

Varroc Engineering Ltd.

Regd. & Corp. Office

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

Tel + 91 240 6653700
Fax + 91 240 2564540

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



VARROC/SE/INT/2021-22/44

November 11, 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 Board Meeting

Ref: Regulation 30 (read with Part A of Schedule III) and Regulation 33 & 52 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. on Thursday, November 11, 2021, which commenced at 2:10 p.m. and concluded at 3:00 p.m. has considered and approved the following items:

1. Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended on September 30, 2021

The Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter and half year ended on September 30, 2021 were approved.

Pursuant to Regulation 33 and 52 of the Listing Regulations, we enclose the following:

- i. Statements showing the Unaudited Financial results (Standalone and Consolidated) of the Company for the quarter and half year ended on September 30, 2021; and
- ii. The Limited Review Reports issued by the Statutory Auditors of the Company on the aforesaid Unaudited Financial Results (Standalone and Consolidated).

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. Statement of nil deviation(s) or variation(s)

Pursuant to the Regulation 52(7A) of the Listing Regulations, the Company hereby confirms that there has been NO material deviation in the use of proceeds of issue on Non-Convertible Debentures from the objects stated in the Information Memorandum. Further, we confirm that, pursuant to Regulation 52(7) of the Listing Regulations, the issue proceeds of non-convertible securities have been fully utilized

Varroc Engineering Ltd.

Regd. & Corp. Office

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

Tel + 91 240 6653700
Fax + 91 240 2564540

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



and hence disclosure in the format prescribed under the SEBI Circular No. SEBI/HO/DDHS/08/2020 dated January 17, 2020 is not applicable.

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

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

Thanking you,
Yours faithfully,
For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a



Statement of unaudited standalone financial results for the quarter and half year ended September 30, 2021

Sr. No.	Particulars	(Rs. in million)					
		Quarter ended			Half year ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		Unaudited	Unaudited	Unaudited (Restated) Refer note 2	Unaudited	Unaudited (Restated) Refer note 2	Audited
1	Revenue from operations	8,881.58	6,660.19	6,960.96	15,541.77	9,471.45	25,617.78
2	Other income (refer note 3)	254.31	94.80	123.85	349.11	575.64	1,114.15
3	Total Income (1 + 2)	9,135.89	6,754.99	7,084.81	15,890.88	10,047.09	26,731.93
4	Expenses						
	(a) Cost of materials consumed	5,846.18	4,812.92	4,449.63	10,659.10	6,000.52	17,462.19
	(b) Changes in stock of finished goods and work-in-progress	92.10	(516.07)	(59.14)	(423.97)	(97.68)	(746.45)
	(c) Employee benefits expense	880.68	806.88	610.01	1,687.56	1,129.08	2,686.87
	(d) Finance costs	173.78	125.65	160.85	299.43	292.15	561.10
	(e) Depreciation and amortisation expense	440.72	395.49	386.33	836.21	763.66	1,543.62
	(f) Other expenses	1,298.13	1,063.19	1,101.71	2,361.32	1,595.32	3,853.09
	Total expenses (4)	8,731.59	6,688.06	6,649.38	15,419.65	9,683.05	25,360.42
5	Profit/(loss) before tax (3- 4)	404.30	66.93	435.42	471.23	364.04	1,371.51
6	Tax expense						
	Current tax	72.32	12.19	102.95	84.51	102.95	247.55
	Short/(excess) provision for tax relating to prior periods	-	(8.82)	-	(8.82)	-	(37.47)
	Deferred tax	84.27	12.24	51.65	96.51	25.62	239.81
	Total tax expense (6)	156.59	15.61	154.60	172.20	128.57	449.89
7	Profit/(loss) for the period (5-6)	247.71	51.32	280.83	299.03	235.47	921.62
8	Other comprehensive income						
	Items that will be reclassified to profit or loss in subsequent periods (net of tax)						
	Deferred hedging gains/(losses) on cash flow hedges (net of tax)	-	-	(20.09)	-	(12.95)	-
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	18.15
	Other comprehensive income	-	-	(20.09)	-	(12.95)	18.15
9	Total comprehensive income for the period (7+8)	247.71	51.32	260.74	299.03	222.52	939.77
10	Paid-up equity share capital (Face value of the share in Re.1/- each)	152.79	152.79	134.81	152.79	134.81	152.79
11	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						19,016.83
12	Earnings per share (of Re 1/- each) (not annualised): Basic & diluted	1.62	0.34	2.08	1.96	1.75	6.82



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

CIN: L28920MH1988PLC047335

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

E-mail: investors@varroc.com

Statement of unaudited standalone assets and liabilities as at September 30, 2021

