

Varroc Engineering Limited

Regd. & Corp. Office

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

Tel +91 240 6653600
Fax +91 240 2564540

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



VARROC/SE/INT/2020-21/13

June 25, 2020

To,

(1) The Manager – Listing

The Listing Department,

National Stock Exchange of India Limited BSE Limited

Exchange Plaza, Plot No. C/1, G Block,

Bandra-Kurla Complex,

Bandra (East), Mumbai-400051

(2) The Manager - Listing

The Corporate Relation Department,

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai-400001

NSE Symbol: VARROC

BSE Security Code: 541578

Security ID: VARROC

Dear Sir/Madam,

Sub: Outcome of Board Meeting

Ref: Regulation 30 (read with Part A of Schedule III) and Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

This is to inform you that the Board of Directors of the Company, at its meeting held today i.e. on Thursday, June 25, 2020, which commenced at 3:00 p.m. and concluded at 4:55 p.m. has considered and approved the following items.

1. Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended on March 31, 2020

The Audited (Standalone and Consolidated) Financial Results of the Company for the quarter and financial year ended on March 31, 2020 were approved.

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

- i. Statements showing the Audited Financial results (Standalone and Consolidated) of the Company for the quarter and year ended on March 31, 2020;
- ii. The Reports of the Statutory Auditors of the Company on the Audited Financial Results (Standalone and Consolidated); and
- iii. Statement of Impact of Audit Qualification (Qualified opinion) on Audited Consolidated Financial Results.

Further, it is hereby declared that Statutory Auditors have issued the Audit Report on Audited Standalone Financial Results for FY 2019-20 with an unmodified opinion.

Please note in accordance with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, inter alia, granting relaxation from the provisions of Regulation 47 of the Listing Regulations, the Audited Financial Results are not being published in the newspapers.



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2. Annual General Meeting related matters:

[i] Date of Annual General Meeting:

The 32nd Annual General Meeting ("AGM") of the Company will be held on Friday, August 14, 2020 at 11.00 a.m. IST through Video Conferencing / Other Audio-Visual means in accordance with the relevant circulars issued by Ministry of Corporate Affairs and Securities and Exchange Board of India. Further details of the AGM will be provided in the notice of the AGM which will be issued in due course.

[ii] Cut-off date

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, as amended, the Company has fixed Friday, August 07, 2020 as the Cut-off date for the purpose of reckoning Voting Rights of the members who are eligible to cast their vote for the business to be transacted at the ensuing 32nd AGM of the Company.

[iii] Dividend

The Board with a view to conserve cash for continuing its business operations smoothly, as far as may be, given the uncertainties associated with the nature of COVID-19 pandemic and its duration, has not recommended any Final Dividend for the FY 2019-20 and has recommended Interim Dividend of Rs.3/- per share paid during the FY 2019-20 be considered as the Final Dividend for the financial year ended March 31, 2020.

[iv] Appointment/reappointment of Directors

- (a) Recommended the re-appointment of Mr. Tarang Jain (DIN 00027505), as Director who retires by rotation and being eligible, offers himself for re-appointment.
- (b) Recommended the appointment of Mr. Rohit Prakash (DIN 02425849), as a Director of the Company, liable to retire by rotation and his appointment as a Whole Time Director for a period of 5 years with effect from April 29, 2020 to April 28, 2025, and the remuneration payable to him for the aforesaid term, subject to the approval of the members in the ensuing AGM. The Board at its Meeting held on April 29, 2020 had approved the appointment of Mr. Rohit Prakash and the same was intimated to the Stock Exchanges on April 29, 2020.
- (c) Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors have approved the re-appointment of Mrs. Vijaya Sampath (DIN 00641110), Mr. Marc Szulewicz (DIN 01911768) and Mr. Gautam Khandelwal (DIN 00270717) as Independent Director(s), not liable to retire by rotation, for a second term of 5 years w.e.f. July 20, 2020 up to July 19, 2025, subject to the approval of the members in the ensuing AGM. Mr. Marc Szulewicz will complete 75 years of age during the course of his second term of appointment as Independent Director. Further, none of the aforesaid Director is related to any of the Director's/KMP's of the Company.



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Brief Profile of the Independent Directors, as required in terms of Regulation 30 (read with Part A of Schedule III) of the Listing Regulations is as follows:

Mr. Gautam Khandelwal

Mr. Gautam Khandelwal, holds a bachelor's degree in Economics from the University of Mumbai. He is having vast business experience across various industries. He had served as a Director of Punjab National Bank (Second largest Nationalized Bank in India) appointed by the Government of India as a Nominee Director. He has been associated with Nagpur Power and Industries Limited since 1996. He is currently the Executive Chairman of Nagpur Power & Industries Limited and the Non-executive Chairman of Informed Technologies India Limited, BSE listed companies, Chairman of the Motwane Manufacturing Company Private Limited, a R&D Company. He has been on Varroc Board since 2011.

Mr. Marc Szulewicz:

Mr. Marc Szulewicz holds an engineering degree from the Ecole Nationale Supérieure des Arts et Métiers, Paris. He has previously worked at Valeo as general manager in charge of Climate Control and served as executive vice president in-charge of plastic activities at Crown Cork & Seal Europe. Later, he was also the CEO of the Auto Exterior division at Plastic Omnium. He has been on Varroc Board since July 2017.

