notes to the Unaudited Standalone Financial Results:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 9, 2021 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'). National Company Law Tribunal ('NCLT') approved the above scheme vide its order dated November 02, 2020 and the merger became effective on December 7, 2020 on filing of the NCLT order the Registrar of Companies. The merger has been accounted for as business combination of entities under common control as per Appendix C to Ind AS 103 - Business Combinations. Accordingly, all the comparative periods presented in the standalone results have been restated to include the effect of this merger.
- 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 an earlier quarter and accordingly the other income for the nine months period ended December 31, 2020 includes an amount of Rs. 364.72 million being the excess of claim amount over net book value of assets destroyed.
- 4) 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.
- 5) 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 December 31, 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.

Place: Pune
Date: February 09, 2021



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


Tarang Jain
Chairman and Managing Director

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 December 31, 2020 and year to date from April 01, 2020 to December 31, 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

per Paul Alvares
Partner

Membership No.: 105754

UDIN: 21105754AAAAAQ1531



Place: Pune

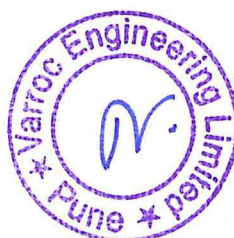
Date: February 9, 2021



Statement of unaudited consolidated financial results for the quarter and nine months ended December 31, 2020

(Rs. In million)

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
		Unaudited	Unaudited	Unaudited (Restated refer note 9)	Unaudited	Unaudited (Restated refer note 9)	Audited
1	Revenue from operations	34,926.55	29,161.46	28,038.12	76,834.94	83,771.22	111,218.68
2	Other income	219.32	231.57	95.90	950.90	501.51	988.86
3	Total income (1+2)	35,145.87	29,393.03	28,134.02	77,785.84	84,272.73	112,207.54
4	Expenses						
	Cost of materials consumed	23,896.80	18,564.34	17,432.98	50,801.54	50,936.26	70,193.63
	Changes in inventories of work-in-progress and finished goods	(819.02)	206.37	(160.82)	(329.38)	297.17	(332.12)
	Employee benefits expense	4,154.46	3,782.85	3,977.57	11,324.70	11,873.85	15,929.19
	Finance costs	378.80	442.75	365.97	1,253.09	1,029.80	1,391.67
	Depreciation and amortisation expense	2,247.19	2,270.31	1,940.25	6,586.45	5,252.57	7,318.64
	Other expenses	5,430.95	4,175.08	4,172.76	12,246.22	13,134.89	17,220.02
	Total expenses	35,289.18	29,441.70	27,728.71	81,882.62	82,524.54	111,721.03
5	Profit/ (loss) before share of profits of joint ventures, tax and exceptional items (3-4)	(143.31)	(48.67)	405.31	(4,096.78)	1,748.19	486.51
6	Share of Profits/(loss) of Joint Ventures	92.45	90.16	81.05	292.32	13.80	(91.65)
7	Profit/(loss) before exceptional items and tax (5+6)	(50.86)	41.49	486.36	(3,804.46)	1,761.99	394.86
8	Tax expense						
	Current tax	181.02	264.58	237.57	445.60	657.55	344.26
	Deferred tax	60.00	164.61	(44.47)	(484.60)	(291.61)	25.54
	Total tax expense	241.02	429.19	193.10	(39.00)	365.94	369.80
9	Profit/ (loss) for the period before exceptional items(7-8)	(291.88)	(387.70)	293.26	(3,765.46)	1,396.05	25.06
10	Exceptional item - Tax Expense (refer note 4)	1,077.76	-	-	1,077.76	-	-
11	Profit/ (loss) for the period (9-10)	(1,369.64)	(387.70)	293.26	(4,843.22)	1,396.05	25.06
12	Other comprehensive income to be reclassified to profit or loss in subsequent periods						
	Deferred hedging gains/(losses) on cash flow hedges (net of tax)	(6.95)	(20.09)	0.82	(19.90)	7.45	21.72
	Exchange differences in translating the financial statements of foreign operations	163.01	(381.69)	150.80	(111.55)	277.18	786.92
13	Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(207.15)
14	Other comprehensive income/(loss), net of tax (12+13)	156.06	(401.78)	151.62	(131.45)	284.63	601.49
15	Total comprehensive income/(loss) for the period (11+14)	(1,213.58)	(789.48)	444.88	(4,974.67)	1,680.68	626.55
16	Profit/(Loss) for the period attributable to:						
	Shareholders of the Company	(1,387.25)	(400.63)	287.07	(4,865.06)	1,377.32	1.91
	Non-controlling interests	17.61	12.93	6.19	21.84	18.73	23.15
17	Other comprehensive income/(loss) attributable to:						
	Shareholders of the Company	156.06	(401.78)	151.62	(131.45)	284.63	602.72
	Non-controlling interests	-	-	-	-	-	(1.23)
18	Total comprehensive income/(loss) for the period attributable to:						
	Shareholders of the Company	(1,231.19)	(802.41)	438.69	(4,996.51)	1,661.95	604.63
	Non-controlling interests	17.61	12.93	6.19	21.84	18.73	21.92
19	Paid-up equity share capital(face value of Rs 1)	134.81	134.81	134.81	134.81	134.81	134.81
20	Reserves excluding revaluation reserves as per balance sheet						29,910.45
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)	(10.29)	(2.97)	2.13	(36.09)	10.22	0.01

