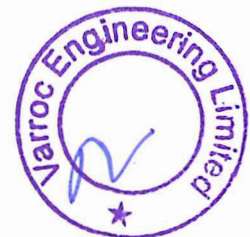


Statement of audited standalone financial results for the quarter and year ended March 31, 2024

(Rs. in Million)

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Audited (refer note 2)	Unaudited	Audited (refer note 2)	Audited	Audited
1	Revenue from operations	12,004.47	11,695.24	9,421.28	45,349.63	39,401.96
2	Other income (refer notes 3 & 7)	35.08	52.36	73.25	273.47	306.97
3	Total Income (1 + 2)	12,039.55	11,747.60	9,494.53	45,623.10	39,708.93
4	Expenses					
	(a) Cost of materials consumed	7,232.79	7,799.43	5,945.28	29,869.75	26,696.99
	(b) Changes in stock of finished goods and work-in-progress	128.16	28.30	358.10	(62.79)	(158.22)
	(c) Employee benefits expense	1,059.54	1,092.71	914.70	4,200.22	3,661.84
	(d) Finance costs	441.50	432.63	483.57	1,791.48	1,700.98
	(e) Foreign exchange (gain)/loss (net) (refer note 6)	(23.43)	(9.50)	(23.32)	(109.30)	495.92
	(f) Depreciation and amortisation expense	513.63	494.82	565.35	1,981.62	1,944.49
	(g) Other expenses	1,684.55	1,699.30	1,517.33	6,850.45	5,822.43
	Total expenses (4)	11,036.74	11,537.69	9,761.01	44,521.43	40,164.43
5	Profit/(loss) before tax and exceptional items (3- 4)	1,002.81	209.91	(266.48)	1,101.67	(455.50)
6	Exceptional item (refer note 5)	-	-	81.90	45.00	13,321.90
7	Profit/(loss) before tax (5-6)	1,002.81	209.91	(348.38)	1,056.67	(13,777.40)
8	Tax expense (refer note 4)					
	(a) Current tax	-	40.44	58.85	-	137.66
	(b) Short/(excess) provision in respect of earlier years	154.94	40.94	(37.18)	195.88	(110.90)
	(c) Deferred tax	205.13	(2,913.47)	(92.28)	(2,709.88)	63.78
	Total tax expense (8)	360.07	(2,832.09)	(70.61)	(2,514.00)	90.54
9	Profit/(loss) for the period (7-8)	642.74	3,042.00	(277.77)	3,570.67	(13,867.94)
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)	(9.79)	-	1.83	(9.79)	1.83
	Other comprehensive income/(loss) (10)	(9.79)	-	1.83	(9.79)	1.83
11	Total comprehensive income for the period (9+10)	632.95	3,042.00	(275.94)	3,560.88	(13,866.11)
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	-	-	-	8,951.83	5,390.95
14	Earnings per share (of Re. 1/- each) (not annualised): Basic & Diluted (in Rupees)	4.21	19.91	(1.82)	23.37	(90.76)

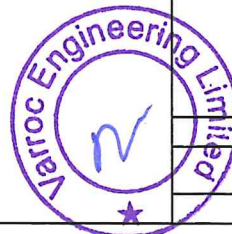




Statement of audited standalone assets and liabilities as at March 31, 2024

(Rs. in Million)

Sr. No.	Particulars	As at	As at
		March 31, 2024	March 31, 2023
		Audited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	8,702.93	9,711.63
	(b) Capital work-in-progress	180.63	374.84
	(c) Investment properties	113.20	118.69
	(d) Intangible assets	427.70	513.15
	(e) Intangible assets under development	10.18	56.44
	(f) Right to use asset	1,766.44	1,345.71
	(g) Investments in subsidiaries and joint venture	8,873.73	9,139.17
	(h) Financial assets		
	(i) Investments	64.96	0.15
	(ii) Other financial assets	102.61	293.47
	(i) Income tax assets (net)	200.00	306.77
	(j) Deferred tax assets	1,913.74	-
	(k) Other non-current assets	545.80	443.55
	Total Non-current assets	22,901.92	22,303.57
2	Current assets		
	(a) Inventories	3,892.65	4,109.16
	(b) Financial assets		
	(i) Investments	648.11	300.05
	(ii) Trade receivables	2,262.89	3,033.16
	(iii) Cash and cash equivalents	597.12	1,496.36
	(iv) Bank balances other than (iii) above	2.53	45.06
	(v) Loans	39.34	479.58
	(vi) Other financial assets	265.05	58.40
	(c) Other current assets	1,697.97	650.61
	Total Current assets	9,405.66	10,172.38
	Total Assets (1+2)	32,307.58	32,475.95
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	8,951.83	5,390.95
	Total Equity	9,104.62	5,543.74
	Liabilities		
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	5,439.69	1,473.78
	(ii) Lease liabilities	1,329.89	890.84
	(b) Provisions	94.04	83.74
	(c) Deferred tax liabilities (net)	-	799.43
	(d) Other non-current liabilities	13.11	44.78
	(e) Deferred government grant	163.37	144.39
	Total Non-current liabilities	7,040.10	3,436.96
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	7,029.78	14,986.05
	(ii) Lease liabilities	162.93	112.68
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	917.58	784.65
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,278.99	5,457.49
	(c) Acceptances	77.65	91.01
	(iv) Other financial liabilities	882.25	1,048.87
	(b) Provisions	207.50	218.20
	(c) Other current liabilities	538.49	646.22
	(d) Deferred government grant	67.69	150.08
	Total Current liabilities	16,162.86	23,495.25
	Total Equity and Liabilities (1+2+3)	32,307.58	32,475.95





Standalone Statement of cash flows for the year ended March 31, 2024

(Rs. in Million)

