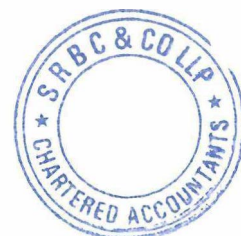


**Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended****Review Report to  
The Board of Directors  
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 September 30, 2024 and year to date from April 01, 2024 to September 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.
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.

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# SRBC & CO LLP

Chartered Accountants

5. We draw attention to Note 3 of the Statement which describes the effects of the GST Order received by the Company from GST Authorities. The Company intends to initiate legal procedures against the aforesaid order pending which no adjustments have been made in respect of this matter in the financial results. Our conclusion on the Statement is not modified in respect of this matter.

For SRBC & CO LLP

Chartered Accountants

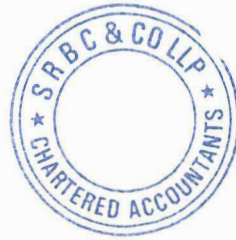
ICAI Firm registration number: 324982E/E300003

  
per Paul Alvares

Partner

Membership No.: 105754

UDIN: 24105754BKBZRS5955



Place: Pune

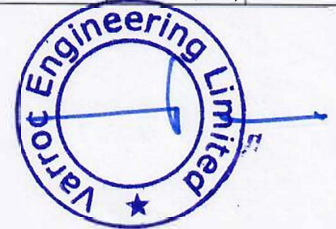
Date: November 13, 2024



**Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2024**

(Rs. in Million)

| Sr. No. | Particulars   | Quarter ended      |                  |                    | Half year ended    |                    | Year ended        |
|---------|---|--------------------|------------------|--------------------|--------------------|--------------------|-------------------|
|         |   | September 30, 2024 | June 30, 2024    | September 30, 2023 | September 30, 2024 | September 30, 2023 | March 31, 2024    |
|         |   | Unaudited          | Unaudited        | Unaudited          | Unaudited          | Unaudited          | Audited           |
| 1       | Revenue from operations (refer note 2)  | 12,497.80          | 11,361.28        | 11,108.06          | 23,859.08          | 21,649.92          | 45,349.63         |
| 2       | Other income (refer note 5)   | 33.57              | 29.77            | 162.78             | 63.34              | 186.03             | 273.47            |
| 3       | <b>Total Income (1 + 2)</b>   | <b>12,531.37</b>   | <b>11,391.05</b> | <b>11,270.84</b>   | <b>23,922.42</b>   | <b>21,835.95</b>   | <b>45,623.10</b>  |
| 4       | <b>Expenses</b>   |                    |                  |                    |                    |                    |                   |
|         | (a) Cost of materials consumed  | 8,457.42           | 7,752.34         | 7,586.26           | 16,209.76          | 14,837.53          | 29,869.75         |
|         | (b) Changes in stock of finished goods and work-in-progress                                     | (277.43)           | (293.89)         | (88.38)            | (571.32)           | (219.25)           | (62.79)           |
|         | (c) Employee benefits expense   | 1,204.62           | 1,135.36         | 1,086.69           | 2,339.98           | 2,047.97           | 4,200.22          |
|         | (d) Finance costs   | 403.45             | 411.33           | 472.82             | 814.78             | 917.35             | 1,791.48          |
|         | (e) Foreign exchange (gain)/loss (net)  | (31.38)            | (14.78)          | (63.10)            | (46.16)            | (76.37)            | (109.30)          |
|         | (f) Depreciation and amortisation expense   | 447.94             | 450.32           | 498.31             | 898.26             | 973.17             | 1,981.62          |
|         | (g) Other expenses  | 1,683.69           | 1,693.52         | 1,746.58           | 3,377.21           | 3,466.60           | 6,850.45          |
|         | <b>Total expenses (4)</b>   | <b>11,888.31</b>   | <b>11,134.20</b> | <b>11,239.18</b>   | <b>23,022.51</b>   | <b>21,947.00</b>   | <b>44,521.43</b>  |
| 5       | <b>Profit/(loss) before tax and exceptional items (3- 4)</b>                                    | <b>643.06</b>      | <b>256.85</b>    | <b>31.66</b>       | <b>899.91</b>      | <b>(111.05)</b>    | <b>1,101.67</b>   |
| 6       | <b>Exceptional item (refer note 8)</b>  | -                  | -                | -                  | -                  | 45.00              | 45.00             |
| 7       | <b>Profit/(loss) before tax (5-6)</b>   | <b>643.06</b>      | <b>256.85</b>    | <b>31.66</b>       | <b>899.91</b>      | <b>(156.05)</b>    | <b>1,056.67</b>   |
| 8       | <b>Tax expense (refer note 4)</b>   |                    |                  |                    |                    |                    |                   |
|         | (a) Current tax   | -                  | -                | 13.75              | -                  | (40.44)            | -                 |
|         | (b) Short/(excess) provision in respect of earlier years  | -                  | -                | -                  | -                  | -                  | 195.88            |
|         | (c) Deferred tax  | 171.62             | 80.33            | (3.19)             | 251.95             | (1.54)             | (2,709.88)        |
|         | <b>Total tax expense (8)</b>  | <b>171.62</b>      | <b>80.33</b>     | <b>10.56</b>       | <b>251.95</b>      | <b>(41.98)</b>     | <b>(2,514.00)</b> |
| 9       | <b>Profit/(loss) for the period (7-8)</b>   | <b>471.44</b>      | <b>176.52</b>    | <b>21.10</b>       | <b>647.96</b>      | <b>(114.07)</b>    | <b>3,570.67</b>   |
| 10      | <b>Other comprehensive income</b>   |                    |                  |                    |                    |                    |                   |
|         | <b>Items that will not be reclassified to profit or loss in subsequent periods (net of tax)</b> |                    |                  |                    |                    |                    |                   |
|         | Remeasurement of defined benefit obligation (net of tax)  | -                  | -                | -                  | -                  | -                  | (9.79)            |
|         | <b>Other comprehensive income/(loss) (10)</b>   | -                  | -                | -                  | -                  | -                  | (9.79)            |
| 11      | <b>Total comprehensive income for the period (9+10)</b>   | <b>471.44</b>      | <b>176.52</b>    | <b>21.10</b>       | <b>647.96</b>      | <b>(114.07)</b>    | <b>3,560.88</b>   |
| 12      | Paid-up equity share capital<br>(Face value of the share is Re.1/- each)                        | 152.79             | 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          |
| 14      | Earnings per equity share (Nominal value per share : Re. 1)<br>(not annualised)                 |                    |                  |                    |                    |                    |                   |
|         | Basic & Diluted (in Rupees)   | 3.08               | 1.16             | 0.14               | 4.24               | (0.75)             | 23.37             |





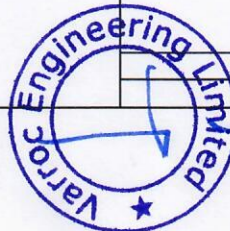


Statement of unaudited standalone assets and liabilities as at September 30, 2024

