Varroc Engineering Limited

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3rd & 7th Floor, B- 3010 & 7010, Solitaire Business Hub (Marvel Edge) Datta Mandir Chowk, Viman Nagar, Pune - 411014, Maharashtra, India
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Regd. Office:
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www.varroc.com
CIN: L28920MH1988PLC047335
Email: Varroc.info@varroc.com

VARROC/SE/INT/2026-27/88 November 4, 2026

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-400 051.
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

Sub: Outcome of Board Meeting – Financial Results

Ref: Regulation 30 (read with Part A of Schedule III), Regulation 33 and other applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/Madam,

This is to inform you that the Board of Directors of the Company, at its meeting held today i.e., on Wednesday, November 4, 2026, which commenced at 12.10 P.M. and concluded at 1.53 P.M. has considered and approved the following items:

1. **Un-audited Financial Results (Standalone and Consolidated) for the Quarter and Half Year ended on September 30, 2026:**

The Un-audited (Standalone and Consolidated) Financial Results of the Company for the quarter and half year ended on September 30, 2026, were approved.

Pursuant to Regulation 33 and other applicable Regulations of the Listing Regulations, we enclose the following:

i. Statements showing the Un-audited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended on September 30, 2026; and

ii. The Limited Review Reports issued by the Statutory Auditors of the Company on the aforesaid Un-audited Financial Results (Standalone and Consolidated).

Further, these Financial Results will be uploaded on the Company's website www.varroc.com and will also be published in Business Standard (English) and Loksatta (Marathi) newspapers.

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

ANIL GHATIYA Digitally signed by ANIL GHATIYA
Date: 2026.11.04 13:53:23 +05'30'

Anil Ghatiya
Company Secretary & Compliance Officer
M. No. A16620

Encl: A/a

S R B C & CO LLP
Chartered Accountants

Ground floor, Tower C Unit 1,
Panchshil Tech Park One, Loop road,
Near Don Bosco School, Yerwada
Pune - 411 006, India

Tel: +91 20 6603 6000

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, 2026 and year to date from April 01, 2026 to September 30, 2026 (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. Basis for Qualified Conclusion
As disclosed in Note 2 to the Statement, during the previous year, the Company received a settlement offer from Beste Motor Co. Ltd. and TYC Brother Industrial Co. Ltd. ("TYC Parties") alleging breach of Transition Management Agreement ('TMA' or 'agreement') in respect of certain income amounting to Rs. 209.89 million recognized by the Company under 'Revenue from operations' in the previous year, as received from Chongqing Varroc TYC Auto Lamps Co., Ltd. (erstwhile joint venture). Subsequently, the Company also received a 'Statement of Claim' under the arbitration proceedings with TYC Parties on the aforesaid matter and on certain additional claims/breaches under the aforesaid TMA against which the Company filed Statement of defense in March 2026.
Pending disposal of the arbitration proceedings and in the absence of sufficient appropriate audit evidence, we are unable to comment on the said income recognized in previous year and consequential impact including of the additional claims/breaches, if any, on the profit before tax, tax expense, profit after tax, total comprehensive income, earnings per share for the quarter and six months ended September 30, 2026 and retained earnings as at September 30, 2026. Our report for the year ended March 31, 2026, quarter and six months ended September 30, 2025 and quarter ended June 30, 2026 was also qualified in respect of this matter.

5. Qualified Conclusion
   Based on our review conducted as above except for the possible effects of the matter in paragraph 4 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.

6. Emphasis of Matter
   We draw attention to the following matters:
   a. Note 3 of the Statement regarding an arbitration initiated by OPmobility Lighting Holding, France ("OPmobility") at the ICC International Court of Arbitration alleging breaches of certain covenants under the Securities Purchase Agreement entered with OPmobility. Pending disposal of the arbitration proceedings and basis the legal opinion obtained, the management of the Company believes that no provision is considered necessary in the standalone financial results.
   b. Note 4 of the Statement which describes the effects of the Orders received by the Company from GST Appellate Authorities. The Company has filed further appeals against the orders, pending conclusion of which no adjustments have been made in respect of these matters in the standalone financial results.

   Our conclusion on the Statement is not modified in respect of the above matters.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Mustafa Saleem
Partner
Membership No.: 136969

UDIN: 26136969MLAHSX8278
Place : Chhatrapati Sambhaji Nagar
Date : November 04, 2026

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Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2026

(Rs. in Million)

Sr. No.	Particulars	Quarter Ended			Half year ended		Year Ended
		September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations (refer note 2)	26,671.47	23,634.95	20,378.56	50,306.42	38,807.43	81,455.32
2	Other income (refer note 6)	141.04	51.49	26.79	192.53	63.70	123.58
3	**Total Income (1 + 2)**	**26,812.51**	**23,686.44**	**20,405.35**	**50,498.95**	**38,871.13**	**81,578.90**
4	**Expenses**						
	(a) Cost of materials consumed	18,654.37	15,782.84	13,763.23	34,437.21	26,001.67	54,259.08
	(b) Changes in stock of finished goods and work-in-progress	(325.50)	62.97	(291.83)	(262.53)	(579.86)	(509.79)
	(c) Employee benefits expense	2,021.53	1,992.66	1,779.87	4,014.19	3,467.63	6,950.34
	(d) Finance costs	276.02	265.56	297.92	541.58	629.93	1,205.49
	(e) Foreign exchange (gain)/loss (net)	1.32	3.65	6.46	4.97	(11.53)	78.26
	(f) Depreciation and amortisation expense	705.93	678.98	646.59	1,384.91	1,270.98	2,610.84
	(g) Other expenses	3,870.35	3,564.43	3,276.67	7,434.78	5,985.99	12,734.60
	Total expenses (4)	**25,204.02**	**22,351.09**	**19,478.91**	**47,555.11**	**36,764.81**	**76,828.82**
5	**Profit before tax and exceptional items (3- 4)**	**1,608.49**	**1,335.35**	**926.44**	**2,943.84**	**2,106.32**	**4,750.08**
6	**Exceptional item (refer note 5)**	-	-	-	-	-	**871.37**
7	**Profit before tax (5-6)**	**1,608.49**	**1,335.35**	**926.44**	**2,943.84**	**2,106.32**	**3,878.71**
8	**Tax expense**						
	(a) Current tax	399.10	322.62	-	721.72	-	-
	(b) Short/(excess) provision in respect of earlier years	-	-	-	-	-	1.12
	(c) Deferred tax	21.63	24.06	249.90	45.69	563.50	995.66
	Total tax expense (8)	**420.73**	**346.68**	**249.90**	**767.41**	**563.50**	**996.78**
9	**Profit for the period (7-8)**	**1,187.76**	**988.67**	**676.54**	**2,176.43**	**1,542.82**	**2,881.93**
10	**Other comprehensive income**						
A	**Items that will be reclassified to profit or loss in subsequent periods (net of tax)**						
	Net movement on Effective portion of Cash Flow Hedges (net of tax)	-	-	(21.00)	-	(49.26)	-
B	**Items that will not be reclassified to profit or loss in subsequent periods (net of tax)**						
	Remeasurement of defined benefit obligation (net of tax)	(26.78)	-	-	(26.78)	-	44.83
	Total other comprehensive income/(loss), (net of tax) (10)	**(26.78)**	-	**(21.00)**	**(26.78)**	**(49.26)**	**44.83**
11	**Total comprehensive income for the period (9+10)**	**1,160.98**	**988.67**	**655.54**	**2,149.65**	**1,493.56**	**2,926.76**
12	**Paid-up equity share capital (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**						**20,498.62**
14	**Earnings per equity share (Nominal value per share Re. 1/- each) (not annualised)**						
	Basic & Diluted (in Rupees)	7.77	6.47	4.43	14.24	10.10	18.86

