

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/2024-25/20

May 17, 2024

To,

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

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

Dear Sir/ Madam,

Sub: Outcome of Board Meeting - Regulation 30 (read with Part A of Schedule III) and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

In continuation to our Letter bearing Reference No VARROC/SE/INT/2024-25/17 dated May 17, 2024, kindly note that in addition to the Audited Consolidated and Standalone Financial Results of the Company for the Quarter and Financial Year ended March 31, 2024, the Board of Directors of the Company at its meeting held today, i.e. Friday, May 17, 2024 which commenced at 12.10 p.m. and concluded at 3.17 p.m., has also considered and approved the following items:

1. The Draft Scheme of Amalgamation ("Scheme") pursuant to Sections 230 to 232 and other applicable provisions of the Companies Act, 2013, providing for the amalgamation of Varroc Polymers Limited ("VPL" or "Transferor Company"), a Wholly Owned Subsidiary of the Company with Varroc Engineering Limited ("the Company" or "VEL" or "Transferee Company").

The salient features of the proposed Scheme, inter alia, are given as under:

- a. The appointed date for the Scheme is 1st April, 2024, or such other date as may be approved by the National Company Law Tribunal, (Mumbai Bench) or such other appropriate authority;
- b. The Transferor Company is a Wholly Owned Subsidiary of the Transferee Company and therefore there would be no issue of shares by the Transferee Company to the shareholders of the Transferor Company in this regard.

The Scheme would be subject to the requisite Statutory / Regulatory Approvals including the approval of the National Company Law Tribunal (Mumbai Bench). The Scheme is proposed to the advantage of the Transferor Company and the Transferee Company and will yield beneficial results for the shareholders, creditors, employees, and all concerned. The Board shall take necessary actions for completing the requirements in this regard and to do all acts and deeds as may be deemed necessary. Enclosed herewith please find below the details pursuant to SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, as **Annexure - A**.

2. Re-appointment of Secretarial Auditors, M/s. Uma Lodha & Co. (CP No. 2593) to carry out Audit of Secretarial records for the Financial Year 2024-25

M/s. Uma Lodha & Co., Practicing Company Secretaries, a team of Practicing Company Secretaries for more than 27 years. The Firm is specialized in the areas of Corporate Advisory and Compliance Services and has successfully executed many challenging assignments.

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3. Re-appointment of Cost Auditors, M/s. S. R. Bhargave & Co. (Partnership Firm Registration No. M-000218) to carry out Audit of Cost Accounting records for the Financial Year 2024-25

M/s S. R. Bhargave & Co. is a firm of Cost Accountants comprising of over 10 qualified Cost Accountants in practice for more than 22 years. The Firm is specialized in the area of Cost Audit along with Indirect Taxes and provides consultancy in the areas of Cost Reduction, Maintenance of Cost Records and Cost Audit.

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

[i] Date of Annual General Meeting:

The 36th Annual General Meeting ("AGM") of the Company will be held on Thursday, September 12, 2024, at 11.00 a.m. IST through Video Conferencing / Other Audio-Visual means in accordance with the relevant circulars issued by Ministry of Corporate Affairs and SEBI.

[ii] Dividend

The Board, in view of the losses sustained during the year and with a view to conserve resources for expansion of businesses, has not recommended any Dividend for the FY 2023-24.

[ii] Cut-off date

Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Amendment Rules, 2014, as amended, the Company has fixed Thursday, September 5, 2024 as the Cut-off date for the purpose of reckoning Voting Rights of the members who are eligible to cast their vote for the business to be transacted at the ensuing 36th AGM of the Company.

[iv] Fund Raising by way of issuance of Non-Convertible Debentures

The Board has resolved to seek enabling approval from the shareholders by way of Special Resolution at the ensuing 36th AGM for issuing Secured/Unsecured Redeemable Non-Convertible Debentures for an amount not exceeding Rs. 500 crores (Rupees Five Hundred Crores Only) in the Financial Year, in one or more series / tranches, denominated in Indian Rupees or in any foreign currency on a Private Placement basis.

