

Varroc Engineering Limited

Regd. & Corp. Office

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Maharashtra, India

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Fax + 91 240 2564540

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



VARROC/SE/INT/2025-26/101

November 12, 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-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
[Debt: 975062]

Sub: Outcome of Board Meeting – Financial Results

Ref: Regulation 30 (read with Part A of Schedule III), Regulation 33, 52 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 12, 2025, which commenced at 12.30 P.M. and concluded at 3.00 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, 2025:

The Unaudited (Standalone and Consolidated) Financial Results of the Company for the quarter and half year ended on September 30, 2025, were approved.

Pursuant to Regulation 33 & 52 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, 2025; and
- ii. The Limited Review Reports issued by the Statutory Auditors of the Company on the aforesaid Unaudited 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
Company Secretary & Compliance Officer
M. No. A16620

Encl: A/a

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, 2025 and year to date from April 01, 2025 to September 30, 2025 (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, the Company received a settlement offer from an overseas party alleging breach of agreement in respect of certain income received and recognized by the Company under 'Revenue from operations' amounting to Rs. 209.89 million during the previous quarter ended June 30, 2025. Pending resolution of the matter and in the absence of sufficient appropriate audit evidence, we are unable to comment on the said income recognized in the books and any consequential impacts including on the profit before tax, tax expense, profit after tax, total comprehensive income, earnings per share for the six months ended September 30, 2025 and retained earnings as at September 30, 2025. Our report for the quarter ended June 30, 2025 was also qualified in respect of this matter.

S R B C & CO LLP

Chartered Accountants

5. **Qualified Conclusion:**

Based on our review conducted as above, except for the possible effects of our observation 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 4 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 financial results.
- b. Note 5 of the Statement which describes the effects of the GST Orders received by the Company from GST Authorities. The Company has initiated appellate proceedings against these orders, pending conclusion of which no adjustments have been made in respect of these matters in the 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

**Mustafa M
Saleem**

Digitally signed by Mustafa M
Saleem
DN: cn=Mustafa M Saleem,
o=Personal,
email=mustafa.saleem@arb.in
Date: 2025.11.12 12:46:49 +05'30'

per **Mustafa Saleem**

Partner

Membership No.: 136969

UDIN: 25136969BMNTFK8053

Place: Pune

Date: November 12, 2025



Statement of Unaudited Standalone Financial Results for the quarter and half year ended September 30, 2025

(Rs. in Million)

Sr. No.	Particulars	Quarter Ended			Half year ended		Year Ended
		September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
		Unaudited	Unaudited	Unaudited (Restated- refer note 3)	Unaudited	Unaudited (Restated - refer note 3)	Audited
1	Revenue from operations (refer note 2)	20,378.56	18,428.87	18,847.67	38,807.43	35,793.88	73,685.82
2	Other income (refer note 7)	26.79	36.91	41.05	63.70	78.79	276.24
3	Total Income (1 + 2)	20,405.35	18,465.78	18,888.72	38,871.13	35,872.68	73,962.06
4	Expenses						
	(a) Cost of materials consumed	13,763.23	12,238.44	12,728.46	26,001.67	24,138.75	48,960.09
	(b) Changes in stock of finished goods and work-in-progress	(291.83)	(288.03)	(308.21)	(579.86)	(705.18)	(286.40)
	(c) Employee benefits expense	1,779.87	1,687.76	1,729.43	3,467.63	3,338.69	6,693.88
	(d) Finance costs	297.92	332.01	411.32	629.93	833.94	1,622.26
	(e) Foreign exchange (gain)/loss (net)	6.46	(17.99)	(80.31)	(11.53)	(84.95)	(96.99)
	(f) Depreciation and amortisation expense	646.59	624.39	629.38	1,270.98	1,253.29	2,517.36
	(g) Other expenses	3,276.67	2,709.32	2,697.56	5,985.99	5,391.25	10,744.98
	Total expenses (4)	19,478.91	17,285.90	17,807.63	36,764.81	34,165.79	70,155.18
5	Profit before tax and exceptional items (3- 4)	926.44	1,179.88	1,081.09	2,106.32	1,706.89	3,806.88
6	Exceptional item (refer note 6)	-	-	-	-	-	208.12
7	Profit before tax (5-6)	926.44	1,179.88	1,081.09	2,106.32	1,706.89	3,598.76
8	Tax expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Short/(excess) provision in respect of earlier years	-	-	(0.18)	-	(0.18)	(5.32)
	(c) Deferred tax	249.90	313.60	285.47	563.50	460.15	845.58
	Total tax expense (8)	249.90	313.60	285.29	563.50	459.97	840.26
9	Profit for the period (7-8)	676.54	866.28	795.80	1,542.82	1,246.92	2,758.50
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)	(28.26)	-	(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)	-	-	-	-	-	3.66
	Total other comprehensive income/(loss), (net of tax) (10)	(21.00)	(28.26)	-	(49.26)	-	3.66
11	Total comprehensive income for the period (9+10)	655.54	838.02	795.80	1,493.56	1,246.92	2,762.16
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						17,724.65
14	Earnings per equity share (Nominal value per share Re. 1/- each) (not annualised)						
	Basic & Diluted (in Rupees)	4.43	5.67	5.21	10.10	8.16	18.05

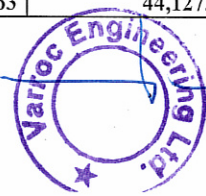




Statement of unaudited standalone assets and liabilities as at September 30, 2025

