Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

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

Review Report to
The Board of Directors
Varroc Engineering Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Varroc Engineering Limited (the "Company") for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. The Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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S R B C & CO LLP
CHARTERED ACCOUNTANTS

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

per Paul Alvares
Partner
Membership No.: 105754

UDIN: 24105754BKBZPG5087

Place: Pune
Date: August 07, 2024

Varroc Engineering Limited
Registered and Corporate Office: L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra
CIN: L28920MH1988PLC047335
Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540
E-mail: investors@varroc.com

Statement of Unaudited Standalone Financial Results for the quarter ended June 30, 2024

(Rs. in Million)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited (refer note 2)	Unaudited	Audited
1	Revenue from operations (refer note 3)	11,361.28	12,004.47	10,541.86	45,349.63
2	Other income (refer note 5)	29.77	35.08	23.25	273.47
3	**Total Income (1 + 2)**	**11,391.05**	**12,039.55**	**10,565.11**	**45,623.10**
4	**Expenses**				
	(a) Cost of materials consumed	7,752.34	7,232.79	7,251.27	29,869.75
	(b) Changes in stock of finished goods and work-in-progress	(293.89)	128.16	(130.87)	(62.79)
	(c) Employee benefits expense	1,135.36	1,059.54	961.28	4,200.22
	(d) Finance costs	411.33	441.50	444.53	1,791.48
	(e) Foreign exchange (gain)/loss (net)	(14.78)	(23.43)	(13.27)	(109.30)
	(f) Depreciation and amortisation expense	450.32	513.63	474.86	1,981.62
	(g) Other expenses	1,693.52	1,684.55	1,720.02	6,850.45
	Total expenses (4)	**11,134.20**	**11,036.74**	**10,707.82**	**44,521.43**
5	**Profit/(loss) before tax and exceptional items (3- 4)**	**256.85**	**1,002.81**	**(142.71)**	**1,101.67**
6	**Exceptional item (refer note 8)**	-	-	45.00	45.00
7	**Profit/(loss) before tax (5-6)**	**256.85**	**1,002.81**	**(187.71)**	**1,056.67**
8	**Tax expense (refer note 4)**				
	(a) Current tax	-	-	(54.19)	-
	(b) Short/(excess) provision in respect of earlier years	-	154.94	-	195.88
	(c) Deferred tax	80.33	205.13	1.65	(2,709.88)
	Total tax expense (8)	**80.33**	**360.07**	**(52.54)**	**(2,514.00)**
9	**Profit/(loss) for the period (7-8)**	**176.52**	**642.74**	**(135.17)**	**3,570.67**
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)	-	(9.79)
	Other comprehensive income/(loss) (10)	-	**(9.79)**	-	**(9.79)**
11	**Total comprehensive income for the period (9+10)**	**176.52**	**632.95**	**(135.17)**	**3,560.88**
12	Paid-up equity share capital (Face value of the share is Re.1/- each)	**152.79**	**152.79**	**152.79**	**152.79**
13	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	-	-	-	**8,951.83**
14	Earnings per share (of Re. 1/- each) (not annualised):				
	Basic & Diluted	**1.16**	**4.21**	**(0.88)**	**23.37**

Varroc Engineering Ltd.

Varroc Engineering Limited
Registered and Corporate Office : L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra
CIN : L28920MH1988PLC047335
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E-mail : investors@varroc.com