Sr.No	Particulars	For the year ended	
		March 31, 2024	March 31, 2023
		(Audited)	(Audited)
A	Cash flow from operating activities		
	Profit/(loss) before tax	1,101.67	(455.50)
	Adjustments for:		
	Depreciation and amortization expense	1,981.62	1,944.49
	Provision for doubtful debts / advances	3.42	16.40
	Unrealised exchange loss on restatement of intercorporate loan	-	529.62
	Realised exchange gain on intercorporate loan	(49.50)	-
	Finance costs	1,791.48	1,700.98
	Rent income from investment property	(44.21)	(28.28)
	Profit on sale of current investments	(11.08)	-
	Provisions/liabilities no longer required written back	(1.08)	(34.07)
	(Profit)/Loss on sale of property, plant and equipment / intangible assets	(10.97)	(3.26)
	Increase in surrender value of key man insurance	(27.85)	(17.39)
	Dividend income	(125.79)	(0.01)
	Interest income	(41.94)	(148.77)
		3,464.10	3,959.71
	Operating profits before working capital changes	4,565.77	3,504.21
	Adjustments for changes in working capital		
	Trade receivables	921.03	771.01
	Trade payables	942.15	(1,359.32)
	Inventories	216.51	(492.83)
	Other financial assets	(47.40)	7.07
	Other current and non current assets	(1,171.88)	19.52
	Provision	(13.48)	21.00
	Other financial liabilities	68.84	50.23
	Other current and non current liabilities	(139.40)	(21.83)
		776.37	(1,005.15)
	Cash generated from operations	5,342.14	2,499.06
	Income tax paid (net of refund)	(89.11)	(206.01)
	Net cash flow generated from operating activities	5,253.03	2,293.05
B	Cash flow from investing activities		
	Dividend received	125.79	0.01
	Interest received	39.65	5.47
	Rent received on investment property	44.21	28.28
	Proceeds from sale of property, plant and equipment	454.03	13.54
	Proceeds from sale of Non current investment	-	65.94
	Intercorporate loan repaid by overseas subsidiary	687.28	-
	Loans given to subsidiaries	(54.93)	(2,632.18)
	(Purchase of)/Proceeds from sale of current investment	(336.98)	(300.05)
	Purchase of property, plant and equipment	(927.80)	(1,395.04)
	Fixed deposits (placed)/ redeemed (net)	40.78	(59.40)
	Investment in subsidiary	(69.97)	-
	Purchase of non current investment	(64.81)	-
		(62.75)	(4,273.43)
	Net cash generated from/(used in) investing activities		
C	Cash flow from financing activities		
	Repayment of long term borrowings	(6,799.16)	(1,389.93)
	Proceeds from long term borrowings	4,500.00	3,171.07
	Proceeds from/(repayment of) short term borrowings (net)	(368.19)	978.24
	Payment of principal portion of lease liability	(135.41)	(103.32)
	Payment of interest on lease liability	(118.15)	(54.57)
	Intercorporate Deposit taken from Subsidiaries	16,178.19	7,391.20
	Intercorporate Deposit repaid to Subsidiaries	(17,501.20)	(5,311.00)
	Interest paid	(1,845.60)	(1,626.01)
		(6,089.52)	3,055.68
	Net cash flow generated from/(used in) financing activities		
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(899.24)	1,075.30
	Opening cash and cash equivalents	1,496.36	421.06
	Closing cash and cash equivalents	597.12	1,496.36
	Cash and cash equivalents consists of :		
	Cash in hand	0.02	0.01
	Current accounts	90.38	246.35
	Deposit with maturity of less than 3 months	506.72	1,250.00
		597.12	1,496.36

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) Prior period comparatives have been reclassified to conform with current period presentation, where applicable.
- 3) Figures in brackets represent outflow of cash and cash equivalents.

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

Particulars		Quarter Ended			Year Ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
Debt Equity ratio [refer note (i)]	(No. of times)	1.37	1.54	2.97	1.37	2.97
Debt service coverage ratio [refer note (ii)]	(No. of times)	1.58	1.22	0.92	0.94	1.03
Interest service coverage ratio [refer note (iii)]	(No. of times)	4.43	2.63	1.62	2.72	1.88
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)	9,104.62	8,471.67	5,543.74	9,104.62	5,543.74
Net profit/(loss) after tax	(Rs. in Million)	642.74	3,042.00	(277.77)	3,570.67	(13,867.94)
Earning per share (EPS)						
Basic EPS (Not Annualised)	(Rs.)	4.21	19.91	(1.82)	23.37	(90.76)
Diluted EPS (Not Annualised)	(Rs.)	4.21	19.91	(1.82)	23.37	(90.76)
Current Ratio [refer note (v)]	(No. of times)	0.58	0.52	0.43	0.58	0.43
Long Term Debt To Working Capital [refer note (vi)] ^	(No. of times)	(1.57)	(1.76)	(1.94)	(1.57)	(1.94)
Bad Debts To Account Receivable Ratio [refer note (vii)]**	(No. of times)	-	-	0.00	(0.01)	0.00
Current Liability Ratio [refer note (viii)]	(No. of times)	0.70	0.72	0.87	0.70	0.87
Total Debts To Total Assets [refer note (ix)]	(No. of times)	0.39	0.40	0.51	0.39	0.51
Debtors Turnover [refer note (x)]*	(No. of times)	5.34	4.74	2.90	17.13	11.25
Inventory Turnover [refer note (xi)]*	(No. of times)	1.81	1.84	1.38	7.45	6.87
Operating Margin [refer note (xii)]	(in %)	11.74%	5.05%	1.53%	5.78%	2.38%
Net Profit Margin [refer note (xiii)]	(in %)	5.35%	26.01%	-2.95%	7.87%	-35.20%
Security cover ratio [refer note (xvii)] #	(No. of times)	1.38	1.42	1.21	1.38	1.21

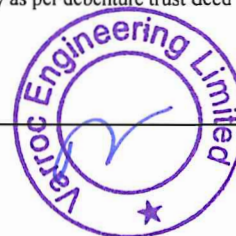
Formulae for calculation of ratios are as follows:

- (i) Debt Equity Ratio = [Total Debt / Total Equity]
(ii) Debt service coverage ratio = [(Earning before Interest Tax, Depreciation & amortisation and Exceptional items)/(Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)]
(iii) Interest service coverage ratio = [(Earning before Interest, Tax, Depreciation & amortisation and Exceptional items)/(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 = [Earning before Interest, Tax and Exceptional items - Other Income / Revenue from operation]
(xiii) Net Profit Margin = [Net profit after tax / Revenue from operation]
(xiv) Total Debt = Long Term Borrowings + Short Term Borrowings (includes Current Maturities of Long Term Borrowings)
(xv) Total Equity = Equity Share Capital + Other Equity
(xvi) Working Capital = [Total Current Assets - Total Current Liabilities (excluding current maturity of long term borrowing)]
(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, 2024 and March 31, 2023

** numbers are below 0.01

^ Ratio is negative because net working capital is negative.