(Rs. in million)

Sr. No.	Particulars	As at September 30, 2025	As at March 31, 2025
		Unaudited	Audited
	ASSETS		
1	Non-current assets		
	(a) Property, plant and equipment	14,962.71	14,311.34
	(b) Capital work-in-progress	616.97	708.62
	(c) Goodwill	183.90	183.90
	(d) Intangible assets	291.53	314.89
	(e) Intangible assets under development	225.33	26.64
	(f) Right to use asset	1,995.74	1,755.93
	(g) Investments in subsidiaries and joint venture	8,373.73	8,373.73
	(h) Financial assets		
	(i) Investments	60.94	142.73
	(ii) Other financial assets	162.74	146.60
	(i) Income tax assets (net)	216.92	163.57
	(j) Deferred tax assets	268.45	815.38
	(k) Other non-current assets	824.44	728.25
	Total non-current assets	28,183.40	27,671.58
2	Current assets		
	(a) Inventories	7,059.02	5,831.98
	(b) Financial assets		
	(i) Trade receivables	5,933.93	5,227.80
	(ii) Cash and cash equivalents	507.69	591.42
	(iii) Bank balances other than (ii) above	812.29	412.05
	(iv) Loans	243.71	1,290.01
	(v) Other financial assets	136.55	136.21
	(c) Other current assets	2,971.04	2,966.14
	Total current assets	17,664.23	16,455.61
	Total Assets (1+2)	45,847.63	44,127.19
	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	19,065.42	17,724.65
	Total equity	19,218.21	17,877.44
2	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,282.21	3,129.96
	(ii) Lease liabilities	926.72	927.34
	(b) Provisions	144.63	144.70
	(c) Deferred government grant	261.39	226.25
	Total non-current liabilities	3,614.95	4,428.25
3	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,984.76	5,427.18
	(ii) Lease liabilities	189.42	162.66
	(iii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	2,967.65	1,782.37
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,055.03	10,144.94
	(c) Acceptances	611.33	663.30
	(iv) Other financial liabilities	2,285.12	1,956.98
	(b) Provisions	220.92	277.69
	(c) Other current liabilities	1,616.35	1,310.46
	(d) Deferred government grant	83.89	95.92
	Total current liabilities	23,014.47	21,821.50
	Total Equity and Liabilities (1+2+3)	45,847.63	44,127.19

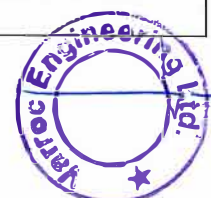




Statement of unaudited Standalone Cash Flows for the half year ended September 30, 2025

(Rs. in million)

Sr.No	Particulars	For the half year ended September 30, 2025 (Unaudited)	For the half year ended September 30, 2024 (Unaudited) (Restated - refer Note 3)
A	Cash flow from operating activities		
	Profit/(loss) before tax	2,106.32	1,706.89
	Adjustments for:		
	Depreciation and amortization expense	1,270.98	1,253.29
	Provision for doubtful debts / advances	(0.29)	(0.38)
	Unrealised exchange (gain)/loss on restatement of intercorporate loan	(9.07)	(46.17)
	Realised exchange gain on intercorporate loan	(33.43)	-
	Finance costs	629.93	833.94
	Rent income from investment property	(1.68)	(1.76)
	Profit on sale of current investments	-	(1.81)
	Provisions/liabilities no longer required written back	-	(0.46)
	(Profit)/Loss on sale of property, plant and equipment / intangible assets	1.78	(4.15)
	Increase in surrender value of key man insurance	-	(13.75)
	Dividend income	(0.02)	-
	Interest income	(55.46)	(51.30)
		1,802.74	1,967.45
	Operating profits before working capital changes	3,909.06	3,674.34
	Adjustments for changes in working capital		
	Trade receivables	(705.82)	(958.37)
	Trade payables	2,043.40	1,937.24
	Inventories	(1,227.04)	(1,634.91)
	Other financial assets	(15.65)	92.28
	Other current and non current assets	(107.35)	(451.47)
	Provision	(56.84)	22.86
	Other financial liabilities	(50.26)	22.01
	Other current and non current liabilities	328.82	598.24
		209.26	(372.12)
	Cash generated from operations	4,118.32	3,302.22
	Income tax paid (net of refund)	(53.35)	(71.79)
	Net cash flow generated from operating activities	4,064.97	3,230.43
B	Cash flow from investing activities		
	Dividend received	0.02	-
	Interest received	128.95	10.40
	Rent income other than investment property	1.68	1.76
	Proceeds from sale of property, plant and equipment	36.62	48.75
	Loans repaid by overseas subsidiary	1,264.19	-
	Loans given to subsidiaries	(245.52)	(372.24)
	(Purchase of)/Proceeds from sale of current investment	-	489.71
	Purchase of property, plant and equipment	(1,771.61)	(1,057.98)
	Fixed deposits (placed)/ redeemed (net)	(401.07)	(9.01)
	Net cash used in investing activities	(986.74)	(888.61)
C	Cash flow from financing activities		
	Repayment of long term borrowings	(2,314.38)	(1,893.42)
	Proceeds from long term borrowings	500.00	-
	Proceeds from/(repayment of) short term borrowings (net)	(475.80)	141.00
	Payment of principal portion of lease liability	(85.15)	(56.51)
	Payment of interest on lease liability	(52.46)	(51.67)
	Dividend paid	(152.79)	-
	Interest paid	(581.38)	(791.25)
	Net cash flow used in financing activities	(3,161.96)	(2,651.85)
	Net decrease in cash and cash equivalents	(83.73)	(310.03)
	Opening cash and cash equivalents	591.42	684.95
	Closing cash and cash equivalents	507.69	374.92
	Cash and cash equivalents consists of :		
	Cash in hand	0.01	0.01
	Current accounts	99.68	374.91
	Deposit with maturity of less than 3 months	408.00	-
		507.69	374.92
	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.		