(Rs. in Million)

| Sr. No.  | Particulars  | As at              | As at            |
|----------|--|--------------------|------------------|
|          |  | September 30, 2024 | March 31, 2024   |
|          |  | Unaudited          | Audited          |
| <b>1</b> | <b>ASSETS</b>  |                    |                  |
|          | <b>Non-current assets</b>  |                    |                  |
|          | (a) Property, plant and equipment  | 8,460.89           | 8,702.93         |
|          | (b) Capital work-in-progress   | 210.84             | 180.63           |
|          | (c) Investment properties  | 173.27             | 113.20           |
|          | (d) Intangible assets  | 348.03             | 427.70           |
|          | (e) Intangible assets under development  | 21.91              | 10.18            |
|          | (f) Right to use asset   | 1,651.32           | 1,766.44         |
|          | (g) Investments in subsidiaries and joint venture  | 8,873.73           | 8,873.73         |
|          | (h) Financial assets   |                    |                  |
|          | (i) Investments  | 17.43              | 64.96            |
|          | (ii) Other financial assets  | 105.02             | 102.61           |
|          | (i) Income tax assets (net)  | 229.30             | 200.00           |
|          | (j) Deferred tax assets  | 1,661.80           | 1,913.74         |
|          | (k) Other non-current assets   | 621.96             | 545.80           |
|          | <b>Total non-current assets</b>  | <b>22,375.50</b>   | <b>22,901.92</b> |
| <b>2</b> | <b>Current assets</b>  |                    |                  |
|          | (a) Inventories  | 5,062.90           | 3,892.65         |
|          | (b) Financial assets   |                    |                  |
|          | (i) Investments*   | 160.21             | 648.11           |
|          | (ii) Trade receivables   | 3,302.88           | 2,262.89         |
|          | (iii) Cash and cash equivalents  | 205.48             | 597.12           |
|          | (iv) Bank balances other than (iii) above  | 3.35               | 2.53             |
|          | (v) Loans  | 384.62             | 39.34            |
|          | (vi) Other financial assets  | 178.94             | 265.05           |
|          | (c) Other current assets   | 2,090.92           | 1,697.97         |
|          | <b>Total current assets</b>  | <b>11,389.30</b>   | <b>9,405.66</b>  |
|          | <b>Total Assets (1+2)</b>  | <b>33,764.80</b>   | <b>32,307.58</b> |
| <b>1</b> | <b>EQUITY AND LIABILITIES</b>  |                    |                  |
|          | <b>Equity</b>  |                    |                  |
|          | (a) Equity share capital   | 152.79             | 152.79           |
|          | (b) Other equity   | 9,599.79           | 8,951.83         |
|          | <b>Total equity</b>  | <b>9,752.58</b>    | <b>9,104.62</b>  |
|          | <b>Liabilities</b>   |                    |                  |
| <b>2</b> | <b>Non-current liabilities</b>   |                    |                  |
|          | (a) Financial liabilities  |                    |                  |
|          | (i) Borrowings   | 4,262.39           | 5,439.69         |
|          | (ii) Lease liabilities   | 1,239.70           | 1,329.89         |
|          | (b) Provisions   | 100.66             | 94.04            |
|          | (c) Other non-current liabilities  | -                  | 13.11            |
|          | (d) Deferred government grant  | 202.82             | 163.37           |
|          | <b>Total non-current liabilities</b>   | <b>5,805.57</b>    | <b>7,040.10</b>  |
| <b>3</b> | <b>Current liabilities</b>   |                    |                  |
|          | (a) Financial liabilities  |                    |                  |
|          | (i) Borrowings   | 7,450.16           | 7,029.78         |
|          | (ii) Lease liabilities   | 175.28             | 162.93           |
|          | (iii) Trade payables   |                    |                  |
|          | (a) Total outstanding dues of micro enterprises and small enterprises                      | 1,580.07           | 917.58           |
|          | (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 6,846.66           | 6,278.99         |
|          | (c) Acceptances  | 112.99             | 77.65            |
|          | (iv) Other financial liabilities   | 895.14             | 882.25           |
|          | (b) Provisions   | 217.90             | 207.50           |
|          | (c) Other current liabilities  | 836.08             | 538.49           |
|          | (d) Deferred government grant  | 92.37              | 67.69            |
|          | <b>Total current liabilities</b>   | <b>18,206.65</b>   | <b>16,162.86</b> |
|          | <b>Total Equity and Liabilities (1+2+3)</b>  | <b>33,764.80</b>   | <b>32,307.58</b> |

\* Pertains to investment in overnight and liquid mutual funds.







Statement of Unaudited Standalone Cash Flows for the half year ended September 30, 2024

(Rs. in Million)