Mrs. Vijaya Sampath

Mrs. Vijaya Sampath holds a bachelor's degree in English Literature from Madras University and in law from Mysore University. She is registered as an advocate with the Bar Council of Delhi. She is also a fellow member of the Institute of Company Secretaries of India. She attended the Advanced Management program at Harvard Business School, USA and a program on Managing Strategic Alliances conducted by Wharton School, University of Pennsylvania, USA. Previously, she has been associated with Lakshmikumaran & Sridharan Attorneys as a senior partner, with J Sagar Associates as a corporate partner and with the Bharti Airtel Limited as group general counsel and company secretary. She is an independent director on the Boards of listed and unlisted public companies. She joined the Varroc Board in July 2017.

In compliance with SEBI Order dated June 14, 2018 to the Stock Exchanges and further SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, we confirm that none of the Director(s) viz. Mr. Tarang Jain, Mr. Gautam Khandelwal, Mr. Marc Szulewicz, Mrs. Vijaya Sampath and Mr. Rohit Prakash have been debarred from holding the office of Director by virtue of any SEBI order or any other such authority and therefore, are not disqualified to be appointed as Director.



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[v] Fund Raising by way of issuance of Non-convertible Debentures

The Board has resolved to seek enabling approval from the shareholders by way of Special Resolution at the ensuing AGM for issuing Secured/Unsecured Redeemable Non-convertible Debentures for an amount not exceeding Rs.500 crores (Rupees Five Hundred Crores Only) in the financial year, in one or more series/ tranches, denominated in Indian Rupees or in any foreign currency on a private placement basis.

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

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

Thanking you,

Yours faithfully,
For Varroc Engineering Limited



Ajay Sharma
Group General Counsel and Company Secretary

Encl: a/a



Statement of standalone audited financial result for the quarter and year ended March 31, 2020

(Rs. in million)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited (refer note 4)	Unaudited	Audited (refer note 4)	Audited	Audited
I	Revenue from operations	5,200.47	5,706.22	6,137.46	23,039.47	25,731.53
II	Other income	403.49	82.28	94.90	682.77	514.84
III	Total Income (I + II)	5,603.96	5,788.50	6,232.36	23,722.24	26,246.37
IV	Expenses					
	(a) Cost of materials consumed	3,401.69	3,694.98	4,096.60	14,600.24	16,993.69
	(b) Changes in stock of finished goods, and work-in-progress	(84.57)	(84.08)	(22.27)	166.86	(244.52)
	(c) Employee benefits expense	541.08	508.93	570.77	2,181.80	2,196.13
	(d) Finance costs	113.14	96.79	94.47	423.76	392.01
	(e) Depreciation and amortisation expense	349.05	333.73	286.46	1,316.90	1,075.19
	(f) Other expenses	958.22	905.31	1,054.53	3,822.15	4,095.13
	Total expenses (IV)	5,278.61	5,455.66	6,080.56	22,511.71	24,507.63
V	Profit before tax (III- IV)	325.35	332.84	151.80	1,210.53	1,738.74
VI	Tax expense					
	Current tax	(14.94)	68.59	46.01	149.16	387.60
	Short/(excess) provision for tax relating to prior periods	-	(9.00)	-	(24.22)	(5.68)
	Deferred tax	16.62	38.25	22.89	95.32	161.42
	Total tax expense	1.68	97.84	68.90	220.26	543.34
VII	Profit for the period (V-VI)	323.67	235.00	82.90	990.27	1,195.40
VIII	Other comprehensive income					
	Items that will be reclassified to profit or loss in subsequent periods (net of tax)					
	Deferred hedging gains/(losses) on cash flow hedges (net of tax)	14.27	0.82	(3.74)	21.72	29.81
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)					
	Remeasurement of defined benefit obligation (net of tax)	(18.43)	-	(1.00)	(18.43)	(11.81)
	Other comprehensive income	(4.16)	0.82	(4.74)	3.29	18.00
IX	Total comprehensive income for the period (VII+VIII)	319.51	235.82	78.16	993.56	1,213.40
X	Paid-up equity share capital	134.81	134.81	134.81	134.81	134.81
	Face value of the share in Rs.1/- each					
XI	Reserves excluding revaluation reserves as per balance sheet				11,048.04	11,152.84
XII	Earnings per share (of Rs 1/- each) (not annualised):					
	Basic & diluted	2.40	1.74	0.61	7.35	8.87

