

Varroc Engineering Limited

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/2025-26/23

May 29, 2025

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-400 051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation
Department,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400 001.
BSE Security Code: 541578
[Debt: 975062]

Dear Sir/ Madam,

Sub: Outcome of Board Meeting and Audited Financial Results FY 2024-25

Ref: Regulation 30 (read with Part A of Schedule III) and Regulation 33, 52 and other applicable Regulations 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, May 29, 2025, which commenced at 12.30 p.m. and concluded at 2.30 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, 2025

The Audited (Standalone and Consolidated) Financial Results of the Company for the Quarter and Financial Year ended on March 31, 2025, were approved.

Pursuant to Regulation 33 & 52 and other applicable Regulations 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, 2025;
- ii. The Reports of the Statutory Auditors of the Company on the aforesaid Audited Financial Results (Standalone and Consolidated); and
- iii. Statement of Impact of Audit Qualification (Qualified opinion) on Audited Consolidated Financial Results.
- iv. Declaration pursuant to Regulation 33 (3) (d) of the Listing Regulations regarding Unmodified Opinion of the Statutory Auditors on the Audit Report (Standalone);

2. Final Dividend: Recommended dividend of Rs. 1 per Equity Share of face value Rs. 1 each (100%) for the Financial Year 2024-25 subject to approval of the Shareholders of the Company in ensuing 37th Annual General Meeting. The Company has fixed Friday, August 8th, 2025 as the Record date for determining the entitlement of Shareholders to receive the Dividend for the Financial Year ended March 31, 2025. The Dividend, if approved by the Shareholders at the ensuing 37th Annual General Meeting, shall be paid within 30 days from the date of 37th Annual General Meeting.

Varroc Engineering Limited

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



3. Appointment of Mr. Akshaykumar Chudasama (DIN - 00010630) as an Additional Director - Non-Executive and Independent Director of the Company:

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved appointment of Mr. Akshaykumar Chudasama as an Additional Director - Non-Executive and Independent Director of the Company with effect from May 29, 2025 for a term of five (5) years commencing from May 29, 2025 to May 28, 2030, to hold office up-to the date of the next Annual General Meeting of the Company, subject to approval of the members of the Company.

Brief Profile of Mr. Akshaykumar Chudasama (DIN - 00010630)

Mr. Akshaykumar Chudasama holds a degree in Bachelors of Arts (BA) from St. Xavier's College (University of Bombay) and LLB from the London School of Economics (University of London), UK. He is enrolled as an Advocate with the Bar Council of Maharashtra and Goa, and as a Solicitor with the Law Society (England and Wales). Mr. Chudasama, a seasoned legal professional with over 3 decades of experience, has been practicing law since 1994. He is the Managing Partner of Shardul Amarchand Mangaldas & Co. and heads the firm's practice in the Mumbai Region. Renowned for his expertise in cross-border mergers & acquisitions and private equity transactions, he has advised clients across a range of sectors. Mr. Chudasama also serves as an Independent Director on the Board of Artemis Medicare Services Limited, JSW Cement Limited, Borosil Renewables Limited and K Raheja Corp Investment Managers Private Limited.

4. Re-appointment and payment of remuneration to Mr. Tarang Jain (DIN: 00027505) as Chairman and Managing Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the re-appointment and payment of remuneration to Mr. Tarang Jain (DIN: 00027505) as Chairman and Managing Director of the Company, liable to retire by rotation, for a period of 3 years from June 1, 2025, to May 31, 2028, subject to approval of the members of the Company.

Brief Profile of Mr. Tarang Jain:

Mr. Tarang Jain holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, University of Bombay and a diploma in business administration from the University of Laussane, Switzerland. He has approximately 36 years of experience in the automotive industry. He has been associated with our Company since incorporation and was appointed as the Managing Director in the year 2001.

5. Re-appointment and payment of remuneration to Mr. Arjun Jain (DIN:7228175) as Whole Time Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the re-appointment and payment of remuneration to Mr. Arjun Jain (DIN:7228175) as Whole Time Director of the Company, liable to retire by rotation, for a period of 3 years from August 7, 2025, to August 6, 2028, subject to approval of the members of the Company.

Brief Profile of Mr. Arjun Jain:

Mr. Arjun Jain is the Whole Time Director and Head of Business II of the Company. He holds a bachelor's degree in economics and political science from Vassar College, New York. He

Varroc Engineering Limited

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



has been associated with Bain & Company India Private Limited. He joined the company on October 01, 2013 as the General Manager – Business Excellence Division. He was appointed as the Business Head of the Electrical Division in May 2015.

6. Appointment and payment of remuneration to Mr. Dhruv Jain (DIN 09710448) as Whole-Time Director of the Company

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors approved the appointment and payment of remuneration to Mr. Dhruv Jain (DIN 09710448) as Whole Time Director of the Company, liable to retire by rotation, for a period of 3 years from June 1, 2025, to May 31, 2028, subject to approval of the members of the Company.

Brief Profile of Mr. Dhruv Jain:

Mr. Dhruv Jain is currently Non-Executive Director of the Company heading Business II of the Company and responsible for leading its Business Performance. He also leads the ADAS and lighting electronics strategy for the Company. Mr. Dhruv Jain holds a bachelor's degree in economics from the University of Chicago.

The Company shall seek the approval of Shareholders for the aforesaid matters in the ensuing Annual General Meeting.

Further, in compliance with SEBI Order dated June 14, 2018 to the Stock Exchanges, circular no. LIST/COMP/14/2018-19 issued by BSE Limited and circular no. NSE/CML/2018/24 issued by National Stock Exchange of India Limited dated June 20, 2018, respectively, and further SEBI Circular No. LIST/COMP/14/2018-19 dated June 20, 2018; we hereby affirm that Mr. Akshaykumar Chudasama (DIN - 00010630), Mr. Tarang Jain (DIN: 00027505), Mr. Arjun Jain (DIN:7228175) and Mr. Dhruv Jain (DIN 09710448) are not debarred from holding the office of Director by virtue of any SEBI Order or any such other authority.

Disclosure Requirements) Regulations, 2015, read with circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD2/CIR/P/2024/185 dated December 31, 2024 are enclosed herewith as Annexure A.

7. Re-appointment of Secretarial Auditors, M/s. Uma Lodha & Co. (CP No. 2593) to carry out Audit of Secretarial records for the first term of 5 Financial Years from FY 2025-26 to FY 2029-30 subject to approval of the members of the Company.

The Board has, based on the recommendations of the Audit Committee, approved the appointment of CS Uma Lodha, proprietor of Uma Lodha & Co., Practicing Company Secretaries (Membership No. 5363 and COP No. 2593) as the Secretarial Auditors of the Company to conduct the Secretarial Audit of the Company for a period of five consecutive years i.e. from FY 2025-26 to FY 2029-30 subject to the approval of shareholders at the ensuing Annual General Meeting.

Disclosure of information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD2/CIR/P/2024/185 dated December 31, 2024 are enclosed herewith as Annexure B for the appointment of Secretarial Auditor.

Varroc Engineering Limited

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



M/s. Uma Lodha & Co., Practicing Company Secretaries, a team of Practicing Company Secretaries for more than 28 years. The Firm is specialized in the areas of Corporate Advisory and Compliance Services and has successfully executed many challenging assignments.

8. Re-appointment of Cost Auditors, M/s. S. R. Bhargave & Co. (Partnership Firm Registration No. M-000218) to carry out Audit of Cost Accounting records for the Financial Year 2025-26

The Board has, based on the recommendations of the Audit Committee, approved the appointment of M/s S. R. Bhargave & Co. is a firm of Cost Accountants as Cost Auditor (Partnership Firm Registration No. M-000218) to carry out Audit of Cost Accounting records for the Financial Year 2025-26 subject to the approval of shareholders at the ensuing Annual General Meeting.

Disclosure Requirements) Regulations, 2015, read with circular No. SEBI/HO/CFD/PoD2/CIR/P/0155 dated November 11, 2024, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD2/CIR/P/2024/185 dated December 31, 2024 are enclosed herewith as Annexure B for the appointment of Secretarial Auditor.

M/s S. R. Bhargave & Co. is a firm of Cost Accountants comprising of over 10 qualified Cost Accountants in practice for more than 23 years. The Firm is specialized in the area of Cost Audit along with Indirect Taxes and provides consultancy in the areas of Cost Reduction, Maintenance of Cost Records and Cost Audit.

9. Reclassification of Authorised Share Capital and consequent amendment to Memorandum of Association of the Company

In accordance with the Scheme of Amalgamation of Varroc Polymers Limited, Wholly Owned Subsidiary with Varroc Engineering Limited and their respective Shareholders, upon the Scheme becoming effective from February 1, 2025, the Authorized Share Capital of the Company increased from Rs.50,45,00,000 to Rs. 55,94,00,000/-.

The Board of Directors approved re-classification of Authorised Share Capital of Rs. 5,49,00,000 (Rupees Five Crore Forty-Nine Thousand only) divided into 54,90,000 Equity Shares of Re. 10 each to Re. 1 each in the same denomination subject to approval of the members of the Company.

Pursuant to above, the Authorized Share Capital of the Company and the Clause V(1)(a) of Memorandum of Association would be substituted as under:

The Authorised Share Capital of the Company is Rs. 55,94,00,000/- (Rupees Fifty-Five Crore Ninety-Four Lakhs only) comprising of:

- (a) Rs. 30,94,00,000 (Rupees Thirty Crore and Ninety-Four Lakhs only) divided into 30,94,00,000 Equity Shares of Re. 1 each;*
- (b) Rs. 25,00,00,000 (Rupees Twenty-Five Crore only) divided into 25,00,00,000 Preference Shares of Re. 1 each*

with power to increase or reduce the capital of the Company and to consolidate and divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions in such manner as may be for the time being provided by the Articles of Association of the Company.