Further details of the 36th AGM and other items to be transacted thereat will be provided in the Notice of the 36th AGM which will be issued in due course.

This intimation is also being uploaded on the Company's website i.e., www.varroc.com. We request you to take this on record and treat the same as compliance with the applicable provisions of the Listing Regulations, as amended.

Thanking you,

Yours faithfully,

For Varroc Engineering Limited

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

Encl: a/a

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Annexure A

Disclosure in terms of Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023:

Sr. no.	Details	Information
a)	Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover, etc.	<ol style="list-style-type: none">1. Transferor Company: Varroc Polymers Limited ("VPL")2. Transferee Company: Varroc Engineering Limited ("VEL")3. The Scheme provides for amalgamation of Varroc Polymers Limited ("Transferor Company") with Varroc Engineering Limited ("Transferee Company"). The Transferor Company is a wholly owned subsidiary of the Transferee Company.4. Paid – up Capital as on March 31, 2024 VPL: 5,29,100 Equity Shares of INR 10/- each VEL: 15,27,86,400 Equity Shares of INR 1/- each, fully paid up5. Turnover as on March 31, 2024: VPL: INR 21756.15 Million VEL: INR 45349.63 Million6. Net-worth on March 31, 2024: VPL: INR 6493.53 Million VEL: INR 9104.62 Million
b)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	<p>The Transferor Company is Wholly Owned Subsidiary of the Transferee Company and as such related to each other.</p> <p>However, the proposed Scheme being dealt under the specific Sections of the Companies Act, 2013, does not fall within the purview of related party transaction pursuant to the circular No. 30/2014 dated 17.07.2014 issued by the Ministry of Corporate Affairs. Further, as this Scheme is between Holding Company and its Wholly Owned Subsidiary, pursuant to the provisions of Regulations 23(5)(b) of SEBI Listing Regulations, 2015, it is exempt from the relevant provisions of related party transactions under the SEBI Listing Regulations, 2015 as well as from the provisions of SEBI Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023. Arm's Length is not applicable.</p>
c)	Area of business of the entity(ies)	The Transferor Company is engaged in the business of manufacturing and distributing automobile components and accessories. VPL supplies plastic and polymer and seat

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		assemblies. The Transferee Company is a publicly listed Company with its shares listed on the National Stock Exchange and Bombay Stock Exchange. It is engaged in the business of manufacturing of automobile components and caters to customers both in the domestic and international markets.
d)	Rationale for amalgamation/merger	<p>Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, their business activities are mostly similar and/or complement each other and proposed amalgamation pursuant to this Scheme would create synergies amongst the business. Both companies under this Scheme of Amalgamation therefore believe that the restructuring would, <i>inter-alia</i>, have the following benefits:</p> <ol style="list-style-type: none">1. Amalgamation of VPL with VEL will provide synergies by strengthening the operational capabilities and streamline operations which will result in efficiency of management and maximization of value for all the stakeholders;2. Improved creditworthiness, cash flows and debt servicing abilities of the amalgamated entity;3. Pooling and more efficient utilization of the resources, leading to optimum use of infrastructure, cost reduction and efficiencies;4. Ensuring a streamlined group structure by reducing the number of legal entities in the group, reducing the administrative hassles and multiplicity of inter-alia, legal and regulatory compliances required at present.5. Some of the domestic customers analyze the Company's performance based on Standalone Financial. The Merged entity will depict stronger financial position even on standalone position.
e)	In case of cash consideration – amount or otherwise share exchange ratio	Since, the Transferor Company is a wholly owned subsidiary of the Transferee Company, no shares of the Transferee Company shall be allotted under the Scheme. Also, the investment of the Company in the shares of VPL, appearing in the books of accounts of the Company shall, without any further act or deed, stand cancelled.
f)	Brief details of change in shareholding pattern (if any) of listed entity	No shares of the Transferee Company shall be allotted in lieu or exchange of its holding in the Transferor Company. There would be no change in Shareholding Pattern of the Transferee Company.