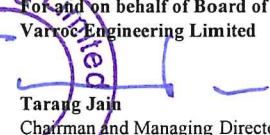


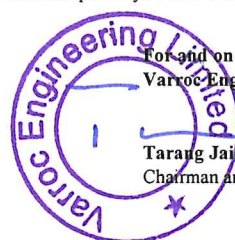
Notes to the Audited Standalone Financial Results:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 17, 2024 and were subjected to audit by the Statutory Auditors.
- 2) The figures for the quarters ended March 31, 2024 and March 31, 2023 are the derived figures between 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) In the current quarter, the Company 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 taxes payable under SGST on finished goods eligible for incentives 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 collected for the period/year. The amount of income recognised in the current quarter in respect of the aforesaid ECs is Rs. 989.71 million pertaining to the period April 1, 2022, to March 31, 2024.

The Company had also changed the presentation of government grants in the Statement of profit and loss from "Other income" to "Other operating revenue" (included within "Revenue from operations") in the previous quarter. Accordingly, grant income of Rs 60.20 million and Rs 223.06 million for the quarter and year ended March 31, 2023 respectively have been presented under Other operating revenue.
- 4) During the quarter ended December 31, 2023, the Company has derecognised (written-off) loans given to VarrocCorp Holding BV ("VCHBV"), Netherlands including interest on such loans aggregating to Rs. 11,796.44 million after making requisite submissions to AD Bank. The Company has 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 has 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, the Company has considered this loss as tax deductible for computation of tax provision and recognised deferred tax asset of Rs. 2,968.93 million as at December 31, 2023. These loans pertain 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, the Company has decided to shift to new tax regime under section 115BAA of Income Tax Act, 1961 from current financial year ended March 31, 2024. As a result, MAT credit of Rs. 265.34 million has been written off and deferred tax liability to the extent of Rs. 254.54 million has been reversed on account of lower tax rate under new regime, which has been included in the Income tax expense for the quarter ended December 31, 2023 and year ended March 31, 2024.
- 5) 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"). The equity value agreed under the SPA was Eur 69.5 million (subject to closing adjustments as provided under the SPA) and accordingly the loss on equity investments and loans given to VLS business of Rs 13,321.90 million was recognised as exceptional item during the year ended March 31, 2023.
The Buyer submitted the final adjustments but failed to provide the necessary supporting details to enable the Sellers to understand these adjustments. Hence, Sellers sent a Dispute Notice in accordance with the SPA disputing the proposed adjustments. Subsequently, both the Buyer and the Sellers have entered into Settlement Agreement on July 14, 2023 whereby both the parties have agreed to settle the disagreements on closing adjustments and the final equity value agreed under the Settlement Agreement is Eur 54.5 million. Accordingly VCHBV has received the remaining consideration amount of Eur 13 million on July 17, 2023 pursuant to this final settlement with Buyer. Exceptional item of Rs 45 million for the year ended March 31, 2024 pertains to expenses directly related to sale of investment in VLS business.
- 6) Foreign exchange loss/(gain) for the quarter ended March 31, 2024, December 31, 2023 and March 31, 2023 and year ended March 31, 2024 and March 31, 2023 includes amounts of Rs. Nil million, Rs. Nil million, Rs. (6.50) million, and Rs.(31.38) million, and Rs. 529.62 million respectively in respect of unrealised/realised foreign exchange loss/(gain) on loans given to overseas subsidiary.
- 7) Other income for the year ended March 31, 2024 includes dividend received from a subsidiary company of Rs. 125.79 million.
- 8) The total debt as at March 31, 2024 is Rs.12,469.47 million out of which amounts of Rs. 2,002.54 million are due for repayment in the next 12 months from balance sheet date (excluding working capital facilities of Rs.5,027.24 million). Taking into account the expected cash generation from operations in next 12 months and the additional sanctions that the Company has secured for long-term funding, the management does not foresee any risk of non-payment/default. Accordingly, the results for the quarter and year ended March 31, 2024 are prepared based on going concern assumption being appropriate for the next 12 months.
- 9) During the year, the Company has 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 will be repaid 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, 2024 is 1.38 times of the total due amount which is higher than the requirement of 1.10 times as specified in the Debenture Trust Deed.
- 10) The Board of Directors of the Company at its meeting dated May 17, 2024 have approved the draft scheme of amalgamation of Varroc Polymers Limited (a wholly owned subsidiary of the Company) with the Company under sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') subject to the requisite approvals under the Act and the sanction of the scheme by National Company Law Tribunal ("NCLT"). The appointed date of the said scheme is April 01, 2024 or such other date as may be approved by the NCLT or any other competent authority .
- 11) Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year classification.

Place: Pune
Date: May 17, 2024

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 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, 2024 and for the year ended March 31, 2024 (the "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:

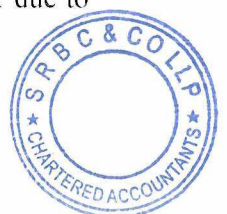
- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 and for the year ended March 31, 2024.

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.

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.
- 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.



SRBC & CO LLP

Chartered Accountants

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.

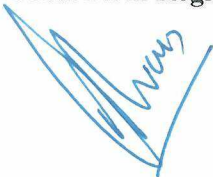
Other Matter

The Statement includes the results for the quarter ended March 31, 2024 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2024 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 SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Paul Alvares

Partner

Membership No.: 105754



UDIN: 24105754BKBZNL4804

Place: Pune

Date: May 17, 2024

Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC Industrial Area
Waluj, Aurangabad – 431 136
Maharashtra, India
CIN: L28920MH1988PLC047335

Tel: +91 240 6653700
Fax: +91 240 2564540

varroc.info@varroc.com
www.varroc.com



VARROC/SE/INT/2024-25/19

May 17, 2024

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

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

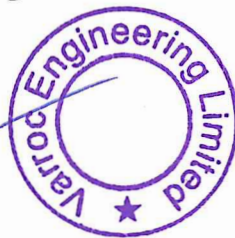
With reference to the captioned subject, we hereby declare that the Statutory Auditors of the Company, SRBC & Co., LLP, Chartered Accountants, Pune (Registration Number 324982E/E300003), have issued the Audit Report with unmodified opinion in respect of the Audited (Standalone) Financial Statements of the Company for the Financial year ended March 31, 2024.