(Rs. in million)

Sr. No.	Particulars	As at September 30, 2021 Unaudited	As at March 31, 2021 Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	9,881.62	8,893.39
	(b) Capital work-in-progress	431.47	1,245.32
	(c) Investment properties	126.90	129.67
	(d) Intangible assets	670.12	535.35
	(e) Intangible assets under development	133.58	326.49
	(f) Right to use asset	484.10	532.47
	(g) Investments in subsidiaries and joint venture	10,229.43	10,229.43
	(h) Financial assets		
	(i) Investments	0.15	0.15
	(ii) Loans	7,302.98	-
	(iii) Other financial assets	185.95	210.37
	(i) Income tax assets (net)	-	57.95
	(j) Other non-current assets	640.89	550.39
		30,087.19	22,710.98
2	Current assets		
	(a) Inventories	3,743.52	3,120.98
	(b) Financial assets		
	(i) Trade receivables	4,768.70	3,628.24
	(ii) Cash and cash equivalents	170.48	2,467.06
	(iii) Bank balances other than (ii) above	2.73	6.85
	(iv) Loans	61.72	30.15
	(v) Other financial assets	85.75	44.48
	(c) Other current assets	867.04	1,262.08
		9,699.94	10,559.84
	Total Assets (1+2)	39,787.13	33,270.82
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	19,316.19	19,016.83
		19,468.98	19,169.62
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6,734.94	3,772.83
	(ii) Lease liabilities	59.76	77.25
	(b) Provisions	158.48	135.52
	(c) Deferred tax liabilities (net)	697.15	609.47
	(d) Other non-current liabilities	372.65	410.16
		8,022.98	5,005.23
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,462.90	1,306.35
	(ii) Lease liabilities	66.95	102.21
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,323.07	1,268.04
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	4,165.98	3,917.03
	(c) Acceptances	491.48	444.35
	(iv) Other financial liabilities	866.49	1,138.84
	(b) Provisions	148.69	123.64
	(c) Current tax liabilities (Net)	26.20	66.61
	(c) Other current liabilities	743.41	728.90
		12,295.17	9,095.97
	Total Equity and Liabilities (1+2+3)	39,787.13	33,270.82

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 Cash Flows for the half year ended September 30, 2021

		(Rs. in million)	
Sr.No	Particulars	Half year ended September 30, 2021 (Unaudited) (Rs. in Million)	Half year ended September 30, 2020 (Restated) (Unaudited) Refer Note 3 (Rs. in Million)
A	Cash flow from operating activities		
	Profit before tax	471.23	364.03
	Adjustments for:		
	Depreciation and amortization expense	836.21	763.66
	(Profit)/Loss on sale of property, plant and equipment / intangible assets	1.00	0.12
	Excess of insurance proceed over book value	-	(364.72)
	Provision for doubtful debts / advances	2.65	4.20
	Unrealised exchange loss on restatement of intercorporate loan	98.13	4.68
	Finance cost	299.43	292.15
	Rent income from investment property	(11.55)	(9.09)
	Increase in surrender value of key man insurance	(7.31)	(12.03)
	Dividend income	(157.24)	-
	Interest income	(30.47)	(23.59)
	Government grant	(89.35)	(60.32)
	Operating profits before working capital changes	1,412.73	959.09
	Adjustments for changes in working capital (increase)/decrease		
	Trade receivables	(1,143.11)	(1,117.88)
	Trade payables	336.30	498.02
	Inventories	(622.54)	141.49
	Other financial assets	(10.08)	14.20
	Other current and non current asset	280.11	233.26
	Provision	48.01	30.50
	Other financial liabilities	47.54	28.88
	Other current and non current liabilities	17.42	(17.71)
	Cash generated from operations	366.38	769.85
	Income tax paid (Net of refund)	(66.97)	18.64
	Net cash flow generated from operating activities	299.41	788.49
B	Cash flow from investing activities		
	Dividend received	157.24	-
	Interest received	-	102.69
	Government grant received	112.82	17.40
	Proceeds from Insurance claim	-	515.32
	Proceeds from sale of property, plant and equipment	2.39	2.93
	Rent received on investment property	11.55	9.09
	Loan to Subsidiaries	(7,401.11)	(1,478.72)
	Purchase of property, plant and equipment	(1,257.69)	(1,087.30)
	Fixed deposits (placed)/ redeemed (net)	4.12	(4.79)
	Net cash used in investing activities	(8,370.68)	(1,923.38)
C	Cash flow from financing activities		
	Repayment of long term borrowings	(708.19)	(396.31)
	Proceeds from long term borrowings	4,026.17	1,859.50
	Proceeds/(repayment) in short term borrowings	2,799.54	(667.21)
	Payment of Lease Liability	(64.12)	(54.96)
	Interest paid	(277.94)	(239.32)
	Net cash flow generated from / (used in) financing activities	5,775.46	501.70
	Net (decrease)/Increase in cash and cash equivalents	(2,295.81)	(633.19)
	Opening cash and cash equivalents	2,466.29	1,256.58
	Closing cash and cash equivalents	170.48	623.39
	Cash and cash equivalents consists of		
	Cash in hand	0.02	0.19
	Current accounts / deposit with maturity of less than 3 months	170.46	623.47
	Bank overdraft	-	(0.27)
		170.48	623.39
Notes:			
1) The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows".			
2) Prior period comparatives have been reclassified to conform with current period , presentation, where applicable.			
3) Figures in brackets represent outflow of cash and cash equivalents.			