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, 2025	June 30, 2025	September 30, 2024 (Restated - refer Note 3)	September 30, 2025	September 30, 2024 (Restated - refer Note 3)	March 31, 2025
Debt Equity ratio [refer note (i)]	(No of times)	0.33	0.39	0.59	0.33	0.59	0.48
Debt service coverage ratio [refer note (ii)]	(No of times)	2.90	2.27	1.96	2.53	1.66	1.79
Interest service coverage ratio [refer note (iii)]	(No of times)	6.28	6.43	5.16	6.36	4.55	4.90
Outstanding Redeemable Preference Shares (Qty / Value)		Not Applicable					
Capital Redemption Reserve		Not Applicable					
Debt Redemption Reserve		Not Applicable					
Net Worth [refer note (iv)]	(Rs. In Millions)	19,218.21	18,715.46	16,362.21	19,218.21	16,362.21	17,877.44
Net profit after tax	(Rs. In Millions)	676.54	866.28	795.80	1,542.82	1,246.92	2,758.50
Earning per share (EPS)							
Basic EPS (Not Annualised)	(Rs)	4.43	5.67	5.21	10.10	8.16	18.05
Diluted EPS (Not Annualised)	(Rs)	4.43	5.67	5.21	10.10	8.16	18.05
Current Ratio [refer note (v)]	(No of times)	0.77	0.75	0.76	0.77	0.76	0.75
Long Term Debt To Working Capital [refer note (vi)] ^	(No of times)	(0.87)	(1.05)	(4.14)	(0.87)	(4.14)	(1.72)
Bad Debts To Account Receivable Ratio [refer note (vii)] **	(No of times)	(0.00)	0.00	-	-	-	-
Current Liability Ratio [refer note (viii)]	(No of times)	0.86	0.86	0.78	0.86	0.78	0.83
Total Debts To Total Assets [refer note (ix)]	(No of times)	0.14	0.17	0.22	0.14	0.22	0.19
Debtors Turnover [refer note (x)] *	(No of times)	3.77	3.65	4.70	6.95	8.99	16.88
Inventory Turnover [refer note (xi)] *	(No of times)	1.98	1.93	1.98	3.94	3.98	8.93
Operating Margin [refer note (xii)]	(In %)	5.91%	7.91%	7.27%	6.86%	6.64%	6.86%
Net Profit Margin [refer note (xiii)]	(In %)	3.32%	4.70%	4.22%	3.98%	3.48%	3.74%
Security cover ratio [refer note (xvii)]	(No of times)	1.95	1.72	1.35	1.95	1.35	1.57

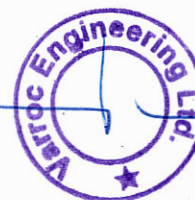
Formulae for calculation of ratios are as follows:

- (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, 2025

** numbers are below 0.01



Varroc Engineering Limited

Registered and Corporate Office : L-4, MIDC Area, Waluj, Chhatrapati Sambhaji Nagar (Aurangabad) 431 136, Maharashtra

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E-mail: investors@varroc.com

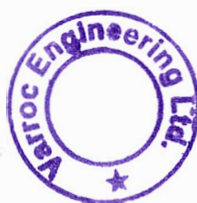


Notes to Standalone Financial Results:

- 1) The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 12, 2025 and were subjected to review by the Statutory Auditors.
- 2) The Company received a settlement offer from an overseas party alleging breach of agreement in respect of certain income received by the Company recognised under Revenue from operations (Rs. 209.89 million during the quarter ended June 30, 2025 and half year ended September 30, 2025). 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) Pursuant to provisions of Section 230-232 of the Companies Act, 2013, the Board of Directors of the Company on May 17, 2024 had approved the scheme of amalgamation of Varroc Polymers Limited ('VPL') (a wholly owned subsidiary of the Company) with Varroc Engineering Limited ('VEL') with appointed date of April 01, 2024 ('the Scheme'). National Company Law Tribunal ('NCLT') approved the above scheme vide its order dated January 10, 2025 and the merger became effective on February 01, 2025 on filing of the NCLT order with the Registrar of Companies. The merger has been accounted as business combination of entities under common control as per Appendix C to Ind AS 103 - Business Combinations. Accordingly, the comparative periods for the quarter and half year ended September 30, 2024 presented in the standalone results have been restated to include the effects of this merger.
- 4) 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.
- 5) a) On November 5, 2024, the Company received a GST Order from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Company has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to applicable interest and penalty for the aforementioned period. The Company has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and half year ended September 30, 2025.
b) On January 03, 2025, Varroc Polymers Limited ('VPL') (wholly owned subsidiary, now merged with the Company as explained in Note 3 above) received a GST Order 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 relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. VPL has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to the interest and penalty for the aforementioned period. The Company has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and half year ended September 30, 2025.
- 6) Exceptional items for the periods presented in the standalone results include following:
(a) An amount of Rs. 196.02 million for the year ended March 31, 2025 pertained to estimated expenses directly attributable to merger of VPL with the Company.
(b) KTM AG, one of the customer of the Company, filed for insolvency and the Court admitted restructuring with self-administration in Austria. Considering these developments, the Company recognised a provision for the expected credit loss of trade receivables as exceptional item amounting to Rs. 12.10 million for the year ended March 31, 2025.
- 7) Other Income for the year ended March 31, 2025 includes dividend received from a subsidiary company of Rs. 125.79 million.
- 8) During the year ended March 31, 2024, the Company issued 25,000 number of listed Non-Convertible Debentures ('NCD') of face value of Rs. 1,00,000 each aggregating to Rs. 2,500 million on a private placement basis. The NCDs are repayable in 16 equal quarterly instalments beginning from December 07, 2024. Further, NCD holders have a put option after 30 months and 42 months respectively from date of allotment, requiring the Company to redeem all the NCDs. The Company shall at all times until the Final Settlement Date maintain a minimum Security Cover of at least 1.1 x. The proceeds from the issue have been utilised for repayment of existing listed NCDs, other outstanding debt and for general corporate purposes. These NCDs are secured by exclusive charge by way of hypothecation on the specific identified movable properties of the Company. The asset cover in respect of the Non-Convertible Debentures as on September 30, 2025 is 1.95 times of the total due amount which is higher than the requirement of 1.10 times as specified in the Debenture Trust Deed.