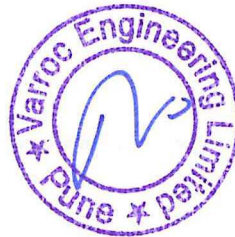




Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. In million)

Particulars	Quarter ended			Nine months ended		For the year ended
	December 31, 2020	September 30, 2020	December 31, 2019	December 31, 2020	December 31, 2019	March 31, 2020
	Unaudited	Unaudited	Unaudited (Restated refer note 9)	Unaudited	Unaudited (Restated refer note 9)	Audited
1) Segment Revenue						
(i) Automotive	34,416.07	28,746.45	27,431.90	75,515.43	81,987.69	108,967.10
(ii) Others	510.48	415.01	606.22	1,319.51	1,783.53	2,251.58
	34,926.55	29,161.46	28,038.12	76,834.94	83,771.22	111,218.68
2) Segment Results						
(i) Automotive	278.09	453.62	737.72	(2,728.87)	2,656.68	1,724.16
(ii) Others	(115.78)	(133.74)	0.03	(308.70)	(52.83)	(95.76)
Total Segment Results	162.31	319.88	737.75	(3,037.57)	2,603.85	1,628.40
Add/ (Less):						
(a) Finance Cost	(378.80)	(442.75)	(365.97)	(1,253.09)	(1,029.80)	(1,391.67)
(b) Net unallocated (expenditure) / income	165.63	164.36	114.58	486.20	187.94	158.13
Profit/(loss) before tax	(50.86)	41.49	486.36	(3,804.46)	1,761.99	394.86
Segment Assets						
(i) Automotive	100,394.06	94,368.58	87,990.95	100,394.06	87,990.95	100,808.11
(ii) Others	2,206.31	2,059.21	2,248.83	2,206.31	2,248.83	2,113.75
Total segment assets	102,600.37	96,427.79	90,239.78	102,600.37	90,239.78	102,921.86
Add: Unallocated	6,971.38	7,689.74	6,972.96	6,971.38	6,972.96	7,100.87
Total assets	109,571.75	104,117.53	97,212.74	109,571.75	97,212.74	110,022.73
Segment Liabilities						
(i) Automotive	50,340.86	41,627.45	35,695.78	50,340.86	35,695.78	41,935.98
(ii) Others	716.45	561.97	740.63	716.45	740.63	551.15
Total segment liabilities	51,057.31	42,189.42	36,436.41	51,057.31	36,436.41	42,487.13
Add: Unallocated	33,170.31	35,378.26	28,680.88	33,170.31	28,680.88	37,241.10
Total liabilities	84,227.62	77,567.68	65,117.29	84,227.62	65,117.29	79,728.23





Notes :

