

Going Sustainable. Growing Bigger.

Annual Report 2023





About

Varroc

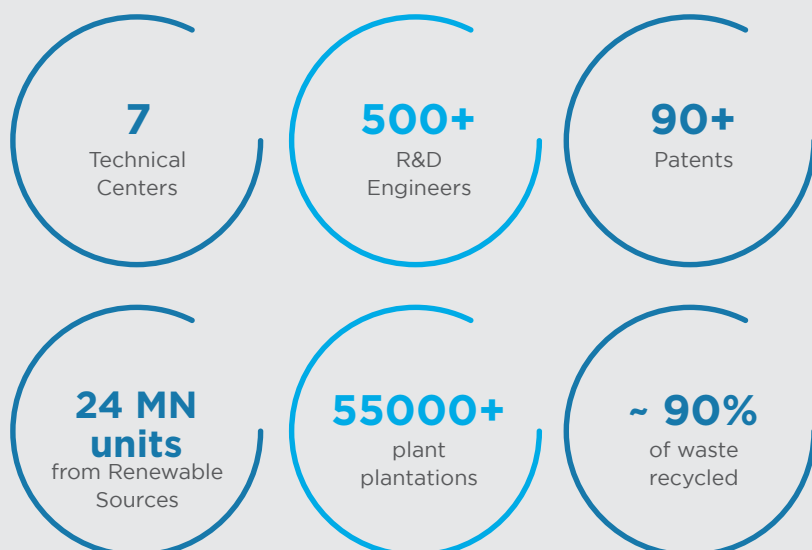
Varroc is a global Tier-1 automotive component company, that manufactures and supplies electrical-electronic, polymer, metallic, exterior lighting and advanced safety systems to leading OEMs, with end-to-end capabilities across design, development and manufacturing, offering, progressive technologies to our customers across the globe helping engineer a safer, smarter & sustainable tomorrow.

Highlights of FY2023

Consolidated Financial Performance of Continued Operations



Innovation and Sustainability



Note: EBITDA = Revenue+Govt. Incentives+Premium buy-Raw Material Cost-Employee Expenses-Other Expenses

What's Inside

COMPANY OVERVIEW

- 04** Varroc at a Glance
- 06** Looking back as we move forward
- 08** Accentuating innovation across borders
- 10** Innovative offerings
- 12** Message from the Chairman and Managing Director
- 14** Message from the Group Chief Financial Officer
- 16** Ways we create sustainable value
- 18** Strengths that set us apart
- 20** Growing bigger with our customers
- 22** Risk management
- 24** Board of directors
- 26** Improving financial strength
- 27** Making us proud Beyond Business
- 28** Varroc focused ESG approach
- 31** Effective governance for sustainable growth
- 32** Net positive Through CSR
- 38** Promoting sustainable livelihoods

STATUTORY REPORTS

- 42** Management Discussion and Analysis
- 54** Board's Report
- 83** Corporate Governance Report
- 114** Business Responsibility & Sustainability Report

FINANCIAL STATEMENTS

- 148** Standalone
- 258** Consolidated

NOTICE

- 405** 35th Annual General Meeting

An aerial photograph of a road intersection, likely in Japan, showing a crosswalk, a car, and surrounding greenery. A large, curved graphic element, colored blue and green, sweeps across the right side of the image. The text is positioned on the left side, overlaid on the image.

At Varroc, we are geared to embrace a new era of mobility with a focus on sustainability. Committed to engineering change for a smarter and more connected world, we have adopted a tech-led and data-driven approach. Our R&D team leverages technologies focused on minimising carbon footprint and energy consumption. Our innovative products are designed to make automobiles lighter, faster and more agile, thereby accelerating auto industry transition to sustainable mobility solutions.

An aerial photograph of a dense, vibrant green forest. A light-colored, winding path or road cuts through the trees, starting from the top left and curving towards the bottom right. The trees are thick and have a rich, saturated green color, suggesting a healthy, mature forest. The lighting is bright, creating a high-contrast image between the green foliage and the light path.

Over the years, we have continued to evolve our expansive product portfolio, covering various domains such as electrical, polymer, metallic components and lighting, among others. Associated with the leading Original Equipment Manufacturers (OEMs) worldwide, we understand the end-user needs of our clients. Additionally, we invest prudently in R&D and harness best-in-class technologies to deliver quality products with precision.

At Varroc, we believe that embedding sustainability in all that we do is the best growth strategy. This is the reason our vision for sustainability extends beyond short-term measures. We aim for long-term growth that considers both environmental and societal factors. With the automotive industry transitioning towards electrification, leading OEMs are exploring this space for increasingly innovative solutions. What this means to us at Varroc is a massive opportunity to create a bigger impact. We see ourselves at the forefront of this tech-enabled change aimed at furthering sustainability for the business as well as the environment.

