

VARROC/SE/INT/2020-21/53

December 9, 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: Intimation regarding acquisition of stake in Romanian Joint Venture Company

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

Dear Sir/Madam,

With reference to the captioned subject, we would like to inform you that VarrocCorp Holding B.V., the Netherlands ("VCHBV"), wholly-owned subsidiary of the Company, has acquired balance 30% stake i.e. 60,000 equity shares of VARROC- ELBA ELECTRONICS S.R.L ("Varroc Elba") held by the other JV Partner, ELBA SA, Romania for an aggregate consideration of €1.05M (Euros One Million Fifty thousand only).

Pursuant to the aforesaid acquisition, Varroc Elba has become a 'wholly owned subsidiary' of VCHBV and in turn a 'step-down subsidiary' of the Company.

The details as required under Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in **Annexure A** to this letter.

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 KUMAR
SHARMA

Digitally signed by AJAY KIJMAR SHARMA
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8314b155f0508c5ed4b3ae, cn=AJAY KIJMAR SHARMA
Date: 2020.12.09 15:37:54 +05'30'

Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a

Varroc Engineering Ltd.

Regd. & Corp. Office

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

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CIN: L28920MH1988PLC047335



Annexure A:

Sl No.	Particulars	Details
a)	Name of the target entity	VARROC- ELBA ELECTRONICS S.R.L ("Varroc Elba") The issued and paid up share capital of Varroc Elba is Romanian leu ("LEI") 9,200,000 [Nine Million Two Hundred Thousand LEI Only] divided into 200,000 Equity Shares.
b)	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	Prior to the Acquisition, 140,000 Equity Shares of LEI 46 each, corresponding to 70% of the issued and paid-up share capital of Varroc Elba were held by VCHBV. The Acquisition does not fall within scope of related party transaction(s). Apart from the above, promoter/ promoter group/ group companies do not have any interest in the entity being acquired.
c)	Industry to which the entity being acquired belongs	Automotive Component Industry
d)	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	Acquisition of equity shares is part of ongoing group consolidation exercise. Before the stated acquisition VCHBV was holding 70% equity shares of Varroc Elba and post the acquisition of shares Varroc Elba has become the Wholly Owned Subsidiary of VCHBV.
e)	Brief details of any governmental or regulatory approvals required for the acquisition;	No governmental or regulatory approvals are required for this acquisition.
f)	Indicative time period for completion of the acquisition	December 8, 2020
g)	Nature of consideration - whether cash consideration or share swap and details of the same	Cash consideration
h)	Cost of acquisition or the price at which the shares are acquired	€1.05M (Euros One Million Fifty thousand only)
i)	Percentage of shareholding / control acquired and / or number of shares acquired	30% Equity stake i.e. 60,000 equity shares on fully diluted basis
j)	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity	Varroc Elba was incorporated on January 14, 2019 as per laws of Romania. It is engaged in the business of manufacturing and sale of electronic lighting solutions for automotive OEMs and Tier-1 suppliers.

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	has presence and any other significant information (in brief);	Turnover for last 3 years and any other significant information of the Varroc Elba (in brief) is as follows: Varroc Elba has commenced its operations in year 2019, on December 31, 2019, the Company recorded total losses amounting to LEI 1,534,381, having a net current debt of LEI 2,258,648.