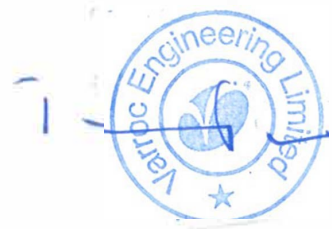
Varroc Engineering Limited

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Statement of Unaudited Standalone Assets and Liabilities as at September 30, 2026

(Rs. in million)

Sr. No.	Particulars	As at September 30, 2026 Unaudited	As at March 31, 2026 Audited
	ASSETS		
1	**Non-current assets**		
	(a) Property, plant and equipment	16,535.62	15,790.86
	(b) Capital work-in-progress	741.98	333.12
	(c) Goodwill	183.90	183.90
	(d) Intangible assets	393.61	330.40
	(e) Intangible assets under development	951.06	550.11
	(f) Right to use asset	1,850.63	1,884.81
	(g) Investments in subsidiaries and joint venture	8,370.25	8,370.25
	(h) Financial assets		
	(i) Investments	71.42	63.66
	(ii) Other financial assets	131.25	108.75
	(i) Income tax assets (net)	72.38	287.52
	(j) Other non-current assets	979.78	843.37
	Total non-current assets	**30,281.88**	**28,746.75**
2	**Current assets**		
	(a) Inventories	9,017.90	7,359.47
	(b) Financial assets		
	(i) Trade receivables	7,923.81	5,692.32
	(ii) Cash and cash equivalents	317.77	308.52
	(iii) Bank balances other than (ii) above	627.41	432.44
	(iv) Loans	792.11	189.09
	(v) Other financial assets	214.25	213.03
	(c) Other current assets	3,430.77	3,044.71
	Total current assets	**22,324.02**	**17,239.58**
	Total Assets (1+2)	**52,605.90**	**45,986.33**
	EQUITY AND LIABILITIES		
1	**Equity**		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	22,419.09	20,498.62
	Total equity	**22,571.88**	**20,651.41**
	Liabilities		
2	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	2,176.26	1,976.68
	(ii) Lease liabilities	747.96	826.58
	(iii) Other financial liability	314.94	-
	(b) Provisions	180.28	180.37
	(c) Deferred tax liabilities (net)	232.03	195.35
	(d) Deferred government grant	239.87	225.52
	Total non-current liabilities	**3,891.34**	**3,404.50**
3	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	3,421.23	3,795.32
	(ii) Lease liabilities	188.59	199.67
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	3,503.11	2,448.28
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	14,755.22	10,939.40
	(c) Acceptances	435.45	668.31
	(iv) Other financial liabilities	2,389.23	2,245.63
	(b) Provisions	320.06	418.26
	(c) Current tax liabilities (net)	21.02	-
	(d) Other current liabilities	1,066.13	1,150.54
	(e) Deferred government grant	42.64	65.01
	Total current liabilities	**26,142.68**	**21,930.42**
	Total Equity and Liabilities (1+2+3)	**52,605.90**	**45,986.33**



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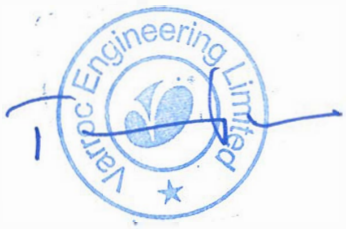
Statement of unaudited Standalone Cash Flows for the half year ended September 30, 2026

(Rs. in million)

Sr.No	Particulars	For the half year ended September 30, 2026 (Unaudited)		For the half year ended September 30, 2025 (Unaudited)	
A	**Cash flow from operating activities**				
	Profit before tax		**2,943.84**		**2,106.32**
	Adjustments for:				
	Depreciation and amortization expense	1,384.91		1,270.98	
	Provision for doubtful debts / advances	4.03		(0.29)	
	Unrealised exchange (gain)/loss on restatement of intercorporate loan	16.40		(9.07)	
	Realised exchange gain on intercorporate loan	-		(33.43)	
	Unwinding of interest on security deposit	(3.41)		(3.21)	
	Finance costs	541.58		629.93	
	Rental Income	(2.06)		(1.68)	
	Unrealised exchange gain on forward Contracts	(7.48)		-	
	Provisions/liabilities no longer required written back	(0.04)		-	
	(Profit)/Loss on sale of property, plant and equipment / intangible assets	(19.25)		1.78	
	Dividend income	(101.01)		(0.02)	
	Interest income	(54.11)		(55.46)	
			1,759.56		1,799.53
	Operating profits before working capital changes		**4,703.40**		**3,905.85**
	Adjustments for changes in working capital				
	Trade receivables	(2,235.52)		(705.82)	
	Trade payables	4,637.83		2,043.40	
	Inventories	(1,658.43)		(1,227.04)	
	Other financial assets	(1.71)		(12.44)	
	Other current and non current assets	(513.76)		(107.35)	
	Provision	(125.07)		(56.84)	
	Other financial liabilities	(294.10)		(50.26)	
	Other current and non current liabilities	(92.43)	(283.19)	328.82	212.47
	Cash generated from operations		**4,420.21**		**4,118.32**
	Income tax paid (net of refund)		(494.58)		(53.35)
	Net cash flow generated from operating activities		**3,925.63**		**4,064.97**
B	**Cash flow from investing activities**				
	Purchase of property, plant & equipment and Intangibles	(2,554.97)		(1,771.61)	
	Dividend received	101.01		0.02	
	Interest received	40.13		128.95	
	Rental income	2.06		1.68	
	Proceeds from sale of Non current investment	0.03		-	
	Proceeds from sale of property, plant and equipment	54.67		36.62	
	Loans repaid by overseas subsidiary	-		1,264.19	
	Loans given to subsidiaries	(602.03)		(245.52)	
	Fixed deposits (placed)/ redeemed (net)	(209.51)		(401.07)	
	Purchase of non current investment	(4.87)		-	
	Net cash flow used in investing activities		**(3,173.48)**		**(986.74)**
C	**Cash flow from financing activities**				
	Repayment of long term borrowings	(276.04)		(2,314.38)	
	Proceeds from long term borrowings	750.00		500.00	
	Proceeds from/(repayment of) short term borrowings (net)	(648.47)		(475.80)	
	Proceeds from sale and lease back	372.62		-	
	Payment of principal portion of lease liability	(171.96)		(85.15)	
	Payment of interest on lease liability	(48.69)		(52.46)	
	Dividend paid	(229.18)		(152.79)	
	Interest paid	(491.18)		(581.38)	
	Net cash flow used in financing activities		**(742.90)**		**(3,161.96)**
	Net increase/(decrease) in cash and cash equivalents		**9.25**		**(83.73)**
	Opening cash and cash equivalents		**308.52**		**591.42**
	Closing cash and cash equivalents		**317.77**		**507.69**
	Cash and cash equivalents consists of :				
	Cash in hand		0.02		0.01
	Current accounts		317.75		99.68
	Deposit with maturity of less than 3 months		-		408.00
			317.77		**507.69**

