

Varroc Engineering Limited

Regd. & Corp. Office

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

Tel + 91 240 6653700
Fax + 91 240 2564540

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



VARROC/SE/INT/2022-23/71

September 29, 2022

To,

The Manager- Listing
The Listing Department,
**National Stock Exchange of India
Limited**
Exchange Plaza, Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400051.
NSE Symbol: VARROC

The Manager – Listing
The Corporate Relation Department,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001.
BSE Security Code: 541578
[Debt: 973454 & 973455]

Sub: Proceedings of 34th Annual General Meeting of the Members of the Company

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed summary of the Proceedings of the 34th Annual General Meeting (“AGM”) of the Members of the Company held on Thursday, September 29, 2022 at 11:00 a.m. through Video Conference/ Other Audio-Visual Means, without physical presence of the Members at a common venue.

Please note that the outcome of the AGM along with the combined results of the Remote e-voting and e-voting at the AGM and the Scrutinizers Report thereon are being submitted separately.

Thanking you,

**Yours faithfully,
For Varroc Engineering Limited**

**Ajay Sharma
Group General Counsel and Company Secretary**

Encl: a/a

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Annexure A:

Summary of Proceedings of the 34th Annual General Meeting of Varroc Engineering Limited held on September 29, 2022

Date, time and venue of the Annual General Meeting:

The 34th Annual General Meeting (“AGM/Meeting”) of the Members of the Company was held today i.e., September 29, 2022 at 11:00 a.m., through Video Conference (“VC”) / Other Audit Visual Means (“OAVM”) without the physical presence of the Members at a common venue, in compliance with relevant Circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.

In accordance with Secretarial Standard - 2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the AGM Proceedings were deemed to be conducted at the Registered Office of the Company which was the deemed Venue of the AGM.

Proceedings in brief:

Mr. Tarang Jain, Chairman and Managing Director of the Company Chaired the Meeting. 7 Directors of the Company were present at the Meeting.

73 Members attended the Meeting through Video Conferencing. It was informed that in view of the restrictions due to outbreak of COVID-19 and considering the social distancing norms, the AGM was conducted through VC / OAVM. The meeting had been convened and conducted in accordance with the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. As the AGM was held through VC, the facility for appointment of Proxies by the Members was not available.

The Members were informed that Live Proceedings of the AGM were also being webcast on the e-voting website of National Securities Depository Limited (“NSDL”).

The requisite quorum being present, the Chairman called the Meeting to order.

The Chairman welcomed and introduced all the Directors present at the Meeting. The Chairman informed that the Statutory Auditors and the Secretarial Auditor were also present at the Meeting.

With the consent of the Members present, the Notice convening the 34th AGM was taken as read. Since, there were no qualifications in the Audit Report it was not required to be read. Observations mentioned in the Secretarial Audit Report of the Company were read and responded by the Company Secretary.

The Registers and other relevant documents mentioned in the Notice were kept open for inspection electronically on NSDL website under the tab ‘AGM Inspection docs’, during the Meeting.

The Chairman then apprised the Members regarding the performance of the Company in FY 2021-22. Chairman’s Message for Shareholders is also enclosed herewith.

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The Members were also informed that in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had provided facility for casting of the votes through electronic means by way of Remote e-voting prior to AGM and has also provided e-voting at the AGM for Members who had participated in the AGM and not cast their vote through Remote e-voting.

Cut-off date for e-voting	Thursday, September 22, 2022
Commencement of Remote e-voting	9:00 a.m. (IST) on Monday, September 26, 2022
Conclusion of Remote e-voting	5:00 p.m. (IST) on Tuesday, September 28, 2022
e-voting at the AGM	From commencement of the AGM till conclusion of AGM

The Members were then informed that the Company had appointed Mrs. Uma Lodha, Practicing Company Secretary, as the Scrutinizer for the purpose of scrutinizing the process of Remote e-voting and e-voting during the AGM. Further, the e-voting results along with the consolidated Report of the Scrutinizer would be announced within 48 hours of the conclusion of the Meeting and the results would be disseminated to the Stock Exchanges and will also be placed on the website of the Company and NSDL.

Thereafter, the following items of business as set out in the Notice convening the 34th AGM were transacted:

1. (a) Adoption of Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon; and
(b) Adoption of Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the report of the Auditors thereon.
2. Appointment of Mr. Rohit Prakash as a Director who retires by rotation
3. Approval for payment of remuneration to Mr. Rohit Prakash, Whole Time Director of the Company
4. Approval for Re-appointment and Remuneration of Mr. Tarang Jain as Chairman and Managing Director of the Company
5. Approval for Re-appointment and Remuneration of Mr. Arjun Jain as Whole Time Director of the Company
6. Approval for Re-appointment of Mr. Vinish Kathuria as Independent Director of the Company
7. Payment of commission to Non-Executive Directors (including Independent Directors but excluding Nominee Directors) of the Company

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8. Ratification of remuneration of Cost Auditor of the Company
9. Issue of Non-Convertible Debentures on Private Placement Basis
10. Appointment of Mr. Dhruv Jain as Non-Executive Director of the Company

Various questions and requests for clarifications from the Members were received by the Company before and during the AGM. They were duly addressed during the Q&A Session.