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
		Audited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	8,926.28	8,451.40
	(b) Capital work-in-progress	635.23	506.15
	(c) Investment properties	135.16	275.05
	(d) Intangible assets	464.21	91.34
	(e) Intangible assets under development	0.05	30.01
	(f) Right to use asset	572.81	-
	(g) Investments in subsidiaries and joint venture	4,854.73	4,647.34
	(h) Financial assets		
	(i) Investments	0.12	0.12
	(ii) Loans	28.15	23.35
	(iii) Other financial assets	130.86	125.32
	(i) Income tax assets (net)	49.80	20.52
	(j) Other non-current assets	259.43	420.06
		16,056.83	14,590.66
2	Current assets		
	(a) Inventories	2,327.19	2,257.72
	(b) Financial assets		
	(i) Trade receivables	2,157.53	3,060.46
	(ii) Cash and cash equivalents	1,056.57	65.40
	(iii) Bank balances other than (ii) above	1.98	1.95
	(iv) Loans	55.42	60.39
	(v) Other financial assets	20.25	17.72
	(c) Other current assets	514.56	330.11
		6,133.50	5,793.75
	Total Assets (1+2)	22,190.33	20,384.41
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	134.81	134.81
	(b) Other equity	11,048.04	11,152.84
		11,182.85	11,287.65
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,779.49	1,560.00
	(ii) Lease liabilities	135.49	-
	(iii) Other financial liabilities	0.18	-
	(b) Provisions	111.92	54.72
	(c) Deferred tax liabilities (net)	351.73	306.31
	(d) Other non-current liabilities	156.47	159.82
		3,535.28	2,080.85
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	1,420.83	821.96
	(ii) Current maturity of lease liabilities	72.51	-
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	671.98	504.25
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,135.79	3,000.40
	(c) Acceptances	144.24	212.10
	(iv) Other financial liabilities	1,453.25	2,024.50
	(b) Provisions	265.28	200.51
	(c) Other current liabilities	308.32	252.19
		7,472.20	7,015.91
	Total Equity and Liabilities (1+2+3)	22,190.33	20,384.41



Statement of audited standalone cash flow as at March 31, 2020

(Rs. in Million)

Sr.No	Particulars	Year ended March 31, 2020 Audited	Year ended March 31, 2019 Audited
A	Cash flow from operating activities		
	Profit before tax	1,210.53	1,738.74
	Adjustments for:		
	Depreciation and amortization expense	1,316.90	1,075.19
	Loss on sale of property, plant and equipment / intangible assets	17.17	56.26
	Provision for doubtful debts / advances	(0.30)	0.45
	Finance cost	423.76	403.49
	Rent income from investment property	(33.64)	(50.42)
	Provision for guarantees for loan taken by subsidiary	11.51	(5.89)
	Provisions/liabilities no longer required written back	(0.75)	(19.89)
	Increase in surrender value of key man insurance	(9.00)	(98.23)
	Dividend income	(348.91)	(6.62)
	Interest income	(11.38)	(7.16)
	Government grant	(140.98)	(180.16)
	Operating profits before working capital changes	2,434.91	2,905.76
	Adjustments for changes in working capital (increase)/decrease		
	Trade receivables	903.11	830.42
	Trade payables	236.01	309.24
	Inventories	(69.47)	(310.82)
	Other financial assets	21.16	83.38
	Other current and non current asset	(158.83)	(71.09)
	Provision	82.13	(4.16)
	Other financial liabilities	74.53	46.11
	Other current and non current liabilities	35.61	5.78
	Cash generated from operations	3,559.16	3,794.62
	Income tax paid	(190.50)	(376.74)
	Net cash flow generated from operating activities	3,368.66	3,417.88
B	Cash flow from investing activities		
	Dividend received	348.91	6.62
	Interest received	11.35	7.10
	Government grant received	100.21	94.67
	(Purchase of)/ proceeds from sale of current investments (net)	-	0.10
	Proceeds from sale of property, plant and equipment	13.71	14.68
	Rent received on investment property	33.64	50.42
	Purchase of property, plant and equipment	(2,226.92)	(2,341.58)
	Fixed deposits (placed)/ redeemed (net)	(0.03)	(0.12)
	Payment for non current investments	(207.39)	(0.25)
	Net cash used in investing activities	(1,926.52)	(2,168.36)
C	Cash flow from financing activities		
	Repayment of long term borrowings	(557.42)	(966.34)
	Proceeds from long term borrowings	1,050.00	1,000.00
	Payment of lease liability	(65.65)	-
	Proceeds/(repayment) in short term borrowings	629.21	(880.89)
	Dividend paid on equity shares and preference shares (including dividend distribution tax thereon)	(1,065.95)	(7.03)
	Interest paid	(410.82)	(392.42)
	Net cash flow generated from financing activities	(420.63)	(1,246.68)
	Increase in cash and cash equivalents	1,021.51	2.84
	Opening cash and cash equivalents	34.23	31.39
	Closing cash and cash equivalents	1,055.74	34.23
	Cash and cash equivalents consists of		
	Cash in hand	0.52	0.75
	Current accounts / deposit with maturity of less than 3 months	1,056.05	64.65
	Bank overdraft	(0.83)	(31.17)
		1,055.74	34.23

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 outflow of cash and cash equivalents.



Notes

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 25, 2020 and were subjected to audit by the Statutory Auditors.
- 2) Effective April 1, 2019, the Company has adopted Ind AS 116 - "Leases" using the modified retrospective method without adjusting the comparatives and the cumulative impact has been adjusted to retained earning on the date of initial application i.e. April 1, 2019. Had the Company continued to apply the previous accounting standard on leases, the depreciation and finance costs would have been lower by Rs. 55.83 million and Rs. 15.35 million respectively, the other expenses would have been higher by Rs. 65.08 million and the profit before tax would have been higher by Rs. 6.10 million for the year ended March 31, 2020.
- 3) 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 subject to requisite approvals. Accordingly, the Company has filed application for scheme of merger of VLSIPL with the Company with National Company Law Tribunal ('NCLT') with proposed appointed date of April 01, 2020.
- 4) The figures for the last quarter are the derived figures between audited figures in respect of full financial year upto March 31, 2020 and the unaudited published year-to-date figures upto December 31, 2019, being the date of the third quarter of the financial year which were subjected to limited review. Further, the figures for the quarter ended March 31, 2019 are the derived figures between the audited figures in respect of the full financial year ended March 31, 2019 and the audited figures for the nine months ended December 31, 2018.
- 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 March 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