Varroc Engineering Limited

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



10. Alteration of Object Clause of Memorandum of Association of the Company

In accordance with the Scheme of Amalgamation of Varroc Polymers Limited, Wholly Owned Subsidiary with Varroc Engineering Limited and their respective Shareholders, upon the Scheme becoming effective from February 1, 2025, the Board of Directors approved alteration of object clause of the Company to incorporate the business activities and object clause of the merged entity viz. Varroc Polymers Limited subject to approval of the members of the Company, as below:

1. *To carry on business as manufacturers, processors, importers, exporters, assemblers, Research & developers, sub-assemblers, repairers, distributors, sellers, buyers, marketers, hirers, exchangers, alterers, improvers, moulders, contractors, sub-contractors, job-workers, dealers, merchants, producers, traders, fabricators, wholesalers, retailers, agents of all types/kinds of parts, components and accessories for automobiles of any description whether mechanical, electrical, electronic, polymers including painted parts, metallic or otherwise of automobiles and non-automobiles and electrical, electronic, and computer products, parts, components and accessories for use/ application in industrial/white/ consumer goods or otherwise and do all such processing or other activities and things as are usual or necessary in relation to or in connection with the said business activities.*

2. *To carry on in India or abroad whether by itself or in collaboration, the business of designers, developers, manufacturers, fabricators, assemblers and sub-assemblers, processors, agents, importers, exporters, holders, stockiests, distributors, dealers, buyers and sellers, re-sellers, traders, contractors, sub-contractors, merchants, repairers and suppliers of all kinds of equipments, modules, circuits, systems, machines, tools, moulds, dies, jigs, fixtures, patterns, designs, plants, apparatus, utensils, hardware materials, polymer products, implements, spare parts, subassemblies, accessories, intake manifolds and components of all description whether mechanical, electrical, electronic or otherwise having automotive and non-automotive applications including reflex reflectors, lamps, lighting control systems, switches and instruments of all descriptions for application in automobiles, off-road vehicles, electric motors and generators, transformers, switchgear, meters, instruments, wires and cables, lighting equipments, lamps which shall mean and include headlamps, tail lamps and other automotive lighting products, fans, fittings, electro-medical and x-ray apparatus, heaters, radiators, ovens, refrigerators, air-conditioning equipments and appliances and various other kinds of electrical machinery, instruments, apparatus and spare parts, accessories, implements, components, subassemblies and parts thereof and providers of after sales services for the said items."*

11. Further, the Board of Directors has also, inter alia, approved the following matters w.r.t. the Annual General Meeting:

[i] Date of the Annual General Meeting:

The 37th Annual General Meeting ("AGM") of the Company will be held on Thursday, August 21, 2025, 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 SEBI.

[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 Thursday, August 14, 2025 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 37th AGM of the Company.

Varroc Engineering Limited

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



[iii] 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 37th 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.

Further details of the 37th AGM and other items to be transacted thereat will be provided in the Notice of the 37th AGM which will be issued in due course.

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.

For Varroc Engineering Limited

Ajay Sharma
Group General Counsel and Company Secretary
Membership No. A-9127

Encl: a/a

Varroc Engineering Limited

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



ANNEXURE A

Appointment/reappointment of Directors

Sr. No	Particulars	Details			
		Mr. Akshaykumar Chudasama (DIN: 10953529)	Mr. Tarang Jain (DIN: 00027505)	Mr. Arjun Jain (DIN:7228175)	Mr. Dhruv Jain (DIN 09710448)
1	Reason for change viz., appointment, resignation, removal, death or otherwise	Appointed as an Additional Director (Non-Executive and Independent) of the Company w.e.f. May 29, 2025 for a term of five (5) years commencing from May 29, 2025 to May 28, 2030	Re-appointed as a Chairman and Managing Director and payment of remuneration for a period of 3 years from June 1, 2025, to May 31, 2028	Re-appointment as a Whole Time Director and payment of remuneration for a period of 3 years from August 7, 2025, to August 6, 2028	Change in designation, appointment as a Whole Time Director and payment of remuneration for a period of 3 years from June 1, 2025, to May 31, 2028
2	Date of Appointment / Cessation (as applicable) & terms of Appointment	Appointment for a period of Five (5) years effective from May 29, 2025, and shall be valid up to the date of the next Annual General Meeting of the Company or until his appointment is regularized by the shareholders of the Company in the next Annual General Meeting.	Re-appointment for a period of three (3) years effective from June 1, 2025, to May 31, 2028, subject to approval of the shareholders of the Company in the next Annual General Meeting.	Re-appointment for a period of three (3) years effective from August 7, 2025, to August 6, 2028, subject to approval of the shareholders of the Company in the next Annual General Meeting.	Appointment for a period of three (3) years effective from June 1, 2025, to May 31, 2028 subject to approval of the shareholders of the Company in the next Annual General Meeting.
3	Brief Profile (in case of Appointment)	Mr. Akshaykumar Chudasama holds a degree in Bachelors of Arts (BA) from St. Xavier's College (University of Bombay) and LLB from the London School of Economics (University of	Mr. Tarang Jain holds a bachelor's degree in commerce from Sydenham College of Commerce and Economics, University of Bombay and a diploma in business administration	Mr. Arjun Jain is the Whole Time Director and Head of Business II of the Company. He holds a bachelor's degree in economics and political science from Vassar	Mr. Dhruv Jain is currently Non-Executive Director of the Company heading Business II of the Company and is responsible for leading its Business Performance. He also leads the ADAS and lighting

Varroc Engineering Limited

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: www.varroc.com
CIN: L28920MH1988PLC047335



		<p>London), UK. He is enrolled as an Advocate with the Bar Council of Maharashtra and Goa, and as a Solicitor with the Law Society (England and Wales). Chudasama, a seasoned legal professional with over 3 decades of experience, has been practicing law since 1994. He is the Managing Partner of Shardul Amarchand Mangaldas & Co. and heads the firm's practice in the Mumbai Region. Renowned for his expertise in cross-border mergers & acquisitions and private equity transactions, he has advised clients across a range of sectors. Mr. Chudasama also serves as an Independent Director on the Board of Artemis Medicare Services Limited, JSW Cement Limited, Borosil Renewables Limited and K Raheja Corp Investment Managers Private Limited.</p>	<p>from the University of Laussane, Switzerland. He has approximately 36 years of experience in the automotive industry. He has been associated with our Company since incorporation and was appointed as Managing Director in the year 2001</p>	<p>College, New York. He has been associated with Bain & Company India Private Limited. He joined the company on October 01, 2013 as the General Manager – Business Excellence Division. He was appointed as the Business Head of the Electrical Division in May 2015.</p>	<p>electronics strategy for the Company. Mr. Dhruv Jain holds a bachelor's degree in economics from the University of Chicago.</p>
4	Disclosure of relationships between directors (in case of appointment of a director).	Mr. Akshaykumar Chudasama is neither a member of Promoter Group	Mr. Tarang Jain is father of Mr. Arjun Jain, Whole Time Director and Mr. Dhruv Jain, Whole Time Director	Mr. Arjun Jain is Whole Time Director and also part of the Promoter Group. Mr. Arjun Jain is	Mr. Dhruv Jain is Whole Time Director and also part of the Promoter Group. He is son of Mr. Tarang Jain, Chairman

Varroc Engineering Limited

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



		nor related to any Director of the Company	and is also the Promoter of the Company.	son of Mr. Tarang Jain, Chairman & Managing Director and brother of Mr. Dhruv Jain, Whole Time Director.	and Managing Director and Brother of Mr. Arjun Jain, Whole Time Director of the Company.
5	Information as required under Circular No. LIST/COMP/14/2018-19 and NSE/CML/2018/24 dated June 20, 2018, issued by the BSE and NSE, respectively.	Mr. Akshaykumar Chudasama is not debarred from holding the office of a Director, by virtue of any SEBI Order or any other similar authority. Mr. Akshaykumar Chudasama has complied with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014, with respect to registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs (IICA)	Mr. Tarang Jain is not debarred from holding the office of a Director, by virtue of any SEBI Order or any other similar authority.	Mr. Arjun Jain is not debarred from holding the office of a Director, by virtue of any SEBI Order or any other similar authority.	Mr. Dhruv Jain is not debarred from holding the office of a Director, by virtue of any SEBI Order or any other similar authority.
6	Number of Shares held in the Company	Nil	6,07,29,800 Equity Shares	5000 Equity Shares	5000 Equity Shares

Varroc Engineering Limited

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



ANNEXURE B

Appointment of Secretarial Auditors

Sr. No	Particulars	Details
		M/s. Uma Lodha & Co. (CP No. 2593)
1	Reason for change viz., appointment, resignation, removal, death or otherwise	Appointment of Secretarial Auditors for the first term of 5 Financial Years from FY 2025-26 to FY 2029-30
2	Date of Appointment /re-appointment, Cessation (as applicable) & term of Appointment	May 29, 2025 Tenure: Five (5) Financial Years commencing from FY 2025-26 to FY 2029-30
3	Brief Profile (in case of Appointment)	M/s. Uma Lodha & Co., Practicing Company Secretaries, a team of Practicing Company Secretaries for more than 28 years. The Firm is specialized in the areas of Corporate Advisory and Compliance Services and has successfully executed many challenging assignments.
4	Disclosure of relationships between directors (in case of appointment of a director).	Not applicable, not related to any of the Directors of the Company

Appointment of Cost Auditors

Sr. No	Particulars	Details
		M/s. S. R. Bhargave & Co. (Partnership Firm Registration No. M-000218)
1	Reason for change viz., appointment, resignation, removal, death or otherwise	Re-appointment of Cost Auditors
2	Date of Appointment/re-appointment, Cessation (as applicable) & term of Appointment	Date of Appointment : May 29, 2025 Tenure: for the Financial Year 2025-26
3	Brief Profile (in case of Appointment)	M/s S. R. Bhargave & Co. is a firm of Cost Accountants comprising of over 10 qualified Cost Accountants in practice for more than 23 years. The Firm is specialized in the area of Cost Audit along with Indirect Taxes and provides consultancy in the areas of Cost Reduction, Maintenance of Cost Records and Cost Audit.
4	Disclosure of relationships between directors (in case of appointment of a director).	Not applicable, not related to any of the Directors of the Company

Independent Auditor's Report on the Quarterly and Year to Date Audited 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

**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, 2025 and for the year ended March 31, 2025 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 and 52 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 and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2025 and for the year ended March 31, 2025.