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

Yours faithfully,

For Varroc Engineering Limited

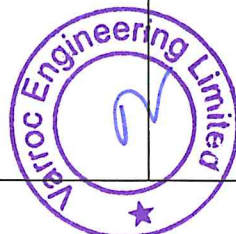

K. Mahendra Kumar
Group CFO



Statement of audited consolidated financial results for the quarter and year ended March 31, 2024

(Rs. in Million)

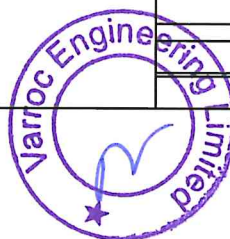
Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
		Audited (Refer note 2)	Unaudited	Audited (refer note 2)	Audited	Audited
	Continuing Operations					
1	Revenue from operations (refer note 4)	19,748.55	18,845.88	16,991.15	75,519.37	68,912.13
2	Other income (refer note 4)	64.19	89.28	121.39	275.76	297.34
3	Total income (1+2)	19,812.74	18,935.16	17,112.54	75,795.13	69,209.47
4	Expenses					
	(a) Cost of materials consumed	11,861.13	12,040.59	10,112.10	47,448.87	44,455.49
	(b) Changes in inventories of work-in-progress and finished goods	120.70	(40.55)	577.81	(115.60)	(150.02)
	(c) Employee benefits expense	2,070.98	2,070.86	1,894.32	8,092.21	7,172.97
	(d) Finance costs	451.40	495.63	525.27	1,938.56	1,902.95
	(e) Foreign exchange (gain)/loss (net)	(23.54)	(24.88)	(58.48)	(145.61)	217.54
	(f) Depreciation and amortisation expense	824.96	892.74	921.72	3,368.18	3,367.41
	(g) Other expenses	3,508.97	3,043.94	2,813.53	12,503.88	11,467.81
	Total expenses (4)	18,814.60	18,478.33	16,786.27	73,090.49	68,434.15
5	Profit/(loss) before share of profit/(loss) of joint ventures and tax from continuing operations (3-4)	998.14	456.83	326.27	2,704.64	775.32
6	Share of profit/(loss) of Joint Ventures (refer note 3)	51.40	250.68	85.05	443.96	53.28
7	Profit/(loss) before tax from continuing operations (5+6)	1,049.54	707.51	411.32	3,148.60	828.60
8	Tax expense (refer note 5)					
	Current tax	148.51	(254.81)	181.21	177.65	660.95
	Short/ (excess) provision in respect of earlier year	155.81	59.05	(37.18)	215.84	(105.78)
	Deferred tax	161.62	(2,935.60)	(132.87)	(2,774.84)	(114.46)
	Total tax expense (8)	465.94	(3,131.36)	11.16	(2,381.35)	440.71
9	Profit/(loss) for the period from continuing operations (7-8)	583.60	3,838.87	400.16	5,529.95	387.89
	Discontinued operations (refer note 8)					
10	Profit/(loss) before tax for the period from discontinued operations	-	-	-	(209.20)	(8,557.23)
11	Tax (Income)/expense of discontinued operations	-	-	-	-	1.91
12	Profit/ (loss) for the period from discontinued operations (10-11)	-	-	-	(209.20)	(8,559.14)
13	Profit/(loss) for the period (9 + 12)	583.60	3,838.87	400.16	5,320.75	(8,171.25)
14	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	(144.37)	268.26	174.71	(156.09)	472.99
B	Items not to be reclassified to profit or loss in subsequent periods					
	Remeasurement of defined benefit obligation (net of tax)	104.80	-	(55.59)	103.37	(55.59)
15	Other comprehensive income from discontinued operations					
A	Items to be reclassified to profit or loss in subsequent periods					
	Exchange differences in translating the financial statements of foreign operations	-	-	-	-	(2,344.95)
B	Items not to be reclassified to profit or loss in subsequent periods	-	-	-	-	-
16	Total Other comprehensive income/(loss), net of tax from continuing and discontinued operations (14+15)	(39.57)	268.26	119.12	(52.72)	(1,927.55)
17	Total comprehensive income/(loss) for the period (13+16)	544.03	4,107.13	519.28	5,268.03	(10,098.80)
18	Profit/(loss) for the period attributable to:					
	Shareholders of the Company	568.55	3,826.85	396.23	5,260.24	(8,198.35)
	Non-controlling interests	15.05	12.02	3.93	60.51	27.10
19	Other comprehensive income/(loss) attributable to:					
	Shareholders of the Company	(38.71)	268.26	119.80	(51.86)	(1,926.87)
	Non-controlling interests	(0.86)	-	(0.68)	(0.86)	(0.68)
20	Total comprehensive income/(loss) for the period attributable to:					
	Shareholders of the Company	529.84	4,095.11	516.03	5,208.38	(10,125.22)
	Non-controlling interests	14.19	12.02	3.25	59.65	26.42
21	Paid- up equity share capital (face value of Re.1)	152.79	152.79	152.79	152.79	152.79
22	Reserves excluding revaluation reserves as per balance sheet	-	-	-	14,817.58	9,609.20
23	Earnings per equity share attributable to Owners (Nominal value per share: Re. 1) (not annualised)					
	-for continuing operations					
	Basic and diluted (in Rupees)	3.72	25.05	2.59	35.80	2.36
	- for discontinued operations					
	Basic and diluted (in Rupees)	-	-	-	(1.37)	(56.02)
	- for continuing and discontinued operations					
	Basic and diluted (in Rupees)	3.72	25.05	2.59	34.43	(53.66)



Statement of audited consolidated Assets and Liabilities as at March 31, 2024

(Rs. in Million)