For and on behalf of Board of Directors
Varroc Engineering Limited

TARANG JAIN
Tarang Jain
Managing Director

Digitally signed by TARANG JAIN
DN: cn=TARANG JAIN, o=Varroc Engineering Limited,
c=India, email=tarang.jain@varroc.com, serial=123456789,
reason=I have approved this document, date=2020.06.25 10:21:12 +05'30'

Place: Aurangabad
Date: June 25, 2020



Statement of audited consolidated financial results for the quarter and year ended March 31, 2020

(Rs. In million)

Particulars	Quarter ended			Year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited (refer note 2)	Unaudited (restated) (refer note 6)	Audited (restated) (refer note 2 and 4)	Audited	Audited (restated) (refer note 4)
Revenue from operations	27,447.46	28,038.12	31,534.00	111,218.68	120,364.65
Other income	487.35	95.90	285.91	988.86	907.88
Total income	27,934.81	28,134.02	31,819.91	112,207.54	121,272.53
Expenses					
Cost of materials consumed	18,961.96	17,432.98	20,181.80	70,193.63	76,023.42
Changes in inventories of work-in-progress and finished goods	(333.87)	(160.82)	313.56	(332.12)	(264.05)
Employee benefits expense	4,055.35	3,977.57	4,028.20	15,929.19	15,014.93
Finance costs	361.88	365.97	258.56	1,391.67	968.45
Depreciation and amortisation expense	2,066.07	1,940.25	1,529.68	7,318.64	5,656.42
Other expenses	4,085.13	4,172.76	4,380.58	17,220.02	19,002.70
Total expenses	29,196.52	27,728.71	30,692.38	111,721.03	116,401.87
Profit/(loss) before share of profits of joint ventures and tax	(1,261.71)	405.31	1,127.53	486.51	4,870.66
Share of profits/(Loss) of Joint Ventures	(105.45)	81.05	50.78	(91.65)	314.54
Profit/(loss) before tax	(1,367.16)	486.36	1,178.31	394.86	5,185.20
Tax expense					
Current tax	(313.29)	237.57	431.56	344.26	1,444.66
Deferred tax	317.15	(44.47)	(542.58)	25.54	(546.24)
Total tax expense	3.86	193.10	(111.02)	369.80	898.42
Profit/(loss) for the period	(1,371.02)	293.26	1,289.33	25.06	4,286.78
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Deferred hedging gains/(losses) on cash flow hedges (net of tax)	14.27	0.82	(3.74)	21.72	29.81
Exchange differences in translating the financial statements of foreign operations	513.96	150.80	(470.65)	786.92	(1,041.46)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Remeasurement of defined benefit obligation (net of tax)	(207.15)	-	(13.63)	(207.15)	(47.61)
Other comprehensive income/(loss), net of tax	321.08	151.62	(488.02)	601.49	(1,059.26)
Total comprehensive income/(loss) for the period	(1,049.94)	444.88	801.31	626.55	3,227.52
Profit/(Loss) for the period attributable to:					
Shareholders of the Company	(1,375.44)	287.07	1,283.26	1.91	4,252.19
Non-controlling interests	4.42	6.19	6.07	23.15	34.59
Other comprehensive income/(loss) attributable to:					
Shareholders of the Company	322.31	151.62	(487.45)	602.72	(1,058.49)
Non-controlling interests	(1.23)	-	(0.57)	(1.23)	(0.77)
Total comprehensive income/(loss) for the period attributable to:					
Shareholders of the Company	(1,053.13)	438.69	795.81	604.63	3,193.70
Non-controlling interests	3.19	6.19	5.50	21.92	33.82
Paid- up equity share capital(face value of Rs 1)	134.81	134.81	134.81	134.81	134.81
Reserves excluding revaluation reserves as per balance sheet				29,910.45	30,529.42
Earnings per equity share attributable to Owners [Nominal value per share: Re. 1 (Previous year : Re. 1)](not annualised)					
Basic and diluted (in Rupees)	(10.20)	2.13	9.52	0.01	31.54