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 effects of the GST Orders received by the Company from GST Authorities. The Company has initiated appellate proceedings against these orders, pending conclusion of which no adjustments have been made in respect of the matters in the standalone financial results. Our opinion is not modified in respect of these matters.

[This space has been intentionally left blank]

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 and other comprehensive income 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 and 52 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.

[This space has been intentionally left blank]

S R B C & C O L L P

Chartered Accountants

- 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, 2025 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2025 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 & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Paul
Alvares

Digitally signed by Paul
Alvares
DN: cn=Paul Alvares,
o=Personal,
email=paul.alvares@srbc.in
Date: 2025.05.29 13:28:06
+05'30'

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 25105754BMITLH9638

Place of Signature: Pune

Date: May 29, 2025

Varroc Engineering Limited

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/2025-26/24

May 29, 2025

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,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578
[Debt: 975062]

Dear Sir/ Madam,

Sub: Declaration in respect of Auditors Report (Standalone) with Unmodified Opinion

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

With reference to the captioned subject, we hereby declare that the Statutory Auditors of the Company, SRBC & Co., LLP, Chartered Accountants, Pune (Registration Number 324982E/E300003), have issued the Audit Report with unmodified opinion in respect of the Audited (Standalone) Financial Statements of the Company for the Financial year ended March 31, 2025.

Request you to please take the above on record and oblige.

Yours faithfully,

For Varroc Engineering Limited

KARUMANCHI
MAHENDRA KUMAR

Digitally signed by KARUMANCHI
MAHENDRA KUMAR
Date: 2025.05.29 09:49:32 +05'30'

K. Mahendra Kumar
Group CFO



Statement of audited Standalone Financial Results for the Quarter and year ended March 31, 2025

(Rs. in Million)

Sr. No.	Particulars	Quarter Ended			Year Ended	
		March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
		Audited (refer note 2)	Unaudited	Audited (Restated) (Refer note 2 & 3)	Audited	Audited (Restated- refer note 3)
1	Revenue from operations (refer note 4)	19,133.36	18,758.57	17,732.09	73,685.82	66,760.16
2	Other income (refer note 7)	165.77	31.68	46.71	276.24	288.69
3	Total Income (1 + 2)	19,299.13	18,790.25	17,778.80	73,962.06	67,048.85
4	Expenses					
	(a) Cost of materials consumed	12,326.83	12,494.51	10,909.56	48,960.09	43,588.18
	(b) Changes in stock of finished goods and work-in-progress	308.17	110.61	107.68	(286.40)	(258.69)
	(c) Employee benefits expense	1,590.51	1,764.68	1,573.55	6,693.88	6,050.15
	(d) Finance costs	385.28	403.04	430.02	1,622.26	1,843.05
	(e) Foreign exchange (gain)/loss (net)	(59.64)	47.60	(11.73)	(96.99)	(110.61)
	(f) Depreciation and amortisation expense	633.68	630.39	662.99	2,517.36	2,664.39
	(g) Other expenses	2,754.68	2,599.06	2,822.37	10,744.98	10,512.69
	Total expenses (4)	17,939.51	18,049.89	16,494.44	70,155.18	64,289.16
5	Profit before tax and exceptional items (3- 4)	1,359.62	740.36	1,284.36	3,806.88	2,759.69
6	Exceptional item (refer note 9)	95.42	112.70	-	208.12	45.00
7	Profit before tax (5-6)	1,264.20	627.66	1,284.36	3,598.76	2,714.69
8	Tax expense (refer note 6)					
	(a) Current tax	-	-	110.99	-	38.01
	(b) Short/(excess) provision in respect of earlier years	-	(5.14)	155.12	(5.32)	199.79
	(c) Deferred tax	207.58	177.85	164.90	845.58	(2,772.23)
	Total tax expense (8)	207.58	172.71	431.01	840.26	(2,534.43)
9	Profit for the period (7-8)	1,056.62	454.95	853.35	2,758.50	5,249.12
10	Other comprehensive income					
	Items that will not be reclassified to profit or loss in subsequent periods (net of tax)					
	Remeasurement of defined benefit obligation (net of tax)	3.66	-	(14.70)	3.66	(14.70)
	Other comprehensive income/(loss) (10)	3.66	-	(14.70)	3.66	(14.70)
11	Total comprehensive income for the period (9+10)	1,060.28	454.95	838.65	2,762.16	5,234.42
12	Paid-up equity share capital (Face value of the share is Re.1/- each)	152.79	152.79	152.79	152.79	152.79
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year				17,724.65	14,962.50
14	Earnings per equity share (Nominal value per share Re. 1/- each) (not annualised)					
	Basic & Diluted (in Rupees)	6.92	2.98	5.59	18.05	34.36





Statement of audited standalone assets and liabilities as at March 31, 2025

(Rs. in million)

Sr. No.	Particulars	As at	As at
		March 31, 2025	March 31, 2024
		Audited	Audited (Restated- refer note 3)
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	14,311.34	14,266.00
	(b) Capital work-in-progress	708.62	435.39
	(c) Goodwill	183.90	183.90
	(d) Intangible assets	314.89	447.13
	(e) Intangible assets under development	26.64	22.68
	(f) Right to use asset	1,755.93	1,608.85
	(g) Investments in subsidiaries and joint venture	8,373.73	8,373.73
	(h) Financial assets		
	(i) Investments	142.73	119.81
	(ii) Other financial assets	146.60	169.75
	(i) Income tax assets (net)	163.57	414.38
	(j) Deferred tax assets	815.38	1,913.74
	(k) Other non-current assets	728.25	632.28
	Total non-current assets	27,671.58	28,587.64
2	Current assets		
	(a) Inventories	5,831.98	5,071.49
	(b) Financial assets		
	(i) Investments*	-	648.11
	(ii) Trade receivables	5,227.80	3,501.58
	(iii) Cash and cash equivalents	591.42	684.95
	(iv) Bank balances other than (iii) above	412.05	177.79
	(v) Loans	1,290.01	1,019.03
	(vi) Other financial assets	136.21	265.59
	(c) Other current assets	2,966.14	1,989.69
	Total current assets	16,455.61	13,358.23
	Total Assets (1+2)	44,127.19	41,945.87
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	17,724.65	14,962.49
	Total equity	17,877.44	15,115.28
	Liabilities		
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,129.96	6,422.90
	(ii) Lease liabilities	927.34	1,005.11
	(b) Provisions	144.70	130.07
	(c) Deferred tax liabilities (net)	-	251.55
	(d) Other non-current liabilities	-	13.11
	(e) Deferred government grant	226.25	247.41
	Total non-current liabilities	4,428.25	8,070.15
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	5,427.18	4,987.48
	(ii) Lease liabilities	162.66	124.92
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,782.37	1,351.26
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,144.94	9,443.03
	(c) Acceptances	663.30	152.47
	(iv) Other financial liabilities	1,956.98	1,214.44
	(b) Provisions	277.69	270.59
	(c) Other current liabilities	1,310.46	1,125.08
	(d) Deferred government grant	95.92	91.17
	Total current liabilities	21,821.50	18,760.44
	Total Equity and Liabilities (1+2+3)	44,127.19	41,945.87

* Pertains to investment in overnight and liquid mutual fund





Statement of audited Standalone Cash Flows for the year ended March 31, 2025

(Rs. in million)