Place: Pune

Date: November 12, 2025



For and on behalf of Board of Directors
Varroc Engineering Limited

Tarang Jain
Chairman and Managing Director

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, 2025 and year to date from April 01, 2025 to September 30, 2025 (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 (erstwhile CarlQ Technologies 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 Lighting Systems Bulgaria Eood; Varroc Electronics Romania SRL; Varroc Poland s.p.z.oo; Varroc Germany GmBH; Varroc Intelligent Driving Research and Development Centre (Changzhou) Co., Ltd.; Varroc (Thailand) Company Limited (erstwhile Varrec (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, the Group received a settlement offer from an overseas party alleging breach of agreement in respect of certain income received and recognized by the Group under 'Revenue from operations' amounting to Rs. 209.89 million during the previous quarter ended June 30, 2025 and Rs. 231.82 million during the previous year ended March 31, 2025. Pending resolution of the matter and in the absence of sufficient appropriate audit evidence, we are unable to comment on the said income recognized in the books and any consequential impacts including on the profit before tax, tax expense, profit after tax, total comprehensive income, earnings per share for the six months ended September 30, 2025 and retained earnings as at September 30, 2025.

6. Qualified Conclusion:

Based on our review conducted and procedures performed as stated in paragraph 3 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 our observation 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 6 of the Statement which describes the effects of the GST Orders received by the Group from GST Authorities. The Group has initiated appellate proceedings against these orders, pending conclusion of which no adjustments have been made in respect of the matters in the 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 4 subsidiaries, whose unaudited interim financial results/statements include total assets of Rs. 7,453.88 million as at September 30, 2025, total revenues of Rs. 1,138.71 million and Rs. 2,503.40 million, total net profit/(loss) after tax of (Rs. 181.11 million) and (Rs. 330.54 million), total comprehensive income of (Rs. 181.11 million) and (Rs. 330.54 million), for the quarter ended September 30, 2025 and the period ended on that date respectively, and net cash inflows of Rs. 191.80 million for the period from April 01, 2025 to September 30, 2025, as considered in the Statement which have been reviewed by their respective independent auditors.

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

S R B C & COLL P

Chartered Accountants

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:
- 2 subsidiaries, whose interim financial results/statements and other financial information reflect total assets of Rs. 43.60 million as at September 30, 2025, and total revenues of Rs. 26.42 million and Rs. 52.59 million, total net profit/(loss) after tax of (Rs. 27.79 million) and (Rs. 45.01 million), total comprehensive income of (Rs. 27.79 million) and (Rs. 45.01 million), for the quarter ended September 30, 2025 and the period ended on that date respectively and net cash inflows of Rs. 2.64 million for the period from April 01, 2025 to September 30, 2025.
 - 2 joint ventures whose interim financial results/statements includes the Group's share of net profit/loss of Rs. 8.36 million and Rs 13.77 million and Group's share of total comprehensive income of Rs. 8.36 million and Rs 13.77 million for the quarter ended September 30, 2025 and for the period ended on that date respectively.

The unaudited interim financial statements/ financial information/ financial results and other unaudited financial information these subsidiaries and joint ventures have not been audited/reviewed by their auditors 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 and 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 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 & COLL P**

Chartered Accountants

ICAI Firm registration number: 324982E/E300003

**Mustafa M
Saleem**

Digitally signed by Mustafa M Saleem
DN: cn=Mustafa M Saleem,
o=Personal,
email=mustafa.saleem@arb.in
Date: 2025.11.12 12:46:03 +05'30'

per **Mustafa Saleem**

Partner

Membership No.: 136969

UDIN: 25136969BMNTFL1192

Place: Pune

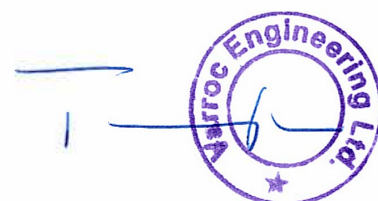
Date: November 12, 2025



Statement of Unaudited Consolidated Financial Results for the quarter and half year ended September 30, 2025

(Rs. in Million)