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) Figures in brackets represent outflow of cash and cash equivalents.



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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, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
Debt Equity ratio [refer note (i)]	(No of times)	0.25	0.28	0.33	0.25	0.33	0.28
Debt service coverage ratio [refer note (ii)]	(No of times)	5.61	6.38	2.90	5.95	2.53	3.00
Interest service coverage ratio [refer note (iii)]	(No of times)	9.38	8.59	6.28	8.99	6.36	7.11
Outstandmg Redeemable Preference Shares (Qty / Value)		Not Applicable					
Capital Redemption Reserve		Not Applicable					
Debenture Redemption Reserve		Not Applicable					
Net Worth [refer note (iv)]	(Rs. In Millions)	22,571.88	21,640.08	19,218.21	22,571.88	19,218.21	20,651.41
Net profit after tax	(Rs. In Millions)	1,187.76	988.67	676.54	2,176.43	1,542.82	2,881.93
Earning per share (EPS)							
Basic EPS (Not Annualised)	(Rs)	7.77	6.47	4.43	14.24	10.10	18.86
Diluted EPS (Not Annualised)	(Rs)	7.77	6.47	4.43	14.24	10.10	18.86
Current Ratio [refer note (v)]	(No of times)	0.85	0.86	0.77	0.85	0.77	0.79
Long Term Debt To Working Capital [refer note (vi)] ^	(No of times)	(1.07)	(1.28)	(0.87)	(1.07)	(0.87)	(0.65)
Bad Debts To Account Receivable Ratio [refer note (vii)] **	(No of times)	0.00	0.00	(0.00)	0.00	-	-
Current Liability Ratio [refer note (viii)]	(No of times)	0.87	0.86	0.86	0.87	0.86	0.87
Total Debts To Total Assets [refer note (ix)]	(No of times)	0.11	0.12	0.14	0.11	0.14	0.13
Debtors Turnover [refer note (x)] *	(No of times)	3.37	3.48	3.77	7.39	6.95	14.92
Inventory Turnover [refer note (xi)] *	(No of times)	2.13	2.04	1.98	4.17	3.94	8.15
Operating Margin [refer note (xii)]	(In %)	6.56%	6.56%	5.91%	6.56%	6.86%	7.26%
Net Profit Margin [refer note (xiii)]	(In %)	4.45%	4.18%	3.32%	4.33%	3.98%	3.54%
Security cover ratio [refer note (xvii)]	(No of times)	NA#	NA#	1.95	NA#	1.95	NA#

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 item)/((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 item)/(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 is negative because net working capital is negative
* Ratio is not annualised, except for the year ended March 31, 2026
** numbers are below 0.01
# NCDs have been repaid on March 07, 2026, hence disclosure for security cover ratio is not applicable as at September 30, 2026, June 30, 2026 and March 31, 2026.

Varroc Engineering Limited

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Notes to 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 04, 2026 and were subjected to review by the Statutory Auditors.

2) The Company had received a settlement offer during the previous year from Beste Motor Co. Ltd. and TYC Brother Industrial Co. Ltd. ("TYC Parties") alleging breach of Transition Management Agreement ('TMA' or 'agreement') in respect of certain income amounting to Rs. 209.89 million recognised by the Company under 'Revenue from operations' in previous year, as received from Chongqing Varroc TYC Auto Lamps Co., Ltd. (erstwhile joint venture). Subsequently, the Company received Statement of Claim under the arbitration proceedings originally initiated by TYC Parties in August 2022, on the aforesaid matter and on certain additional claims/breaches under the aforesaid TMA, which are to be quantified against which the Company filed Statement of Defence in March 2026. The Company believes that it has a strong case and will take appropriate actions as necessary to protect its interests. The auditors in their review report have included a qualification in respect of this matter.

3) On July 7, 2025, the Company, together with its Wholly Owned Subsidiary, VarrocCorp Holding B.V., Netherlands, received an intimation from ICC International Court of Arbitration ('ICC') with respect to a Request for Arbitration initiated by OPmobility Lighting Holding, France (Erstwhile PO Lighting Systems). The request pertains to certain alleged breaches of covenants under the Securities Purchase Agreement executed between the parties on April 29, 2022, and subsequently amended on October 5, 2022, May 12, 2023, and June 15, 2023. Claims in respect of some of the breaches have been quantified at US$ 66.41 mn plus legal costs while for others no quantification has been provided. The Company is evaluating the matter and exploring legal and contractual remedies. It intends to contest the claims and take appropriate steps to protect its interests. Based on a legal opinion obtained, the Company believes that it has grounds to defend against the said allegations and accordingly no provision has been considered in respect of this matter in these results.