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

Particulars		Quarter Ended			Half Year Ended		Year Ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 30, 2021
Debt Equity ratio [refer note (i)]	(No of times)	0.58	0.34	0.50	0.58	0.50	0.26
Debt service coverage ratio [refer note (ii)]	(No of times)	1.79	1.34	2.73	1.59	2.06	2.22
Interest service coverage ratio [refer note (iii)]	(No of times)	5.86	4.68	6.09	5.37	4.86	6.20
Outstanding Redeemable Preference Shares (Qty / Value)		Not Applicable					
Capital Redemption Reserve		Not Applicable					
Debenture Redemption Reserve		Not Applicable					
Net Worth [refer note (iv)]	(Rs. In Millions)	19,468.98	19,220.94	11,610.85	19,468.98	11,610.85	19,169.62
Net profit after tax	(Rs. In Millions)	247.71	51.32	280.83	299.03	235.5	921.62
Earning per share (EPS)							
Basic EPS (Not Annualised)	(Rs)	1.62	0.34	2.08	1.96	1.75	6.82
Diluted EPS (Not Annualised)	(Rs)	1.62	0.34	2.08	1.96	1.75	6.82
Current Ratio [refer note (v)]	(No of times)	0.79	0.90	0.88	0.79	0.88	1.16
Long Term Debt To Working Capital [refer note (vi)] ^	(No of times)	-8.98	13.30	16.50	-8.98	16.50	1.83
Bad Debts To Account Receivable Ratio [refer note (vii)]	(No of times)	0.00	0.00	0.00	0.00	0.00	0.00
Current Liability Ratio [refer note (viii)]	(No of times)	0.61	0.67	0.67	0.61	0.67	0.65
Total Debts To Total Assets [refer note (ix)]	(No of times)	0.28	0.19	0.23	0.28	0.23	0.15
Debtors Turnover [refer note (x)]*	(No of times)	2.18	1.90	2.43	3.70	3.06	8.32
Inventory Turnover [refer note (xi)]*	(No of times)	1.58	1.24	1.63	2.98	2.20	5.79
Operating Margin [refer note (xii)]	(In %)	3.65%	1.47%	6.78%	2.71%	0.85%	3.19%
Net Profit Margin [refer note (xiii)]	(In %)	2.79%	0.77%	4.03%	1.92%	2.49%	3.60%

Formulae for calculation of ratios are as follows:

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

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

^ Ratio for September 30, 2021 is negative because net working capital is negative

**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 11, 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 with 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, the comparative periods viz. quarter and half year ended September 30, 2020 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 previous year and accordingly the other income for the previous six months period ended September 30, 2020 and year ended March 31, 2021 includes an amount of Rs. 364.72 million being the excess of claim amount over net book value of assets destroyed. Further, the Group sold plot of land belonging to the above said plant in the year ended March 31, 2021. Accordingly, other income for the year ended March 31, 2021 also includes amount of Rs. 241.87 million being profit on sale of such land.
- 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) During the quarter ended March 31, 2021, the Company had issued 17,974,870 equity shares of Re 1 each at an issue price of Rs 389 per equity share, aggregating to Rs 6,992.22 million (including securities premium of Rs 6,974.25 million). The issue was made through eligible Qualified Institutional Placement (QIP) in terms of chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, Section 42 and other relevant provisions of the Companies Act, 2013. The proceeds (net of issue expenses) have been utilised for repayment of borrowings of the Company (Rs.890 million) and investment in overseas subsidiary (Rs.4,726.70 million) and remaining amount is has been utilised by the Company for working capital requirements and capital expenditure.
- 6) Pursuant to the recent amendments made to Schedule III to the Companies Act, 2013 which are applicable to the Company for period beginning April 1, 2021, the Company has presented Current maturities of non-current borrowings under Current liabilities – Financial liabilities – Borrowings instead of Current liabilities – Financial liabilities – Other financial liabilities as at September 30, 2021. Further, Security deposits have been presented under Other financial assets instead of Loans. Accordingly, the corresponding figures as at March 31, 2021 have also been regrouped/reclassified as below:

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

- 7) 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, 2021. 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.
- 8) During the quarter ended September 30, 2021, the Company issued 3,750 Number of Debentures 8% Secured Listed Non-convertible Debentures of Rs. 1 million each aggregating to Rs.3,750 million on a private placement basis. The NCDs have bullet repayment on June 17, 2023 of Rs.1,250 million and on September 17, 2023 of Rs.2,500 million with coupon payments to be made on an annual basis. The proceeds from the issue have been utilised for investment in overseas subsidiary for loan repayments and for general corporate purposes.
- 9) Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year classification.

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

JAIN TARANG NARESH

**Tarang Jain
Chairman and Managing Director**

Place: Aurangabad
Date: November 11, 2021

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

**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, 2021 and year to date from April 01, 2021 to September 30, 2021 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 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
Digital signed by PAUL MICHAEL ALVARES
DN: cn=PAUL MICHAEL ALVARES,
c=IN, o=Personal,
email=paul.alvares@srb.in
Date: 2021.11.11 14:44:09 +05'30'

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 21105754AAAAIJ4215

Place: Pune

Date: November 11, 2021



Statement of unaudited consolidated financial results for the quarter and half year ended September 30, 2021

Sr. No.	Particulars	Quarter ended			Half year ended		(Rs. in Million)
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	Year ended March 31, 2021
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations	30,325.58	29,415.99	29,161.46	59,741.57	41,908.39	113,027.51
2	Other income	99.18	153.59	231.57	252.77	731.58	1,271.00
3	Total income (1+2)	30,424.76	29,569.58	29,393.03	59,994.34	42,639.97	114,298.51
4	Expenses						
	Cost of materials consumed	20,672.88	21,154.20	18,564.34	41,827.08	26,904.74	75,845.11
	Changes in inventories of work-in-progress and finished goods	90.97	(1,261.49)	206.37	(1,170.52)	489.64	(729.39)
	Employee benefits expense	4,562.25	4,762.67	3,874.90	9,324.92	7,352.45	16,295.75
	Finance costs	440.31	385.79	442.75	826.10	874.29	1,626.29
	Depreciation and amortisation expense	2,373.72	2,192.09	2,270.31	4,565.81	4,339.26	8,950.93
	Other expenses	5,146.64	4,730.30	4,083.03	9,876.94	6,633.06	17,648.13
	Total expenses	33,286.77	31,963.56	29,441.70	65,250.33	46,593.44	119,636.82
5	Profit/(loss) before share of profits of joint ventures, tax and exceptional items (3-4)	(2,862.01)	(2,393.98)	(48.67)	(5,255.99)	(3,953.47)	(5,338.31)
6	Share of Profits/(loss) of Joint Ventures	11.51	(25.51)	90.16	(14.00)	199.87	356.28
7	Profit/(loss) before exceptional items and tax (5+6)	(2,850.50)	(2,419.49)	41.49	(5,269.99)	(3,753.60)	(4,982.03)
8	Tax expense						
	Current tax	255.55	60.64	264.58	316.19	264.58	614.64
	Excess provision in respect of earlier year	(0.26)	(8.82)	-	(9.08)	-	(180.25)
	Deferred tax	(133.57)	(178.52)	164.61	(312.09)	(544.60)	(207.77)
	Total tax expense	121.72	(126.70)	429.19	(4.98)	(280.02)	226.62
9	Profit/(loss) for the period before exceptional items(7-8)	(2,972.22)	(2,292.79)	(387.70)	(5,265.01)	(3,473.58)	(5,208.65)
10	Exceptional item - Tax Expense (refer note 5)	-	-	-	-	-	1,077.76
11	Profit/(loss) for the period (9-10)	(2,972.22)	(2,292.79)	(387.70)	(5,265.01)	(3,473.58)	(6,286.41)
12	Other comprehensive income to be reclassified to profit or loss in subsequent periods						
	Deferred hedging gains on cash flow hedges (net of tax)	-	-	(20.09)	-	(12.95)	-
	Exchange differences in translating the financial statements of foreign operations	(61.33)	461.52	(381.69)	400.19	(274.56)	(355.68)
13	Other comprehensive income not to be reclassified to profit or loss in subsequent periods						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	51.90
14	Other comprehensive income/(loss), net of tax (12+13)	(61.33)	461.52	(401.78)	400.19	(287.51)	(303.78)
15	Total comprehensive income/(loss) for the period (11+14)	(3,033.55)	(1,831.27)	(789.48)	(4,864.82)	(3,761.09)	(6,590.19)
16	Profit/(Loss) for the period attributable to:						
	Shareholders of the Company	(2,982.79)	(2,302.85)	(400.63)	(5,285.64)	(3,477.81)	(6,319.07)
	Non-controlling interests	10.57	10.06	12.93	20.63	4.23	32.66
17	Other comprehensive income/(loss) attributable to:						
	Shareholders of the Company	(61.33)	461.52	(401.78)	400.19	(287.51)	(303.64)
	Non-controlling interests	-	-	-	-	-	(0.14)
18	Total comprehensive income/(loss) for the period attributable to:						
	Shareholders of the Company	(3,044.12)	(1,841.33)	(802.41)	(4,885.45)	(3,765.32)	(6,622.71)
	Non-controlling interests	10.57	10.06	12.93	20.63	4.23	32.52
19	Paid- up equity share capital (face value of Re.1)	152.79	152.79	134.81	152.79	134.81	152.79
20	Reserves excluding revaluation reserves as per balance sheet						30,126.34
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)	(19.52)	(15.07)	(2.97)	(34.59)	(25.80)	(46.75)