Sr.No	Particulars	For the year ended March 31, 2025 (Audited)	For the year ended March 31, 2024 (Audited) (Restated- refer note 3)
A	Cash flow from operating activities		
	Profit before tax and exceptional items	3,806.88	2,759.69
	Adjustments for:		
	Depreciation and amortization expense	2,517.36	2,664.39
	Provision for bad and doubtful debts/(written back)	(1.58)	167.76
	Unrealised exchange (gain)/loss on restatement of intercorporate loan	(23.22)	0.80
	Realised exchange gain on intercorporate loan	-	(49.50)
	Finance costs	1,622.26	1,843.05
	Rent income other than investment property	(3.10)	(2.87)
	Profit on sale of current investments	(3.13)	(14.46)
	Provisions/liabilities no longer required written back	(0.46)	(1.11)
	(Profit)/Loss on sale of property, plant and equipment / intangible assets	5.51	(19.74)
	Increase in surrender value of key man insurance	(18.33)	(27.85)
	Dividend income	(125.79)	(125.79)
	Interest income	(120.16)	(86.37)
		<u>3,849.36</u>	<u>4,348.31</u>
	Operating profits before working capital changes	7,656.24	7,108.00
	Adjustments for changes in working capital		
	Trade receivables	(1,739.72)	316.26
	Trade payables	1,448.09	1,260.30
	Inventories	(760.49)	(175.35)
	Other financial assets	171.53	(88.95)
	Other current and non current assets	(745.57)	(1,334.44)
	Provision	26.62	(3.15)
	Other financial liabilities	615.28	123.34
	Other current and non current liabilities	155.86	103.24
		<u>(828.40)</u>	<u>201.25</u>
	Cash generated from operations	6,827.84	7,309.25
	Income tax paid (net of refund)	245.49	(409.48)
	Net cash flow generated from operating activities	7,073.33	6,899.77
B	Cash flow from investing activities		
	(Purchase)/Proceeds of current investments	651.24	(336.98)
	Purchase of property, plant and equipment	(2,721.10)	(1,918.05)
	Dividend received	125.79	125.79
	Interest received	66.69	86.37
	Rent received on other than investment property	3.10	2.87
	Proceeds from sale of property, plant and equipment	87.00	55.16
	Loan repaid by overseas subsidiary	(600.43)	(1,035.42)
	Loans given to subsidiaries	406.08	687.28
	Fixed deposits (placed)/ redeemed (net)	(234.93)	75.48
	Investment in subsidiary	-	(69.97)
	Purchase of Non current investment	(97.19)	(119.63)
	Net cash generated from/(used in) investing activities	(2,313.75)	(2,447.10)
C	Cash flow from financing activities		
	Repayment of long term borrowings	(4,459.34)	(8,069.99)
	Proceeds from long term borrowings	-	4,500.00
	Proceeds from/(repayment of) short term borrowings (net)	1,606.10	(414.08)
	Payment of principal portion of lease liability	(367.77)	(157.06)
	Payment of interest on lease liability	(99.66)	(97.54)
	Interest paid	(1,532.44)	(1,909.26)
	Net cash flow used in financing activities	(4,853.11)	(6,147.93)
	Net decrease in cash and cash equivalents	(93.53)	(1,695.26)
	Opening cash and cash equivalents	684.95	2,380.21
	Closing cash and cash equivalents	591.42	684.95
	Cash and cash equivalents consists of :		
	Cash in hand	0.01	0.02
	Current accounts	106.38	178.21
	Deposit with maturity of less than 3 months	485.03	506.72
		<u>591.42</u>	<u>684.95</u>
	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.		





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

Particulars		Quarter Ended			Year Ended	
		March 31, 2025	December 31, 2024	March 31, 2024 (Restated- refer note 3)	March 31, 2025	March 31, 2024 (Restated- refer note 3)
Debt Equity ratio [refer note (i)]	(No of times)	0.48	0.57	0.75	0.48	0.75
Debt service coverage ratio [refer note (ii)]	(No of times)	2.21	1.64	1.51	1.79	1.13
Interest service coverage ratio [refer note (iii)]	(No of times)	6.17	4.40	5.53	4.90	3.94
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)	17,877.44	16,817.17	15,115.28	17,877.44	15,115.28
Net profit/(loss) after tax	(Rs. In Millions)	1,056.62	454.95	853.35	2,758.50	5,249.12
Earning per share (EPS)						
Basic EPS (Not Annualised)	(Rs.)	6.92	2.98	5.59	18.05	34.36
Diluted EPS (Not Annualised)	(Rs.)	6.92	2.98	5.59	18.05	34.36
Current Ratio [refer note (v)]	(No of times)	0.75	0.72	0.71	0.75	0.71
Long Term Debt To Working Capital [refer note (vi)] ^	(No of times)	(1.72)	(2.22)	(4.93)	(1.72)	(4.93)
Bad Debts To Account Receivable Ratio [refer note (vii)]	(No of times)	-	-	0.04	-	0.05
Current Liability Ratio [refer note (viii)]	(No of times)	0.83	0.80	0.70	0.83	0.70
Total Debts To Total Assets [refer note (ix)]	(No of times)	0.19	0.22	0.27	0.19	0.27
Debtors Turnover [refer note (x)]*	(No of times)	4.37	4.70	4.72	16.88	18.27
Inventory Turnover [refer note (xi)]*	(No of times)	2.02	1.88	2.11	8.93	8.69
Operating Margin [refer note (xii)]	(In %)	7.94%	6.18%	9.34%	6.86%	6.30%
Net Profit Margin [refer note (xiii)]	(In %)	5.52%	2.43%	4.81%	3.74%	7.86%
Security cover ratio [refer note (xvii)]	(No of times)	1.57	1.43	1.38	1.57	1.38

Formulae for calculation of ratios are as follows:

- (i) Debt Equity Ratio = [Total Debt / Total Equity]
- (ii) Debt service coverage ratio = [(Earnings before Interest, Tax, Depreciation & amortisation and Exceptional item) / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)]
- (iii) Interest service coverage ratio = [(Earnings before Interest, Tax, Depreciation & amortisation and Exceptional item) / (Interest Expense)]
- (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) / Average Inventory]
- (xii) Operating Margin = [(Earnings before Interest, Tax, Exceptional Item and Share of Profit from Joint Venture - Other Income +/- foreign exchange (gain)/loss (net)) / Revenue from Operations]
- (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)]
- (xvii) Security cover ratio = [(Book value of specific identified movable fixed assets both present and future of the company as per debenture trust deed / NCD principal amount + Interest payable till date)]

* Ratio not annualised, except for the year ended March 31, 2025 and March 31, 2024

^ Ratio is negative because net working capital is negative.





Notes to the audited 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 May 29, 2025 and were subjected to audit by the Statutory Auditors.
- 2) The figures for the quarters ended March 31, 2025 and March 31, 2024 are the derived figures between the audited figures in respect of full financial year and the unaudited published year-to-date figures upto the third quarter of the respective financial year which were subjected to limited review.
- 3) Pursuant to provisions of Section 230-232 of the Companies Act, 2013, the Board of Directors of the Company on May 17, 2024 had approved the scheme of amalgamation of Varroc Polymers Limited ('VPL') (a wholly owned subsidiary of the Company) with Varroc Engineering Limited ('VEL') with appointed date of April 01, 2024 ('the Scheme'). National Company Law Tribunal ('NCLT') approved the above scheme vide its order dated January 10, 2025 and the merger became effective on February 01, 2025 on filing of the NCLT order with the Registrar of Companies. The merger has been accounted as business combination of entities under common control as per Appendix C to Ind AS 103 - Business Combinations. Accordingly, the comparative periods for the quarter and year ended March 31, 2024 presented in the standalone results have been restated to include the effects of this merger.
- 4) During the previous year ended March 31, 2024, the Company received eligibility certificates (ECs) in respect of three plants in Aurangabad/Pune under the Maharashtra Electronics Policy, 2016 effective from April 1, 2022 and valid for 10 years. Under these ECs, the Company is eligible to claim incentive in the form of refund of SGST paid on eligible sales from the respective plants. The Company has considered these as grants related to income under Ind AS 20 by recognizing the same as income in profit and loss based on SGST paid for the year. The amount of income recognised in the quarter and year ended March 31, 2024 in respect of the aforesaid ECs was Rs. 989.71 million pertaining to the period April 1, 2022 to March 31, 2024.
- 5) a) On November 5, 2024, the Company received a GST Order from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Company has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to applicable interest and penalty for the aforementioned period. The Company has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and year ended March 31, 2025.
b) On January 03, 2025, Varroc Polymers Limited ('VPL') (wholly owned subsidiary, now merged with the Company as explained in Note 3 above) received a GST Order from Commercial Tax Officer (Divisional GST office, Karnataka) consisting of demand for GST dues amounting to Rs. 0.03 million along with interest of Rs. 302.67 million and penalty of Rs. 564.19 million relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. VPL has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to the interest and penalty for the aforementioned period. The Company has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and year ended March 31, 2025.
- 6) During the year ended March 31, 2024, the Company derecognised (written-off) loans given to VarrocCorp Holding BV ('VCHBV'), Netherlands including interest on such loans aggregating to Rs. 13,533.33 million (including Rs. 1,736.89 million by VPL, wholly owned subsidiary, now merged with the Company as explained in Note 3) after making requisite submissions to AD Bank. The Company claimed this write-off on loans as an allowable business loss, considering that these loans extended to VCHBV were in the nature of trade investments to derive benefits for the Company's businesses rather than for earning dividend/capital appreciation. The Company obtained legal opinions from two independent senior counsels who have supported their view on claiming this write-off of loans as an allowable business loss. Accordingly, VPL considered this loss as tax deductible for computation of current tax provision to the extent of Rs. 437.14 million and VEL recognised deferred tax asset of Rs. 2,968.93 million on such loss during the year ended March 31, 2024. These loans pertained to funding of Varroc Lighting Systems ('VLS') entities (erstwhile subsidiaries of VCHBV) which were fully provided for during the period ended September 30, 2022 when the VLS business was sold to Compagnie Plastic Omnium SE, France. Further, VEL shifted to new tax regime under section 115BAA of Income Tax Act, 1961 from financial year ended March 31, 2024. As a result, MAT credit of Rs. 265.34 million was written off and deferred tax liability to the extent of Rs. 254.54 million was reversed on account of lower tax rate under new regime, which were included in the total tax expense for the year ended March 31, 2024.
- 7) Other Income for the quarter and year ended March 31, 2025 and year ended March 31, 2024 includes dividend received from a subsidiary company of Rs. 125.79 million each.
- 8) During the year ended March 31, 2024, the Company issued 25,000 number of listed Non-Convertible Debentures ('NCD') of face value of Rs. 1,00,000 each aggregating to Rs. 2,500 million on a private placement basis. The NCDs are repayable in 16 equal quarterly instalments beginning from December 07, 2024. Further, NCD holders have a put option after 30 months and 42 months respectively from date of allotment, requiring the Company to redeem all the NCDs. The Company shall at all times until the Final Settlement Date maintain a minimum Security Cover of at least 1.1x. The proceeds from the issue have been utilised for repayment of existing listed NCDs, other outstanding debt and for general corporate purposes. These NCDs are secured by exclusive charge by way of hypothecation on the specific identified movable properties of the Company.
The asset cover in respect of the Non-Convertible Debentures as on March 31, 2025 is 1.57 times of the total due amount which is higher than the requirement of 1.10 times as specified in the Debenture Trust Deed.
- 9) Exceptional items for the periods presented in the standalone results include following:
 - (a) An amount of Rs. 83.32 million, Rs. 112.70 million and Rs. 196.02 million for the quarters ended March 31, 2025 and December 31, 2024, and year ended March 31, 2025 respectively, pertain to estimated expenses directly attributable to merger of VPL with the Company.
 - (b) KTM AG, one of the customer of the Company, filed for insolvency and the Court admitted restructuring with self administration in Austria. Considering these developments, the Company has recognised a provision for the expected credit loss of trade receivables as exceptional item amounting to Rs.12.10 million for the quarter and year ended March 31, 2025.
 - (c) Varroc Engineering Limited ('the Company') and VarrocCorp Holding BV, Netherlands ('VCHBV', wholly owned subsidiary of VEL) (together referred to as 'Sellers') entered into a Securities Purchase Agreement dated April 29, 2022 as amended dated July 01, 2022, October 05, 2022 and May 12, 2023 (collectively referred to as 'SPA') with Compagnie Plastic Omnium SE, France (referred to as 'Buyer'), to divest the Sellers 4-Wheeler lighting business in the Americas and Europe ('VLS Business'). Amount of Rs 45 million for the year ended March 31, 2024 pertains to expenses directly related to sale of investment in VLS business.
- 10) The Board of Directors at its meeting held today has considered and recommended a final dividend of Re. 1 per equity share (nominal value of Re. 1 per share) for the year ended March 31, 2025. The final dividend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