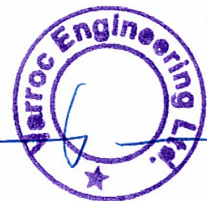
Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		September 30, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from operations (refer note 2)	22,073.38	20,275.51	20,807.70	42,348.89	39,796.21	81,540.84
2	Other income	26.58	50.59	66.85	77.17	102.39	176.82
3	Total income (1+2)	22,099.96	20,326.10	20,874.55	42,426.06	39,898.60	81,717.66
4	Expenses						
	(a) Cost of materials consumed	14,328.96	12,712.38	13,650.11	27,041.34	25,998.11	52,391.04
	(b) Changes in inventories of work-in-progress and finished goods	(118.70)	0.17	(295.56)	(118.53)	(770.67)	(298.84)
	(c) Employee benefits expense	2,494.76	2,412.30	2,244.56	4,907.06	4,400.78	8,877.11
	(d) Finance costs	318.55	363.20	431.97	681.75	876.45	1,702.29
	(e) Foreign exchange gain (net)	(11.62)	(26.80)	(71.86)	(38.42)	(88.09)	(120.39)
	(f) Depreciation and amortisation expense	825.85	810.96	815.45	1,636.81	1,613.55	3,233.21
	(g) Other expenses	3,350.30	3,231.75	3,198.82	6,582.05	6,434.34	12,804.37
	Total expenses (4)	21,188.10	19,503.96	19,973.49	40,692.06	38,464.47	78,588.79
5	Profit before exceptional item, share of profit of joint ventures and tax (3-4)	911.86	822.14	901.06	1,734.00	1,434.13	3,128.87
6	Exceptional item (refer note 5)	-	(611.94)	-	(611.94)	-	1,473.37
7	Profit before share of profit of joint ventures and tax (5-6)	911.86	1,434.08	901.06	2,345.94	1,434.13	1,655.50
8	Share of profit of Joint Ventures	8.36	5.41	7.05	13.77	33.88	37.09
9	Profit before tax (7+8)	920.22	1,439.49	908.11	2,359.71	1,468.01	1,692.59
10	Tax expense (refer note 4)						
	Current tax	38.90	43.24	40.72	82.14	73.02	151.13
	Short provision in respect of earlier year	0.16	6.09	7.44	6.25	13.41	8.02
	Deferred tax	248.53	315.96	281.95	564.49	462.89	836.68
	Total tax expense (10)	287.59	365.29	330.11	652.88	549.32	995.83
11	Profit for the period (9-10)	632.63	1,074.20	578.00	1,706.83	918.69	696.76
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)	(28.26)	-	(49.26)	-	-
	Exchange differences in translating the financial statements of foreign operations (refer note 5a)	135.18	(401.32)	304.63	(266.14)	219.89	91.05
B	Items not to be reclassified to profit or loss in subsequent periods						
	Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(0.07)	(23.24)
	Total Other comprehensive income/(loss), (net of tax) (12)	114.18	(429.58)	304.63	(315.40)	219.82	67.81
13	Total comprehensive income for the period (11+12)	746.81	644.62	882.63	1,391.43	1,138.51	764.57
14	Profit for the period attributable to:						
	Shareholders of the Company	609.51	1,050.62	556.76	1,660.13	880.82	612.30
	Non-controlling interests	23.12	23.58	21.24	46.70	37.87	84.46
15	Other comprehensive income/(loss) attributable to:						
	Shareholders of the Company	114.18	(429.58)	304.63	(315.40)	219.82	67.97
	Non-controlling interests	-	-	-	-	-	(0.16)
16	Total comprehensive income for the period attributable to:						
	Shareholders of the Company	723.69	621.04	861.39	1,344.73	1,100.64	680.27
	Non-controlling interests	23.12	23.58	21.24	46.70	37.87	84.30
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						15,497.85
19	Earnings per equity share attributable to Owners (Nominal value per share: Re.1/- each) (not annualised)						
	Basic and diluted (in Rupees)	3.99	6.88	3.64	10.87	5.76	4.01





Statement of Unaudited Consolidated Assets and Liabilities as at September 30, 2025

(Rs. in Million)			
Sr. No.	Particulars	As at September 30, 2025	As at March 31, 2025
		Unaudited	Audited
A.	ASSETS		
I	Non-current assets		
	(a) Property, plant and equipment	17,702.00	16,849.54
	(b) Capital work-in-progress	1,153.19	1,000.47
	(c) Goodwill	484.36	473.06
	(d) Other intangible assets	394.98	450.18
	(e) Right-of-use assets	2,808.42	2,387.18
	(f) Intangible assets under development	257.23	32.22
	(g) Investments accounted for using the equity method	183.98	166.20
	(h) Financial assets		
	(i) Investments	65.67	147.27
	(ii) Other financial assets	255.73	201.56
	(i) Income tax assets (net)	231.35	178.18
	(j) Deferred tax assets (net)	315.21	863.04
	(k) Other non-current assets	837.44	744.01
	Total non-current assets	24,689.56	23,492.91
II	Current assets		
	(a) Inventories	8,664.03	7,327.62
	(b) Financial assets		
	(i) Investments *	542.55	374.31
	(ii) Trade receivables	7,235.12	6,797.60
	(iii) Cash and cash equivalents	1,225.20	1,114.77
	(iv) Bank balances other than (iii) above	1,687.10	518.59
	(v) Loans	3.48	0.12
	(vi) Other financial assets	146.03	143.39
	(c) Other current assets	3,539.80	3,554.67
	Total current assets	23,043.31	19,831.07
III	Assets classified as held for sale (refer note 5a)	-	3,395.15
	Total Assets (I+II+III)	47,732.87	46,719.13