4) The Company had received following GST orders in relation to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023:
a) Order dated November 5, 2024 from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest;
b) Order dated January 03, 2025 from Commercial Tax Officer (Divisional GST office, Kamataka) consisting of demand for GST dues amounting to Rs. 0.03 million along with interest of Rs. 302.67 million and penalty of Rs. 564.19 million (received by Varroc Polymers Limited 'VPL') (wholly owned subsidiary, now merged with the Company)
The Company had paid the principal demand and had filed appeals against the above orders which were partly allowed resulting in reduction of total demand to Rs. 284 million. The Company has filed further appeals for both the orders in respect of the interest and penalty components. Based on legal advice and assessment of the merits of the cases, management believes that it has adequate grounds to successfully defend the matters. Pending conclusion of the proceedings, no adjustments have been made in the financial results for the quarter and half year ended September 30, 2026.

5) Exceptional items for the periods presented in the standalone results include following:
a. On November 21, 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 consolidating 29 existing labour laws. The Ministry of Labour & Employment has published Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company assessed and disclosed the incremental impact of these changes on the basis of the best information available and guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company presented such incremental impact under "Exceptional Items" in the financial results for the year ended March 31, 2026. The incremental impact on provisions for employee benefits expenses of Rs. 217.93 million towards gratuity and compensated absences primarily arises due to change in wage definition. The Company continues to monitor the finalisation of State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect as and when such clarifications are issued/rules are notified.
b. The Company announced a Voluntary Separation Scheme ('VSS') for all eligible permanent workmen at specific plants of the Company. In this regard, the Company accepted separation of 338 employees and the separation cost of Rs. 663.44 million associated with the VSS was recognised as an exceptional item during the year ended March 31, 2026.
c. Write back of excess accrual of estimated expenses directly attributable to the merger of Rs. 10 million for the year ended March 31, 2026.

6) Other income for the quarter and half year ended September 30, 2026 includes dividend received from a subsidiary company of Rs. 101.01 million

7) The Company made following Commercial Paper (CP) issuances:
a) 1,000 listed unsecured Commercial Papers (CPs) of face value Rs. 5,00,000 aggregating to Rs. 500 million and having interest rate of 7.2% were issued on July 22, 2026, and redeemed on August 21, 2026.
b) 1,000 listed unsecured Commercial Papers (CPs) of face value Rs. 5,00,000 aggregating to Rs. 500 million and having interest rate of 6.90% were issued on September 24, 2026 and are due for redemption on December 23, 2026.

8) Subsequent to September 30, 2026, the Company entered into an agreement to acquire 45% stake in Forsee Power India Private Limited for an initial consideration of Eur 4.50 million, with a right to acquire an additional 6% stake and contingent consideration of up to Eur 2.00 million. The transaction, with maximum consideration of Eur 6.50 million, is subject to applicable approvals

For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Chairman and Managing Director

Place: Chhatrapati Sambhaji Nagar
Date: November 04, 2026

S R B C & CO LLP
Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

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") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), and its joint ventures for the quarter ended September 30, 2026 and year to date from April 01, 2026 to September 30, 2026 (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:
   Durovalves India Private Limited; Varroc Connect 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 Electronics Romania SRL; Varroc Poland s.p.z.o.o; Varroc Germany GmBH; Varroc Intelligent Driving Research and Development Centre (Changzhou) Co. Ltd.; Varroc (Thailand) Company Limited

   Joint Ventures:
   Nuova CTS, Srl, Italy; Varroc Dell'Orto Private Limited



5. Basis for Qualified Conclusion

As disclosed in Note 2 to the Statement, during the previous year, the Group received a settlement offer from Beste Motor Co. Ltd. and TYC Brother Industrial Co. Ltd. ("TYC Parties") alleging breach of Transition Management Agreement ('TMA' or 'agreement') in respect of certain income amounting to Rs. 441.71 million recognized in previous years by the Group under 'Revenue from Operations', as received from Chongqing Varroc TYC Auto Lamps Co., Ltd. (erstwhile joint venture). Subsequently, during the previous year, the Group also received a 'Statement of Claim' under the arbitration proceedings with TYC Parties on the aforesaid matter and on certain additional claims/breaches under the aforesaid TMA against which the Group filed Statement of defense in March 2026.

Pending disposal of the arbitration proceedings and in the absence of sufficient appropriate audit evidence, we are unable to comment on the said income recognized in the books and consequential impact including of the additional claims/breaches, if any, on the profit before tax, tax expense, profit after tax, total comprehensive income and earnings per share for the quarter and six months ended September 30, 2026 and retained earnings as at September 30, 2026. Our report for the year ended March 31, 2026, quarter and six months ended September 30, 2025 and quarter ended June 30, 2026 was also qualified in respect of this matter.

6. Qualified Conclusion

Based on our review conducted and procedures performed as stated in paragraph 5 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 the matter 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. Emphasis of Matter

We draw attention to the following matters:

a. Note 3 of the Statement regarding an arbitration initiated by OPmobility Lighting Holding, France ("OPmobility") at the ICC International Court of Arbitration alleging breaches of certain covenants under the Securities Purchase Agreement entered with OPmobility. Pending disposal of the arbitration proceedings and basis the legal opinion obtained, the management of the Group believes that no provision is considered necessary in the financial results.

b. Note 4 of the Statement which describes the effects of the Orders received by the Group from GST Appellate Authorities. The Group has filed further appeals against the orders, pending conclusion of which no adjustments have been made in respect of these matters in the consolidated financial results.

Our conclusion on the Statement is not modified in respect of the above matters.

8. The accompanying Statement includes the unaudited interim financial results/statements and other financial information, in respect of 6 subsidiaries, whose unaudited interim financial results/statements include total assets of Rs. 12,066.56 million as at September 30, 2026, total revenues of Rs. 2,693.61 million and Rs. 5,180.13 million, total net profit/(loss) after tax of (Rs. 640.00 million) and (Rs. 570.49 million) and total comprehensive income of (Rs. 640.00 million) and (Rs. 570.49 million) for the quarter ended September 30, 2026 and the period ended on that date respectively, and net cash flows of (Rs. 67.35 million) for the period from April 01, 2026 to September 30, 2026 as considered in the Statement which have been reviewed by their respective independent auditors.