Place: Pune
Date: May 29, 2025



For and on behalf of Board of Directors
Varroc Engineering Limited

| _____ |
Tarang Jain
Chairman and Managing Director

Independent Auditor's Report on the Quarterly and Year to Date Consolidated Financial Results of the Company Pursuant to the Regulation 33 and 52 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, 2025 and for the year ended March 31, 2025 ("Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 and 52 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 results/financial information of the subsidiaries/joint ventures, except for the possible effects of the matter described in 'Basis for Qualified Opinion' para below, the Statement:

- i. includes the results of the following entities:

Subsidiaries:

Durovalves India Private Limited; Varroc Connect Private Limited (erstwhile CarlQ Technologies Private Limited); Varroc European Holding B.V.; VarrocCorp Holding B.V.; Varroc Japan Co. Limited; Industria Meccanica e Stampaggio S.p.A., Italy; Varroc Italy S.p.A; Varroc Romania SA.; Varroc Vietnam Co. Ltd.; Varroc Lighting Systems Bulgaria Eood; Varroc Electronics Romania SRL; Varroc Poland s.p.z.oo; Varroc Germany GmbH; Varroc Intelligent Driving Research and Development Centre (Changzhou) Co., Ltd.; Varroc Czech Republic SRO; Varrec (Thailand) Company Limited

Joint Ventures:

Nuova CTS, Srl, Italy; Varroc TYC Corporation BVI; Varroc Dell'Orto Private Limited

- ii. are 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 profit and other comprehensive income and other financial information of the Group for the quarter ended March 31, 2025 and for the year ended March 31, 2025.

[This space has been intentionally left blank]

Basis for Qualified Opinion

As disclosed in Note 4a to the Statement, the financial results and other financial information for the quarter and year ended March 31, 2025 in respect of Varroc TYC Corporation BVI ("China JV"), a joint venture accounted for under the equity method, considered for the purpose of preparation of the consolidated financial results, is unaudited. Hence, we are unable to determine the impact of Group's share of the profit/loss from China JV and of the impairment loss recognised for China JV on the consolidated profit before tax, tax expense, profit after tax, total comprehensive income and earnings per share for the quarter and year ended March 31, 2025, and the Group's share of net assets of China JV on the investment in China JV as at March 31, 2025, had the financial results/other financial information of China JV been audited.

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 opinion.

Emphasis of Matter

We draw attention to Note 5 of the Statement which describes the effects of the GST Orders received by the Group from GST Authorities. The Group has initiated appellate proceedings against these orders, pending conclusion of which no adjustments have been made in respect of the matters in the consolidated financial results. Our opinion is not modified in respect of these 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 are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit 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 and 52 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 their respective companies 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.

[This space has been intentionally left blank]

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 their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management 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 their respective companies.

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.

S R B C & C O L L P

Chartered Accountants

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 Master Circular 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:

- 5 subsidiaries, whose financial results/statements (without giving effect of elimination of intra-group transactions) include total assets of Rs 7,098.42 million as at March 31, 2025, total revenues of Rs 1,398.56 million and Rs 5,749.96 million, total net profit/(loss) after tax of (Rs. 242.93 million) and (Rs. 450.65 million), total comprehensive income/(loss) of (Rs. 269.50 million) and (Rs. 477.28 million), for the quarter and the year ended on that date respectively, and net cash inflows of Rs. 67.77 million for the year ended March 31, 2025, as considered in the Statement which have been audited by their respective independent auditors.
- 1 joint venture, whose financial results/statements (without giving effect of elimination of intra-group transactions) include Group's share of net profit of Rs. 0.97 million and Rs. 6.19 million and Group's share of total comprehensive income of Rs. 0.97 million and Rs. 6.19 million for the quarter and for the year ended March 31, 2025 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 venture is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

Certain of these subsidiaries are located outside India whose financial results/financial statements and other financial information have been prepared in accordance with the 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 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 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.

[This space has been intentionally left blank]

S R B C & C O L L P

Chartered Accountants

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

- 4 subsidiaries, whose financial results/statements (without giving effect of elimination of intra-group transactions) and other financial information reflect total assets of Rs 1,254.41 million as at March 31, 2025, and total revenues of Rs 137.23 million and Rs 605.33 million, total net profit/(loss) after tax of (Rs. 69.43 million) and (Rs. 80.23 million), total comprehensive income/(loss) of (Rs. 69.43 million) and (Rs. 80.23 million), for the quarter and the year ended on that date respectively and net cash inflows of Rs. 43.68 million for the year ended March 31, 2025, whose financial results /statements and other financial information have not been audited by any auditor;
- 2 joint ventures, whose financial results/statements (without giving effect of elimination of intra-group transactions) includes the Group's share of net profit of Rs. 2.10 million and Rs. 30.90 million and Group's share of total comprehensive income of Rs. 2.10 million and Rs. 30.90 million for the quarter and for the year ended March 31, 2025 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, except those relating to China JV.

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, except those relating to China JV.

The Statement includes the results for the quarter ended March 31, 2025 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2025 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 & C O L L P

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

Paul
Alvares

Digitally signed by Paul Alvares
DN: cn=Paul Alvares,
o=Personal,
email=paul.alvares@srb.in
Date: 2025.05.29 13:29:22
+05'30'

per Paul Alvares

Partner

Membership No.: 105754

UDIN: 25105754BMITLF4981

Place of Signature: Pune

Date: May 29, 2025

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, 2025
[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 except EPS)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in million)
1.	Turnover / Total income (continuing operations)	81,717.66	N/A
2.	Total Expenditure (continuing operations)	78,588.79	N/A
3.	Net Profit/(Loss) (continuing operations)	696.76	N/A
4.	Earnings Per Share (continuing operations)	Rs. 4.01	N/A
5.	Total Assets	46,719.13	N/A
6.	Total Liabilities	30,739.77	N/A
7.	Net Worth	15,979.36	N/A
8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification:

Sl No.	Particulars	Remarks
a.	Details of Audit Qualification:	<p>Following qualification has been given by the Auditors in the audit report on Consolidated financial statements of the Company:</p> <p>As disclosed in note 50 to the consolidated financial statements, the financial results and other financial information for the year ended March 31, 2025 in respect of Varroc TYC Corporation BVI (“China JV”), a joint venture accounted for under the equity method, considered for the purpose of preparation of the consolidated financial statements, is unaudited. Hence, we are unable to determine the impact of Group’s share of profit/loss from China JV and of the impairment loss recognised for China JV on the consolidated profit/loss before tax, profit/loss after tax, total comprehensive income and earnings per share for the year ended March 31, 2025 and Group’s share of net assets of China JV on the investment in China JV as at March 31, 2025, had the financial results/ other financial information of China JV been audited.</p>
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	Repetitive (Appearing since the year ended Mar 31, 2023)
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:	N/A
	(ii) If management is unable to estimate the impact, reasons for the same:	<p>The Group's share of net profits of VTYC of Rs. 27.85 million (approx. 1.65% of Profit/(loss) before tax) which is included in the Group's consolidated profits is based on management certified accounts and was not subjected to audit. Due to the ongoing arbitration as explained below, the Group was unable to get the financial and other information of VTYC audited from auditors.</p> <p>On December 11, 2024, the Group received an order from the International Chamber of Commerce, Singapore ('ICC') in respect of the ongoing arbitration between VarrocCorp Holding B.V. ('VCHBV') jointly with Varroc Engineering Limited and Beste Motor Co. Ltd. ('TYC BVI Entity') jointly with TYC Brother Industrial Co. Ltd ('TYC Group') and Varroc TYC Corporation ('VTYC' or 'China JV'), wherein VCHBV has been directed to transfer its 50% shareholding in VTYC to TYC BVI Entity for a consideration of RMB 310.50 million.</p> <p>Subsequent to the year end, the Group has received above consideration on May 07, 2025 and transferred its investments in China JV.</p>
	(iii) Auditors' Comments on (i) or (ii) above:	<p>As explained to us by the management, due to the ongoing arbitration with the JV partner for resolution of certain matters regarding the operation of the JV which were concluded on December 11, 2024, due to which the Group was unable to obtain audited financials and other information from China JV, in the absence of which we are unable to determine the possible impact of Group's share of profit/loss from China JV and of the impairment loss recognised for China JV on the consolidated profit/loss before tax, profit/loss after tax, total comprehensive income and earnings per share for the year ended March 31, 2025 and Group's share of net assets of China JV on the investment in China JV as at March 31, 2025.</p>