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

Particulars		Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
Debt Equity ratio [refer note (i)]	(No. of times)	1.31	1.37	2.69	1.37
Debt service coverage ratio [refer note (ii)]	(No. of times)	1.35	1.58	0.37	0.94
Interest service coverage ratio [refer note (iii)]	(No. of times)	2.72	4.43	1.75	2.72
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)	9,281.14	9,104.62	5,408.57	9,104.62
Net profit/(loss) after tax	(Rs. in Million)	176.52	642.74	(135.17)	3,570.67
Earning per share (EPS)					
Basic EPS (Not Annualised)	(Rs.)	1.16	4.21	(0.88)	23.37
Diluted EPS (Not Annualised)	(Rs.)	1.16	4.21	(0.88)	23.37
Current Ratio [refer note (v)]	(No. of times)	0.60	0.58	0.41	0.58
Long Term Debt To Working Capital ratio [refer note (vi)] ^	(No. of times)	(1.33)	(1.57)	(1.20)	(1.57)
Bad Debts To Account Receivable ratio [refer note (vii)]**	(No. of times)	-	-	0.00	(0.01)
Current Liability ratio [refer note (viii)]	(No. of times)	0.73	0.70	0.87	0.70
Total Debts To Total Assets ratio [refer note (ix)]	(No. of times)	0.37	0.39	0.46	0.39
Debtors Turnover ratio [refer note (x)]*	(No. of times)	4.87	5.34	3.33	17.13
Inventory Turnover ratio [refer note (xi)]*	(No. of times)	1.79	1.81	1.70	7.45
Operating Margin [refer note (xii)]	(in %)	5.49%	11.74%	2.52%	5.78%
Net Profit Margin [refer note (xiii)]	(in %)	1.55%	5.35%	-1.28%	7.87%
Security cover ratio [refer note (xvii)]	(No. of times)	1.37	1.38	1.75	1.38

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 = [(EBIT(Earning before Interest, Tax and Exception 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
** numbers are below 0.01
^ Ratio is negative because net working capital is negative.

Varroc Engineering Ltd.

Varroc Engineering Limited

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E-mail: investors@varroc.com

Notes to the Unaudited Standalone Financial Results:

1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 7, 2024 and were subjected to review by the Statutory Auditors.

2) The figures for the quarter ended March 31, 2024 are the derived figures between audited figures in respect of full financial year upto March 31, 2024 and the unaudited published year-to-date figures upto the December 31, 2023, being the date of end of the third quarter of the previous financial year which were subjected to limited review.

3) During the quarter ended March 31, 2024, 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 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. The amount of income recognised in the current quarter ended June 30, 2024 in respect of the aforesaid ECs is Rs 123.71 million.

4) 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. 11,796.44 million 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, the Company considered this loss as tax deductible for computation of tax provision and recognised deferred tax asset of Rs. 2,968.93 million as at March 31, 2024 on such loss. 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, the Company 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 has been included in the Income tax expense for the year ended March 31, 2024.

5) Other income for the year ended March 31, 2024 includes dividend received from a subsidiary company of Rs. 125.79 million.

6) 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 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 June 30, 2024 is 1.37 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 Board of Directors of the Company at its meeting dated May 17, 2024 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.

8) 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").
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.

9) Figures of previous year/periods have been reclassified/regrouped/restated, wherever necessary to conform to current period/year classification.

For and on behalf of Board of Directors
Varroc Engineering Limited

Varroc Engineering Ltd.

Tarang Jain
Chairman and Managing Director

Place: Pune
Date: August 7, 2024

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

Independent Auditor's Review Report on the Quarterly Unaudited 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

Review Report to
The Board of Directors
Varroc Engineering Limited

1. We have reviewed the accompanying Statement of unaudited Consolidated Financial Results of Varroc Engineering Limited (the "Holding Company") , its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and joint ventures for the quarter ended June 30, 2024 (the "Statement") attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (the "Listing Regulations").

2. The Holding Company's Management is responsible for the preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 and 52 of the Listing Regulations. The Statement has been approved by the Holding Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the Master Circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the following entities:
   Subsidiaries:

   Varroc Polymers Limited; Durovalves India Private Limited; Varroc Connect Private Limited (erstwhile CarIQ 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

   Joint Ventures:

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

S R B C & CO LLP CHARTERED ACCOUNTANTS

5. As disclosed in Note 3 to the Statement, the financial results and other financial information for the quarter ended June 30, 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 results, is not reviewed or audited. Hence, we are unable to determine the impact of Group's share of the profit/loss from China JV on the consolidated profit before tax, tax expense, profit after tax, total comprehensive income and earnings per share for the quarter ended June 30, 2024, had the financial results of China JV been reviewed or audited.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 and 8 below, except for the possible effects of our observation in para 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standard specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. The accompanying Statement includes the unaudited interim financial results/statements and other financial information, in respect of 4 subsidiaries, whose unaudited interim financial results/statements (without giving effect of elimination of intra-group transactions) include total revenues of Rs. 1,557.90 million, total net profit/(loss) after tax of (Rs. 53.31 million), and total comprehensive income of (Rs. 53.31 million) for the quarter ended June 30, 2024, as considered in the Statement which have been reviewed by their respective independent auditors.

