

# Varroc Engineering Limited

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VARROC/SE/INT/2025-26/26

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CIN: L28920MH1988PLC047335



May 29, 2025

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

The Manager – Listing  
The Corporate Relation  
Department,  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400001.  
BSE Security Code: 541578  
[Debt: 975062]

## **Sub: Press Release - Financial Results Q4 and FY 2024-25**

Please find enclosed a copy of Press Release on the Audited Financial results (Consolidated & Standalone) for the quarter and Financial Year ended on March 31, 2025.

Kindly take the same on record and note the compliance.

**For Varroc Engineering Limited**

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

**Encl:** a/a

# Press Release

## **Varroc Engineering reports strong profitability and Free cash flow**

### **Varroc Engineering Board recommends Dividend**

- Consolidated revenue from operations was ₹20,992 million in Q4 FY25
- PBT for continued operations before exceptional and JV profit for Q4 FY25 came at 1,034 million i.e. 4.9% of Revenue
- Company generated strong free cash flow for the year of Rs.3,116 million
- The Board of Directors have recommended dividend of 100% of Face value i.e. Rs.1

**Pune, May 29, 2025:** Varroc Engineering Ltd. (Varroc), a global tier-I auto components group, today announced its results for the financial year ended March 31, 2025. Mr. Tarang Jain, CMD commented,

*"India has now become the 4<sup>th</sup> largest economy and the GDP had a steady growth of 6.2% in Q3 FY25. Softening of Inflation in last few quarters and interest rates reduction globally encouraged our Central Bank to reduce Repo rate by 50 basis points. Weak growth in consumption, on top of global & regional conflicts and uncertain tariff regime, may impact discretionary spending which can have impact on Automotive Industry. However, we remain confident about the medium to long-term growth prospects of automotive industry.*

*During Q4 of FY25, all the segments registered moderate growth on YoY basis :*

- 2W grew by 5.8%, PV grew by 5.2%, CV grew by 3.1% & 3W grew by 9.5%,

*On QoQ basis also, almost all segments, other than 2W, reported strong growth as normally Q4 is a strong quarter for India automotive industry every year.*

*2W de-grew by 1.2%, 3W grew by 3.0%, PV grew by 20.4%, and only CV grew by 20.9%*

*Before discussing the operational performance of the Company, I would like to highlight a few other aspects which will help the Company to become more sustainable and enable value enhancement for the stakeholders :*

- *In FY25, we filed 25 patents and were granted more than 10+ patents. Thus, the total filings made now add up to more than 120 for the Company, which will further strengthen the intellectual property of the Company and help in developing technologically advanced products at an affordable cost.*
- *Secondly, we also completed the sale of our stake in the China JV and realised the net proceeds of RMB 290 million during May 2025.*
- *Thirdly, our sourcing of electricity from Renewable Energy has been increasing throughout FY25 and was around 31% for FY 25 as against 13% last year. For the month of March'25, it reached around 45%. We are also working on commencement*

# Press Release

*of phase-2 of renewable energy project which will further improve this to > 50% in the coming year. These initiatives will boost our ESG credentials, besides giving us savings in electricity cost.*

*Now coming to the operational performance, during Q4 FY25, the Company registered consolidated revenue of Rs.21 bn with a growth of 11% YoY on like-to-like basis, with India operations growing at 13%. Our EBITDA for the quarter was around 10.2% on back of improvement in the gross margin and benefits of operating leverage. Our PBT before exceptional items and JV profits was over Rs. 1 billion or 4.9% of revenue in Q4 FY25.*

*As you all know, we have been working on structural changes like merger of VEL and VPL and exiting from China JV. We had to recognize certain one-time exceptional items primarily relating to these initiatives, which will simplify our operations and also improve our financial performance going forward.*

*We continue to strengthen our balance sheet and return ratios. The net debt of the company in FY25 reduced by 2,348 million and as a result the net debt to equity reduced to below 0.5x at the end FY25 from 0.64X at the end of FY24. The absolute net debt figure was at 7,480 million. ROCE (before tax) for FY25 was 20.8% and free cash flow generation was also healthy at Rs. 3116 millions or 3.8% of revenue before growth capex in land.*

*In FY25, we also achieved net new business wins with annualized peak revenues of Rs.11,734 million, with EV models constituting more than 55% of this. It is more heartening to see business wins in our overseas operations also, which will improve profitability from FY 27 onwards.*

*Our continuing focus on revenue growth, improvement in gross margin, control on fixed cost and optimization of capex and working capital will enable us to generate healthy free cash flows in the future also.”*

## Financials numbers

**Rs. In million**

Particulars	Q4 FY25	Q3 FY25	Q4 FY24	FY 2025	FY 2024
<b>Revenue from Operations</b>	<b>20,992</b>	20,753	19,749	<b>81,541</b>	75,519
<b>EBITDA</b>	<b>2,134</b>	1,900	2,187	<b>7,767</b>	7,590
<b>EBITDA %</b>	<b>10.2%</b>	9.2%	11.1%	<b>9.5%</b>	10.1%
<b>PBT before JV &amp; exceptional items</b>	<b>1,034</b>	661	998	<b>3,129</b>	2,705
<b>PBT before JV &amp; exceptional items %</b>	<b>4.9%</b>	3.2%	5.0%	<b>3.8%</b>	3.6%
<b>Exceptional Items</b>	<b>564</b>	909	-	<b>1,473</b>	-
<b>Share of profit of JV</b>	<b>3</b>	-	51	<b>37</b>	444
<b>PBT</b>	<b>473</b>	-248	1,050	<b>1,693</b>	3,149
<b>PBT %</b>	<b>2.2%</b>	-1.2%	5.3%	<b>2.1%</b>	4.2%



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## About Varroc Engineering Ltd.

Varroc Engineering Ltd is a global tier-1 automotive component group. It was incorporated in 1988. The group manufactures and supplies E-mobility solutions, Body systems solutions, Lighting solutions, HMI solutions, ICE powertrain and Advanced electronics to leading OEM's with end-to-end capabilities across design, development and manufacturing for two-wheeler, three-wheeler, passenger vehicles, commercial vehicle, and off-highway vehicle worldwide. The group income was ₹ 81,718 million from continued operations in FY25. The group employs more than 6,100 employees (750 + R&D Engineers), has 37 global operating manufacturing facilities supported by 7 R&D Centres, and has filed more than 120 patents.

Varroc Engineering Limited's shares are listed on the National Stock Exchange (VARROC) and the Bombay Stock Exchange (541578).

For further information on Varroc Engineering Limited please visit [www.varroc.com](http://www.varroc.com)  
Contact Details

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## Safe Harbor

This release contains statements that contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Varroc Engineering Limited future business developments and economic performance. While these forward-looking statements indicate our assessment and future expectations concerning the development of our business, several risks, uncertainties, and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. Varroc Engineering Limited undertakes no obligation to publicly revise any forward-looking statements to reflect future / likely events or circumstances.