Sr. No.	Particulars	As at March 31, 2024	As at March 31, 2023
		Audited	Audited
A.	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	16,854.95	17,067.34
	(b) Capital work-in-progress	763.52	1,209.40
	(c) Goodwill	470.88	469.29
	(d) Other Intangible assets	631.36	727.42
	(e) Right-of-use assets	2,309.71	2,248.95
	(f) Intangible assets under development	35.68	137.38
	(g) Investments accounted for using the equity method	4,201.03	3,906.20
	(h) Financial assets		
	(i) Investments	136.02	0.20
	(ii) Other financial assets	200.02	1,688.13
	(i) Income tax assets (net)	433.08	323.89
	(j) Deferred tax assets (net)	1,967.25	70.13
	(k) Other non-current assets	650.30	597.96
	Total non-current assets	28,653.80	28,446.29
II	Current assets		
	(a) Inventories	6,744.42	6,710.04
	(b) Financial assets		
	(i) Investments	963.17	300.05
	(ii) Trade receivables	4,918.43	5,971.00
	(iii) Cash and cash equivalents	1,104.36	3,023.13
	(iv) Bank balances other than (iii) above	198.56	248.09
	(v) Loans	0.18	0.26
	(vi) Other financial assets	272.27	85.13
	(c) Other current assets	2,749.54	1,425.03
	Total current assets	16,950.93	17,762.73
	Total Assets (I+II)	45,604.73	46,209.02

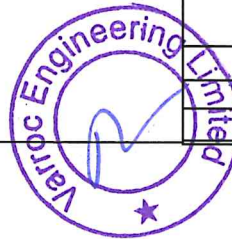




Statement of audited consolidated Assets and Liabilities as at March 31, 2024

(Rs. in Million)

Sr. No.	Particulars	As at	As at
		March 31, 2024	March 31, 2023
		Audited	Audited
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	14,817.58	9,609.20
	Equity attributable to owners	14,970.37	9,761.99
	Non-controlling interests	291.46	279.53
	Total equity	15,261.83	10,041.52
II	Liabilities		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	6,517.24	4,161.38
	(ia) Lease liabilities	1,483.83	1,485.61
	(ii) Other financial liabilities	17.89	19.43
	(b) Provisions	162.64	278.93
	(c) Deferred tax liabilities (net)	306.55	1,169.28
	(d) Other non current liabilities	13.11	44.78
	(e) Deferred government grants	254.24	264.88
	Total non-current liabilities	8,755.50	7,424.29
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	5,576.54	12,188.60
	(ia) Lease Liabilities	319.58	225.55
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	1,361.36	1,138.95
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,723.28	10,734.93
	(c) Acceptances	152.47	91.01
	(iii) Other financial liabilities	1,510.05	2,405.32
	(b) Provisions	302.08	299.51
	(c) Current tax liabilities (net)	23.24	92.94
	(d) Other current liabilities	1,517.52	1,381.36
	(e) Deferred government grants	101.28	185.04
	Total current liabilities	21,587.40	28,743.21
III	Total Equity and Liabilities (I+II)	45,604.73	46,209.02





Consolidated Statement of cash flows for the year ended March 31, 2024

		(Rs. in Million)			
Sr. No.	Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
		Audited		Audited	
A	Cash flow from operating activities				
	Profit/(loss) before tax from continuing operations		3,148.60		828.60
	Profit/(loss) before tax from discontinued operations		(209.20)		(8,557.23)
	Adjustments for :				
	Depreciation and amortization expense	3,368.17		3,367.41	
	Net loss/(gain) on disposal of property, plant and equipment	(64.29)		(76.37)	
	Provision for doubtful debts and advances	220.29		250.36	
	Finance costs	1,938.56		2,437.60	
	Loss on sale of VLS business	89.11		5,709.12	
	Gain on sale of current investments	(18.75)		(0.09)	
	Share in (profit)/loss of Joint Venture accounted for using the equity method	(443.96)		(53.28)	
	Liabilities no longer required written back	(8.48)		(72.80)	
	Increase in surrender value of keyman insurance policy	(27.85)		(18.86)	
	Unrealised exchange (gain)/loss	(145.61)		1,075.96	
	Interest income	(80.41)	4,826.78	(16.05)	12,603.00
	Operating profits before working capital changes		7,766.18		4,874.37
	Adjustments for changes in:				
	Inventories	(23.50)		(676.81)	
	Trade receivables	840.94		(253.93)	
	Other assets	(1,363.42)		722.09	
	Trade payables	272.06		(3,680.47)	
	Other liabilities and provisions	(550.40)		6,797.16	
			(824.32)		2,908.04
	Cash generated from operations		6,941.86		7,782.41
	Taxes paid (net of refund received)		(557.19)		(920.66)
	Net cash flow generated from operating activities		6,384.67		6,861.75
B	Cash flow from investing activities				
	Dividend received	13.46		-	
	Interest received	80.33		16.72	
	Proceeds from sale of VLS Business (refer note 8)	1,158.43		3,358.82	
	(Purchase of)/Proceeds from sale of current investment (net)	(644.37)		(299.96)	
	Purchase of non current investment (net)	(135.82)		-	
	Proceeds from sale of property, plant and equipment	557.85		276.60	
	Purchase of property, plant and equipment	(2,574.33)		(5,305.82)	
	Costs incurred on intangible assets	(168.16)		(675.80)	
	Fixed deposits (with maturity of more than 3 months) redeemed/(Purchased) (net)	47.62		(226.75)	
	Net cash generated from/(used in) investing activities		(1,664.99)		(2,856.19)
C	Cash flow from financing activities				
	Proceeds from long-term borrowings	4,500.00		7,065.46	
	Repayment of long-term borrowing	(8,221.69)		(7,469.48)	
	Payment of principal portion of lease liability	(239.96)		(283.91)	
	Payment of interest on lease liability	(130.94)		(264.77)	
	Funding support from customers (short term)	-		432.16	
	Proceeds from/(repayment of) short term borrowings (net)	(553.03)		728.07	
	Dividend on equity shares including tax thereon related to non-controlling interest	(47.05)		-	
	Interest paid	(1,948.32)		(2,367.82)	
	Net cash flow generated from/(used in) financing activities		(6,640.99)		(2,160.29)
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)		(1,921.31)		1,845.27
	Opening cash and cash equivalents		3,023.13		2,801.92
	Cash & cash equivalent transferred pursuant to sale of VLS business		-		(1,525.08)
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		2.54		(98.98)
	Total		3,025.67		1,177.86
	Closing cash and cash equivalents		1,104.36		3,023.13