   The independent auditor's reports on interim financial information/ financial results of these entities have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on the report of such auditors and procedures performed by us as stated in paragraph 3 above.

8. Certain of these subsidiaries are located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Holding Company's management. Our conclusion in so far as it relates to the balances and affairs of such 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 reviewed by us.

9. The accompanying Statement includes unaudited interim financial results /statements and other unaudited financial information in respect of:
   - 5 subsidiaries, whose interim financial results/statements and other financial information (without giving effect of elimination of intra-group transactions) reflect total revenues of Rs. 208.90 million, total net profit/(loss) after tax of Rs. 5.10 million, and total comprehensive income of Rs. 5.04 million for the quarter ended June 30, 2024.
   - 3 joint ventures, whose interim financial results/statements (without giving effect of elimination of intra-group transactions) includes the Group's share of net profit/(loss) of Rs. 26.83 million and Group's share of total comprehensive income of Rs. 26.83 million for the quarter ended June 30, 2024.

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS

The unaudited interim financial statements/ financial information/ financial results and other unaudited financial information of these subsidiaries and joint ventures have not been audited/reviewed by any auditor and have been approved and furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of these subsidiaries and joint ventures is based solely on such unaudited interim financial statement/financial results and other unaudited financial information. According to the information and explanations given to us by the Management, these interim financial statements/financial information/financial results are not material to the Group, except that relating to China JV.

Our conclusion on the Statement in respect of matters stated in para 7, 8 and 9 above is not modified with respect to our reliance on the work done and the reports of the other auditors and the financial results/financial information certified by the Management, except that relating to China JV.

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

per Paul Alvares
Partner
Membership No.: 105754

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

UDIN: 24105754BKBZPH3513

Place: Pune
Date: August 07, 2024

Varroc Engineering Limited
Registered and Corporate Office : L-4, MIDC Area, Waluj, Aurangabad 431 136, Maharashtra
CIN : L28920MH1988PLC047335
Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540
E-mail : investors@varroc.com

varroc EXCELLENCE

Statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024

(Rs. in Million)