Our aspiration for the future is one of collaboration and collective growth. We believe that by working together with partners, clients and stakeholders, we can achieve sustained success and make a positive impact on the world. Our objective is not just to grow bigger as a company, but also to go sustainable, contributing to a cleaner, greener and more connected world.



Varroc at a Glance

ABOUT US

Varroc is a renowned global auto technology company dedicated to delivering exceptional solutions across various domains. With a diverse product portfolio, we specialise in electrical, electronics, lighting, polymer, metallic, after-market and advanced safety solutions.

Our commitment to innovation and excellence drives us to constantly push the boundaries of what is possible to not only meet industry benchmarks but go beyond. As a trusted industry leader, we strive to meet the evolving needs of our customers by leveraging our deep domain expertise and cutting-edge technologies. Whether designing efficient electrical systems, developing advanced safety features, creating visually striking lighting solutions, or providing high-quality aftermarket components, we are committed to delivering top-notch products and services.

QUICK LOOK AT OUR NUMBERS



Note : Does not include revenue from Joint venture



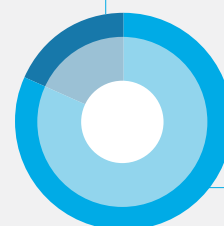
VISION

Create safe, smart and sustainable future mobility solutions for everyone.

Revenue contribution by region

18.3%

Global



81.7%

India

OUR BUSINESS UNITS

INDIA

**Polymer**

This vertical focuses on lightweight and polymer innovation for 2W, 3W, PV and CV.

13

Facilities in India

**Electrical-Electronic and Lighting**

We provide wide solutions in electrical electronics components, lighting and smart e-mobility for 2W, 3W and 4W OEMs.

10

Facilities in India

After Market Division

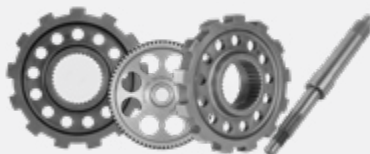
It provides electrical and electronics, lighting, metal forging and casting, engine parts, and consumables.

State of the art
120 thousand sq. ft. warehouse

**2000 SKUs of
26 product lines**

700+

Distributors across 28+ countries

**Metallic**

We offer a diverse product line in Valves, Transmission, Engine Parts and Heavy Forging.

5

Facilities in India

2

Facilities in Italy

GLOBAL 4W ELECTRONICS AND LIGHTING

Lighting

We are a global supplier of outdoor lighting systems to OEMs of 2W and 4W PV modules. We have research and development centres in the Czech Republic, Italy, China and Vietnam.

2

Manufacturing facilities in China

3

Manufacturing facilities in Italy, Romania, Vietnam

Electronics

We specialise in ADAS, Driver Monitoring Systems, Surround View Systems, Telematics and other 4W electronics product lines. Our R&D centres are strategically located in Poland, Germany, and India. Manufacturing facility in Romania.

1

Manufacturing facility in Romania



Looking back as **we move forward**

1990

We launched our
Polymer Business

1996

We went into
partnership
with Scarpa to
Manufacture
Durovalves

2005

We collaborated
with Umicore for 2W
and 3W Catalytic
Converters in India

2022

- Divested 4W lightning operations in EU and America
- We began localised production of 2W EV components in India
- We extended our product portfolio to ADAS, Driver Monitoring Systems and Video Telematics.
- We received first business award for AUTOSAR compliant Light Control Unit in China

2021

We signed an
MoU with Candera
GmbH to integrate
HMI (Human
Machine Interface)
technology in TFT
Instrument Clusters
for Automotive
applications

2019

We acquired 74%
stake in CarlQ, a
leading Telematics
solution provider

2007

We acquired Forging company, IMES, Italy

2011

We acquired Tri.o.m (Italy), for 2W Lighting

2012

We acquired Visteon's global PV lighting business (now VLS)

2018

Varroc Engineering Limited got listed on the Indian Stock exchanges (BSE & NSE)

2017

- We acquired 90% stake in auto accessories manufacturer Team Concepts (India)
- We went into joint venture with Dell'Orto for Electronic Fuel-Injection Technology for 2W in India
- Our technical collaboration is done with Heraeus, Germany for 2W Catalytic Converters in India

2014

- Our PE Investments was done by Omega our technical collaboration with Heraeus, TC Holdings and Tata Capital
- We acquired 50% in Varroc TYC Corporation (China)



Accentuating innovation **across borders**

We have established an extensive geographical presence, fortifying our position as a global leader in the automotive industry. Our robust global footprint enables us to effectively serve our customers in diverse markets and cater to the specific needs and requirements of each region.

EUROPE

Romania
Poland
Italy
Germany
Czech
Republic

ASIA

India
China
Vietnam
Japan

SEGMENTS



2-WHEELER



3-WHEELER



PASSENGER
VEHICLE



COMMERCIAL
VEHICLE



OFF
HIGHWAY
VEHICLE



FARM
VEHICLE