Statement of unaudited consolidated Assets and Liabilities as at September 30, 2021

Sr. No.	Particulars	(Rs. in Million)	
		As at September 30, 2021	As at March 31, 2021
		Unaudited	Audited
A.	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	39,544.43	37,530.29
	(b) Capital work-in-progress	4,175.81	4,936.78
	(c) Right-of-use assets	7,466.84	7,605.20
	(d) Goodwill	1,699.33	1,743.50
	(e) Other Intangible assets	5,853.13	5,426.86
	(f) Intangible assets under development	2,976.18	3,625.48
	(g) Investments accounted for using the equity method	3,722.86	3,762.25
	(h) Financial assets		
	(i) Investments	0.20	0.20
	(ii) Other financial assets	317.74	403.87
	(i) Income tax assets (net)	325.18	395.16
	(j) Deferred tax assets (net)	2,032.39	1,783.98
	(k) Other non-current assets	1,779.40	1,967.33
		69,893.49	69,180.90
II	Current assets		
	(a) Inventories	15,596.64	12,564.56
	(b) Financial assets		
	(i) Trade receivables	16,163.45	16,407.38
	(ii) Cash and cash equivalents	3,492.15	7,415.30
	(iii) Bank balances other than (iii) above	28.78	37.02
	(iv) Loans	9.79	8.73
	(v) Other financial assets	231.68	222.49
	(c) Other current assets	6,489.14	6,416.85
		42,011.63	43,072.33
	Total Assets (I+II)	111,905.12	112,253.23
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	25,240.89	30,126.34
	Equity attributable to owners	25,393.68	30,279.13
	Non-controlling interests	243.54	281.77
	Total equity	25,637.22	30,560.90
II	Liabilities		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	10,780.49	9,361.22
	(ia) Lease liabilities	6,034.63	6,192.10
	(ii) Trade payables	-	-
	(a) Total outstanding dues of micro enterprises and small enterprises	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	-	134.98
	(iii) Other financial liabilities	242.19	222.50
	(b) Provisions	1,295.74	1,257.10
	(c) Deferred tax liabilities (net)	1,232.65	1,334.47
	(d) Other non current liabilities	2,077.92	1,604.91
		21,663.62	20,107.28
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	22,807.88	20,618.25
	(ia) Lease Liabilities	846.00	774.49
	(ii) Trade payables	-	-
	(a) Total outstanding dues of micro enterprises and small enterprises	1,686.85	1,661.33
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	27,908.43	28,048.31
	(c) Acceptances	657.57	601.97
	(iii) Other financial liabilities	4,777.63	5,612.74
	(b) Provisions	694.96	694.53
	(c) Current tax liabilities (net)	97.39	118.29
	(d) Other current liabilities	5,127.57	3,455.14
		64,604.28	61,585.05
III	Total Equity and Liabilities (I+II)	111,905.12	112,253.23



Consolidated Statement of Cash Flows for the period ended September 30, 2021

(Rs. in Million)