After Q&A Session, e-voting window was kept open for 15 minutes. Thereafter, AGM concluded at 11:48 a.m.

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Message from the Chairman and Managing Director

Dear Shareholders,

It is my privilege to speak to you in the Annual General Meeting of your Company i.e., Varroc Engineering Limited. I hope all of you are in good health. Our Company continue to progress towards sustainable organisation in extraordinary circumstances.

Over the last two years, businesses, and the society at large, have been faced with unique and unprecedented challenges. We have been living in a VUCA environment – volatile, uncertain, complex, and ambiguous. Looking at the past year, while we all were anticipating a rapid recovery in volumes, the second wave of the Covid-19 pandemic stuck, impacting both the supply and demand side. Just as we were coming out of the second wave, we saw a worsening of the supply side challenges, particularly the semiconductor shortages, which is continuing and might take till the end of FY23 to get normalized. Higher fuel prices, commodity inflation and tightening of financing has resulted in higher cost of ownership of vehicles, impacting demand. We are also witnessing Geo-Political issues like the Russia-Ukraine conflict impacting the global economic recovery. All this has made the operating environment for the business very challenging, impacting the profitability of the operations significantly.

In the background of these challenges, the Company took the decision to divest its 4- wheeler lighting business in Europe & Americas and signed an SPA with Plastic Omnium in April'22. We informed all the stakeholders that the transaction will get completed by 4-6 months. We are on track of closing the transaction in first week of October'22 but the leftover equity value will be significantly lower than what we have emphasised earlier due to certain adjustments which we are finalising with the buyer and thus the Company will have borrowings in its books even after the transaction. This divestment will help the company to put its bandwidth in identified focus areas to drive future growth in continued business.

Our business model for continued operations remain resilient, and our strategic interventions enabled us to consolidate and grow in a disruptive year. We achieved a revenue of ₹58,422 million in FY2022, as compared to ₹43,739 million in the previous year, registering an annual growth of 33.6% for our continued operations.

The past two years have witnessed immense structural shifts in the way mobility is experienced. Globally, the pandemic accelerated the push towards a more ethical mode of transportation, with growing awareness among consumers about the carbon footprint generated by automobiles. This has led to increased demand for the adoption of EVs, both by users and regulators. We have enhanced our business operations to capitalise on the benefits arising from this shift, with the incorporation of EVs into our product portfolio. To capture the growth from Mega Trends, we are happy to announce that the government has approved our application for Production Linked Incentive, and we will be investing around Rs.2800 million over 5 years under the scheme

At the same time, the policy environment is supportive towards the adoption of EVs, with the Government of India launching FAME II amendments and the PMP scheme. Our EV product portfolio will help facilitate this transition and it is a matter of honour to be able to work with leading OEMs for transitioning to a greener and better world.

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The VUCA environment we have lived in has automatically made us nimble and agile. We have initiated a strategic exercise to usher in an era of sustainable growth at Varroc. The future of mobility is changing. We are changing with it.

With the divestment of our 4W lighting business, we will have management bandwidth and are ready to deploy our futuristic products globally. We plan to leverage the heavy investment we have made in our R&D to expand our product portfolio and become a full system solutions supplier for OEMs. We are ready to initiate and deploy digitalization (automation and IOT) to strengthen our manufacturing capabilities and enhance our supply chain management. This will ensure the quality of our products and give us the ability to scale up at the lowest possible cost.

The external business environment is expected to further normalise by the second half of FY2023. As we move ahead, we are confident that our business fundamentals remain strong and our operating performance is bound to reflect the resilience of our business model.

We are focused on pursuing a combination of growth and margin improvements for our business units. There are several growth opportunities and favourable mega trends that will help secure our businesses. To this end, we will continue to focus on our medium to long-term strategic priorities and growth pillars. Business units such as electrical-electronics and polymer in India, and the electronics business in Romania, are geared up to capitalize on specific growth opportunities. We are looking to improve the profitability of some of the business unit like IMES in Italy, Metallic Business in India, 4W lighting business in India and 2W global lighting business by mix of improving internal efficiency, higher capacity utilization and price increase from customers. The future is ours. Together we can usher in an era of sustainable growth. Together we can make next happen.

I express my sincerest gratitude to our customers, employees, bankers, and investors for placing their trust in our abilities, through an exceptionally difficult year. I look forward to your continued support as we keep pushing boundaries to reach newer heights.

Sincerely,

Tarang Jain

Chairman and Managing Director