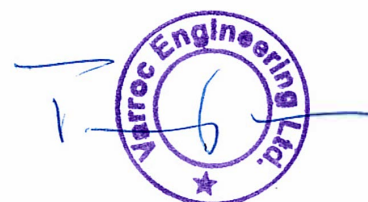


Statement of Unaudited Consolidated Assets and Liabilities as at September 30, 2025

(Rs. in Million)

Sr. No.	Particulars	As at September 30, 2025	As at March 31, 2025
		Unaudited	Audited
B.	EQUITY AND LIABILITIES		
I	Equity		
	(a) Equity share capital	152.79	152.79
	(b) Other equity	16,689.79	15,497.85
	Equity attributable to owners	16,842.58	15,650.64
	Non-controlling interests	375.42	328.72
	Total equity	17,218.00	15,979.36
II	Liabilities		
(1)	Non-current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,282.21	3,195.32
	(ia) Lease liabilities	1,577.68	1,443.85
	(ii) Other financial liabilities	16.13	15.82
	(b) Provisions	196.68	187.72
	(c) Deferred tax liabilities (net)	42.95	46.79
	(d) Other non current liabilities	-	0.25
	(e) Deferred government grants	261.39	226.25
	Total non-current liabilities	4,377.04	5,116.00
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	4,972.81	6,292.44
	(ia) Lease liabilities	317.73	252.79
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	3,011.03	1,804.56
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11,642.37	11,457.30
	(c) Acceptances	611.33	663.30
	(iii) Other financial liabilities	3,118.52	2,967.62
	(b) Provisions	240.93	304.94
	(c) Current tax liabilities (net)	17.29	10.23
	(d) Other current liabilities	2,117.91	1,766.65
	(e) Deferred government grants	87.91	103.94
	Total current liabilities	26,137.83	25,623.77
III	Total Equity and Liabilities (I+II)	47,732.87	46,719.13

* Pertains to investment in liquid mutual funds.





Unaudited Consolidated Statement of Cash Flows for the year ended September 30, 2025

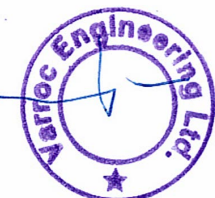
(Rs. in Million)

Sr. No.	Particulars	For the half year ended September 30, 2025		For the half year ended September 30, 2024	
		Unaudited		Unaudited	
A	Cash flow from operating activities				
	Profit/(loss) before tax and exceptional items		1,747.77		1,468.01
	Adjustments for:				
	Depreciation and amortisation expense	1,636.81		1,613.55	
	Net loss/(gain) on disposal of property, plant and equipment	1.78		(38.11)	
	Provision for doubtful debts and advances	0.06		2.18	
	Finance costs	681.75		876.45	
	Gain on sale of current investments	(10.01)		(16.54)	
	Share in profit of Joint Venture accounted for using the equity method	(13.77)		(33.88)	
	Liabilities no longer required written back	-		(0.67)	
	Increase in surrender value of keyman insurance policy	-		(13.75)	
	Unrealised exchange gain	(38.42)		(88.09)	
	Dividend income	(0.02)		-	
	Interest income	(65.49)	2,192.69	(15.15)	2,285.99
	Operating profits before working capital changes		3,940.46		3,754.00
	Adjustments for changes in:				
	Inventories	(1,173.45)		(1,441.87)	
	Trade receivables	(269.82)		(962.64)	
	Other assets	(67.89)		(107.76)	
	Trade payables	1,224.52		1,930.28	
	Other liabilities and provisions	139.59		572.99	
			(147.05)		(9.00)
	Cash generated from operations		3,793.41		3,745.00
	Taxes paid (net of refund received)		(134.80)		(160.39)
	Net cash flow generated from operating activities		3,658.61		3,584.61
B	Cash flow from investing activities				
	Dividend received	0.02		-	
	Interest received	62.52		15.39	
	Proceeds from sale of China JV	3,406.64		-	
	(Purchase of)/proceeds from sale of current investment (net)	(158.23)		362.36	
	Proceeds from sale of property, plant and equipment	44.73		103.64	
	Purchase of property, plant and equipment	(2,168.57)		(1,070.79)	
	Costs incurred on intangible assets	(265.57)		(62.82)	
	Fixed deposits (with maturity of more than 3 months) redeemed/(purchased) (net)	(1,169.20)		(17.53)	
	Net cash used in investing activities		(247.66)		(669.75)
C	Cash flow from financing activities				
	Proceeds from long-term borrowings	500.00		-	
	Repayment of long-term borrowings	(2,430.66)		(2,004.29)	
	Payment of principal portion of lease liability	(160.66)		(99.67)	
	Payment of interest on lease liability	(76.29)		(67.17)	
	Proceeds from/(repayment of) short term borrowings (net)	(428.53)		153.06	
	Dividend paid on equity shares	(152.79)		-	
	Interest paid	(608.16)		(810.73)	
	Net cash flow used in financing activities		(3,357.09)		(2,828.80)
	Net increase/ (decrease) in Cash and Cash Equivalents (A+B+C)		53.86		86.06
	Opening cash and cash equivalents		1,114.77		1,104.36
	Effect of exchange difference on translation of foreign currency cash and cash equivalents		56.57		28.60
	Total		1,171.34		1,132.96
	Closing cash and cash equivalents		1,225.20		1,219.02