| Sr.No    | Particulars  | For the half year ended<br>September 30, 2024<br>(Unaudited) | For the half year ended<br>September 30, 2023<br>(Unaudited) |
|----------|--|--|--|
| <b>A</b> | <b>Cash flow from operating activities</b>                                 |  |  |
|          | Profit/(loss) before tax   | 899.91   | (156.05)   |
|          | Adjustments for:   |  |  |
|          | Exceptional items (refer note 8)   | -  | 45.00  |
|          | Depreciation and amortization expense                                      | 898.26   | 973.17   |
|          | Provision for bad and doubtful debts written back                          | (0.38)   | (0.91)   |
|          | Unrealised exchange gain   | (23.57)  | -  |
|          | Realised exchange gain on intercorporate loan                              | -  | (31.38)  |
|          | Finance costs  | 814.78   | 917.35   |
|          | Rent income from investment property                                       | (27.35)  | (19.20)  |
|          | Profit on sale of current investments                                      | (1.81)   | (0.43)   |
|          | Provisions/liabilities no longer required written back                     | (0.46)   | (0.43)   |
|          | (Profit)/Loss on sale of property, plant and equipment / intangible assets | (1.07)   | 0.39   |
|          | Increase in surrender value of key man insurance                           | (13.75)  | (13.29)  |
|          | Dividend income  | -  | (125.79)   |
|          | Interest income  | (13.01)  | (23.13)  |
|          |  | 1,631.64   | 1,721.35   |
|          | <b>Operating profits before working capital changes</b>                    | <b>2,531.55</b>  | <b>1,565.30</b>  |
|          | <b>Adjustments for changes in working capital</b>                          |  |  |
|          | Trade receivables  | (1,026.62)   | 479.35   |
|          | Trade payables   | 1,265.96   | 1,425.45   |
|          | Inventories  | (1,170.25)   | (141.26)   |
|          | Other financial assets   | 97.65  | (25.59)  |
|          | Other current and non current assets                                       | (391.14)   | (62.15)  |
|          | Provision  | 17.02  | (2.08)   |
|          | Other financial liabilities  | 36.84  | 36.27  |
|          | Other current and non current liabilities                                  | 348.61   | (76.79)  |
|          |  | (821.93)   | 1,633.20   |
|          | <b>Cash generated from operations</b>                                      | <b>1,709.62</b>  | <b>3,198.50</b>  |
|          | Income tax paid (net of refund)  | (29.30)  | (141.60)   |
|          | <b>Net cash flow generated from operating activities</b>                   | <b>1,680.32</b>  | <b>3,056.90</b>  |
| <b>B</b> | <b>Cash flow from investing activities</b>                                 |  |  |
|          | Dividend received  | -  | 125.79   |
|          | Interest received  | 6.09   | 17.87  |
|          | Rent received on investment property                                       | 27.35  | 19.20  |
|          | Proceeds from sale of property, plant and equipment                        | 16.20  | 455.85   |
|          | Intercorporate loan repaid by overseas subsidiary                          | -  | 687.28   |
|          | Loans given to subsidiaries  | (327.80)   | (49.93)  |
|          | (Purchase of)/Proceeds from sale of current investment                     | 489.71   | 189.98   |
|          | Purchase of property, plant and equipment                                  | (627.51)   | (523.53)   |
|          | Fixed deposits (placed)/ redeemed (net)                                    | (1.02)   | (0.66)   |
|          | (Purchase of )/Proceeds from sale of Non current investment (net)          | -  | (69.97)  |
|          | <b>Net cash generated from/(used in) investing activities</b>              | <b>(416.98)</b>  | <b>851.88</b>  |
| <b>C</b> | <b>Cash flow from financing activities</b>                                 |  |  |
|          | Repayment of long term borrowings  | (1,188.42)   | (4,874.52)   |
|          | Proceeds from long term borrowings   | -  | 2,500.00   |
|          | Proceeds from/(repayment of) short term borrowings (net)                   | 310.70   | (679.65)   |
|          | Payment of principal portion of lease liability                            | (75.03)  | (57.70)  |
|          | Payment of interest on lease liability                                     | (69.42)  | (48.75)  |
|          | Intercorporate Deposit taken from Subsidiaries                             | 12,024.75  | 7,160.65   |
|          | Intercorporate Deposit repaid to Subsidiaries                              | (11,903.95)  | (7,392.68)   |
|          | Interest paid  | (753.61)   | (1,030.91)   |
|          | <b>Net cash flow used in financing activities</b>                          | <b>(1,654.98)</b>  | <b>(4,423.56)</b>  |
|          | <b>Net decrease in cash and cash equivalents</b>                           | <b>(391.64)</b>  | <b>(514.78)</b>  |
|          | <b>Opening cash and cash equivalents</b>                                   | <b>597.12</b>  | <b>1,496.36</b>  |
|          | <b>Closing cash and cash equivalents</b>                                   | <b>205.48</b>  | <b>981.58</b>  |
|          | <b>Cash and cash equivalents consists of :</b>                             |  |  |
|          | Cash in hand   | 0.01   | 0.02   |
|          | Current accounts   | 205.47   | 392.74   |
|          | Deposit with maturity of less than 3 months                                | -  | 588.82   |
|          |  | <b>205.48</b>  | <b>981.58</b>  |

**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.





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

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



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

| Particulars  |                  | Quarter ended      |               |                    | Half year Ended    |                    | Year ended     |
|--|------------------|--------------------|---------------|--------------------|--------------------|--------------------|----------------|
|  |                  | September 30, 2024 | June 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023 | March 31, 2024 |
| Debt Equity ratio [refer note (i)]                         | (No. of times)   | 1.20               | 1.31          | 2.43               | 1.20               | 2.43               | 1.37           |
| Debt service coverage ratio [refer note (ii)]              | (No. of times)   | 2.11               | 1.35          | 0.82               | 1.70               | 0.54               | 0.94           |
| Interest service coverage ratio [refer note (iii)]         | (No. of times)   | 3.70               | 2.72          | 2.12               | 3.21               | 1.94               | 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) | 9,752.58           | 9,281.14      | 5,429.67           | 9,752.58           | 5,429.67           | 9,104.62       |
| Net profit/(loss) after tax                                | (Rs. in Million) | 471.44             | 176.52        | 21.10              | 647.96             | (114.07)           | 3,570.67       |
| <b>Earning per share (EPS)</b>                             |                  |                    |               |                    |                    |                    |                |
| Basic EPS (Not Annualised)                                 | (Rs.)            | 3.08               | 1.16          | 0.14               | 4.24               | (0.75)             | 23.37          |
| Diluted EPS (Not Annualised)                               | (Rs.)            | 3.08               | 1.16          | 0.14               | 4.24               | (0.75)             | 23.37          |
| Current Ratio [refer note (v)]                             | (No. of times)   | 0.63               | 0.60          | 0.46               | 0.63               | 0.46               | 0.58           |
| Long Term Debt To Working Capital [refer note (vi)] ^      | (No. of times)   | (1.30)             | (1.33)        | (1.14)             | (1.30)             | (1.14)             | (1.57)         |
| Bad Debts To Account Receivable Ratio [refer note (vii)]** | (No. of times)   | -                  | -             | 0.00               | -                  | 0.00               | (0.01)         |
| Current Liability Ratio [refer note (viii)]                | (No. of times)   | 0.76               | 0.73          | 0.77               | 0.76               | 0.77               | 0.70           |
| Total Debts To Total Assets [refer note (ix)]              | (No. of times)   | 0.35               | 0.37          | 0.43               | 0.35               | 0.43               | 0.39           |
| Debtors Turnover [refer note (x)]*                         | (No. of times)   | 4.38               | 4.87          | 3.70               | 8.57               | 7.54               | 17.13          |
| Inventory Turnover [refer note (xi)]*                      | (No. of times)   | 1.73               | 1.79          | 1.76               | 3.49               | 3.50               | 7.45           |
| Operating Margin [refer note (xii)]                        | (in %)           | 7.85%              | 5.49%         | 2.51%              | 6.73%              | 2.51%              | 5.78%          |
| Net Profit Margin [refer note (xiii)]                      | (in %)           | 3.77%              | 1.55%         | 0.19%              | 2.72%              | -0.53%             | 7.87%          |
| Security cover ratio [refer note (xvii)] #                 | (No. of times)   | 1.35               | 1.37          | NA                 | 1.35               | NA                 | 1.38           |

**Formulae for calculation of ratios are as follows:**

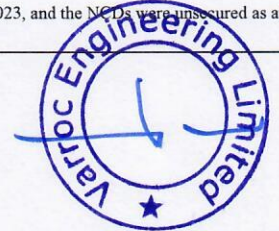
- (i) Debt Equity Ratio = [ Total Debt / Total Equity ]
- (ii) Debt service coverage ratio = [ (Earning before Interest Tax, Depreciation & amortisation and Exceptional items) / (Interest Expense + Principal repayments of long term loan made during the period excluding prepayment) ]
- (iii) Interest 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 including foreign exchange (gain)/loss (net)) / 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.

# Security for Non-Convertible Debentures ("NCDs") issued during the quarter and half year ended September 30, 2023 was created on October 16, 2023, and the NCDs were unsecured as at September 30, 2023. Hence, disclosure for security cover ratio is not applicable for the quarter and half year ended September 30, 2023.