Sr. No.	Particulars	As at	
		March 31, 2024	March 31, 2023
		(Rs. in Million)	
	Cash and cash equivalents consists of:		
A	Cash and cash equivalent- continuing operations:		
i.	Cash in hand	0.27	0.16
ii.	Bank balances		
	- Current accounts	532.89	900.22
	- Deposits with maturity of less than three months	571.20	2,122.75
	- Bank overdraft	-	-
	Total	1,104.36	3,023.13

Notes:

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 on "Statement of Cash flows".
- Prior period comparatives have been reclassified to conform with current period presentation, where applicable.
- Figures in brackets represent out flow of cash and cash equivalents.



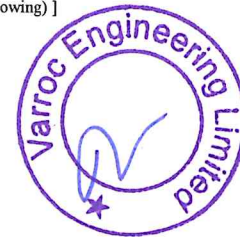
Additional disclosures as per Regulations 52(4) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Particulars	Quarter Ended			Year Ended	
	March 31, 2024	December 31, 2023	March 31, 2023 *	March 31, 2024 *	March 31, 2023 *
Debt Equity ratio [refer note (i)] (No. of times)	0.79	0.91	1.63	0.79	1.63
Debt service coverage ratio [refer note (ii)] (No. of times)	1.42	1.92	1.69	1.26	0.68
Interest service coverage ratio [refer note (iii)] (No. of times)	5.15	4.23	3.54	4.36	3.21
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)	15,261.83	14,715.69	10,041.52	15,261.83	10,041.52
Net profit after tax (Rs. in Million)	583.60	3,838.87	400.16	5,529.95	387.89
Earning per share (EPS)					
Basic EPS (Not Annualised) (Rs.)	3.72	25.05	2.59	35.80	2.36
Diluted EPS (Not Annualised) (Rs.)	3.72	25.05	2.59	35.80	2.36
Current Ratio [refer note (v)] (No. of times)	0.79	0.75	0.62	0.79	0.62
Long Term Debt to Working Capital [refer note (vi)] ^ (No. of times)	(8.84)	(16.28)	(9.70)	(8.84)	(9.70)
Bad Debts to Account Receivable Ratio [refer note (vii)] *** (No. of times)	0.04	0.00	0.00	0.04	0.01
Current Liability Ratio [refer note (viii)] (No. of times)	0.71	0.71	0.79	0.71	0.79
Total Debts To Total Assets [refer note (ix)] (No. of times)	0.27	0.28	0.35	0.27	0.35
Debtors Turnover [refer note (x)] ** (No. of times)	3.85	3.49	2.84	13.87	12.36
Inventory Turnover [refer note (xi)] ** (No. of times)	1.72	1.70	1.46	7.04	6.89
Operating Margin [refer note (xii)] (in %)	7.01%	4.58%	4.30%	5.78%	3.46%
Net Profit Margin [refer note (xiii)] (in %)	2.96%	20.37%	2.36%	7.32%	0.56%

Formulae for calculation of ratios are as follows:

- (i) Debt Equity Ratio = [Total Debt / Total Equity]
(ii) Debt service coverage ratio = [(Earning before Interest Tax & Depreciation & amortisation expenses)/(Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)]
(iii) Interest service coverage ratio = [(Earning before Interest and Tax & Depreciation & amortisation expenses)/(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 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 and share of profit from Joint Venture - Other Income) / Revenue from operation]
(xiii) Net Profit Margin = [Net profit after tax / Revenue from operation]
(xiv) Total Debt = Long Term Borrowings + Short Term Borrowings (includes Current Maturities of Long Term Borrowings)
(xv) Total Equity = Equity Share Capital + Other Equity
(xvi) Working Capital = [Total Current Assets - Total Current Liabilities (excluding current maturity of long term borrowing)]

* The above ratios have been computed for continuing operations only.
** Ratio not annualised, except for the year ended March 31, 2024 and March 31, 2023
*** numbers are below 0.01
^ Ratio is negative because net working capital is negative.



Audited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Million)

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023
	Audited (refer note 2)	Unaudited	Audited (refer note 2)	Audited	Audited
1) Segment Revenue					
(i) Automotive	19,232.02	18,427.68	16,295.31	73,577.33	66,176.54
(ii) Others	516.53	418.20	695.84	1,942.04	2,735.59
Total Segment Revenue from continuing operations (refer note 4)	19,748.55	18,845.88	16,991.15	75,519.37	68,912.13
Add : Segment revenue from discontinued operations (automotive segment) (refer note 8)	-	-	-	-	38,544.87
Revenue from continuing and discontinued operations	19,748.55	18,845.88	16,991.15	75,519.37	1,07,457.00
2) Segment Results					
(i) Automotive	1,460.98	968.48	724.63	4,611.22	2,461.73
(ii) Others	(22.47)	(39.91)	117.85	(42.79)	200.49
Total segment results from continuing operations (refer note 4)	1,438.51	928.57	842.48	4,568.43	2,662.22
Add : Segment results of discontinued operations (automotive segment) (refer note 8)	-	-	-	(209.20)	(8,037.74)
Add/ (Less) :					
(a) Finance Cost	(451.40)	(495.63)	(525.27)	(1,938.56)	(2,437.61)
(b) Net unallocated (expenditure) / income	62.43	274.57	94.11	518.73	84.50
Profit/(loss) before tax	1,049.54	707.51	411.32	2,939.40	(7,728.63)
3) Segment Assets					
(i) Automotive	35,137.59	35,753.82	36,669.52	35,137.59	36,669.52
(ii) Others	1,977.98	2,174.78	2,551.26	1,977.98	2,551.26
Total segment assets of continuing operations (refer note 4)	37,115.57	37,928.60	39,220.78	37,115.57	39,220.78
Add : Segment assets of discontinued operations (automotive segment) (refer note 8)	-	-	-	-	-
Add : Unallocated	8,489.16	9,267.08	6,988.24	8,489.16	6,988.24
Total assets	45,604.73	47,195.68	46,209.02	45,604.73	46,209.02
4) Segment Liabilities					
(i) Automotive	17,523.77	17,991.99	17,529.51	17,523.77	17,529.51
(ii) Others	363.93	618.43	852.26	363.93	852.26
Total segment liabilities of continuing operations (refer note 4)	17,887.70	18,610.42	18,381.77	17,887.70	18,381.77
Add : Segment liabilities of discontinued operations (automotive segment) (refer note 8)	-	-	-	-	-
Add : Unallocated	12,455.20	13,869.57	17,785.73	12,455.20	17,785.73
Total liabilities	30,342.90	32,479.99	36,167.50	30,342.90	36,167.50