III. Signatories

For and behalf of the Board

Tarang Naresh Chandra Jain
Digitally signed by Tarang Naresh Chandra Jain
Date: 2025.05.29 11:16:12 +05'30'

Tarang Jain
Chairman & Managing Director

Place: Pune
Date: May 29, 2025

KARUMANCHI MAHENDRA KUMAR
Digitally signed by KARUMANCHI MAHENDRA KUMAR
Date: 2025.05.29 11:30:40 +05'30'

K Mahendra Kumar
Group CFO

Place: Pune
Date: May 29, 2025

GAUTAM PREMNATH KHANDELWAL
Digitally signed by GAUTAM PREMNATH KHANDELWAL
Date: 2025.05.29 11:51:07 +05'30'

Gautam Khandelwal
Chairman of Audit Committee
Place: Pune
Date: May 29, 2025

For S R B C & CO LLP
Chartered Accountants
ICAI Firm Registration
Number:324982E/E300003

Paul Alvares
Digitally signed by Paul Alvares
DN: cn=Paul Alvares, o=Personal, email=paul.alvares@srb.in
Date: 2025.05.29 13:56:57 +05'30'

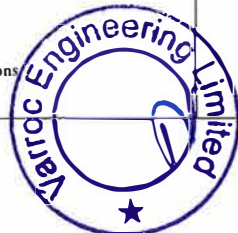
Paul Alvares
Partner
Membership Number: 105754
Place: Pune
Date: May 29, 2025



Statement of Audited Consolidated Financial Results for the quarter and year ended March 31, 2025

(Rs. in Million)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
		Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	Audited
	Continuing Operations					
1	Revenue from operations (refer note 6)	20,992.01	20,752.62	19,748.55	81,540.84	75,519.37
2	Other income	48.39	26.04	64.19	176.82	275.76
3	Total income (1+2)	21,040.40	20,778.66	19,812.74	81,717.66	75,795.13
4	Expenses					
	(a) Cost of materials consumed	13,073.32	13,319.61	11,861.13	52,391.04	47,448.87
	(b) Changes in inventories of work-in-progress and finished goods	390.04	81.79	120.70	(298.84)	(115.60)
	(c) Employee benefits expense	2,132.77	2,343.56	2,070.98	8,877.11	8,092.21
	(d) Finance costs	407.92	417.92	451.40	1,702.29	1,938.56
	(e) Foreign exchange (gain)/loss (net)	(73.89)	41.59	(23.54)	(120.39)	(145.61)
	(f) Depreciation and amortisation expense	814.23	805.43	824.96	3,233.21	3,368.18
	(g) Other expenses	3,262.37	3,107.66	3,508.97	12,804.37	12,503.88
	Total expenses (4)	20,006.76	20,117.56	18,814.60	78,588.79	73,090.49
5	Profit before exceptional item, share of profit/(loss) of joint ventures and tax from continuing operations (3-4)	1,033.64	661.10	998.14	3,128.87	2,704.64
6	Exceptional item (refer note 4)	564.19	909.18	-	1,473.37	-
7	Profit/(loss) before share of profit/(loss) of joint ventures and tax from continuing operations (5-6)	469.45	(248.08)	998.14	1,655.50	2,704.64
8	Share of profit/(loss) of Joint Ventures (refer note 4a)	3.07	0.14	51.40	37.09	443.96
9	Profit/(loss) before tax from continuing operations (7+8)	472.52	(247.94)	1,049.54	1,692.59	3,148.60
10	Tax expense (refer note 7)					
	Current tax	45.78	32.33	148.51	151.13	177.65
	Short provision in respect of earlier year	-	(5.39)	155.81	8.02	215.84
	Deferred tax	196.84	176.95	161.62	836.68	(2,774.84)
	Total tax expense (10)	242.62	203.89	465.94	995.83	(2,381.35)
11	Profit/(loss) for the period from continuing operations (9-10)	229.90	(451.83)	583.60	696.76	5,529.95
	Discontinued operations (refer note 10)					
12	Profit/(loss) before tax for the period from discontinued operations	-	-	-	-	(209.20)
13	Tax (income)/expense of discontinued operations	-	-	-	-	-
14	Profit/(loss) for the period from discontinued operations (12-13)	-	-	-	-	(209.20)
15	Profit/(loss) for the period (11 + 14)	229.90	(451.83)	583.60	696.76	5,320.75
16	Other comprehensive income from continuing operations					
A	Items to be reclassified to profit or loss in subsequent periods					
	Exchange differences in translating the financial statements of foreign operations	13.69	(142.53)	(144.37)	91.05	(156.09)
B	Items not to be reclassified to profit or loss in subsequent periods					
	Remeasurement of defined benefit obligation (net of tax)	(23.17)	-	104.80	(23.24)	103.37
17	Other comprehensive income from discontinued operations	-	-	-	-	-
18	Total Other comprehensive income/(loss), net of tax from continuing and discontinued operations (16+17)	(9.48)	(142.53)	(39.57)	67.81	(52.72)
19	Total comprehensive income/(loss) for the period (15+18)	220.42	(594.36)	544.03	764.57	5,268.03
20	Profit/(loss) for the period attributable to:					
	Shareholders of the Company	205.74	(474.26)	568.55	612.30	5,260.24
	Non-controlling interests	24.16	22.43	15.05	84.46	60.51
21	Other comprehensive income/(loss) attributable to:					
	Shareholders of the Company	(9.32)	(142.53)	(38.71)	67.97	(51.86)
	Non-controlling interests	(0.16)	-	(0.86)	(0.16)	(0.86)
22	Total comprehensive income/(loss) for the period attributable to:					
	Shareholders of the Company	196.42	(616.79)	529.84	680.27	5,208.38
	Non-controlling interests	24.00	22.43	14.19	84.30	59.65
23	Paid-up equity share capital (face value of Re.1)	152.79	152.79	152.79	152.79	152.79
24	Reserves excluding revaluation reserves as per balance sheet				15,497.85	14,817.58
25	Earnings per equity share attributable to Owners (Nominal value per share: Re. 1) (not annualised)					
	- for continuing operations					
	Basic and diluted (in Rupees)	1.35	(3.10)	3.72	4.01	35.80
	- for discontinued operations					
	Basic and diluted (in Rupees)	-	-	-	-	(1.37)
	- for continuing and discontinued operations					
	Basic and diluted (in Rupees)	1.35	(3.10)	3.72	4.01	34.43





Statement of Audited Consolidated Assets and Liabilities as at March 31, 2025

(Rs. in Million)

Sr. No.	Particulars	As at	As at
		March 31, 2025	March 31, 2024
		Audited	Audited
A. ASSETS			
I Non-current assets			
(a) Property, plant and equipment		16,849.54	16,854.95
(b) Capital work-in-progress		1,000.47	763.52
(c) Goodwill		473.06	470.88
(d) Other Intangible assets		450.18	631.36
(e) Right-of-use assets		2,387.18	2,309.71
(f) Intangible assets under development		32.22	35.68
(g) Investments accounted for using the equity method		166.20	4,201.03
(h) Financial assets			
(i) Investments		147.27	136.02
(ii) Other financial assets		201.56	200.02
(i) Income tax assets (net)		178.18	433.08
(j) Deferred tax assets (net)		863.04	1,967.25
(k) Other non-current assets		744.01	650.30
Total non-current assets		23,492.91	28,653.80
II Current assets			
(a) Inventories		7,327.62	6,744.42
(b) Financial assets			
(i) Investments *		374.31	963.17
(ii) Trade receivables		6,797.60	4,918.43
(iii) Cash and cash equivalents		1,114.77	1,104.36
(iv) Bank balances other than (iii) above		518.59	198.56
(v) Loans		0.12	0.18
(vi) Other financial assets		143.39	272.27
(c) Other current assets		3,554.67	2,749.54
Total current assets		19,831.07	16,950.93
III Assets classified as held for sale (refer note 4a)		3,395.15	-
Total Assets (I+II+III)		46,719.13	45,604.73





Statement of Audited Consolidated Assets and Liabilities as at March 31, 2025

(Rs. in Million)

Sr. No.	Particulars	As at	As at
		March 31, 2025	March 31, 2024
		Audited	Audited
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	15,497.85	14,817.58
	Equity attributable to owners	15,650.64	14,970.37
	Non-controlling interests	328.72	291.46
	Total equity	15,979.36	15,261.83
II	Liabilities		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,195.32	6,517.24
	(ia) Lease liabilities	1,443.85	1,483.83
	(ii) Other financial liabilities	15.82	17.89
	(b) Provisions	187.72	162.64
	(c) Deferred tax liabilities (net)	46.79	306.55
	(d) Other non current liabilities	0.25	13.11
	(e) Deferred government grants	226.25	254.24
	Total non-current liabilities	5,116.00	8,755.50
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6,292.44	5,576.54
	(ia) Lease Liabilities	252.79	319.58
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,804.56	1,361.36
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,457.30	10,723.28
	(c) Acceptances	663.30	152.47
	(iii) Other financial liabilities	2,967.62	1,510.05
	(b) Provisions	304.94	302.08
	(c) Current tax liabilities (net)	10.23	23.24
	(d) Other current liabilities	1,766.65	1,517.52
	(e) Deferred government grants	103.94	101.28
	Total current liabilities	25,623.77	21,587.40
III	Total Equity and Liabilities (I+II)	46,719.13	45,604.73

* Pertains to investment in overnight and liquid mutual funds.