**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 November 13, 2024 and were subjected to review by the Statutory Auditors.
- 2) During the year ended March 31, 2024, the Company received eligibility certificates (ECs) in respect of three plants in Aurangabad/Pune under the Electronics Policy, 2016 effective from April 1, 2022 and valid for 10 years. Under these ECs, the Company is eligible to claim incentive in the form of refund of SGST paid on eligible sales from the respective plants. The Company has considered these as grants related to income under Ind AS 20 by recognizing the same as income in profit and loss based on SGST paid for the period/year. The amount of income recognised in the 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.
- 3) On November 5, 2024, the Company received an Order from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Company has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the Order with respect to applicable interest and penalty for the aforementioned period. The Company intends to initiate legal procedure within the time limit prescribed under the GST Law, pending which no adjustments have been made in respect of this matter in the financial results for the quarter and half year ended September 30, 2024.
- 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 quarter and half year ended September 30, 2023 and 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 on September 30, 2024 is 1.35 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') with the appointed date of April 01, 2024, 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 half year ended September 30, 2023 and 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.

Place: Pune  
Date: November 13, 2024



and on behalf of Board of Directors  
Varroc Engineering Limited

Tarang Jain  
Chairman and Managing Director

**Independent Auditor's Review Report on the Quarterly and Year to Date 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 its joint ventures for the quarter ended September 30, 2024 and year to date from April 01, 2024 to September 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; Varrec (Thailand) Company Limited

**Joint Ventures:**

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

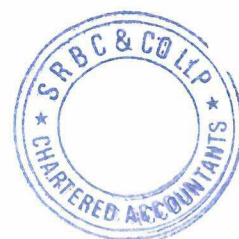




5. As disclosed in Note 2 to the Statement, the financial results and other financial information for the quarter and six months ended September 30, 2024 in respect of Varroc TYC Corporation BVI ("China JV"), a joint venture accounted for under the equity method, considered for the purpose of preparation of the consolidated financial results, is not reviewed or audited. Hence, we are unable to determine the impact of Group's share of 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 and six months ended September 30, 2024 and Group's share of net assets of China JV on the investment in China JV as at September 30, 2024, had the financial results/ other financial information 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 8 and 9 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. We draw attention to Note 3 of the Statement which describes the effects of the GST Order received by the Group from GST Authorities. The Group intends to initiate legal procedures against the aforesaid order pending which no adjustments have been made in respect of this matter in the financial results. Our conclusion on the Statement is not modified in respect of this matter.
8. 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 assets of Rs 7,591 million as at September 30, 2024, total revenues of Rs 1,504 million and Rs 3,062 million, total net profit/(loss) after tax of (Rs. 147 million) and (Rs. 201 million), total comprehensive income/ (loss) of (Rs. 147 million) and (Rs. 201 million), for the quarter ended September 30, 2024 and the period ended on that date respectively, and net cash inflows of Rs. 438 million for the period from April 01, 2024 to September 30, 2024, as considered in the Statement which have been reviewed by their respective independent auditors.

The independent auditor's reports on interim financial statements/ 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.

9. 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.



# SRBC & CO LLP

Chartered Accountants

10. 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 assets of Rs 880 million as at September 30, 2024, and total revenues of Rs 133 million and Rs 342 million, total net profit/(loss) after tax of (Rs 6 million) and (Rs 7 million), total comprehensive income of (Rs 6 million) and (Rs 7 million), for the quarter ended September 30, 2024 and the period ended on that date respectively and net cash outflows of Rs 1 million for the period from April 01, 2024 to September 30, 2024.
- 3 joint ventures, whose interim financial results/statements includes the Group's share of net profit/loss of Rs 7 million and Rs 34 million and Group's share of total comprehensive income of Rs 7 million and Rs 34 million for the quarter ended September 30, 2024 and for the period ended on that date respectively.

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 their auditors 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 8, 9 and 10 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 SRBC & CO LLP**

Chartered Accountants

ICAI Firm Registration number: 324982E/E300003

per Paul Alvarès

Partner

Membership No.: 105754

UDIN: 24105754BKBZRT3253

Place: Pune

Date: November 13, 2024





Varroc Engineering Limited

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

CIN : L28920MH1988PLC047335

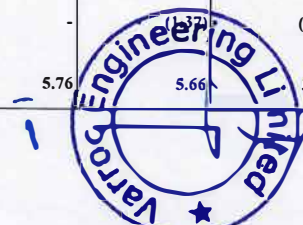
Tel: +91 240 6653 700/6653 699, Fax: +91 240 2564 540, E-mail : investors@varroc.com



Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2024

(Rs. in Million)