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

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 include total assets of Rs. 1,425.83 million as at September 30,2026 and total revenues of Rs 401.62 million and Rs. 721.58 million, total net profit/(loss) after tax of (Rs. 41.58 million) and (Rs. 82.49 million) and total comprehensive income of (Rs. 41.58 million) and (Rs. 82.49 million) for the quarter ended September 30, 2026 and the period ended on that date respectively, and net cash flows of Rs. 27.01 million for the period from April 01, 2026 to September 30, 2026.
    - 2 joint ventures, whose interim financial results/statements include the Group's share of net profit/loss of Rs. 5.92 million and Rs. 18.51 million and Group's share of total comprehensive income of Rs. 5.92 million and Rs. 18.51 million for the quarter ended September 30, 2026 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 auditor 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, 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.

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.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

per Mustafa Saleem
Partner
Membership No.: 136969

UDIN: 26136969XSEQ7H6283
Place : Chhatrapati Sambhaji Nagar
Date : November 04, 2026

Varroc Engineering Limited

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Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2026

(Rs. in Million)

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations (refer note 2)	29,479.26	26,342.37	22,073.38	55,821.63	42,348.89	88,904.93
2	Other income	39.00	61.95	26.58	100.95	77.17	175.46
3	**Total income (1+2)**	**29,518.26**	**26,404.32**	**22,099.96**	**55,922.58**	**42,426.06**	**89,080.39**
4	**Expenses**						
	(a) Cost of materials consumed	20,034.25	16,867.89	14,328.96	36,902.14	27,041.34	57,606.86
	(b) Changes in inventories of work-in-progress and finished goods	(469.58)	309.84	(118.70)	(159.74)	(118.53)	(590.57)
	(c) Employee benefits expense	2,695.82	2,674.51	2,494.76	5,370.33	4,907.06	9,631.21
	(d) Finance costs	323.32	306.51	318.55	629.83	681.75	1,342.19
	(e) Foreign exchange (gain)/loss (net)	39.31	8.70	(11.62)	48.01	(38.42)	65.55
	(f) Depreciation and amortisation expense	886.00	843.23	825.85	1,729.23	1,636.81	3,317.11
	(g) Other expenses	4,608.15	4,262.48	3,350.30	8,870.63	6,582.05	13,893.85
	Total expenses (4)	**28,117.27**	**25,273.16**	**21,188.10**	**53,390.43**	**40,692.06**	**85,266.20**
5	**Profit before exceptional item, share of profit of joint ventures and tax (3-4)**	**1,400.99**	**1,131.16**	**911.86**	**2,532.15**	**1,734.00**	**3,814.19**
6	Exceptional item (refer note 5)	631.03	-	-	631.03	(611.94)	436.87
7	**Profit before share of profit of joint ventures and tax (5-6)**	**769.96**	**1,131.16**	**911.86**	**1,901.12**	**2,345.94**	**3,377.32**
8	Share of profit of Joint Ventures	5.92	12.59	8.36	18.51	13.77	37.24
9	**Profit before tax (7+8)**	**775.88**	**1,143.75**	**920.22**	**1,919.63**	**2,359.71**	**3,414.56**
10	**Tax expense**						
	Current tax	421.08	346.86	38.90	767.94	82.14	147.73
	Short/ (excess) provision in respect of earlier year	-	-	0.16	-	6.25	7.11
	Deferred tax	20.14	19.86	248.53	40.00	564.49	961.39
	Total tax expense (10)	**441.22**	**366.72**	**287.59**	**807.94**	**652.88**	**1,116.23**
11	**Profit for the period (9-10)**	**334.66**	**777.03**	**632.63**	**1,111.69**	**1,706.83**	**2,298.33**
12	**Other comprehensive income**						
A	**Items to be reclassified to profit or loss in subsequent periods**						
	Net movement on effective portion of Cash Flow Hedges (net of tax)	-	-	(21.00)	-	(49.26)	-
	Exchange differences in translating the financial statements of foreign operations (refer note 5c)	97.31	(50.81)	135.18	46.50	(266.14)	14.21
B	**Items not to be reclassified to profit or loss in subsequent periods**						
	Remeasurement of defined benefit obligation (net of tax)	(33.17)	-	-	(33.17)	-	42.74
	Total Other comprehensive income/(loss), (net of tax) (12)	**64.14**	**(50.81)**	**114.18**	**13.33**	**(315.40)**	**56.95**
13	**Total comprehensive income for the period (11+12)**	**398.80**	**726.22**	**746.81**	**1,125.02**	**1,391.43**	**2,355.28**
14	**Profit for the period attributable to:**						
	Shareholders of the Company	**328.27**	**772.72**	**609.51**	**1,100.99**	**1,660.13**	**2,250.31**
	Non-controlling interests	**6.39**	**4.31**	**23.12**	**10.70**	**46.70**	**48.02**
15	**Other comprehensive income/(loss) attributable to:**						
	Shareholders of the Company	**65.88**	**(50.81)**	**114.18**	**15.07**	**(315.40)**	**55.20**
	Non-controlling interests	**(1.74)**	-	-	**(1.74)**	-	**1.75**
16	**Total comprehensive income for the period attributable to:**						
	Shareholders of the Company	**394.15**	**721.91**	**723.69**	**1,116.06**	**1,344.73**	**2,305.51**
	Non-controlling interests	**4.65**	**4.31**	**23.12**	**8.96**	**46.70**	**49.77**
17	Paid- up equity share capital (face value of Re.1/- each)	**152.79**	**152.79**	**152.79**	**152.79**	**152.79**	**152.79**
18	**Reserves excluding revaluation reserves as per balance sheet**						**17,650.57**
19	**Earnings per equity share attributable to Owners (Nominal value per share: Re.1/- each) (not annualised)**						
	Basic and diluted (in Rupees)	**2.15**	**5.06**	**3.99**	**7.21**	**10.87**	**14.73**

Varroc Engineering Limited

Varroc Engineering Limited

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Statement of Unaudited Consolidated Assets and Liabilities as at September 30, 2026

(Rs. in Million)

Sr. No.	Particulars	As at September 30, 2026 Unaudited	As at March 31, 2026 Audited
A.	**ASSETS**		
I	**Non-current assets**		
	(a) Property, plant and equipment	19,641.89	18,674.43
	(b) Capital work-in-progress	1,686.98	951.60
	(c) Goodwill	489.08	489.32
	(d) Other intangible assets	490.99	434.96
	(e) Right-of-use assets	2,630.69	2,724.82
	(f) Intangible assets under development	956.42	555.51
	(g) Investments accounted for using the equity method	217.01	198.63
	(h) Financial assets		
	(i) Investments	76.61	68.62
	(ii) Other financial assets	225.50	242.77
	(i) Income tax assets (net)	95.65	310.99
	(j) Deferred tax assets (net)	38.93	67.86
	(k) Other non-current assets	1,325.07	854.98
	Total non-current assets	**27,874.82**	**25,574.49**
II	**Current assets**		
	(a) Inventories	11,391.63	9,331.11
	(b) Financial assets		
	(i) Investments *	472.39	616.37
	(ii) Trade receivables	10,078.68	7,345.36
	(iii) Cash and cash equivalents	1,236.24	1,249.85
	(iv) Bank balances other than (iii) above	822.42	558.52
	(v) Loans	0.13	0.15
	(vi) Other financial assets	232.50	217.90
	(c) Other current assets	4,699.99	3,853.17
	Total current assets	**28,933.98**	**23,172.43**
	Total Assets (I+II)	**56,808.80**	**48,746.92**