Notes :

- Above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on May 17, 2024 and were subjected to audit by the Statutory Auditors.
- The figures for the quarters ended March 31, 2024 and March 31, 2023 are the derived figures between 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.
- The Group's investment in Varroc TYC Corporation BVI ('VTYC' or 'China JV'), a joint venture accounted for under the equity method, which is carried at Rs. 4,044.50 million as at March 31, 2024, and the Group's share of VTYC's net profit of Rs. 428.79 million which is included in the Group's income for the period then ended are based on management certified accounts and were not subjected to audit. The Group is currently undertaking negotiations with the JV partner for resolution of certain matters regarding operation of the JV, pending which the Group is unable to get the financial and other information of VTYC reviewed from auditors. The auditors in their review report have included a qualification in respect of this matter.





- 4 In the current quarter, the Company 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 taxes payable under SGST on finished goods eligible for incentives 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 collected for the period/year. The amount of income recognised in the current quarter in respect of the aforesaid ECs is Rs. 989.71 million pertaining to the period April 1, 2022 to March 31, 2024.

The Group had also changed the presentation of government grants in the Statement of profit and loss from "Other income" to "Other operating revenue" (included within "Revenue from operations") in the previous quarter. Accordingly, grant income of Rs. 90.57 million and Rs. 281.47 million for the quarter and year ended March 31, 2023 respectively have been presented under Other operating revenue.

- 5 During the quarter ended December 31, 2023, Varroc Engineering Limited ('VEL') and Varroc Polymers Limited ('VPL') have derecognised (written-off) loans given to VarrocCorp Holding BV ('VCHBV'), Netherlands including interest on such loans aggregating to Rs. 13,533.33 million after making requisite submissions to AD Bank. The Group has 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 has 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, the group has 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 towards the loss as at December 31, 2023.

These loans pertain 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 has decided to shift to new tax regime under section 115BAA of Income Tax Act, 1961 from current financial year ended March 31, 2024. As a result, MAT credit of Rs. 265.34 million has been written off and deferred tax liability to the extent of Rs. 254.54 million has been reversed on account of lower tax rate under new regime, which has been included in the total tax expense for the quarter ended December 31, 2023 and year ended March 31, 2024.

- 6 During the year, the Group has 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 will be repaid 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 Group to redeem all the NCDs. The Group 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 Group.

The asset cover in respect of the Non-Convertible Debentures as at March 31, 2024 is 1.38 times of the total due amount which is higher than the requirement of 1.10 times as specified in the Debenture Trust Deed.

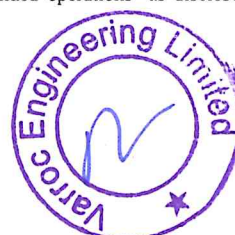
- 7 The "Automotive" segment consists of the business of automobile products consisting of auto parts for two-wheelers, three-wheelers and four-wheelers and related design, development and engineering activities and other services. "Others" comprise of forging components for off road vehicles and components 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.

- 8 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) and accordingly the loss on sale of VLS Business was recognised during the quarter ended September 30, 2022 and had been included in the profit/loss from discontinued operations for the year ended March 31, 2023.

The Buyer submitted the final adjustments but failed to provide the necessary supporting details to enable the Sellers to understand these adjustments. Hence, Sellers sent a Dispute Notice in accordance with the SPA disputing the proposed adjustments. Subsequently, both the Buyer and the Sellers have entered into Settlement Agreement on July 14, 2023 whereby both the parties have agreed to settle the disagreements on closing adjustments and the final equity value agreed under the Settlement Agreement is Euro 54.5 million. Accordingly, VCHBV has received the remaining consideration amount of Euro 13 million on July 17, 2023 pursuant to this final settlement with Buyer.

Profit/loss from discontinued operations for the year ended March 31, 2024 pertains to adjustments pursuant to revised equity value as per above settlement agreement and expenses directly related to sale of investment in VLS business.

Further, the management assessed that such sale of VLS business satisfies the criteria prescribed under Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations" for classification as discontinued operation. The income and expenses of continuing operations include transactions with discontinued operation, which does not have impact on "Profit / (loss) for the period from continuing and discontinued operations" as disclosed in Consolidated financial results.





Details of income and expenses attributable to discontinued operations are as follows:

Particulars	Quarter ended			Year ended	
	March 31, 2024	December 31, 2023	March 31, 2023	March 31, 2024	March 31, 2023**
Total income	-	-	-	-	38,659.62
Total expenses	-	-	-	(209.20)	47,216.85
Profit/(loss) before tax	-	-	-	209.20	(8,557.23)
Tax expense	-	-	-	-	1.91
Profit/(loss) for the period*	-	-	-	209.20	(8,559.14)


* Profit/ (loss) for the year ended March 31, 2023 includes loss recognised on discontinued operations as explained above.

** The figures as disclosed above are till September 30, 2022 since sufficient financial information till October 6, 2022 for VLS business is not available. This however has no impact on the net loss recognised in respect of the discontinued operations.

- 9 The Board of Directors of the Holding Company at its meeting dated May 17, 2024 have approved the draft scheme of amalgamation of Varroc Polymers Limited (a wholly owned subsidiary of the Holding Company) with the Holding Company under sections 230 to 232 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') subject to the requisite approvals under the Act and the sanction of the scheme by National Company Law Tribunal ("NCLT"). The appointed date of the said scheme is April 01, 2024 or such other date as may be approved by the NCLT or any other competent authority .
- 10 Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year's classification.