| Sr. No. | Particulars  | Quarter ended      |                  |                    | Half year ended    |                    | Year ended        |
|---------|--|--------------------|------------------|--------------------|--------------------|--------------------|-------------------|
|         |  | September 30, 2024 | June 30, 2024    | September 30, 2023 | September 30, 2024 | September 30, 2023 | March 31, 2024    |
|         |  | Unaudited          | Unaudited        | Unaudited          | Unaudited          | Unaudited          | Audited           |
|         | <b>Continuing Operations</b>   |                    |                  |                    |                    |                    |                   |
| 1       | Revenue from operations (refer note 4)   | 20,807.70          | 18,988.51        | 18,868.09          | 39,796.21          | 36,924.94          | 75,519.37         |
| 2       | Other income   | 66.85              | 35.54            | 67.41              | 102.39             | 122.29             | 275.76            |
| 3       | <b>Total income (1+2)</b>  | <b>20,874.55</b>   | <b>19,024.05</b> | <b>18,935.50</b>   | <b>39,898.60</b>   | <b>37,047.23</b>   | <b>75,795.13</b>  |
| 4       | <b>Expenses</b>  |                    |                  |                    |                    |                    |                   |
|         | (a) Cost of materials consumed   | 13,650.11          | 12,348.00        | 11,951.93          | 25,998.11          | 23,547.15          | 47,448.87         |
|         | (b) Changes in inventories of work-in-progress and finished goods  | (295.56)           | (475.11)         | (12.85)            | (770.67)           | (195.75)           | (115.60)          |
|         | (c) Employee benefits expense  | 2,244.56           | 2,156.22         | 2,028.16           | 4,400.78           | 3,950.37           | 8,092.21          |
|         | (d) Finance costs  | 431.97             | 444.48           | 502.58             | 876.45             | 991.53             | 1,938.56          |
|         | (e) Foreign exchange (gain)/loss (net)   | (71.86)            | (16.23)          | (71.94)            | (88.09)            | (97.19)            | (145.61)          |
|         | (f) Depreciation and amortisation expense  | 815.45             | 798.10           | 848.87             | 1,613.55           | 1,650.48           | 3,368.18          |
|         | (g) Other expenses   | 3,198.82           | 3,235.52         | 3,030.21           | 6,434.34           | 5,950.97           | 12,503.88         |
|         | <b>Total expenses (4)</b>  | <b>19,973.49</b>   | <b>18,490.98</b> | <b>18,276.96</b>   | <b>38,464.47</b>   | <b>35,797.56</b>   | <b>73,090.49</b>  |
| 5       | <b>Profit before share of profit/(loss) of joint ventures and tax from continuing operations (3-4)</b>         | <b>901.06</b>      | <b>533.07</b>    | <b>658.54</b>      | <b>1,434.13</b>    | <b>1,249.67</b>    | <b>2,704.64</b>   |
| 6       | Share of profit/(loss) of Joint Ventures (refer note 2)  | 7.05               | 26.83            | 80.58              | 33.88              | 141.88             | 443.96            |
| 7       | <b>Profit before tax from continuing operations (5+6)</b>  | <b>908.11</b>      | <b>559.90</b>    | <b>739.12</b>      | <b>1,468.01</b>    | <b>1,391.55</b>    | <b>3,148.60</b>   |
| 8       | <b>Tax expense (refer note 5)</b>  |                    |                  |                    |                    |                    |                   |
|         | Current tax  | 157.68             | 141.37           | 173.34             | 299.05             | 283.95             | 177.65            |
|         | Short provision in respect of earlier year   | 7.44               | 5.97             | 1.66               | 13.41              | 0.98               | 215.84            |
|         | Deferred tax   | 164.99             | 71.87            | 6.96               | 236.86             | (0.86)             | (2,774.84)        |
|         | <b>Total tax expense (8)</b>   | <b>330.11</b>      | <b>219.21</b>    | <b>181.96</b>      | <b>549.32</b>      | <b>284.07</b>      | <b>(2,381.35)</b> |
| 9       | <b>Profit for the period from continuing operations (7-8)</b>  | <b>578.00</b>      | <b>340.69</b>    | <b>557.16</b>      | <b>918.69</b>      | <b>1,107.48</b>    | <b>5,529.95</b>   |
|         | <b>Discontinued operations (refer note 8)</b>  |                    |                  |                    |                    |                    |                   |
| 10      | Profit/(loss) before tax for the period from discontinued operations   | -                  | -                | -                  | -                  | (209.20)           | (209.20)          |
| 11      | Tax (income)/expense of discontinued operations  | -                  | -                | -                  | -                  | -                  | -                 |
| 12      | <b>Profit/ (loss) for the period from discontinued operations (10-11)</b>                                      | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>(209.20)</b>    | <b>(209.20)</b>   |
| 13      | <b>Profit for the period (9 + 12)</b>  | <b>578.00</b>      | <b>340.69</b>    | <b>557.16</b>      | <b>918.69</b>      | <b>898.28</b>      | <b>5,320.75</b>   |
| 14      | <b>Other comprehensive income from continuing operations</b>   |                    |                  |                    |                    |                    |                   |
| A       | Items to be reclassified to profit or loss in subsequent periods   |                    |                  |                    |                    |                    |                   |
|         | Exchange differences in translating the financial statements of foreign operations                             | 304.63             | (84.74)          | (45.80)            | 219.89             | (279.98)           | (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)           | -                  | (0.07)             | (1.43)             | 103.37            |
| 15      | <b>Other comprehensive income from discontinued operations</b>   | <b>-</b>           | <b>-</b>         | <b>-</b>           | <b>-</b>           | <b>-</b>           | <b>-</b>          |
| 16      | <b>Total Other comprehensive income/(loss), net of tax from continuing and discontinued operations (14+15)</b> | <b>304.63</b>      | <b>(84.81)</b>   | <b>(45.80)</b>     | <b>219.82</b>      | <b>(281.41)</b>    | <b>(52.72)</b>    |
| 17      | <b>Total comprehensive income/(loss) for the period (13+16)</b>  | <b>882.63</b>      | <b>255.88</b>    | <b>511.36</b>      | <b>1,138.51</b>    | <b>616.87</b>      | <b>5,268.03</b>   |
| 18      | <b>Profit/(loss) for the period attributable to:</b>   |                    |                  |                    |                    |                    |                   |
|         | Shareholders of the Company  | 556.76             | 324.06           | 542.27             | 880.82             | 864.84             | 5,260.24          |
|         | Non-controlling interests  | 21.24              | 16.63            | 14.89              | 37.87              | 33.44              | 60.51             |
| 19      | <b>Other comprehensive income/(loss) attributable to:</b>  |                    |                  |                    |                    |                    |                   |
|         | Shareholders of the Company  | 304.63             | (84.81)          | (45.80)            | 219.82             | (281.41)           | (51.86)           |
|         | Non-controlling interests  | -                  | -                | -                  | -                  | -                  | (0.86)            |
| 20      | <b>Total comprehensive income/(loss) for the period attributable to:</b>                                       |                    |                  |                    |                    |                    |                   |
|         | Shareholders of the Company  | 861.39             | 239.25           | 496.47             | 1,100.64           | 583.43             | 5,208.38          |
|         | Non-controlling interests  | 21.24              | 16.63            | 14.89              | 37.87              | 33.44              | 59.65             |
| 21      | Paid-up equity share capital (face value of Re.1)  | 152.79             | 152.79           | 152.79             | 152.79             | 152.79             | 152.79            |
| 22      | Reserves excluding revaluation reserves as per balance sheet   |                    |                  |                    |                    |                    | 14,817.58         |
| 23      | <b>Earnings per equity share attributable to Owners (Nominal value per share: Re. 1) (not annualised)</b>      |                    |                  |                    |                    |                    |                   |
|         | <b>-for continuing operations</b>  |                    |                  |                    |                    |                    |                   |
|         | Basic and diluted (in Rupees)  | 3.64               | 2.12             | 3.55               | 5.76               | 7.03               | 35.80             |
|         | <b>- for discontinued operations</b>   |                    |                  |                    |                    |                    |                   |
|         | Basic and diluted (in Rupees)  | -                  | -                | -                  | -                  | -                  | (1.37)            |
|         | <b>- for continuing and discontinued operations</b>  |                    |                  |                    |                    |                    |                   |
|         | Basic and diluted (in Rupees)  | 3.64               | 2.12             | 3.55               | 5.76               | 5.66               | 34.43             |

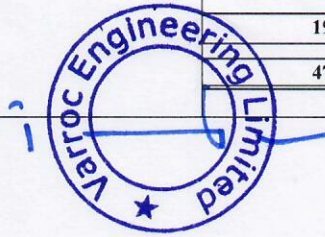




**Statement of Unaudited Consolidated Assets and Liabilities as at September 30, 2024**

(Rs. in Million)