Sr. No.	Particulars	As at March 31, 2020	As at March 31, 2019
		Audited	Audited (restated) (refer note 4)
1	ASSETS		
	Non-current assets		
	(a) Property, plant and equipment	36,697.16	29,137.15
	(b) Capital work-in-progress	3,975.92	6,662.80
	(c) Investment properties	-	134.40
	(d) Goodwill	2,008.98	1,992.53
	(e) Other Intangible assets	5,840.75	4,334.14
	(f) Intangible assets under development	3,925.40	3,331.90
	(g) Right of use of asset	8,282.42	-
	(h) Investments accounted for using the equity method	3,262.14	3,433.86
	(i) Financial assets		
	(i) Investments	0.20	0.20
	(ii) Loans	160.89	127.88
	(iii) Other financial assets	231.93	374.90
	(j) Income tax assets (net)	672.12	152.03
	(k) Deferred tax assets (net)	2,180.76	1,843.64
	(l) Other non-current assets	1,373.42	2,422.09
		68,612.09	53,947.52
	2 Current assets		
	(a) Inventories	10,758.16	8,903.83
	(b) Financial assets		
	(i) Investments	40.23	186.41
	(ii) Trade receivables	10,893.33	13,495.13
	(iii) Cash and cash equivalents	10,659.74	1,608.42
	(iv) Bank balances other than (iii) above	27.93	25.86
	(v) Loans	121.62	179.48
	(vi) Other financial assets	21.16	18.72
	(c) Other current assets	8,888.47	8,958.20
		41,410.64	33,376.05
	Total Assets (1+2)	110,022.73	87,323.57
1	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	134.81	134.81
	(b) Other equity	29,910.45	30,529.42
	Equity attributable to owners	30,045.26	30,664.23
	Non-controlling interests	249.24	241.31
	Total equity	30,294.50	30,905.54
2	Liabilities		
	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	9,002.04	4,571.96
	(ii) Lease liabilities	6,522.15	-
	(iii) Other financial liabilities	232.59	127.17
	(b) Provisions	1,181.65	978.19
	(c) Deferred tax liabilities (net)	985.83	913.31
	(d) Other non current liabilities	1,831.75	2,117.94
		19,756.01	8,708.57
	3 Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	17,004.44	12,014.65
	(ii) Lease liabilities	603.97	-
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	866.28	658.70
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	22,780.07	19,663.32
	(c) Acceptances	157.47	240.37
	(iv) Other financial liabilities	13,598.80	11,418.94
	(b) Provisions	575.12	382.02
	(c) Current tax liabilities (net)	111.81	279.90
	(d) Other current liabilities	4,274.26	3,051.56
		59,972.22	47,709.46
	Total Equity and Liabilities (1+2+3)	110,022.73	87,323.57



Statement of Audited Consolidated Cash Flows for the year ended March 31, 2020

Sr. No.	Particulars	(Rs. In million)	
		For the year ended March 31, 2020	For the year ended March 31, 2019
		Audited	Audited (restated) (refer note 4)
A	Cash flow from operating activities		
	Profit before tax	394.86	5,185.20
	Adjustments for:		
	Depreciation and amortization expense	7,318.64	5,656.42
	Loss/(Profit) on sale of Property, plant and equipment/Intangible assets	210.44	(40.91)
	Provision for doubtful debts and advances	174.93	41.18
	Finance costs	1,391.67	968.45
	Gain on sale of current investments	(11.37)	(6.91)
	Share in (profit)/ loss of Joint Venture accounted for using the Equity Method	91.65	(314.54)
	Liabilities no longer required written back	(20.68)	(124.54)
	Other non cash income	(27.65)	(157.44)
	Government grants	(227.52)	(271.65)
	Interest income	(21.89)	(12.98)
	Operating profits before working capital changes	8,878.22	5,737.08
	Adjustments for changes in:		
	Inventories	(1,695.05)	(228.32)
	Trade receivables	2,969.57	615.85
	Other Assets	2,470.99	(5,111.65)
	Trade payables	2,345.40	1,005.53
	Other liabilities and Provisions	55.35	(1,187.66)
	Cash generated from operations	6,146.26	(4,906.27)
	Taxes paid	15,419.34	6,016.01
		(1,282.46)	(1,276.52)
	Net cash flow from operating activities	14,136.88	4,739.49
B	Cash flow from investing activities		
	Dividend received	265.61	404.93
	Interest received	21.80	12.98
	Government grant received during the year	384.01	154.27
	Rent received on investment properties	17.61	47.40
	(Purchase)/proceeds from sale of current investments (net)	157.55	(149.18)
	Acquisition of minority stake	(25.51)	(165.00)
	Acquisition of business	(188.55)	(3,469.29)
	Investment in Joint venture	(99.67)	-
	Proceeds from sale of Property, plant and equipment	(3.96)	168.51
	Purchase of Property, plant and equipment	(9,773.93)	(11,091.56)
	Costs incurred on intangible assets	(4,093.42)	(3,322.37)
	Advance received against Insurance Claim	500.00	-
	Fixed deposits redeemed/(Purchase) (net)	156.38	(162.75)
	Net cash used in investing activities	(12,682.08)	(17,572.06)
C	Cash flow from financing activities		
	Proceeds from long term borrowings	7,280.38	5,758.32
	Repayment of long term borrowing	(1,243.39)	(2,189.45)
	Payments towards lease liability	(794.23)	-
	Proceeds/(repayments) of short term borrowings (net)	4,445.00	8,681.79
	Dividend on equity shares including tax thereon	(1,151.34)	(8.39)
	Interest paid	(1,205.20)	(952.83)
	Net cash flow from financing activities	7,331.23	11,289.45
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)	8,786.03	(1,543.13)
	Opening cash and cash equivalents	1,455.28	3,117.05
	Effect of exchange difference on translation of foreign currency cash and cash equivalents	89.67	(118.65)
	Total	1,544.95	2,998.40
	Closing cash and cash equivalents	10,330.98	1,455.28
	Cash and cash equivalents consists of		
	Cash in hand	1.13	2.26
	Bank balances		
	Current accounts and deposits with maturity of less than three months	10,658.61	1,606.16
	Bank overdraft	(328.76)	(153.13)
		10,330.98	1,455.28

Notes:

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 : on "Statement of Cash Flows".
- Figures in brackets represent out flow of Cash and cash equivalents.



Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. In million)

Particulars	Quarter ended			For the year ended	
	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
	Audited (refer note 2)	Unaudited (restated) (refer note 6)	Audited (restated) (refer note 2 and 4)	Audited	Audited (restated) (refer note 4)
1) Segment Revenue					
(i) Automotive	26,979.40	27,431.90	30,740.76	108,967.10	117,318.26
(ii) Others	468.06	606.22	793.24	2,251.58	3,050.69
	27,447.46	28,038.12	31,534.00	111,218.68	120,368.95
Less: Inter segment revenue	-	-	-	-	4.30
	27,447.46	28,038.12	31,534.00	111,218.68	120,364.65
2) Segment Results					
(i) Automotive	(932.54)	737.72	1,321.11	1,724.16	5,405.85
(ii) Others	(42.93)	0.03	17.28	(95.76)	148.63
Total Segment Results	(975.47)	737.75	1,338.39	1,628.40	5,554.48
Add/ (Less):					
(a) Finance Cost	(361.88)	(365.97)	(258.56)	(1,391.67)	(968.45)
(b) Net unallocated (expenditure) / income	(29.81)	114.58	98.48	158.13	599.17
Profit/(Loss) before tax	(1,367.16)	486.36	1,178.31	394.86	5,185.20
Segment Assets					
(i) Automotive	100,808.11	87,990.95	78,346.96	100,808.11	78,346.96
(ii) Others	2,113.75	2,248.83	2,402.58	2,113.75	2,402.58
Total segment assets	102,921.86	90,239.78	80,749.54	102,921.86	80,749.54
Add: Unallocated	7,100.87	6,972.96	6,574.03	7,100.87	6,574.03
Total assets	110,022.73	97,212.74	87,323.57	110,022.73	87,323.57
Segment Liabilities					
(i) Automotive	41,935.98	35,695.78	29,608.00	41,935.98	29,608.00
(ii) Others	551.15	740.63	839.35	551.15	839.35
Total segment liabilities	42,487.13	36,436.41	30,447.35	42,487.13	30,447.35
Add: Unallocated	37,241.10	28,718.60	25,970.68	37,241.10	25,970.68
Total liabilities	79,728.23	65,155.01	56,418.03	79,728.23	56,418.03

Notes :

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on June 25, 2020 and were subjected to audit by the Statutory Auditors.
- The figures for the last quarter are the derived figures between audited figures in respect of full financial year upto March 31, 2020 and the unaudited published year to-date figures upto December 31, 2019, being the date of third quarter of the financial year which were subjected to limited review. Further, the figures for the quarter ended March 31, 2019 are the derived figures between the audited figures in respect of the full financial year ended March 31, 2019 and the unaudited figures published figures up to December 31, 2018.
- The Group has received a warranty claim of approx. Rs. 944 million from one of its overseas customers. The Group has disputed the claim as it believes that the claim is without any substance and any final settlement will not have any material impact on the financial statements. Accordingly, no provision in respect of the above claim has been recorded as at March 31, 2020. The Group provides for warranty claims as percentage of revenues based on past trends/experience and believes that the provision for warranty as at March 31, 2020 is adequate. The auditors in their audit report have included modified opinion in relation to this matter.



- 4) The Group while preparing current year financials identified an inadvertent error in inventory valuation in an overseas subsidiary which resulted in an overstatement of inventory by approx. Rs. 295.41 million and Retained earnings as at March 31, 2019 and Profit after tax for the quarter and year ended March 31, 2019 by approx. Rs. 211.01 million. In accordance with Ind AS 8 - Accounting Policies, Changes in Accounting, Estimates and Errors, the Group has corrected the above by restating the comparative financial information for the quarter and year ended March 31, 2019. The auditors in their audit report have drawn Emphasis of Matter in relation to this matter.
- 5) The deferred tax in "Tax expense" for the year ended March 31, 2020 includes a credit of Rs. 387.19 million (Year ended March 31, 2019: Rs. 531.06 million) and for the quarter ended March 31, 2020 a credit of Nil (Qtr ended December 31, 2019: Rs. 73.40 million; Qtr ended March 31, 2019: Rs. 300.25 million) recognized on tax incentive on eligible investments by the subsidiary in Czech Republic which can be utilized against future taxable income over 10 years from date of investment.
- 6) On August 30, 2019, the Group acquired "CarIQ Technologies Private Limited ", engaged in supply of connected car platforms. During quarter ended March 31, 2020, the Group has 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 has been allocated to Goodwill. Since the Group has finalized purchase price allocation in the quarter ended March 31, 2020, the comparative information for the quarter ended December 31, 2019 has been restated after giving effect of such allocation.
- 7) The Group 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, 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 March 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.
- 8) The "Automotive" segment consists of the business of automobile products consisting of auto parts for two-wheelers, three-wheelers and four-wheelers and related design, development and engineering activities and other services. "Others" comprise of forging components for off road vehicles and components for mining and oil drilling industry which is below the thresholds for reporting as separate operating segment. Investment in Joint Venture and corresponding share of profit from joint venture is considered under unallocated assets and profit respectively.
- 9) Effective April 1, 2019, the Group has adopted Ind AS 116 - "Leases" using the modified retrospective method without adjusting the comparatives and the cumulative impact has been adjusted to retained earning on the date of initial application i.e. April 1, 2019. Had the Group continued to apply the previous accounting standard on leases, the depreciation and finance costs would have been lower by Rs.566.48 million and Rs.162.82 million respectively, the other expenses would have been higher by Rs. 701.83 million and the profit before tax would have been higher by Rs.27.47 million for the year ended March 31, 2020.
- 10) As at March 31, 2020, the Group has not complied with some covenants under loan agreements. Accordingly non-current loans of Rs.5,329.50 million have been reclassified as current. The management does not expect any material impact on the financial statements/cash flows due to the above.
- 11) During the year, the functional currencies for the subsidiaries in Czech Republic and Morocco were changed from their respective local currencies to Euros based on management assessment prospectively from July 1, 2019 and January 1, 2020 respectively in line with the provisions of para 12 and para 35 of Ind AS 21- The Effects of Changes in Foreign Exchange Rates.
- 12) Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary.