Sr. No.	Particulars	As at September 30, 2025	As at September 30, 2024
		(Rs. in Million)	(Rs. in Million)
	Cash and cash equivalents consists of:		
A	Cash and cash equivalents		
i.	Cash in hand	0.19	0.26
ii.	Bank balances		
	- Current accounts	817.01	1,218.76
	- Deposits with maturity of less than three months	408.00	-
		1,225.20	1,219.02

Notes:

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





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, 2025	June 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
Debt Equity ratio [refer note (i)]	(No. of times)	0.42	0.50	0.63	0.42	0.63	0.59
Debt Service Coverage Ratio [refer note (ii)]	(No. of times)	3.02	2.01	1.94	2.42	1.68	1.76
Interest Service Coverage Ratio [refer note (iii)]	(No. of times)	6.48	5.51	4.99	5.96	4.52	4.76
Outstanding Redeemable Preference Shares (Qty / Value)		Not Applicable					
Capital Redemption Reserve							
Debenture Redemption Reserve							
Net Worth [refer note (iv)]	(Rs. in Million)	17,218.00	16,623.98	16,400.34	17,218.00	16,400.34	15,979.36
Net Profit after Tax	(Rs. in Million)	632.63	1,074.20	578.00	1,706.83	918.69	696.76
Earning per share (EPS)							
Basic EPS (Not Annualised)	(Rs.)	3.99	6.88	3.64	10.87	5.76	4.01
Diluted EPS (Not Annualised)	(Rs.)	3.99	6.88	3.64	10.87	5.76	4.01
Current Ratio [refer note (v)]	(No. of times)	0.88	0.89	0.81	0.88	0.81	0.77
Long Term Debt to Working Capital Ratio [refer note (vi)] ^	(No. of times)	(2.03)	(3.48)	(6.93)	(2.03)	(6.93)	(1.59)
Bad Debts to Account Receivable Ratio [refer note (vii)] **	(No. of times)	(0.00)	0.00	-	0.00	0.00	0.00
Current Liability Ratio [refer note (viii)]	(No. of times)	0.86	0.85	0.78	0.86	0.78	0.83
Total Debts to Total Assets Ratio [refer note (ix)]	(No. of times)	0.15	0.18	0.22	0.15	0.22	0.20
Debtors Turnover Ratio [refer note (x)] *	(No. of times)	3.22	3.06	3.72	6.04	7.34	13.92
Inventory Turnover Ratio [refer note (xi)] *	(No. of times)	1.69	1.65	1.71	3.37	3.37	7.40
Operating Margin [refer note (xii)]	(in %)	5.40%	5.46%	5.74%	5.43%	5.33%	5.56%
Net Profit Margin [refer note (xiii)]	(in %)	2.87%	5.30%	2.78%	4.03%	2.31%	0.85%

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]

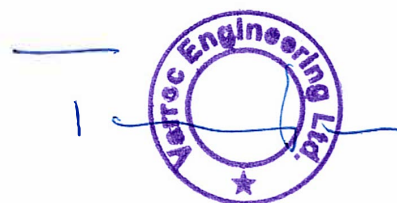
(xvi) Working Capital = [Total Current Assets - Total Current Liabilities (excluding Current Maturities of Long Term Borrowings)]

* Ratio not annualised, except for the year ended March 31, 2025.

** numbers are below 0.01

^ Ratio is negative because net working capital is negative.

^^ Current Assets are excluding assets held for sale.





Unaudited Consolidated Segment wise Revenue, Results, Assets and Liabilities

Particulars	Quarter ended			Half year ended		(Rs. in Million)
	September 30,	June 30,	September 30,	September 30,	September 30,	Year ended
	2025	2025	2024	2025	2024	March 31,
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1) Segment Revenue						
(i) Automotive (refer note 2)	21,579.80	19,723.60	20,198.54	41,303.40	38,797.43	79,338.94
(ii) Others	493.58	551.91	609.16	1,045.49	998.78	2,201.90
Revenue from operations	22,073.38	20,275.51	20,807.70	42,348.89	39,796.21	81,540.84
2) Segment Results						
(i) Automotive (refer note 5c & 5d)	1,297.27	1,241.59	1,408.37	2,538.87	2,454.19	4,811.26
(ii) Others	(99.46)	(85.93)	(81.36)	(185.40)	(156.37)	(257.13)
Total segment results	1,197.81	1,155.66	1,327.01	2,353.47	2,297.82	4,554.13
Add/ (Less) :						
(a) Finance Cost	(318.55)	(363.20)	(431.97)	(681.75)	(876.45)	(1,702.29)
(b) Net unallocated (expenditure) / income (refer note 5a & 5b)	40.96	647.03	13.07	687.99	46.64	(1,159.25)
Profit/(loss) before tax	920.22	1,439.49	908.11	2,359.71	1,468.01	1,692.59
3) Segment Assets						
(i) Automotive	42,025.63	41,035.72	37,974.62	42,025.63	37,974.62	38,310.66
(ii) Others	2,251.49	2,285.54	2,061.50	2,251.49	2,061.50	2,260.65
Total segment assets	44,277.12	43,321.26	40,036.12	44,277.12	40,036.12	40,571.31
Add : Unallocated (refer note 4 & 5a)	3,455.75	2,714.28	7,019.53	3,455.75	7,019.53	6,147.82
Total assets	47,732.87	46,035.54	47,055.65	47,732.87	47,055.65	46,719.13
4) Segment Liabilities						
(i) Automotive	22,575.59	20,379.13	19,724.15	22,575.59	19,724.15	20,582.86
(ii) Others	539.06	644.66	507.89	539.06	507.89	590.30
Total segment liabilities	23,114.65	21,023.79	20,232.04	23,114.65	20,232.04	21,173.16
Add : Unallocated (refer note 4)	7,400.22	8,387.77	10,423.27	7,400.22	10,423.27	9,566.61
Total liabilities	30,514.87	29,411.56	30,655.31	30,514.87	30,655.31	30,739.77