| Sr. No.   | Particulars   | As at              | As at            |
|-----------|---|--------------------|------------------|
|           |   | September 30, 2024 | March 31, 2024   |
|           |   | Unaudited          | Audited          |
| <b>A.</b> | <b>ASSETS</b>   |                    |                  |
| <b>I</b>  | <b>Non-current assets</b>                             |                    |                  |
|           | (a) Property, plant and equipment                     | 16,718.35          | 16,854.95        |
|           | (b) Capital work-in-progress                          | 607.53             | 763.52           |
|           | (c) Goodwill  | 474.05             | 470.88           |
|           | (d) Other Intangible assets                           | 522.76             | 631.36           |
|           | (e) Right-of-use assets                               | 2,189.88           | 2,309.71         |
|           | (f) Intangible assets under development               | 49.46              | 35.68            |
|           | (g) Investments accounted for using the equity method | 4,373.63           | 4,201.03         |
|           | (h) Financial assets                                  |                    |                  |
|           | (i) Investments                                       | 48.61              | 136.02           |
|           | (ii) Other financial assets                           | 208.58             | 200.02           |
|           | (i) Income tax assets (net)                           | 277.09             | 433.08           |
|           | (j) Deferred tax assets (net)                         | 1,701.64           | 1,967.25         |
|           | (k) Other non-current assets                          | 678.40             | 650.30           |
|           | <b>Total non-current assets</b>                       | <b>27,849.98</b>   | <b>28,653.80</b> |
| <b>II</b> | <b>Current assets</b>                                 |                    |                  |
|           | (a) Inventories                                       | 8,233.26           | 6,744.42         |
|           | (b) Financial assets                                  |                    |                  |
|           | (i) Investments *                                     | 617.35             | 963.17           |
|           | (ii) Trade receivables                                | 5,919.91           | 4,918.43         |
|           | (iii) Cash and cash equivalents                       | 1,219.02           | 1,104.36         |
|           | (iv) Bank balances other than (iii) above             | 215.88             | 198.56           |
|           | (v) Loans   | 0.17               | 0.18             |
|           | (vi) Other financial assets                           | 189.71             | 272.27           |
|           | (c) Other current assets                              | 3,044.09           | 2,749.54         |
|           | <b>Total current assets</b>                           | <b>19,439.39</b>   | <b>16,950.93</b> |
|           | <b>Total Assets (I+II)</b>                            | <b>47,289.37</b>   | <b>45,604.73</b> |





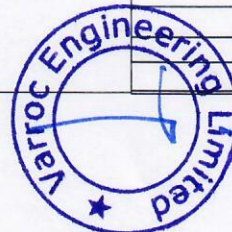


**Statement of Unaudited Consolidated Assets and Liabilities as at September 30, 2024**

(Rs. in Million)

| Sr. No.    | Particulars  | As at              | As at            |
|------------|--|--------------------|------------------|
|            |  | September 30, 2024 | March 31, 2024   |
|            |  | Unaudited          | Audited          |
| <b>B.</b>  | <b>EQUITY AND LIABILITIES</b>  |                    |                  |
| <b>I</b>   | <b>Equity</b>  |                    |                  |
|            | (a) Equity share capital   | 152.79             | 152.79           |
|            | (b) Other equity   | 15,918.22          | 14,817.58        |
|            | <b>Equity attributable to owners</b>   | <b>16,071.01</b>   | <b>14,970.37</b> |
|            | Non-controlling interests  | 329.33             | 291.46           |
|            | <b>Total equity</b>  | <b>16,400.34</b>   | <b>15,261.83</b> |
| <b>II</b>  | <b>Liabilities</b>   |                    |                  |
| <b>(1)</b> | <b>Non-current liabilities</b>   |                    |                  |
|            | (a) Financial liabilities  |                    |                  |
|            | (i) Borrowings   | 4,718.87           | 6,517.24         |
|            | (ia) Lease liabilities   | 1,444.48           | 1,483.83         |
|            | (ii) Other financial liabilities   | 14.52              | 17.89            |
|            | (b) Provisions   | 169.03             | 162.64           |
|            | (c) Deferred tax liabilities (net)   | 284.87             | 306.55           |
|            | (d) Other non current liabilities  | -                  | 13.11            |
|            | (e) Deferred government grants   | 290.34             | 254.24           |
|            | <b>Total non-current liabilities</b>   | <b>6,922.11</b>    | <b>8,755.50</b>  |
| <b>(2)</b> | <b>Current liabilities</b>   |                    |                  |
|            | (a) Financial liabilities  |                    |                  |
|            | (i) Borrowings   | 5,606.72           | 5,576.54         |
|            | (ia) Lease Liabilities   | 274.32             | 319.58           |
|            | (ii) Trade payables  |                    |                  |
|            | (a) Total outstanding dues of micro enterprises and small enterprises                      | 2,262.81           | 1,361.36         |
|            | (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 11,646.08          | 10,723.28        |
|            | (c) Acceptances  | 208.61             | 152.47           |
|            | (iii) Other financial liabilities  | 1,504.56           | 1,510.05         |
|            | (b) Provisions   | 309.67             | 302.08           |
|            | (c) Current tax liabilities (net)  | 11.11              | 23.24            |
|            | (d) Other current liabilities  | 2,029.09           | 1,517.52         |
|            | (e) Deferred government grants   | 113.95             | 101.28           |
|            | <b>Total current liabilities</b>   | <b>23,966.92</b>   | <b>21,587.40</b> |
| <b>III</b> | <b>Total Equity and Liabilities (I+II)</b>   | <b>47,289.37</b>   | <b>45,604.73</b> |

\* Pertains to investment in overnight and liquid mutual funds.







**Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2024**

(Rs. in Million)