Date: June 25, 2020
Place: Aurangabad

For and on behalf of Board of Directors
Varroc Engineering Limited

TARANG JAIN
Digitally signed by TARANG JAIN
DN: cn=TARANG JAIN, o=Varroc Engineering Limited, email=tarang.jain@varroc.com, c=IN
serial=1000000000, version=3, date=2020.06.25 16:21:10 +05'30'

Tarang Jain
Managing Director

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

To
The Board of Directors of
Varroc Engineering Limited

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of Varroc Engineering Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit/loss and other comprehensive income/loss and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 5 of the Statement, which describes the effect of Corona Virus Disease (COVID-19) on the operations of the Company. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income/loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 20105754AAAADC8601

Place: Pune

Date: June 25, 2020

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

To
The Board of Directors of
Varroc Engineering Limited

Report on the audit of the Consolidated Financial Results

Qualified Opinion

We have audited the accompanying statement of quarterly and year to date consolidated financial results of Varroc Engineering Limited ("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 March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/ financial information of the subsidiaries and joint ventures, except for the possible effects of the matter described in the "Basis of Qualified Opinion" section of our report, the Statement:

- i. includes the results of the following entities:

List of Subsidiaries:

Varroc Polymers Private Limited; Durovalves India Private Limited; Team Concepts Private Limited; Varroc Lighting Systems (India) Private Limited; CarlQ Technologies Private Limited; Varroc European Holding B.V.; Aries Mentor Holding B.V.; VarrocCorp Holding B.V.; Varroc Japan Co. Ltd.; IMES, Italy; Varroc Lighting Systems Italy, S.p.A.; Varroc Lighting Systems Romania S.A.; Varroc Lighting Systems Vietnam Co. Ltd.; TRI.O.M. S.A.de.C.V, Mexico; Varroc Lighting Systems SRO CZ; Varroc Lighting Systems, INC; Varroc Lighting Systems, GmbH; Varroc Lighting Systems, S.de.R.L.de.C.V.; Varroc Lighting Systems SA, Morocco; Varroc do Brasil Industria E Comercio LTDA; Varroc Lighting Systems, S.p.z.o.o.; Varroc Lighting Systems Endüstriyel Ürünler İmalat ve Ticaret Anonim Şirketi; Varroc Lighting Systems Bulgaria Eood.

List of Joint Ventures:

Nuova CTS, Srl, Italy; Varroc Elba Electronics SRL, Romania; Varroc TYC Corporation BVI; Varroc Dell'Orto Private Limited

- ii. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- iii. gives a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2020 and of the consolidated net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

Basis for Qualified Opinion

As further discussed in Note 3 to the consolidated financial results, the Group is disputing a warranty claim received from a customer aggregating to Rs. 943.68 million. Due to the technical nature of the dispute and non-availability of detailed assessment of the claim, we are unable to assess the probability of the outcome and the consequential impact on the provision for warranty and the net loss for the quarter ended March 31, 2020 and the net profit for the year ended March 31, 2020.

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Companies Act, 2013, as amended (“the Act”). Our responsibilities under those Standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Results” section of our report. We are independent of the Group and its joint ventures in accordance with the ‘Code of Ethics’ issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in “Other Matter” paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matters

- i. We draw attention to Note 7 of the Statement, which describes the effect of Corona Virus Disease (COVID-19) on the operations of the Group.
- ii. We draw attention to Note 4 of the Statement, regarding the rectification of an error in inventory valuation in an overseas subsidiary by restatement of the comparative financial information resulting in decrease in inventory by Rs. 295.41 million and retained earnings by Rs. 211.01 million as at March 31, 2019 and decrease in Profit After Tax by Rs. 211.01 million for the quarter and year ended March 31, 2019.

Our opinion is not qualified in respect of the above matters.