Notes to Consolidated Financial Results:

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on November 12, 2025 and were subjected to review by the Statutory Auditors.
- The Group received a settlement offer from an overseas party alleging breach of agreement in respect of certain income received by the Group recognised under Revenue from operations (Rs. 209.89 million during the quarter ended June 30, 2025 and Rs. 231.82 million during the year ended March 31, 2025). 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.
- 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.
- Pursuant to provisions of Section 230-232 of the Companies Act, 2013, the Board of Directors of the Company on May 17, 2024 had approved the scheme of amalgamation of Varroc Polymers Limited ('VPL') (a wholly owned subsidiary of the Holding Company) with Varroc Engineering Limited ('VEL') (the Holding Company) with appointed date of April 01, 2024 ('the Scheme'). National Company Law Tribunal ('NCLT') approved the above scheme vide its order dated January 10, 2025 and the merger became effective on February 01, 2025 on filing of the NCLT order with the Registrar of Companies. The merger has been accounted as business combination of entities under common control as per Appendix C to Ind AS 103- Business Combinations.
The aforesaid scheme has no impact on the Consolidated Financial Results of the Group since the scheme of merger was between the Holding Company and its wholly owned subsidiary, except for tax expense for the quarter ended September 30, 2024 and half year ended September 30, 2024 which has been restated to include the effects of this merger.
- Exceptional items for the periods presented in the consolidated results include following:
 - 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 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 has been directed to transfer its 50% shareholding in VTYC to TYC BVI Entity for a consideration of RMB 310.50 million. Accordingly, the Group assessed that its investment in VTYC (a joint venture accounted for under the equity method) satisfies the criteria prescribed under Ind AS 105 'Non-Current Assets Held for Sale and Discontinued Operations' for classification as 'Assets held for sale' and had written down this investment to Rs. 3,395.15 million which is its fair value less costs to sell. The resulting estimated impairment loss of Rs. 806.82 million for the year ended March 31, 2025 was disclosed as an Exceptional item in the financial results. 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, have been reclassified to the Statement of Profit or Loss. These have been disclosed as an exceptional item and reduced from Other Comprehensive Income for the quarter ended June 30, 2025 and half year ended September 30, 2025.
 - On April 21, 2025, the Group received final order from ICC in respect of the above arbitration wherein the Group was directed to pay to TYC Group legal costs pertaining to the arbitration incurred by TYC Group amounting to Rs. 439.91 million. The group recognised a provision for this cost as at March 31, 2025 and the same was disclosed as an Exceptional item in the financial results for the year ended March 31, 2025.
 - Exceptional item also included estimated expenses directly attributable to merger of VPL with the Company amounting to Rs. 196.02 million for the year ended March 31, 2025.
 - KTM AG group, one of the customer of the Group, filed for insolvency and the Court admitted restructuring with self-administration in Austria. Considering these developments, the Group recognised a provision for expected credit loss of trade receivables of KTM AG Group amounting to Rs. 30.62 million in the year ended March 31, 2025.






- 6 a) On November 5, 2024, the Group received a GST Order from Additional Commissioner of CGST & Central Excise for appropriation of GST dues amounting to Rs. 629 million along with equivalent penalty and applicable interest relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Group has paid the principal demand, however considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to applicable interest and penalty for the aforementioned period. The Group has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and half year ended September 30, 2025.
- b) On January 03, 2025, the Group received a GST Order 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 relating to inappropriate classification of certain goods supplied during the period from July 1, 2017 to September 30, 2023. The Group has paid the principal demand, however, considering merits of the case, management believes that it has grounds to successfully defend and litigate the GST Order with respect to the interest and penalty for the aforementioned period. The Group has initiated appellate proceedings against this GST Order, pending conclusion of which no adjustments have been made in respect of this matter in the financial results for the quarter and half year ended September 30, 2025.
- 7 During the year ended March 31, 2024, the Company issued 25,000 number of listed Non-Convertible Debentures ('NCD') of face value of Rs. 1,00,000 each aggregating to Rs. 2,500 million on a private placement basis. The NCDs are repayable in 16 equal quarterly instalments beginning from December 07, 2024. Further, NCD holders have a put option after 30 months and 42 months respectively from date of allotment, requiring the Company to redeem all the NCDs. The Company shall at all times until the Final Settlement Date maintain a minimum Security Cover of at least 1.1 x. The proceeds from the issue have been utilised for repayment of existing listed NCDs, other outstanding debt and for general corporate purposes. These NCDs are secured by exclusive charge by way of hypothecation on the specific identified movable properties of the Company. The asset cover in respect of the Non-Convertible Debentures as on September 30, 2025 is 1.95 times of the total due amount which is higher than the requirement of 1.10 times as specified in the Debenture Trust Deed.
- 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.

For and on behalf of Board of Directors
Varroc Engineering Limited




Tarang Jain
Chairman and Managing Director

Place : Pune

Date : November 12, 2025