Audited Consolidated Statement of Cash Flows for the year ended March 31, 2025

(Rs. in Million)

Sr. No.	Particulars	For the year ended March 31, 2025		For the year ended March 31, 2024	
		Audited		Audited	
A	Cash flow from operating activities				
	Profit/(loss) before tax and exceptional items from continuing operations		3,165.96		3,148.60
	Profit/(loss) before tax from discontinued operations		-		(209.20)
	Adjustments for :				
	Depreciation and amortisation expense	3,233.21		3,368.18	
	Net loss/(gain) on disposal of property, plant and equipment	(26.32)		(64.29)	
	Provision for doubtful debts and advances	6.95		220.28	
	Finance costs	1,702.29		1,938.56	
	Loss on sale of VLS business	-		89.11	
	Gain on sale of current investments	(36.58)		(18.75)	
	Share in profit of Joint Venture accounted for using the equity method	(37.09)		(443.96)	
	Liabilities no longer required written back	(0.60)		(8.48)	
	Increase in surrender value of keyman insurance policy	(18.33)		(27.85)	
	Unrealised exchange gain	(120.39)		(145.61)	
	Interest income	(55.17)	4,647.97	(80.41)	4,826.78
	Operating profits before working capital changes		7,813.93		7,766.18
	Adjustments for changes in:				
	Inventories	(551.70)		(23.50)	
	Trade receivables	(1,883.34)		840.94	
	Other assets	(398.69)		(1,363.42)	
	Trade payables	1,519.92		272.06	
	Other liabilities and provisions	775.76		(550.40)	
			(538.05)		(824.32)
	Cash generated from operations		7,275.88		6,941.86
	Taxes paid (net of refund received)		91.32		(557.19)
	Net cash flow generated from operating activities		7,367.20		6,384.67
B	Cash flow from investing activities				
	Dividend received	-		13.46	
	Interest received	50.39		80.33	
	Proceeds from sale of VLS Business (refer note 10)	-		1,158.43	
	(Purchase of)/proceeds from sale of current investment (net)	625.44		(644.37)	
	Purchase of non current investment	(97.21)		(135.82)	
	Proceeds from sale of property, plant and equipment	167.74		557.85	
	Purchase of property, plant and equipment	(2,787.99)		(2,574.34)	
	Costs incurred on intangible assets	(100.91)		(168.16)	
	Fixed deposits (with maturity of more than 3 months) redeemed/(purchased) (net)	(320.71)		47.62	
	Net cash generated used in investing activities		(2,463.25)		(1,664.99)
C	Cash flow from financing activities				
	Proceeds from long-term borrowings	45.73		4,500.00	
	Repayment of long-term borrowings	(4,588.77)		(8,221.69)	
	Payment of principal portion of lease liability	(454.89)		(239.96)	
	Payment of interest on lease liability	(130.21)		(130.94)	
	Proceeds from/(repayment of) short term borrowings (net)	1,805.53		(553.03)	
	Dividend on equity shares including tax thereon related to non-controlling interest	-		(47.05)	
	Interest paid	(1,581.88)		(1,948.32)	
	Net cash flow used in financing activities		(4,904.49)		(6,640.99)
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)		(0.54)		(1,921.31)
	Opening cash and cash equivalents		1,104.37		3,023.13
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		10.94		2.54
	Total		1,115.31		3,025.67
	Closing cash and cash equivalents		1,114.77		1,104.36
Sr. No.	Particulars	As at March 31, 2025		As at March 31, 2024	
		(Rs. in Million)		(Rs. in Million)	
	Cash and cash equivalents consists of:				
A	Cash and cash equivalents				
i.	Cash in hand		0.18		0.27
ii.	Bank balances				
	- Current accounts		629.56		532.89
	- Deposits with maturity of less than three months		485.03		571.20
			1,114.77		1,104.36
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.				





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

Particulars		Quarter ended			Year ended	
		March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024 *
Debt Equity ratio [refer note (i)]	(No. of times)	0.59	0.64	0.79	0.59	0.79
Debt Service Coverage Ratio [refer note (ii)]	(No. of times)	2.01	1.68	1.42	1.76	1.26
Interest Service Coverage Ratio [refer note (iii)]	(No. of times)	5.54	4.51	5.15	4.76	4.36
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 Million)	15,979.36	15,805.98	15,261.83	15,979.36	15,261.83
Net Profit after Tax	(Rs. in Million)	229.90	(451.83)	583.60	696.76	5,529.95
Earning per share (EPS)						
Basic EPS (Not Annualised)	(Rs.)	1.35	(3.10)	3.72	4.01	35.80
Diluted EPS (Not Annualised)	(Rs.)	1.35	(3.10)	3.72	4.01	35.80
Current Ratio [refer note (v)]	(No. of times)	0.77	0.78	0.79	0.77	0.79
Long Term Debt to Working Capital Ratio [refer note (vi)] ^	(No. of times)	(1.59)	(3.07)	(8.84)	(1.59)	(8.84)
Bad Debts to Account Receivable Ratio [refer note (vii)] ***	(No. of times)	(0.00)	-	0.04	0.00	0.04
Current Liability Ratio [refer note (viii)]	(No. of times)	0.83	0.80	0.71	0.83	0.71
Total Debts to Total Assets Ratio [refer note (ix)]	(No. of times)	0.20	0.22	0.27	0.20	0.27
Debtors Turnover Ratio [refer note (x)] **	(No. of times)	3.65	3.91	3.85	13.92	13.87
Inventory Turnover Ratio [refer note (xi)] **	(No. of times)	1.74	1.63	1.72	7.40	7.04
Operating Margin [refer note (xii)]	(in %)	6.28%	5.27%	6.90%	5.56%	5.59%
Net Profit Margin [refer note (xiii)]	(in %)	1.10%	-2.18%	2.96%	0.85%	7.32%

Formulae for calculation of ratios are as follows:

- (i) Debt Equity Ratio = [Total Debt / Total Equity]
- (ii) Debt Service Coverage Ratio = [(Earnings before Interest, Tax, Depreciation & Amortisation expense and Exceptional Item)/(Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)]
- (iii) Interest Service Coverage Ratio = [(Earnings before Interest, Tax, Depreciation & Amortisation expense and Exceptional Item)/(Interest Expense)]
- (iv) Net Worth = [Equity Share Capital + Other equity + Non-controlling Interests]
- (v) Current Ratio = [Current Assets^{^^} / Current Liabilities]
- (vi) Long Term Debt to Working Capital = [Non Current Borrowings (including Current Maturities of Long Term Borrowings) / 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) / Average Inventory]
- (xii) Operating Margin = [(Earnings before Interest, Tax, Exceptional Item and Share of Profit from Joint Venture - Other Income +/- foreign exchange (gain)/loss (net)) / Revenue from Operations]
- (xiii) Net Profit Margin = [Net Profit after Tax / Revenue from Operations]
- (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 Maturities of Long Term Borrowings)]

* The above ratios have been computed for continuing operations only.

** Ratio not annualised, except for the year ended March 31, 2025 and March 31, 2024

*** numbers are below 0.01

^ Ratio is negative because net working capital is negative.

^^ Current Assets are excluding assets held for sale.





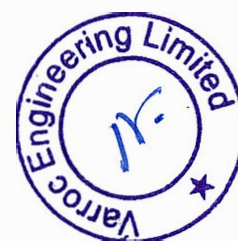
Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Million)

Particulars	Quarter ended			Year ended	
	March 31, 2025	December 31, 2024	March 31, 2024	March 31, 2025	March 31, 2024
	Audited (Refer note 2)	Unaudited	Audited (Refer note 2)	Audited	Audited
1) Segment Revenue					
(i) Automotive (refer note 6)	20,356.25	20,185.26	19,232.02	79,338.94	73,577.33
(ii) Others	635.76	567.36	516.53	2,201.90	1,942.04
Revenue from operations	20,992.01	20,752.62	19,748.55	81,540.84	75,519.37
2) Segment Results					
(i) Automotive (refer note 4c & 4d)	1,326.05	1,031.02	1,460.98	4,811.26	4,611.22
(ii) Others	(29.99)	(70.77)	(22.47)	(257.13)	(42.79)
Total segment results from continuing operations (refer note 6)	1,296.06	960.25	1,438.51	4,554.13	4,568.43
Add : Segment results of discontinued operations (automotive segment) (refer note 10)	-	-	-	-	(209.20)
Add/ (Less) :					
(a) Finance Cost	(407.92)	(417.92)	(451.40)	(1,702.29)	(1,938.56)
(b) Net unallocated (expenditure) / income (refer note 4a & 4b)	(415.62)	(790.27)	62.43	(1,159.25)	518.73
Profit/(loss) before tax	472.52	(247.94)	1,049.54	1,692.59	2,939.40
3) Segment Assets					
(i) Automotive	38,310.66	37,064.94	35,137.59	38,310.66	35,137.59
(ii) Others	2,260.65	1,997.38	1,977.98	2,260.65	1,977.98
Total segment assets	40,571.31	39,062.32	37,115.57	40,571.31	37,115.57
Add : Unallocated (Refer note 4a)	6,147.82	6,288.93	8,489.16	6,147.82	8,489.16
Total assets	46,719.13	45,351.25	45,604.73	46,719.13	45,604.73
4) Segment Liabilities					
(i) Automotive	20,582.86	18,774.61	17,523.77	20,582.86	17,523.77
(ii) Others	590.30	505.12	363.93	590.30	363.93
Total segment liabilities	21,173.16	19,279.73	17,887.70	21,173.16	17,887.70
Add : Unallocated	9,566.61	10,265.54	12,455.20	9,566.61	12,455.20
Total liabilities	30,739.77	29,545.27	30,342.90	30,739.77	30,342.90

Notes to Audited Consolidated Financial Results:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 29, 2025 and were subjected to audit by the Statutory Auditors.
- The figures for the quarters ended March 31, 2025 and March 31, 2024 are the derived figures between the audited figures in respect of full financial year and the unaudited published year-to-date figures upto the third quarter of the respective financial year which were subjected to limited review.
- Pursuant to provisions of Section 230-232 of the Companies Act, 2013, the Board of Directors of the Company on May 17, 2024 had approved the scheme of amalgamation of Varroc Polymers Limited ('VPL') (a wholly owned subsidiary of the Holding Company) with Varroc Engineering Limited ('VEL') (the Holding Company) with appointed date of April 01, 2024 ('the Scheme'). National Company Law Tribunal ('NCLT') approved the above scheme vide its order dated January 10, 2025 and the merger became effective on February 1, 2025 on filing of the NCLT order with the Registrar of Companies. The merger has been accounted as business combination of entities under common control as per Appendix C to Ind AS 103 - Business Combinations. The aforesaid scheme has no impact on the Consolidated Financial Results of the Group since the scheme of merger was between the Holding Company and its wholly owned subsidiary.