| Sr. No.  | Particulars  | For the half year ended September 30, 2024 |                   | For the half year ended September 30, 2023 |                   |
|----------|--|--|-------------------|--|-------------------|
|          |  | Unaudited                                  |                   | Unaudited                                  |                   |
| <b>A</b> | <b>Cash flow from operating activities</b>   |  |                   |  |                   |
|          | Profit/(loss) before tax from continuing operations  |  | 1,468.01          |  | 1,391.55          |
|          | Profit/(loss) before tax from discontinued operations                                      |  | -                 |  | (209.20)          |
|          | Adjustments for :  |  |                   |  |                   |
|          | Depreciation and amortisation expense  | 1,613.55                                   |                   | 1,650.48                                   |                   |
|          | Net loss/(gain) on disposal of property, plant and equipment                               | (38.11)                                    |                   | (27.89)                                    |                   |
|          | Provision for doubtful debts and advances  | 2.18                                       |                   | 7.47                                       |                   |
|          | Finance costs  | 876.45                                     |                   | 991.53                                     |                   |
|          | Loss on sale of VLS business   | -  |                   | 89.11                                      |                   |
|          | Gain on sale of current investments  | (16.54)                                    |                   | (3.81)                                     |                   |
|          | Share in profit of Joint Venture accounted for using the equity method                     | (33.88)                                    |                   | (141.88)                                   |                   |
|          | Liabilities no longer required written back  | (0.67)                                     |                   | (0.43)                                     |                   |
|          | Increase in surrender value of keyman insurance policy                                     | (13.75)                                    |                   | (13.29)                                    |                   |
|          | Unrealised exchange gain   | (88.09)                                    |                   | (97.19)                                    |                   |
|          | Interest income  | (15.15)                                    | 2,285.99          | (39.85)                                    | 2,414.25          |
|          | <b>Operating profits before working capital changes</b>                                    |  | <b>3,754.00</b>   |  | <b>3,596.60</b>   |
|          | Adjustments for changes in:  |  |                   |  |                   |
|          | Inventories  | (1,441.87)                                 |                   | (164.05)                                   |                   |
|          | Trade receivables  | (962.64)                                   |                   | 519.73                                     |                   |
|          | Other assets   | (107.76)                                   |                   | (296.82)                                   |                   |
|          | Trade payables   | 1,930.28                                   |                   | 1,145.68                                   |                   |
|          | Other liabilities and provisions   | 572.99                                     |                   | (415.75)                                   |                   |
|          |  |  | <b>(9.00)</b>     |  | <b>788.79</b>     |
|          | <b>Cash generated from operations</b>  |  | <b>3,745.00</b>   |  | <b>4,385.39</b>   |
|          | Taxes paid (net of refund received)  |  | (160.39)          |  | (457.31)          |
|          | <b>Net cash flow generated from operating activities</b>                                   |  | <b>3,584.61</b>   |  | <b>3,928.08</b>   |
| <b>B</b> | <b>Cash flow from investing activities</b>   |  |                   |  |                   |
|          | Dividend received  | -  |                   | 13.46                                      |                   |
|          | Interest received  | 15.39                                      |                   | 40.00                                      |                   |
|          | Proceeds from sale of VLS Business (refer note 8)  | -  |                   | 1,158.43                                   |                   |
|          | (Purchase of)/proceeds from sale of current investment (net)                               | 362.36                                     |                   | 193.36                                     |                   |
|          | Purchase of non current investment   | -  |                   | (69.97)                                    |                   |
|          | Proceeds from sale of property, plant and equipment  | 103.64                                     |                   | 145.01                                     |                   |
|          | Purchase of property, plant and equipment  | (1,070.79)                                 |                   | (1,130.23)                                 |                   |
|          | Costs incurred on intangible assets  | (62.82)                                    |                   | (96.93)                                    |                   |
|          | Fixed deposits (with maturity of more than 3 months) redeemed/(purchased) (net)            | (17.53)                                    |                   | (160.87)                                   |                   |
|          | <b>Net cash generated from/(used in) investing activities</b>                              |  | <b>(669.75)</b>   |  | <b>92.26</b>      |
| <b>C</b> | <b>Cash flow from financing activities</b>   |  |                   |  |                   |
|          | Proceeds from long-term borrowings   | -  |                   | 2,500.00                                   |                   |
|          | Repayment of long-term borrowings  | (2,004.29)                                 |                   | (5,458.83)                                 |                   |
|          | Payment of principal portion of lease liability  | (99.67)                                    |                   | (133.31)                                   |                   |
|          | Payment of interest on lease liability   | (67.17)                                    |                   | (63.35)                                    |                   |
|          | Proceeds from/(repayment of) short term borrowings (net)                                   | 153.06                                     |                   | (797.72)                                   |                   |
|          | Interest paid  | (810.73)                                   |                   | (1,070.68)                                 |                   |
|          | <b>Net cash flow used in financing activities</b>  |  | <b>(2,828.80)</b> |  | <b>(5,023.89)</b> |
|          | <b>Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)</b>                       |  | <b>86.06</b>      |  | <b>(1,003.55)</b> |
|          | <b>Opening cash and cash equivalents</b>   |  | <b>1,104.36</b>   |  | <b>3,023.13</b>   |
|          | Effect of exchange difference on translation of foreign currency cash and cash equivalents |  | 28.60             |  | 1.99              |
|          | <b>Total</b>   |  | <b>1,132.96</b>   |  | <b>3,025.12</b>   |
|          | <b>Closing cash and cash equivalents</b>   |  | <b>1,219.02</b>   |  | <b>2,021.57</b>   |

| Sr. No. | Particulars  | As at              | As at              |
|---------|--|--------------------|--------------------|
|         |  | September 30, 2024 | September 30, 2023 |
|         |  | (Rs. in Million)   | (Rs. in Million)   |
|         | <b>Cash and cash equivalents consists of:</b>      |                    |                    |
| A       | Cash and cash equivalents                          |                    |                    |
| i.      | Cash in hand                                       | 0.26               | 0.23               |
| ii.     | <b>Bank balances</b>                               |                    |                    |
|         | - Current accounts                                 | 1,218.76           | 1,337.33           |
|         | - Deposits with maturity of less than three months | -                  | 684.01             |
|         |  | <b>1,219.02</b>    | <b>2,021.57</b>    |

**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      |               |                    | Half year ended    |                     | Year ended      |
|--|------------------|--------------------|---------------|--------------------|--------------------|---------------------|-----------------|
|  |                  | September 30, 2024 | June 30, 2024 | September 30, 2023 | September 30, 2024 | September 30, 2023* | March 31, 2024* |
| Debt Equity ratio [refer note (i)]                           | (No. of times)   | 0.63               | 0.72          | 1.18               | 0.63               | 1.18                | 0.79            |
| Debt Service Coverage Ratio [refer note (ii)]                | (No. of times)   | 1.94               | 1.45          | 1.32               | 1.68               | 1.03                | 1.26            |
| Interest Service Coverage Ratio [refer note (iii)]           | (No. of times)   | 4.99               | 4.06          | 4.16               | 4.52               | 4.07                | 4.36            |
| Outstanding Redeemable Preference Shares (Qty / Value)       |                  | Not Applicable     |               |                    |                    |                     |                 |
| Capital Redemption Reserve                                   |                  | Not Applicable     |               |                    |                    |                     |                 |
| Debtenture Redemption Reserve                                |                  | Not Applicable     |               |                    |                    |                     |                 |
| Net Worth [refer note (iv)]                                  | (Rs. in Million) | 16,400.34          | 15,517.71     | 10,658.39          | 16,400.34          | 10,658.39           | 15,261.83       |
| Net Profit after Tax   | (Rs. in Million) | 578.00             | 340.69        | 557.16             | 918.69             | 1,107.48            | 5,529.95        |
| <b>Earning per share (EPS)</b>                               |                  |                    |               |                    |                    |                     |                 |
| Basic EPS (Not Annualised)                                   | (Rs.)            | 3.64               | 2.12          | 3.55               | 5.76               | 7.03                | 35.80           |
| Diluted EPS (Not Annualised)                                 | (Rs.)            | 3.64               | 2.12          | 3.55               | 5.76               | 7.03                | 35.80           |
| Current Ratio [refer note (v)]                               | (No. of times)   | 0.81               | 0.79          | 0.69               | 0.81               | 0.69                | 0.79            |
| Long Term Debt to Working Capital Ratio [refer note (vi)] ^  | (No. of times)   | (6.93)             | (6.37)        | (5.69)             | (6.93)             | (5.69)              | (8.84)          |
| Bad Debts to Account Receivable Ratio [refer note (vii)] *** | (No. of times)   | -                  | 0.00          | 0.00               | 0.00               | 0.00                | 0.04            |
| Current Liability Ratio [refer note (viii)]                  | (No. of times)   | 0.78               | 0.75          | 0.74               | 0.78               | 0.74                | 0.71            |
| Total Debts to Total Assets Ratio [refer note (ix)]          | (No. of times)   | 0.22               | 0.24          | 0.29               | 0.22               | 0.29                | 0.27            |
| Debtors Turnover Ratio [refer note (x)] **                   | (No. of times)   | 3.72               | 3.73          | 3.25               | 7.34               | 6.46                | 13.87           |
| Inventory Turnover Ratio [refer note (xi)] **                | (No. of times)   | 1.71               | 1.68          | 1.74               | 3.37               | 3.44                | 7.04            |
| Operating Margin [refer note (xii)]                          | (in %)           | 5.74%              | 4.88%         | 5.42%              | 5.33%              | 5.48%               | 5.59%           |
| Net Profit Margin [refer note (xiii)]                        | (in %)           | 2.78%              | 1.79%         | 2.95%              | 2.31%              | 3.00%               | 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 including foreign exchange (gain)/loss (net)) / Revenue from Operations ]