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Statement of Unaudited Consolidated Assets and Liabilities as at September 30, 2026

(Rs. in Million)

Sr. No.	Particulars	As at September 30, 2026 Unaudited	As at March 31, 2026 Audited
B.	**EQUITY AND LIABILITIES**		
I	**Equity**		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	18,537.45	17,650.57
	Equity attributable to owners	**18,690.24**	**17,803.36**
	Non-controlling interests	352.17	378.49
	Total equity	**19,042.41**	**18,181.85**
II	**Liabilities**		
(1)	**Non-current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	2,176.26	2,084.56
	(ia) Lease liabilities	1,377.21	1,521.12
	(ii) Other financial liabilities	330.78	16.89
	(b) Provisions	221.57	221.61
	(c) Deferred tax liabilities (net)	257.23	223.50
	(d) Other non current liabilities	104.01	-
	(e) Deferred government grants	239.87	225.52
	Total non-current liabilities	**4,706.93**	**4,293.20**
(2)	**Current liabilities**		
	(a) Financial liabilities		
	(i) Borrowings	5,901.68	5,292.39
	(ia) Lease liabilities	343.22	348.31
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	3,549.12	2,504.60
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16,680.18	12,046.75
	(c) Acceptances	435.45	668.31
	(iii) Other financial liabilities	4,116.02	3,254.38
	(b) Provisions	361.98	445.08
	(c) Current tax liabilities (net)	76.99	43.57
	(d) Other current liabilities	1,551.32	1,602.45
	(e) Deferred government grants	43.50	66.03
	Total current liabilities	**33,059.46**	**26,271.87**
III	**Total Equity and Liabilities (I+II)**	**56,808.80**	**48,746.92**

* Pertains to investment in liquid mutual funds.

Varroc Engineering Limited

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Unaudited Consolidated Statement of Cash Flows for the half year ended September 30, 2026

(Rs. in Million)

Sr. No.	Particulars	For the half year ended September 30, 2026 Unaudited		For the half year ended September 30, 2025 Unaudited	
A	**Cash flow from operating activities**				
	Profit before tax and exceptional items		**2,550.66**		**1,747.77**
	Adjustments for				
	Depreciation and amortisation expense	1,729.23		1,636.81	
	Net loss/(gain) on disposal of property, plant and equipment	(19.17)		1.78	
	Provision for doubtful debts and advances	3.80		0.06	
	Interest expenses	629.83		681.75	
	Unwinding of interest on security deposit	(3.41)		(3.21)	
	Gain on sale of current investments	(21.02)		(10.01)	
	Share in profit of Joint Venture accounted for usmg the equity method	(18.51)		(13.77)	
	Liabilities no longer required written back	(0.04)		-	
	Rental income	(1.51)		-	
	Net foreign exchange differences (unrealised)	39.54		(38.42)	
	Dividend income	-		(0.02)	
	Interest income	(41.53)	**2,297.21**	(65.49)	**2,189.48**
	Operating profits before working capital changes		**4,847.87**		**3,937.25**
	Adjustments for changes in				
	Inventories	(2,061.19)		(1,173.45)	
	Trade receivables	(2,730.78)		(269.82)	
	Other assets	(954.57)		(64.68)	
	Trade payables	5,368.93		1,224.52	
	Other liabilities and provisions	(428.88)		139.59	
			(806.49)		**(143.84)**
	Cash generated from operations		**4,041.38**		**3,793.41**
	Taxes paid (net of refund received)		(543.21)		(134.80)
	Net cash flow generated from operating activities		**3,498.17**		**3,658.61**
B	**Cash flow from investing activities**				
	Dividend received	-		0.02	
	Interest received	44.06		62.52	
	Rental income	1.51		-	
	Proceeds from sale of China JV	-		3,406.64	
	(Purchase of)/proceeds from sale of current investment (net)	165.00		(158.23)	
	Purchase of non current investment (net)	(4.87)		-	
	Proceeds from sale of property, plant and equipment	56.15		44.73	
	Purchase of property, plant and equipment	(2,949.08)		(2,168.57)	
	Costs incurred on intangible assets	(557.45)		(265.57)	
	Fixed deposits (with maturity of more than 3 months) redeemed/(purchased) (net)	(278.44)		(1,169.20)	
	Net cash flow used in investing activities		**(3,523.12)**		**(247.66)**
C	**Cash flow from financing activities**				
	Proceeds from long-term borrowings	750.00		500.00	
	Repayment of long-term borrowings	(406.84)		(2,430.66)	
	Proceeds from sale and lease back	372.62		-	
	Payment of principal portion of lease liability	(242.14)		(160.66)	
	Payment of interest on lease liability	(67.81)		(76.29)	
	Proceeds from/(repayment of) short term borrowings (net)	363.99		(428.53)	
	Dividend paid on equity shares	(229.18)		(152.79)	
	Interest paid	(547.77)		(608.16)	
	Net cash flow used in financing activities		**(7.13)**		**(3,357.09)**
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)		**(32.08)**		**53.86**
	Opening cash and cash equivalents		**1,249.85**		**1,114.77**
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		18.47		56.57
	Total		**1,268.32**		**1,171.34**
	Closing cash and cash equivalents		**1,236.24**		**1,225.20**

Sr. No.	Particulars	As at September 30, 2026 (Rs. in Million)	As at September 30, 2025 (Rs. in Million)
	Cash and cash equivalents consists of:		
A	Cash and cash equivalents		
i	Cash in hand	0.33	0.19
ii	**Bank balances**		
	- Current accounts	1,235.91	817.01
	- Deposits with maturity of less than three months	-	408.00
		1,236.24	**1,225.20**

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 Figures in brackets represent out flow of cash and cash equivalents.