Varroc Engineering Limited

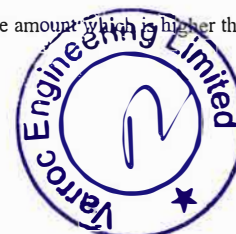
Registered and Corporate Office : L-4, MIDC Area, Waluj, Chhatrapati Sambhaji Nagar (Aurangabad) 431 136, Maharashtra

CIN : L28920MH1988PLC047335

Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540, E-mail : investors@varroc.com



- 4 Exceptional items for the periods presented in the consolidated results include following:
- 4a On December 11, 2024, the Group received an order from the International Chamber of Commerce, Singapore ('ICC') in respect of the ongoing arbitration between VarrocCorp Holding B.V. ('VCHBV') jointly with Varroc Engineering Limited and Beste Motor Co. Ltd. ('TYC BVI Entity') jointly with TYC Brother Industrial Co. Ltd ('TYC Group') and Varroc TYC Corporation ('VTYC' or 'China JV'), wherein VCHBV has been directed to transfer its 50% shareholding in VTYC to TYC BVI Entity for a consideration of RMB 310.50 million.
- Accordingly, the Group has assessed that its investment in VTYC (a joint venture accounted for under the equity method) satisfies the criteria prescribed under Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations' for classification as 'Assets held for sale' and has written down this investment to Rs. 3,395.15 million which is its fair value less costs to sell. The resulting estimated impairment loss of Rs. 10.34 million, Rs. 796.48 million and Rs. 806.82 million for the quarters ended March 31, 2025 and December 31, 2024, and the year ended March 31, 2025 respectively has been disclosed as an Exceptional item in the financial results. Subsequent to the year end, the Group has received above consideration on May 07, 2025 and transferred its investments in China JV. Further, the Group's share of net profits of VTYC of Rs. 27.85 million (approx. 1.65% of Profit/(loss) before tax) which is included in the Group's consolidated profits is based on management certified accounts and was not subjected to audit. Due to the arbitration as explained above, the Group was unable to get the financial and other information of VTYC audited from auditors. The auditors in their audit report have included a qualification in respect of this matter.
- 4b On April 21, 2025, the Group received final order from ICC in respect of the above arbitration wherein the Group has been directed to pay to TYC Group legal costs pertaining to the arbitration incurred by TYC Group amounting to Rs. 439.91 million. The group has recognised a provision for this cost as at March 31, 2025 and the same has been disclosed as an Exceptional item in the financial results for the quarter and year ended March 31, 2025. The Company is analyzing the Final Award, and is assessing the legal options available in this regard.
- 4c Exceptional item also include estimated expenses directly attributable to merger of VPL with the Company amounting to Rs. 83.32 million, Rs. 112.70 million and Rs. 196.02 million for the quarters ended March 31, 2025 and December 31, 2024, and the year ended March 31, 2025 respectively.
- 4d During the current year, KTM AG group, one of the customer of the Group, filed for insolvency and the Court admitted restructuring with self-administration in Austria. Considering these developments, the Group recognised a provision for expected credit loss of trade receivables of KTM AG Group amounting to Rs. 30.62 million in the quarter and year ended March 31, 2025.
- 5 a) On November 5, 2024, the Group received a GST Order from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Group has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to applicable interest and penalty for the aforementioned period. The Group has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and year ended March 31, 2025.
- b) On January 03, 2025, the Group received a GST Order from Commercial Tax Officer (Divisional GST office, Karnataka) consisting of demand for GST dues amounting to Rs. 0.03 million along with interest of Rs. 302.67 million and penalty of Rs. 564.19 million relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Group has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to the interest and penalty for the aforementioned period. The Group has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and year ended March 31, 2025.
- 6 During the previous year ended March 31, 2024, the Group received eligibility certificates (ECs) in respect of three plants in Aurangabad/Pune under the Maharashtra Electronic Policy 2016 effective from April 1, 2022 and valid for 10 years. Under these ECs, the Company is eligible to claim incentive in the form of refund of SGST paid on eligible sales from the respective plants. The Group has considered these as grants related to income under Ind AS 20 by recognizing the same as income in profit and loss based on SGST paid for the year. The amount of income recognised in the quarter and year ended March 31, 2024 in respect of the aforesaid ECs was Rs. 989.71 million pertaining to the period April 1, 2022 to March 31, 2024.
- 7 During the year ended March 31, 2024, Varroc Engineering Limited ('VEL') and Varroc Polymers Limited ('VPL'), wholly owned subsidiary, now merged with VEL as explained in Note 3, had derecognised (written-off) loans given to VarrocCorp Holding B.V. ('VCHBV'), Netherlands including interest on such loans aggregating to Rs. 13,533.33 million after making requisite submissions to AD Bank. The Group had claimed this write-off of loans as an allowable business loss, considering that these loans extended to VCHBV were in the nature of trade investments to derive benefits for the Group's businesses rather than for earning dividend/capital appreciation. The Group obtained legal opinions from two independent senior counsels who supported their view on claiming this write-off of loans as an allowable business loss.
- Accordingly, the group considered this loss as tax deductible for computation of current tax provision to the extent of Rs. 437.14 million and for recognition of deferred tax asset of Rs. 2,968.93 million in VPL & VEL respectively, towards the loss during the year ended March 31, 2024.
- These loans pertained to funding of Varroc Lighting Systems ('VLS') entities (erstwhile subsidiaries of VCHBV) which were fully provided for during the period ended September 30, 2022, in respective standalone financial statements of VEL and VPL when the VLS business was sold to Compagnie Plastic Omnium SE, France.
- Further, VEL shifted to new tax regime under section 115BAA of Income Tax Act, 1961 from financial year ended March 31, 2024. As a result, MAT credit of Rs. 265.34 million was written off and deferred tax liability to the extent of Rs. 254.54 million was reversed on account of lower tax rate under new regime, which were included in the total tax expense for the year ended March 31, 2024.
- 8 During the year ended March 31, 2024, the Company had issued 25,000 number of listed Non-Convertible Debentures ('NCD') of face value of Rs. 1,00,000 each aggregating to Rs. 2,500 million on a private placement basis. The NCDs are repayable in 16 equal quarterly instalments beginning from December 07, 2024. Further, NCD holders have a put option after 30 months and 42 months respectively from date of allotment, requiring the Company to redeem all the NCDs. The Company shall at all times until the Final Settlement Date maintain a minimum Security Cover of at least 1.1x. The proceeds from the issue have been utilised for repayment of existing listed NCDs, other outstanding debt and for general corporate purposes. These NCDs are secured by exclusive charge by way of hypothecation on the specific identified movable properties of the Company.
- The asset cover in respect of the Non-Convertible Debentures as at March 31, 2025 is 1.57 times of the total due amount which is higher than the requirement of 1.10 times as specified in the Debenture Trust Deed.



Varroc Engineering Limited

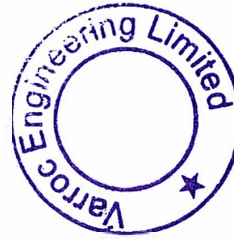
Registered and Corporate Office : L-4, MIDC Area, Waluj, Chhatrapati Sambhaji Nagar (Aurangabad) 431 136, Maharashtra
CIN : L28920MH1988PLC047335

Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540, E-mail : investors@varroc.com



- 9 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 ventures and corresponding share of profit/loss from joint ventures is considered under unallocated assets and profit/loss respectively.
- 10 Varroc Engineering Limited ('VEL') and VarrocCorp Holding BV, Netherlands ('VCHBV', wholly owned subsidiary of VEL) (together referred to as 'Sellers') entered into a Securities Purchase Agreement dated April 29, 2022 as amended dated July 01, 2022, October 05, 2022 and May 12, 2023 (collectively referred to as 'SPA') with Compagnie Plastic Omnium SE, France (referred to as 'Buyer'), to divest the Sellers 4-Wheeler lighting business in the Americas and Europe ('VLS Business'). The equity value agreed under the SPA was Euro 69.5 million (subject to closing adjustments as provided under the SPA). Subsequently, both the Buyer and the Sellers entered into Settlement Agreement on July 14, 2023 whereby both the parties agreed to settle the disagreements on closing adjustments and the final equity value agreed under the Settlement Agreement was Euro 54.5 million. Accordingly, VCHBV received the remaining consideration amount of Euro 13 million on July 17, 2023 pursuant to this final settlement with Buyer. Loss from discontinued operations for the year ended March 31, 2024 of Rs. 209.20 million pertains to adjustments pursuant to revised equity value as per above settlement agreement and expenses directly related to sale of investment in VLS business.
- 11 The Board of Directors at its meeting held today has considered and recommended a final dividend of Re. 1 per equity share (nominal value of Re. 1 per share) for the year ended March 31, 2025. The final dividend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

Place : Pune
Date : May 29, 2025



For and on behalf of Board of Director
Varroc Engineering Limited


Tarang Jain
Chairman and Managing Director