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
		Unaudited	Audited (Refer note 2)	Unaudited	Audited
	Continuing Operations				
1	Revenue from operations (refer note 4)	18,988.51	19,748.55	18,056.85	75,519.37
2	Other income	35.54	64.19	54.88	275.76
3	**Total income (1+2)**	**19,024.05**	**19,812.74**	**18,111.73**	**75,795.13**
4	**Expenses**				
	(a) Cost of materials consumed	12,348.00	11,861.13	11,595.22	47,448.87
	(b) Changes in inventories of work-in-progress and finished goods	(475.11)	120.70	(182.90)	(115.60)
	(c) Employee benefits expense	2,156.22	2,070.98	1,922.21	8,092.21
	(d) Finance costs	444.48	451.40	488.95	1,938.56
	(e) Foreign exchange (gain)/loss (net)	(16.23)	(23.54)	(25.25)	(145.61)
	(f) Depreciation and amortisation expense	798.10	824.96	801.61	3,368.18
	(g) Other expenses	3,235.52	3,508.97	2,920.76	12,503.88
	Total expenses (4)	**18,490.98**	**18,814.60**	**17,520.60**	**73,090.49**
5	**Profit/(loss) before share of profit/(loss) of joint ventures and tax from continuing operations (3-4)**	**533.07**	**998.14**	**591.13**	**2,704.64**
6	Share of profit/(loss) of Joint Ventures (refer note 3)	26.83	51.40	61.30	443.96
7	**Profit/(loss) before tax from continuing operations (5+6)**	**559.90**	**1,049.54**	**652.43**	**3,148.60**
8	**Tax expense (refer note 5)**				
	Current tax	141.37	148.51	110.61	177.65
	Short/ (excess) provision in respect of earlier year	5.97	155.81	(0.68)	215.84
	Deferred tax	71.87	161.62	(7.82)	(2,774.84)
	Total tax expense (8)	**219.21**	**465.94**	**102.11**	**(2,381.35)**
9	**Profit/(loss) for the period from continuing operations (7-8)**	**340.69**	**583.60**	**550.32**	**5,529.95**
	Discontinued operations (refer note 8)				
10	Profit/(loss) before tax for the period from discontinued operations	-	-	(209.20)	(209.20)
11	Tax (Income)/expense of discontinued operations	-	-	-	-
12	**Profit/ (loss) for the period from discontinued operations (10-11)**	-	-	**(209.20)**	**(209.20)**
13	**Profit/(loss) for the period (9 + 12)**	**340.69**	**583.60**	**341.12**	**5,320.75**
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	(84.74)	(144.37)	(234.18)	(156.09)
B	Items not to be reclassified to profit or loss in subsequent periods				
	Remeasurement of defined benefit obligation (net of tax)	(0.07)	104.80	(1.43)	103.37
15	**Other comprehensive income from discontinued operations**	-	-	-	-
16	**Total Other comprehensive income/(loss), net of tax from continuing and discontinued operations (14+15)**	**(84.81)**	**(39.57)**	**(235.61)**	**(52.72)**
17	**Total comprehensive income/(loss) for the period (13+16)**	**255.88**	**544.03**	**105.51**	**5,268.03**
18	**Profit/(loss) for the period attributable to:**				
	Shareholders of the Company	**324.06**	**568.55**	**322.57**	**5,260.24**
	Non-controlling interests	**16.63**	**15.05**	**18.55**	**60.51**
19	**Other comprehensive income/(loss) attributable to:**				
	Shareholders of the Company	**(84.81)**	**(38.71)**	**(235.61)**	**(51.86)**
	Non-controlling interests	-	**(0.86)**	-	**(0.86)**
20	**Total comprehensive income/(loss) for the period attributable to:**				
	Shareholders of the Company	**239.25**	**529.84**	**86.96**	**5,208.38**
	Non-controlling interests	**16.63**	**14.19**	**18.55**	**59.65**
21	Paid- up equity share capital (face value of Re.1)	**152.79**	**152.79**	**152.79**	**152.79**
22	**Reserves excluding revaluation reserves as per balance sheet**	-	-	-	**14,817.58**
23	**Earnings per equity share attributable to Owners (Nominal value per share: Re. 1) (not annualised)**				
	-for continuing operations				
	Basic and diluted (in Rupees)	**2.12**	**3.72**	**3.48**	**35.80**
	- for discontinued operations				
	Basic and diluted (in Rupees)	-	-	**(1.37)**	**(1.37)**
	- for continuing and discontinued operations				
	Basic and diluted (in Rupees)	**2.12**	**3.72**	**2.11**	**34.43**

Varroc Engineering Ltd.

Varroc Engineering Limited
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CIN : L28920MH1988PLC047335
Tel : +91 240 6653 700/6653 699, Fax : +91 240 2564 540
E-mail : investors@varroc.com

varroc EXCELLENCE

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

Particulars		Quarter ended			Year ended
		June 30, 2024	March 31, 2024	June 30, 2023*	March 31, 2024 *
Debt Equity ratio [refer note (i)]	(No. of times)	0.72	0.79	1.35	0.79
Debt service coverage ratio [refer note (ii)]	(No. of times)	1.45	1.42	0.83	1.26
Interest service coverage ratio [refer note (iii)]	(No. of times)	4.06	5.15	3.97	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)	15,517.71	15,261.83	10,147.02	15,261.83
Net Profit after Tax	(Rs. in Million)	340.69	583.60	550.32	5,529.95
Earning per share (EPS)					
Basic EPS (Not Annualised)	(Rs.)	2.12	3.72	3.48	35.80
Diluted EPS (Not Annualised)	(Rs.)	2.12	3.72	3.48	35.80
Current Ratio [refer note (v)]	(No. of times)	0.79	0.79	0.64	0.79
Long Term Debt to Working Capital ratio [refer note (vi)] ^	(No. of times)	(6.37)	(8.84)	(4.13)	(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)	0.75	0.71	0.74	0.71
Total Debts to Total Assets ratio [refer note (ix)]	(No. of times)	0.24	0.27	0.31	0.27
Debtors Turnover ratio [refer note (x)] **	(No. of times)	3.73	3.85	2.98	13.87
Inventory Turnover ratio [refer note (xi)] **	(No. of times)	1.68	1.72	1.68	7.04
Operating Margin [refer note (xii)]	(in %)	4.96%	7.01%	5.68%	5.78%
Net Profit Margin [refer note (xiii)]	(in %)	1.79%	2.96%	3.05%	7.32%