Management's Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit/ loss and other comprehensive income and other financial information of the Group including its joint ventures in accordance with the applicable accounting standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its joint ventures of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matter

The accompanying Statement includes the audited financial results/statements and other financial information, in respect of:

- 9 subsidiaries, whose financial results/statements include total assets of Rs 73,585.76 Million as at March 31, 2020, total revenues of Rs 20,818.78 Million and Rs 71,442.48 Million, total net loss after tax of Rs. 317.07 Million and Rs. 755.89 Million, total comprehensive loss of Rs. 370.50 Million and Rs. 809.31 Million, for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 6674.48 Million for the year ended March 31, 2020, as considered in the Statement which have been audited by their respective independent auditors.
- 2 joint ventures, whose financial results/statements include Group's share of net loss of Rs. 93.73 Million and Rs. 66.31 Million and Group's share of total comprehensive loss of Rs. 93.73 Million and Rs. 66.31 Million for the quarter and for the year ended March 31, 2020 respectively, as considered in the Statement whose financial results/financial statements, other financial information have been audited by their respective independent auditors.

The independent auditor's report on the financial statements/financial results/financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries/joint ventures are located outside India whose financial results/financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results / financial statements 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 audited these conversion adjustments made by the Holding Company's management. Our opinion 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 audited by us.

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

- 3 subsidiaries, whose financial results/statements and other financial information reflect total assets of Rs 612.28 Million as at March 31, 2020, and total revenues of Rs 174.78 Million and Rs 574.03 Million, total net profit/(loss) after tax of Rs. (1.54) Million and Rs. 12.75 Million, total comprehensive income/(loss) of Rs. (1.54) Million and Rs. 12.75 Million, for the quarter and the year ended on that date respectively and net cash inflows of Rs. 2.23 Million for the year ended March 31, 2020.

- 2 joint ventures, whose financial results/statements includes the Group's share of net loss of Rs. 11.70 Million and Rs 25.33 Million and Group's share of total comprehensive loss of Rs. 11.70 Million and Rs. 25.33 Million for the quarter and for the year ended March 31, 2020 respectively, as considered in the Statement whose financial results/statements and other financial information have not been audited by any auditor.

These unaudited financial statements/ financial information/ financial results have been approved and furnished to us by the Management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on such unaudited financial statements/financial information/financial results. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information/financial results are not material to the Group.

Our opinion on the Statement is not modified in respect of the above matters 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.

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the end of the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 20105754AAAADD7388

Place: Pune

Date: June 25, 2020

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-
with Annual Audited Financial Results – (Consolidated)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in million)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in million)
1.	Turnover / Total income	112,207.54	N/A
2.	Total Expenditure	111,721.03	N/A
3.	Net Profit/(Loss)	25.06	N/A
4.	Earnings Per Share	Rs.0.01	N/A
5.	Total Assets	110,022.73	N/A
6.	Total Liabilities	79,728.23	N/A
7.	Net Worth	30,294.50	N/A
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	Following qualification has been given by the Auditors in the audit report on Consolidated Financial Statements of the Company: As discussed in Note no. 40 to the Consolidated Ind AS Financial Statements for the year ended March 31, 2020, the Group is disputing a warranty claim received from a customer aggregating to Rs.943.68 million. Due to the technical nature of the dispute and non-availability of detailed assessment of the claim, we are unable to assess the probability of the outcome and the consequential impact on the provision for warranty and profit for the year ended March 31, 2020
b.	Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified Opinion
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	First time
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	N/A

Sl No.	Particulars	Remarks
e.	For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification:	One of the overseas subsidiaries of the Group has received a warranty claim of Rs. 943.68 million from one of its customers. Upon a legal examination of the relevant contractual provisions and connected correspondence, the group has disputed the claim as it believes that the claim is without any substance and group does not have any warranty obligation as per the agreed contract terms. Any final settlement of the above claim will not have any material impact on the financial statements and hence, no provision in respect of the above claim has been recorded as at March 31, 2020
	(ii) If management is unable to estimate the impact, reasons for the same:	N/A
	(iii) Auditors' Comments on (i) or (ii) above:	Due to the technical nature of the dispute and non-availability of detailed assessment of the claim, we are unable to assess the probability of the outcome and the consequential impact on the provision for warranty and profit for the year ended March 31, 2020

III. Signatories

For and behalf of the Board

**TARANG
JAIN**

Digitally signed by TARANG JAIN
DN: cn=TARANG JAIN, postalCode=431001,
o=MAHARASHTRA,
serialNumber=2020.06.25 15:39:34 +05'30'
E=+TARANG.JAIN

Tarang Jain
Managing Director
Place: Aurangabad
Date: June 25, 2020

**THARUVAI
RAMASUBRAMANI
AN SRINIVASAN**

Digitally signed by THARUVAI RAMASUBRAMANI
DN: cn=THARUVAI RAMASUBRAMANI,
o=MAHARASHTRA,
serialNumber=2020.06.25 15:39:34 +05'30'
E=+THARUVAI.RAMASUBRAMANI@SRINIVASAN

T R Srinivasan
Chief Financial Officer
Place: Aurangabad
Date: June 25, 2020

**Gautam
Premnath
Khandelwal**

Digitally signed by
Gautam Premnath
Khandelwal
Date: 2020.06.25
15:39:34 +05'30'

Gautam Khandelwal
Chairman of Audit Committee
Place: Mumbai
Date: June 25, 2020

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

sd/-

Paul Alvares

Partner

Membership Number: 105754

Place: Pune

Date: June 25, 2020