Varroc Engineering Limited

Varroc Engineering Limited

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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, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
Debt Equity ratio [refer note (i)]	(No. of times)	0.42	0.43	0.42	0.42	0.42	0.41
Debt Service Coverage Ratio [refer note (ii)]	(No. of times)	4.08	5.76	3.02	4.72	2.42	2.78
Interest Service Coverage Ratio [refer note (iii)]	(No. of times)	8.09	7.48	6.48	7.80	5.96	6.34
Outstanding Redeemable Preference Shares (Qty / Value)		Not Applicable					
Capital Redemption Reserve							
Debenture Redemption Reserve							
Net Worth [refer note (iv)]	(Rs. in Million)	19,042.41	18,908.07	17,218.00	19,042.41	17,218.00	18,181.85
Net Profit after Tax	(Rs. in Million)	334.66	777.03	632.63	1,111.69	1,706.83	2,298.33
Earning per share (EPS)							
Basic EPS (Not Annualised)	(Rs.)	2.15	5.06	3.99	7.21	10.87	14.73
Diluted EPS (Not Annualised)	(Rs.)	2.15	5.06	3.99	7.21	10.87	14.73
Current Ratio [refer note (v)]	(No. of times)	0.88	0.92	0.88	0.88	0.88	0.88
Long Term Debt to Working Capital Ratio [refer note (vi)] ^	(No. of times)	(0.97)	(2.27)	(2.03)	(0.97)	(2.03)	(1.13)
Bad Debts to Account Receivable Ratio [refer note (vii)] **	(No. of times)	0.00	0.00	(0.00)	0.00	0.00	(0.00)
Current Liability Ratio [refer note (viii)]	(No. of times)	0.88	0.87	0.86	0.88	0.86	0.86
Total Debts to Total Assets Ratio [refer note (ix)]	(No. of times)	0.14	0.15	0.15	0.14	0.15	0.15
Debtors Turnover Ratio [refer note (x)] *	(No. of times)	2.93	3.03	3.22	6.41	6.04	12.57
Inventory Turnover Ratio [refer note (xi)] *	(No. of times)	1.80	1.75	1.69	3.55	3.37	6.85
Operating Margin [refer note (xii)]	(in %)	5.85%	5.26%	5.40%	5.57%	5.43%	5.68%
Net Profit Margin [refer note (xiii)]	(in %)	1.14%	2.95%	2.87%	1.99%	4.03%	2.59%
Security cover ratio [refer note (xvii)]	(No of times)	NA#	NA#	1.95	NA#	1.95	NA#

Formulae for calculation of ratios are as follows:

(i) Debt Equity Ratio = [Total Debt / Total Equity]

(ii) Debt Service Coverage Ratio = [(Earnings before Interest, Tax, Depreciation & Amortisation expense and Exceptional Item)/(Interest Expense + Principal repayments of long term loan made during the period excluding prepayment)]

(iii) Interest Service Coverage Ratio = [(Earnings before Interest, Tax, Depreciation & Amortisation expense and Exceptional Item)/(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, Exceptional Item and Share of Profit from Joint Venture - Other Income +/- 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)]

(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, 2026.

** numbers are below 0.01

^ Ratio is negative because net working capital is negative.

NCDs have been repaid on March 07, 2026, hence disclosure for security cover ratio is not applicable as at September 30, 2026, June 30, 2026 and March 31, 2026.

Varroc Engineering Limited

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Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities

(Rs. in Million)

Particulars	Quarter ended			Half year ended		Year ended
	September 30, 2026	June 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1) Segment Revenue						
(i) Automotive (refer note 2)	28,708.89	25,507.97	21,579.80	54,216.86	41,303.40	86,487.52
(ii) Others	770.37	834.40	493.58	1,604.77	1,045.49	2,417.41
Revenue from operations	**29,479.26**	**26,342.37**	**22,073.38**	**55,821.63**	**42,348.89**	**88,904.93**
2) Segment Results						
(i) Automotive (refer note 5a, 5b, 5c, 5d, 5f & 5g)	1,100.15	1,418.17	1,297.27	2,518.32	2,538.87	4,276.42
(ii) Others	(45.94)	(3.98)	(99.46)	(49.92)	(185.40)	(276.92)
Total segment results	1,054.21	1,414.19	1,197.81	2,468.40	2,353.47	3,999.50
Add/ (Less) :						
(a) Finance Cost	(323.32)	(306.51)	(318.55)	(629.83)	(681.75)	(1,342.19)
(b) Net unallocated (expenditure) / income (refer note 5e)	44.99	36.07	40.96	81.06	687.99	757.25
Profit before tax	**775.88**	**1,143.75**	**920.22**	**1,919.63**	**2,359.71**	**3,414.56**
3) Segment Assets						
(i) Automotive	52,465.54	48,758.56	42,025.63	52,465.54	42,025.63	44,070.02
(ii) Others	2,643.43	2,656.82	2,251.49	2,643.43	2,251.49	2,485.48
Total segment assets	55,108.97	51,415.38	44,277.12	55,108.97	44,277.12	46,555.50
Add : Unallocated	1,699.83	1,730.40	3,455.75	1,699.83	3,455.75	2,191.42
Total assets	**56,808.80**	**53,145.78**	**47,732.87**	**56,808.80**	**47,732.87**	**48,746.92**
4) Segment Liabilities						
(i) Automotive	28,488.74	24,856.90	22,575.59	28,488.74	22,575.59	22,252.17
(ii) Others	816.69	834.14	539.06	816.69	539.06	632.64
Total segment liabilities	29,305.43	25,691.04	23,114.65	29,305.43	23,114.65	22,884.81
Add : Unallocated	8,460.96	8,546.66	7,400.22	8,460.96	7,400.22	7,680.26
Total liabilities	**37,766.39**	**34,237.70**	**30,514.87**	**37,766.39**	**30,514.87**	**30,565.07**

Notes to Consolidated 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 04, 2026 and were subjected to review by the Statutory Auditors.

2 The Group had received a settlement offer during the previous year from Beste Motor Co. Ltd. and TYC Brother Industrial Co. Ltd. ("TYC Parties") alleging breach of Transition Management Agreement ('TMA' or 'agreement') in respect of certain income amounting to Rs. 209.89 million recognised during the quarter ended June 30, 2025 and Rs. 231.82 million recognised during the year ended March 31, 2025 by the Group under 'Revenue from operations', as received from Chongqing Varroc TYC Auto Lamps Co., Ltd. (erstwhile joint venture). Subsequently, the Group received Statement of Claim under the arbitration proceedings originally initiated by TYC Parties in August 2022, on the aforesaid matter and on certain additional claims/breaches under the aforesaid TMA, which are to be quantified against which the Group has filed Statement of defence in March 2026. The Group believes that it has a strong case and will take appropriate actions as necessary to protect its interests. The auditors in their review report have included a qualification in respect of this matter.