Sr. No.	Particulars	For the period ended September 30, 2021		For the period ended September 30, 2020	
		(Unaudited)		(Unaudited)	
A	Cash flow from operating activities				
	Profit/(loss) before tax		(5,269.99)		(3,753.60)
	Adjustments for :				
	Depreciation and amortization expense	4,565.81		4,339.26	
	Net loss/(gain) on disposal of property, plant and equipment	0.68		0.41	
	Excess of insurance proceed over book value	-		(364.71)	
	Provision for doubtful debts and advances	89.99		99.72	
	Finance costs	826.10		874.29	
	Gain on sale of current investments	(1.19)		(0.32)	
	Share in (profit)/loss of Joint Venture accounted for using the equity method	14.00		(199.87)	
	Increase in surrender value of keyman insurance policy	(7.31)		(12.98)	
	Government grants	(143.10)		(106.97)	
	Interest income	(10.19)	5,334.79	(13.72)	4,615.11
	Operating profits before working capital changes		64.80		861.51
	Adjustments for changes in:				
	Inventories	(2,863.26)		468.12	
	Trade receivables	387.25		(2,832.83)	
	Other Assets	218.79		712.85	
	Trade payables	(659.33)		(1,770.34)	
	Other liabilities and provisions	1,188.02		2,019.80	
			(1,728.53)		(1,402.40)
	Cash used in operations		(1,663.73)		(540.89)
	Taxes paid (net of refund received)		(257.50)		(226.92)
	Net cash flow used in operating activities		(1,921.23)		(767.81)
B	Cash flow from investing activities				
	Dividend received	199.68		-	
	Interest received	11.28		14.65	
	Government grant received during the period	426.68		95.99	
	Rent received on investment properties	-		0.06	
	(Purchase)/proceeds from sale of current investments (net)	1.19		(12.07)	
	Purchase of property, plant and equipment	(3,755.63)		(2,963.80)	
	Costs incurred on intangible assets	(1,163.68)		(981.52)	
	Proceeds from insurance claim	-		515.32	
	Fixed deposits redeemed/(Purchased) (net)	69.78		(58.67)	
	Net cash used in investing activities		(4,210.70)		(3,390.04)
C	Cash flow from financing activities				
	Proceeds from long term borrowings	4,742.10		2,360.06	
	Repayment of long term borrowing	(3,341.78)		(622.14)	
	Repayment of lease liability	(331.42)		(270.57)	
	Repayment of interest on lease liability	(101.47)		(103.78)	
	Proceeds/(repayments) of short term borrowings (net)	1,931.77		(4,163.24)	
	Interest paid	(778.72)		(679.27)	
	Net cash flow from/(used in) financing activities		2,120.48		(3,478.94)
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)		(4,011.45)		(7,636.79)
	Opening cash and cash equivalents		7,414.35		10,330.97
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		89.24		165.73
	Total		7,503.59		10,496.70
	Closing cash and cash equivalents		3,492.14		2,859.91



Consolidated Statement of Cash Flows for the period ended September 30, 2021

(Rs. in Million)

Sr. No.	Particulars	Period ended September 30, 2021	Period ended September 30, 2020
		(Rs. in Million)	(Rs. in Million)
	Cash and cash equivalents consists of		
	Cash in hand	0.20	0.52
	Bank balances		
	Current accounts	3,488.94	2,863.37
	Deposits with maturity of less than three months	3.00	-
	Bank overdraft	-	(3.98)
		3,492.14	2,859.91

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 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, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1) Segment Revenue						
(i) Automotive	29,736.08	28,681.18	28,746.45	58,417.26	41,099.36	111,137.63
(ii) Others	589.50	734.81	415.01	1,324.31	809.03	1,889.88
	30,325.58	29,415.99	29,161.46	59,741.57	41,908.39	113,027.51
2) Segment Results						
(i) Automotive	(2,391.46)	(2,042.23)	453.62	(4,433.69)	(3,006.96)	(3,668.62)
(ii) Others	(97.09)	(53.20)	(133.74)	(150.29)	(192.92)	(373.42)
Total Segment Results	(2,488.55)	(2,095.43)	319.88	(4,583.98)	(3,199.88)	(4,042.04)
Add/ (Less):						
(a) Finance Cost	(440.31)	(385.79)	(442.75)	(826.10)	(874.29)	(1,626.29)
(b) Net unallocated (expenditure) / income	78.36	61.73	164.36	140.09	320.57	686.30
Profit/(loss) before tax	(2,850.50)	(2,419.49)	41.49	(5,269.99)	(3,753.60)	(4,982.03)
3) Segment Assets						
(i) Automotive	102,552.31	102,241.13	94,368.58	102,552.31	94,368.58	102,849.49
(ii) Others	2,427.85	2,551.65	2,059.21	2,427.85	2,059.21	2,546.73
Total segment assets	104,980.16	104,792.78	96,427.79	104,980.16	96,427.79	105,396.22
Add: Unallocated	6,924.96	7,242.14	7,689.74	6,924.96	7,689.74	6,857.01
Total assets	111,905.12	112,034.92	104,117.53	111,905.12	104,117.53	112,253.23
4) Segment Liabilities						
(i) Automotive	49,347.32	49,284.22	41,627.45	49,347.32	41,627.45	48,674.58
(ii) Others	918.70	987.54	561.97	918.70	561.97	650.21
Total segment liabilities	50,266.02	50,271.76	42,189.42	50,266.02	42,189.42	49,324.79
Add: Unallocated	36,001.88	33,033.53	35,378.26	36,001.88	35,378.26	32,367.54
Total liabilities	86,267.90	83,305.29	77,567.68	86,267.90	77,567.68	81,692.33