(xiii) Net Profit Margin = [ Net Profit after Tax / Revenue from Operations ]

(xiv) Total Debt = [ Long Term Borrowings + Short Term Borrowings (includes Current Maturities of Long Term Borrowings) ]

(xv) Total Equity = [ Equity Share Capital + Other Equity ]

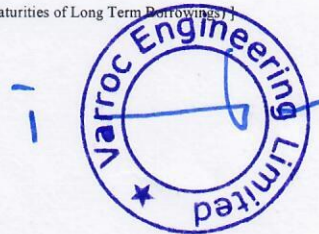
(xvi) Working Capital = [ Total Current Assets - Total Current Liabilities (excluding Current Maturities of Long Term Borrowings) ]

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

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

\*\*\* numbers are below 0.01

^ Ratio is negative because net working capital is negative.







**Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities**

| Particulars  | Quarter ended      |                  |                    | Half year ended    |                    | Year ended       |
|--|--------------------|------------------|--------------------|--------------------|--------------------|------------------|
|  | September 30, 2024 | June 30, 2024    | September 30, 2023 | September 30, 2024 | September 30, 2023 | March 31, 2024   |
|  | Unaudited          | Unaudited        | Unaudited          | Unaudited          | Unaudited          | Audited          |
| <b>1) Segment Revenue</b>  |                    |                  |                    |                    |                    |                  |
| (i) Automotive (refer note 4)  | 20,198.54          | 18,598.89        | 18,410.40          | 38,797.43          | 35,917.63          | 73,577.33        |
| (ii) Others  | 609.16             | 389.62           | 457.69             | 998.78             | 1,007.31           | 1,942.04         |
| <b>Revenue from operations</b>   | <b>20,807.70</b>   | <b>18,988.51</b> | <b>18,868.09</b>   | <b>39,796.21</b>   | <b>36,924.94</b>   | <b>75,519.37</b> |
| <b>2) Segment Results</b>  |                    |                  |                    |                    |                    |                  |
| (i) Automotive   | 1,408.37           | 1,045.82         | 1,148.64           | 2,454.19           | 2,181.76           | 4,611.22         |
| (ii) Others  | (81.36)            | (75.01)          | (4.77)             | (156.37)           | 19.59              | (42.79)          |
| Total segment results from continuing operations (refer note 4)                      | 1,327.01           | 970.81           | 1,143.87           | 2,297.82           | 2,201.35           | 4,568.43         |
| Add : Segment results of discontinued operations (automotive segment) (refer note 8) | -                  | -                | -                  | -                  | (209.20)           | (209.20)         |
| Add/ (Less) :  |                    |                  |                    |                    |                    |                  |
| (a) Finance Cost   | (431.97)           | (444.48)         | (502.58)           | (876.45)           | (991.53)           | (1,938.56)       |
| (b) Net unallocated (expenditure)/ income  | 13.07              | 33.57            | 97.83              | 46.64              | 181.73             | 518.73           |
| <b>Profit/(loss) before tax</b>  | <b>908.11</b>      | <b>559.90</b>    | <b>739.12</b>      | <b>1,468.01</b>    | <b>1,182.35</b>    | <b>2,939.40</b>  |
| <b>3) Segment Assets</b>   |                    |                  |                    |                    |                    |                  |
| (i) Automotive   | 37,974.62          | 36,080.24        | 35,782.52          | 37,974.62          | 35,782.52          | 35,137.59        |
| (ii) Others  | 2,061.50           | 2,055.33         | 2,106.31           | 2,061.50           | 2,106.31           | 1,977.98         |
| Total segment assets   | 40,036.12          | 38,135.57        | 37,888.83          | 40,036.12          | 37,888.83          | 37,115.57        |
| Add : Unallocated  | 7,253.25           | 8,132.83         | 5,599.99           | 7,253.25           | 5,599.99           | 8,489.16         |
| <b>Total assets</b>  | <b>47,289.37</b>   | <b>46,268.40</b> | <b>43,488.82</b>   | <b>47,289.37</b>   | <b>43,488.82</b>   | <b>45,604.73</b> |
| <b>4) Segment Liabilities</b>  |                    |                  |                    |                    |                    |                  |
| (i) Automotive   | 19,724.15          | 18,740.54        | 18,487.69          | 19,724.15          | 18,487.69          | 17,523.77        |
| (ii) Others  | 507.89             | 474.80           | 488.78             | 507.89             | 488.78             | 363.93           |
| Total segment liabilities  | 20,232.04          | 19,215.34        | 18,976.47          | 20,232.04          | 18,976.47          | 17,887.70        |
| Add : Unallocated  | 10,656.99          | 11,535.35        | 13,853.96          | 10,656.99          | 13,853.96          | 12,455.20        |
| <b>Total liabilities</b>   | <b>30,889.03</b>   | <b>30,750.69</b> | <b>32,830.43</b>   | <b>30,889.03</b>   | <b>32,830.43</b>   | <b>30,342.90</b> |

**Notes to Unaudited Consolidated Financial Results:**

- Above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 13, 2024 and were subjected to review by the Statutory Auditors.
- 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. 4,210.09 million (approx. 8.90% of the total assets) as at September 30, 2024, and the Group's share of VTYC's net profit of Rs. 27.85 million (approx. 1.90% of the total net profit/ (loss) before tax) which is included in the Group's income for the half year 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.
- On November 5, 2024, the Group received an Order from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Group has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the Order with respect to applicable interest and penalty for the aforementioned period. The Group intends to initiate legal procedure within the time limit prescribed under the GST Law, pending which no adjustments have been made in respect of this matter in the financial results for the quarter and half year ended September 30, 2024.
- 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 the 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.
- 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 had claimed this write-off of loans as an allowable business loss, considering that these loans extended to VCHBV were in the nature of trade investments to derive benefits for the Group's businesses rather than for earning dividend/capital appreciation. The Group obtained legal opinions from two independent senior counsels who supported their view on claiming this write-off of loans as an allowable business loss.

Accordingly, the group considered this loss as tax deductible for computation of current tax provision to the extent of Rs. 437.14 million and for recognition of deferred tax asset of Rs. 2,968.93 million 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.





**Varroc Engineering Limited**

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- 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 September 30, 2024 is 1.35 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 half year ended September 30, 2023 and 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.

Place : Pune

Date : November 13, 2024

and on behalf of Board of Directors  
Varroc Engineering Limited  
Tarang Sin  
Chairman and Managing Director

A circular blue ink stamp with the text "Varroc Engineering Limited" around the perimeter and a star at the bottom. A signature is written across the stamp.