3 On July 7, 2025, the Group received an intimation from ICC International Court of Arbitration with respect to a Request for Arbitration initiated by OPmobility Lighting Holding, France (Erstwhile PO Lighting Systems). The request pertains to certain alleged breaches of covenants under the Securities Purchase Agreement executed between the parties on April 29, 2022, and subsequently amended on October 5, 2022, May 12, 2023, and June 15, 2023. Claims in respect of some of the breaches have been quantified at US$ 66.41 million plus legal costs while for others no quantification has been provided. The Group is evaluating the matter and exploring legal and contractual remedies. It intends to contest the claims and take appropriate steps to protect its interests. Based on a legal opinion obtained, the Group believes that it has grounds to defend against the said allegations and accordingly no provision has been considered in respect of this matter in these results.

4 The Group had received following GST orders in relation to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023:
a) Order dated November 5, 2024 from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629.00 million along with equivalent penalty and applicable interest;
b) Order dated January 03, 2025 from Commercial Tax Officer (Divisional GST office, Karnataka) consisting of demand for GST dues amounting to Rs. 0.03 million along with interest of Rs. 302.67 million and penalty of Rs. 564.19 million.
The Group had paid the principal demand and had filed appeals against the above orders which have been partly allowed resulting in reduction of total demand to Rs. 284.00 million.
The Group has filed further appeals against both the orders in respect of the interest and penalty components. Based on legal advice and assessment of the merits of the cases, management believes that it has adequate grounds to successfully defend the matters. Pending conclusion of the proceedings, no adjustments have been made in the financial results for the quarter and half year ended September 30, 2026.

5 Exceptional items for the periods presented in the consolidated financial results include the following:

a) On November 21, 2025, the Government of India notified the four Labour Codes – the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 consolidating 29 existing labour laws. The Ministry of Labour & Employment has published Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Group assessed and disclosed the incremental impact of these changes on the basis of the best information available and guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Group presented such incremental impact under "Exceptional Items" in the financial results for the year ended March 31, 2026. The incremental impact on provisions for employee benefits expenses of Rs. 225.49 million (gross of tax) towards gratuity and compensated absences primarily arises due to change in wage definition. The Group continues to monitor the finalisation of State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect as and when such clarifications are issued/rules are notified.

Varroc Engineering Limited

b) The Group announced a Voluntary Separation Scheme ('VSS') for all eligible permanent workmen at specific plants of the Group. In this regard, the Group accepted separation of 411 employees and the separation cost of Rs. 799.49 million (gross of tax) associated with the VSS was recognised as an exceptional item during the year ended March 31, 2026.

c) Write back of excess accrual of estimated expenses directly attributable to the merger of Varroc Polymers Limited ('VPL') with the Varroc Engmeering Limited ('VEL'), the Holding company of Rs. 10.00 million for the year ended March 31, 2026.

d) Net loss of Rs. 33.83 million for the year ended March 31, 2026 pertaining to liquidation of a step-down subsidiary, Varroc Lighting Systems, Bulgaria, EOOD.

e) On December 11, 2024, the Group received an order from ICC International Court of Arbitration ('ICC') in respect of the ongoing arbitration between Varroc Corp Holding B.V. ('VCHBV') jointly with Varroc Engineering Limited ('the Holding Company') and Beste Motor Co. Ltd. ('TYC BVI Entity') jointly with TYC Brother Industrial Co. Ltd ('TYC Group') and Varroc TYC Corporation ('VTYC' or 'China JV'), wherein VCHBV was directed to transfer its 50% shareholding in VTYC to TYC BVI Entity for a consideration of RMB 310.50 million.
The Group received above consideration on May 07, 2025 and transferred its investments in China JV. On account of such disposal, the cumulative exchange gains pertaining to China JV of Rs. 611.94 million, which had been recognised in Other Comprehensive Income and accumulated in foreign currency translation reserve during the previous periods, were reclassified to the Statement of Profit or Loss. This was disclosed as an exceptional item and reduced from Other Comprehensive Income for the half year ended September 30, 2025 and year ended March 31, 2026.

f) On September 30, 2026, the Group announced a proposed restructuring of its operations in Italy involving discontinuation of the manufacturing, laboratory and testing activities of Varroc Italy S.p.A. ('Varroc Italy'), while continuing with certain sales and research and development activities in Italy. The restructuring has been initiated in view of the continued losses and high operating costs of the subsidiary.
Pursuant to the restructuring plan, the Group has recognised a provision of Eur 4.48 million (Rs. 493.87 million) for obligations directly attributable to the restructuring, mainly comprising costs associated with the transfer/disposal of plant and machinery and other related expenses.
The resulting charge of Rs. 493.87 million has been disclosed as an exceptional item in the consolidated financial results for the quarter and half year ended September 30, 2026.

g) In October 2026, Varroc Italy concluded a settlement with the Italian Revenue Agency in respect of tax assessments pertaining to certain transfer pricing adjustments for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023. The aggregate amount determined under the settlement is Eur 1.25 million (including interest of Eur 0.04 million) i.e Rs. 137.16 million, which is payable in quarterly instalments till July 31, 2030. The Group has disclosed this amount as an exceptional item in the consolidated financial results for the quarter and half year ended September 30, 2026.

6 The Holding Company made the following Commercial Paper (CP) issuances:
a) 1,000 listed unsecured Commercial Papers (CPs) of face value Rs. 5,00,000 aggregating to Rs. 500 million and having interest rate of 7.2% were issued on July 22, 2026, and redeemed on August 21, 2026.
b) 1,000 listed unsecured Commercial Papers (CPs) of face value Rs. 5,00,000 aggregating to Rs. 500 million and having interest rate of 6.90% were issued on September 24, 2026 and are due for redemption on December 23, 2026.

7 Subsequent to September 30, 2026, the Holding Company entered into an agreement to acquire 45% stake in Forsee Power India Private Limited for an initial consideration of Eur 4.50 million, with a right to acquire an additional 6% stake and contingent consideration of up to Eur 2.00 million. The transaction, with maximum consideration of Eur 6.50 million, is subject to applicable approvals.

8 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.

Varroc Engineering Limited

For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Chairman and Managing Director

Place : Chhatrapati Sambhaji Nagar
Date : November 04, 2026