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 11, 2021 and were subjected to limited review by the Statutory Auditors.
- The Group had 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 in previous year. 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 six months period ended September 30, 2021. The auditors in their review report have drawn Emphasis of Matter in relation to this matter.
- The Group has incurred significant losses in the previous year due to impact of COVID 19 and in the current half year primarily due to the impact of semiconductor shortages which impacted and continues to impact the automotive sales volumes of its customers significantly. The reduction in sales volumes and losses have affected the working capital cycle and cash generation from operations of the Group. The Group had certain term loans from banks maturing in September 21 of Eur 26.1 mn (Rs 2,248 mn) in an overseas subsidiary out of which Eur 9.6 mn (Rs 827 mn) have been repaid to banks on maturity date and for the remaining Eur 16.5 mn (Rs 1,421 mn), the Group has availed extension till end of November 2021. Further, there are working capital facilities from these banks of Eur 46.5 mn (Rs 4,005 mn) which are also maturing by end of November 2021. The Group has applied for further extension till end of March 2022 and is in the process of refinancing the aforesaid term loans and working capital facilities and basis ongoing discussions with banks, the management does not foresee any risk of not getting an extension or of non-payment on due dates or replacement/renewal of working capital facilities. Further, the Group is also evaluating various alternatives to meet its fund requirements for operations and for repayment of debts falling due within the next 12 months and the management does not foresee any material challenge in raising these funds. Accordingly, the results as at and for the period ended September 30, 2021 are prepared based on going concern assumption being appropriate for the next 12 months.
- During the quarter ended March 31, 2021, the Company had issued 17,974,870 equity shares of Re. 1 each at an issue price of Rs. 389 per equity share, aggregating to Rs. 6,992.22 million (including securities premium of Rs. 6,974.25 million). The issue was made through eligible Qualified Institutional Placement (QIP) in terms of chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, Section 42 and other relevant provisions of the Companies Act, 2013. The proceeds (net of issue expenses) have been utilised for repayment of borrowings of the Group to the extent of Rs. 2,442 million and remaining amount of Rs. 4,409.92 million has been utilised by the Group for working capital requirements and capital expenditure.



- 5 The 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 reassessed the recoverability of these tax assets based on revised business plans, taking into account the impact of COVID-19 on the business volumes and profitability of the Czech subsidiary 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 expires by March 2024. Accordingly, the Group had written down these tax assets amounting to Rs. 1,077.76 million under the abovementioned scheme during the previous year ended March 31, 2021 and the same was 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.
- 6 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.
- 7 During the quarter ended September 30, 2021, subsidiary company in Czech Republic has received a government grant of Rs. Nil million (Quarter ended June 30, 2021: Rs 17.16 Million; Quarter ended September 30, 2020: Rs 56.59 Million ; year ended March 31, 2021: 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 September 30, 2021 includes a credit of Rs. Nil Million (Quarter ended June 30, 2021: Rs 79.95 Million; Quarter ended September 30, 2020: Rs Nil Million; Year ended March 31, 2021: credit of Rs. 134.15 million) recognized on tax incentive available on eligible investments by overseas subsidiaries.
- 9 The Group's automotive lighting plant at Pune, India was destroyed by fire on February 18, 2020. The insurance claim in this regard was settled in previous year and accordingly the other income for the previous six months period ended September 30, 2020 and year ended March 31, 2021 includes an amount of Rs. 364.71 million being the excess of claim amount over net book value of assets destroyed. Further, the Group sold plot of land belonging to the above said plant in the year ended March 31, 2021. Accordingly, other income for the year ended March 31, 2021 also includes amount of Rs. 241.87 million being profit on sale of such land.
- 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 and impact on liquidity position. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic and arriving at estimates, the Group, as at the date of approval of these financial results, has used internal and external sources of information. The Group has performed analysis on the assumptions used and based on current estimates, expects that the carrying amounts of the assets to be recoverable as at September 30, 2021. 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 As at September 30, 2021, the Group has not complied with some covenants under loan agreements. Accordingly non-current loans of Rs.4,030.40 million (March 31, 2021: Rs. 4,981.22 Million) have been reclassified as current. The management does not expect any material impact on the financial statements/cash flows due to the above.
- 13 Pursuant to the recent amendments made to Schedule III to the Companies Act, 2013 which are applicable to the Group for period beginning April 1, 2021, the Group has presented Current maturities of non-current borrowings under Current liabilities – Financial liabilities – Borrowings instead of Current liabilities – Financial liabilities – Other financial liabilities as at September 30, 2021. Further, Security deposits have been presented under Other financial assets instead of Loans. Accordingly, the corresponding figures as at March 31, 2021 have also been regrouped/reclassified as below:

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

- 14 Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year's classification.

Place : Aurangabad
Date : November 11, 2021

For and on behalf of Board of Directors
Varroc Engineering Limited
JAIN TARANG
NARESH
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 September 30, 2021 and year to date from April 01, 2021 to September 30, 2021 (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; CarlQ Technologies Private Limited; Varroc European Holding B.V.; VarrocCorp Holding B.V.; Varroc Japan Co. Ltd.; IMES, Italy; Varroc Lighting Systems Italy, S.p.A.; Varroc Lighting Systems Romania S.A.; Varroc Lighting Systems Vietnam Co. Ltd.; Varroc Lighting Systems SRO CZ; Varroc Lighting Systems, INC; Varroc Lighting Systems, GmbH; Varroc Lighting Systems, S.de.R.L.de.C.V.; Varroc Lighting Systems SA, Morocco; Varroc do Brasil Industria E Comercio LTDA; Varroc Lighting Systems, S.p.z.o.o.; Varroc Lighting Systems Endüstriyel Ürünler İmalat ve Ticaret Anonim Şirketi; Varroc Lighting Systems Bulgaria Eood, Varroc Lighting Systems Electronics Romania SRL.

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 2 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 determine 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:
- 6 subsidiaries, whose unaudited interim financial results/statements (without giving effect of elimination of intra-group transactions) include total assets of Rs. 22,620.09 million as at September 30, 2021, total revenues of Rs 6,008.42 million and Rs 12,216.86 million, total net loss after tax of Rs. 20.77 million and Rs. 159.69 million, total comprehensive loss of Rs. 20.77 million and Rs. 159.69 million for the quarter ended September 30, 2021 and the period from April 1, 2021 to September 30, 2021, respectively, and net cash outflows of Rs. 973.50 million for the period from April 1, 2021 to September 30, 2021, 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. 5.64 million and Rs. (32.00) million and Group's share of total comprehensive income/(loss) of Rs. 5.64 million and Rs. (32.00) million for the quarter ended September 30, 2021 and for the period from April 1, 2021 to September 30, 2021 respectively, as considered in the Statement whose interim financial results/financial statements, other financial information have been reviewed by their respective 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 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/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 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

S R B C & C O L L P

Chartered Accountants

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 (without giving effect of elimination of intra-group transactions) reflect total assets of Rs. 2,001.18 million as at September 30, 2021, and total revenues of Rs. 420.23 million and Rs. 892.82 million, total net loss after tax of Rs. 61.15 million and Rs. 78.99 million, total comprehensive loss of Rs. 61.15 million and Rs. 78.99 million, for the quarter ended September 30, 2021 and the period from April 01, 2021 to September 30, 2021 respectively and net cash inflows of Rs. 13.43 million for the period from April 01, 2021 to September 30, 2021.
- 2 joint ventures whose interim financial results/statements includes the Group's share of net profit of Rs. 5.87 million and Rs. 18.00 million and Group's share of total comprehensive income of Rs. 5.87 million and Rs. 18.00 million for the quarter ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021 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 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 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 & C O L L P

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

**PAUL MICHAEL
ALVARES**

Digitally signed by PAUL
MICHAEL ALVARES
DN: cn=PAUL MICHAEL
ALVARES, c=IN, o=Personal,
email=paul.alvares@srb.in
Date: 2021.11.11 14:44:47 +05'30'

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 21105754AAAAIK2509

Place: Pune

Date: November 11, 2021