- 1 The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on February 09, 2021 and were subjected to limited review by the Statutory Auditors.
- 2 These unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019.
- 3 The Group received notice 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. The matter is under litigation and considering that the matter is technical and needs extensive evaluation, it is not possible to predict the potential outcome of this matter. Accordingly, no provision has been considered in respect of this matter in the results for the quarter and nine months ended December 31, 2020. The auditors in their review report have drawn Emphasis of Matter in relation to this matter.
- 4 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. The management has reassessed the recoverability of these tax assets as at Dec 31, 2020 based on revised business plans, taking into account the impact of Covid-19 on the business volumes and profitability of the Czech subsidiary in the current financial year as well as future years. Based on this assessment, management concluded that there is an uncertainty on the recoverability of the deferred tax assets recognised under the first scheme, which expire by March 2024. Accordingly, the company has considered it prudent to write off these tax assets amounting to Rs. 1,077.76 million under the above mentioned scheme during the current quarter, and the same has been disclosed separately as "Exceptional Item" in the results. The management is working on various opportunities to utilize this benefit and this write off does not impact the eligibility of the Czech subsidiary to claim the incentive benefit in the event there are sufficient taxable profits available in subsequent years before expiry of the benefits.
- 5 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.
- 6 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 an earlier quarter and accordingly the other income for the nine months period ended December 31, 2020 includes an amount of Rs. 364.72 million being the excess of claim amount over net book value of assets destroyed.
- 7 During the quarter ended December 31, 2020, subsidiary company in Czech Republic has received a government grant of Rs. Nil (quarter ended September 30, 2020: Rs. 56.59 Million; nine months period ended December 31, 2020 : Rs. 215.47 Million) towards employee benefit expenses incurred during the lockdown imposed due to Covid-19 pandemic.
- 8 The deferred tax in "Tax expense" for the quarter ended December 31, 2020 includes a credit of Rs. 134.15 Million (Quarter ended September 30, 2020: Nil and Quarter ended December 31, 2019: credit of Rs. 73.40 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 (Incentive Scheme expires in March 2030).
- 9 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 nine months ended December 31, 2019 have been restated after giving effect of such allocation.
- 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 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 December 31, 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.
- 12 Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary.

Place : Pune
Date : February 09, 2021



For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Chairman and Managing Director

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 December 31, 2020 and year to date from April 1, 2020 to December 31, 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 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.; 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 Elba Electronics SRL, Romania.



List of Joint Ventures:

Nuova CTS, Srl, Italy; 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 7 and 9 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.

Emphasis of matter

6. We draw attention to Note 3 of the accompanying consolidated financial results in respect of litigation relating to alleged patent infringements. In management's view, the matter is technical and needs extensive evaluation and hence it is not possible to predict the potential outcome of this matter. Based on a legal opinion obtained, the Group believes that it has grounds to defend against the said allegation and accordingly no provision has been considered in respect of this matter in these results.

Our conclusion is not modified in respect of this matter.

Other matters

7. 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 revenues of Rs 7,690 million and Rs 18,043 million, total net profit/(loss) after tax of Rs. (587) million and Rs. (1,525) million, total comprehensive income/loss of Rs. (587) million and Rs. (1,525) million, for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020 respectively, 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/(loss) of Rs. 110 million and Rs. 350 million and Group's share of total comprehensive income of Rs. 110 million and Rs. 350 million for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 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 auditors' 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 ventures is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

8. Certain of these subsidiaries and joint ventures 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 ventures



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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 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 reviewed by us.

9. The accompanying Statement includes unaudited interim financial results /statements and other unaudited financial information in respect of:
- 5 subsidiaries, whose interim financial results/statements and other financial information reflect total revenues of Rs 206 million and Rs 489 million, total net profit/(loss) after tax of Rs. 80 million and Rs. 27 million, total comprehensive income of Rs. 27 million and Rs. 27 million, for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020, respectively.
 - 3 joint ventures, whose interim financial results/statements includes the Group's share of net loss of Rs. (17) million and Rs (58) million and Group's share of total comprehensive loss of Rs. (17) million and Rs. (58) million for the quarter ended December 31, 2020 and for the period from April 1, 2020 to December 31, 2020, respectively.

The unaudited interim financial statements/financial information/financial results and other unaudited financial information of the these subsidiaries and joint ventures have not been reviewed by any auditor and have been approved and certified 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 7, 8 and 9 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

per Paul Alvares

Partner

Membership No.: 105754



UDIN: 21105754AAAAAR5780

Place: Pune

Date: February 9, 2021