

January 19, 2024

## Durovalves India Private Limited: Ratings withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ Short-term – Fund-based facilities	20.00	20.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
Long-term/ Short-term – Non-fund based facilities	22.00	22.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
Long-term/ Short-term – Fund-based/ non-fund based facilities	12.00	12.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
Long-term/ Short-term – Unallocated limits	6.00	6.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
<b>Total</b>	<b>60.00</b>	<b>60.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Durovalves India Private Limited (DIPL)** at the request of the company and based on the No Objection certificate received from the bankers, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers, liquidity position, rating sensitivities, key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on withdrawal of Credit Ratings</a> <a href="#">Rating Methodology for Auto Components</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Varroc Engineering Limited (VEL). Varroc's subsidiaries and step-down subsidiaries are all enlisted in Annexure-II.

### About the company

Durovalves India Private Limited is a part of the Aurangabad-based Varroc Group of companies. Its parent entity, VEL is the holding company for the Group's other ventures in auto component manufacturing. VEL, along with its subsidiaries, is present in automotive lighting, plastic-moulded parts, electrical components, forgings, and the engine valve business. The Group was initially established as a captive unit for Bajaj Auto Limited's BAL's auto components and gradually diversified by adding new customers and products to its portfolio. In 2012, VEL acquired Visteon's global lighting business, which transformed the company into a global auto component supplier, with presence across Europe, India and China. However, following a challenging two years in the European market after the pandemic and associated macroeconomic challenges, the Group

divested its overseas 4W lighting business in the US, Mexico and Europe, from Varroc Lightning Systems to Plastic Omnium SE, France. The transaction was completed on October 6, 2022.

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years						
		Amount rated (Rs. crore)	Amount outstanding as of Dec 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022		Date & rating in FY2021	
				Jan 19, 2024	Nov 28, 2022	May 06, 2022	Dec 7, 2021	Jun 23, 2021	Aug 21, 2020	Apr 30, 2020
1	Fund-based Facilities	20.00	--	[ICRA]A (Stable)/[ICRA]A2+; withdrawn	[ICRA]A (Stable)/[ICRA]A2+	[ICRA]A& / [ICRA]A2+&	[ICRA]A (Negative)/[ICRA]A2+	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]AA- (Negative) / [ICRA]A1+	[ICRA] AA- @ / [ICRA]A1+ @
2	Non-fund Based Facilities	22.00	--	[ICRA]A (Stable)/[ICRA]A2+; withdrawn	[ICRA]A (Stable)/[ICRA]A2+	[ICRA]A& / [ICRA]A2+&	[ICRA]A (Negative)/[ICRA]A2+	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]AA- (Negative) / [ICRA]A1+	[ICRA] AA- @ / [ICRA]A1+ @
3	Fund-based/ Non-fund Based Facilities	12.00	--	[ICRA]A (Stable)/[ICRA]A2+; withdrawn	[ICRA]A (Stable)/[ICRA]A2+	[ICRA]A& / [ICRA]A2+&	[ICRA]A (Negative)/[ICRA]A2+	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]AA- (Negative)/[ICRA]A1+	[ICRA] AA- @ / [ICRA]A1+ @
4	Unallocated	6.00	--	[ICRA]A (Stable)/[ICRA]A2+; withdrawn	[ICRA]A (Stable)/[ICRA]A2+	[ICRA]A& / [ICRA]A2+&	[ICRA]A (Negative)/[ICRA]A2+	[ICRA]A+ (Stable)/[ICRA]A1	[ICRA]AA- (Negative)/[ICRA]A1+	-

@= Under Watch with Negative Implications &: Rating Watch with Developing Implications

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term / Short Term - Fund based facilities	Simple
Long Term / Short Term - Non- Fund based facilities	Very Simple
Long Term / Short Term – Fund based/ non- Fund based facilities	Simple
Long Term / Short Term – Unallocated Limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

## Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based Facilities	NA	NA	NA	20.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
NA	Non-fund Based Facilities	NA	NA	NA	22.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
NA	Fund-based/ Non-fund Based Facilities	NA	NA	NA	12.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn
NA	Unallocated	NA	NA	NA	6.00	[ICRA]A (Stable)/[ICRA]A2+; withdrawn

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
<b>DIRECT SUBSIDIARIES</b>		
Varroc Polymers Private Limited	100.00%	Full Consolidation
Durovalves India Private Limited	72.78%	Full Consolidation
Varroc European Holding B.V.	100.00%	Full Consolidation
VarrocCorp Holding B.V.	100.00%	Full Consolidation
Varroc Japan Co. Limited	100.00%	Full Consolidation
CarlQ Technologies Private Limited	74.00%	Full Consolidation
<b>STEP-DOWN SUBSIDIARIES</b>		
Team Concepts Private Limited	100.00%	Full Consolidation
Industrial Meccanica E Stampaggio S.p.a.	100.00%	Full Consolidation
Varroc do Brasil Industria E Commercica LTDA	100.00%	Full Consolidation

Source: Varroc Annual Report

Note: ICRA has taken a consolidated view of the parent (VEL) and its subsidiaries while assigning the ratings.

## ANALYST CONTACTS

**Shamsher Dewan**

+91 124 4545328

[shamsherd@icraindia.com](mailto:shamsherd@icraindia.com)

**Kinjal Shah**

+91 22 6114 3442

[kinjal.shah@icraindia.com](mailto:kinjal.shah@icraindia.com)

**Sahil Udani**

+91 22 6114 3465

[sahil.udani@icraindia.com](mailto:sahil.udani@icraindia.com)

**Trisha Agarwal**

+91 22 6114 3457

[trisha.agarwal@icraindia.com](mailto:trisha.agarwal@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

[info@icraindia.com](mailto:info@icraindia.com)

## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



### Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001  
Tel: +91 11 23357940-45



### Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website [www.icra.in](http://www.icra.in) or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.