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 expense)/((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 expense)/(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 and share of profit from Joint Venture - Other Income) / 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, 2024
*** numbers are below 0.01
^ Ratio is negative because net working capital is negative.

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Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Million)

Particulars	Quarter ended			Year ended
	June 30, 2024	March 31, 2024	June 30, 2023	March 31, 2024
	Unaudited	Audited (refer note 2)	Unaudited	Audited
1) Segment Revenue				
(i) Automotive (refer note 4)	18,598.89	19,232.02	17,507.23	73,577.33
(ii) Others	389.62	516.53	549.62	1,942.04
Revenue from operations	**18,988.51**	**19,748.55**	**18,056.85**	**75,519.37**
2) Segment Results				
(i) Automotive	1,045.82	1,460.98	1,033.12	4,611.22
(ii) Others	(75.01)	(22.47)	24.36	(42.79)
Total segment results from continuing operations (refer note 4)	970.81	1,438.51	1,057.48	4,568.43
Add : Segment results of discontinued operations (automotive segment) (refer note 8)	-	-	(209.20)	(209.20)
Add/ (Less) :				
(a) Finance Cost	(444.48)	(451.40)	(488.95)	(1,938.56)
(b) Net unallocated (expenditure) / income	33.57	62.43	83.90	518.73
Profit/(loss) before tax	**559.90**	**1,049.54**	**443.23**	**2,939.40**
3) Segment Assets				
(i) Automotive	36,080.24	35,137.59	37,409.47	35,137.59
(ii) Others	2,055.33	1,977.98	2,259.64	1,977.98
Total segment assets	38,135.57	37,115.57	39,669.11	37,115.57
Add : Unallocated	8,132.83	8,489.16	4,806.87	8,489.16
Total assets	**46,268.40**	**45,604.73**	**44,475.98**	**45,604.73**
4) Segment Liabilities				
(i) Automotive	18,740.54	17,523.77	18,527.76	17,523.77
(ii) Others	474.80	363.93	629.50	363.93
Total segment liabilities	19,215.34	17,887.70	19,157.26	17,887.70
Add : Unallocated	11,535.35	12,455.20	15,171.70	12,455.20
Total liabilities	**30,750.69**	**30,342.90**	**34,328.96**	**30,342.90**

Notes to Unaudited Consolidated Financial Results:

1 Above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 7, 2024 and were subjected to review by the Statutory Auditors.

2 The figures for the quarter ended March 31, 2024 are the derived figures between audited figures in respect of full financial year upto March 31, 2024 and the unaudited published year-to-date figures upto December 31, 2023, being the date of end of the third quarter of the previous financial year which was subjected to limited review.

3 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. 4,033.02 million as at June 30, 2024, and the Group's share of VTYC's net profit of Rs. 22.02 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 review. 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 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 Electronic Policy 2016 effective from April 1, 2022 and valid for 10 years. Under these ECs, the Company was 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 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. The amount of income recognised in the current quarter ended June 30, 2024 in respect of the aforesaid ECs is Rs. 123.71 million.

Varroc Engineering Ltd.

5 During the year ended March 31, 2024, Varroc Engineering Limited ('VEL') and Varroc Polymers Limited ('VPL') had 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 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 March 31, 2024 in VPL & VEL respectively.

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 has been included in the total tax expense for the year ended March 31, 2024.

6 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 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 June 30, 2024 is 1.37 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).
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.

9 The Board of Directors of Varroc Engineering Limited (the Holding Company) at its meeting dated May 17, 2024 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.

For and on behalf of Board of Directors
Varroc Engineering Limited

Varroc Engineering Ltd.

Tarang Jain
Chairman and Managing Director

Place : Pune
Date : August 7, 2024