Place : Pune
Date : May 17, 2024

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 (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), and its joint ventures for the quarter ended March 31, 2024 and for the year ended March 31, 2024 (the "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 (the "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 the "Basis for Qualified Opinion" para below, the Statement:

- i. includes the results of the following entities:

Subsidiaries

Varroc Polymers Limited; Durovalves India Private Limited; CarIQ Technologies Private Limited; Varroc European Holding B.V.; VarrocCorp Holding B.V.; Varroc Japan Co. Limited; IMES, Italy; Varroc Italy S.p.A; Varroc Romania SA.; Varroc Vietnam Co. Ltd.; Varroc Lighting Systems Bulgaria Food; Varroc Electronics Romania SRI.; Varroc Poland s.p.z.oo; Varroc Germany GmbH; Varroc Intelligent Driving R&D Center (Changzhou) Co. Ltd.; Varroc Czech Republic SRO

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, 2024 and for the year ended March 31, 2024.



Basis for Qualified Opinion

As disclosed in Note 3 to the Statement, the financial results and other financial information for the quarter/year ended March 31, 2024 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 Statement, is unaudited. Hence, we are unable to determine the possible impact of Group’s share of profit from China JV on the consolidated profit before tax, profit after tax, total comprehensive income and earnings per share for the quarter/ year ended March 31, 2024 and Group’s share of net assets of China JV on the investment in China JV as at March 31, 2024, 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.

Management’s Responsibilities for the Consolidated Financial Results

The Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company’s Board of Directors is responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit 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.

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.



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.

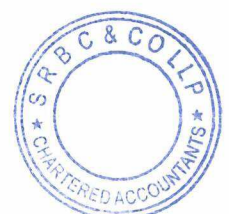
Other Matter

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 7,734 million as at March 31, 2024, total revenues of Rs 1,558 million and Rs 6,973 million, total net profit/(loss) after tax of (Rs. 138 million) and (Rs 33 million), total comprehensive income/(loss) of (Rs. 16 million) and Rs 88 million, for the quarter and the year ended on that date respectively, and net cash outflows of Rs 169 million for the year ended March 31, 2024, as considered in the Statement which have been audited by their respective independent auditors.
- 1 joint venture, whose financial results/statements include Group's share of net profit of Rs 6 million and Rs 11 million and Group's share of total comprehensive income of Rs 6 million and Rs 11 million for the quarter and for the year ended March 31, 2024 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 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/joint venture 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/joint venture located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries/joint venture 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.



SRBC & CO LLP

Chartered Accountants

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

- 5 subsidiaries, whose financial results/statements (without giving effect of elimination of intra-group transactions) and other financial information reflect total assets of Rs 1,014 million as at March 31, 2024, and total revenues of Rs 215 million and Rs 1,067 million, total net profit/(loss) after tax of (Rs. 116 million) and (Rs. 104 million), total comprehensive loss of (Rs. 116 million) and (Rs. 104 million), for the quarter and the year ended on that date respectively and net cash inflows of Rs. 28 million for the year ended March 31, 2024, 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. 46 million and Rs 433 million and Group's share of total comprehensive income of Rs. 46 million and Rs. 433 million for the quarter and for the year ended March 31, 2024 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, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 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 SRBC & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Paul Alvares

Partner

Membership No.: 105754



UDIN: 24105754BKBZNM5169

Place: Pune

Date: May 17, 2024

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, 2024
[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)	75,795.37	N/A
2.	Total Expenditure (continuing operations)	73,090.49	N/A
3.	Net Profit/(Loss) (continuing operations)	5,529.95	N/A
4.	Earnings Per Share (continuing operations)	Rs. 35.80	N/A
5.	Total Assets	45,604.73	N/A
6.	Total Liabilities	30,342.90	N/A
7.	Net Worth	15,261.83	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, 2024 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 on the consolidated profit/loss before tax, profit/loss after tax, total comprehensive income and earnings per share for the year ended March 31, 2024 and Group's share of net assets of China JV on the investment in China JV as at March 31, 2024, 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

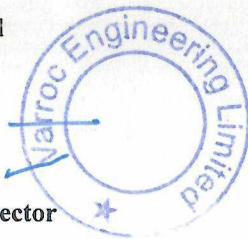
SI No.	Particulars	Remarks
e.	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p> <p>(i) Management's estimation on the impact of audit qualification:</p> <p>(ii) If management is unable to estimate the impact, reasons for the same:</p> <p>(iii) Auditors' Comments on (i) or (ii) above:</p>	<p>N/A</p> <p>The Group's investment in Varroc TYC Corporation BVI ('VTYC' or 'China JV'), a joint venture accounted for under the equity method, which is carried at Rs. 4,044.50 million as at March 31, 2024, and the Group's share of VTYC's net profit of Rs. 428.79 million which is included in the Group's income for the period then ended are based on management certified accounts and were not subjected to audit. The Group is currently undertaking negotiations with the JV partner for resolution of certain matters regarding operation of the JV, pending which the Group is unable to get the financial and other information of VTYC.</p> <p>As explained to us by the management, the Group is currently undertaking negotiations with the JV partner for resolution of certain matters regarding operation of the JV, pending which the Group is 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 on the consolidated profit/loss before tax, profit/loss after tax, total comprehensive income and earnings per share for the year ended March 31, 2024 and Group's share of net assets of China JV on the investment in China JV as at March 31, 2024.</p>

III. Signatories

For and behalf of the Board



Tarang Jain
Chairman & Managing Director

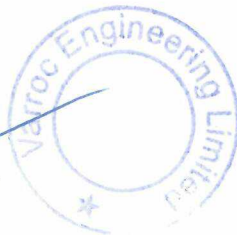


Place: Pune

Date: May 17, 2024




K Mahendra Kumar
Group CFO



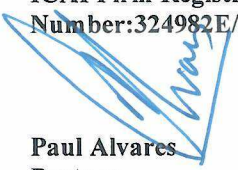
Place: Pune

Date: May 17, 2024



Gautam Khandelwal
Chairman of Audit Committee
Place: Pune
Date: May 17, 2024

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



Paul Alvares
Partner
Membership Number: 105754
Place: Pune
Date: May 17, 2024