

November 26, 2019

## Varroc Lighting Systems (India) Private Limited: Update on Material Event

### Summary of rated instruments

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Term Loan	38.00	38.00	[ICRA]AA- (Stable)
Fund-based Facilities	25.00	25.00	[ICRA]AA- (Stable) and [ICRA]A1+
Fund-based/ Non-fund Based Facilities	7.00	7.00	[ICRA]AA- (Stable) and [ICRA]A1+
<b>Total</b>	<b>70.00</b>	<b>70.00</b>	

### Material Event

**Amalgamation of Varroc Lighting Systems (India) Private Limited (VLSIPL) with Varroc Engineering Limited (VEL):** ICRA takes note of the recent press release published on November 12, 2019 mentioning that the Board of Directors have considered and approved the Scheme of amalgamation of wholly owned subsidiary, Varroc Lighting Systems (India) Private Limited ("VLSIPL or Transferor Company"), with Varroc Engineering Limited ("VEL or Transferee Company"). As per the release, the Scheme would be subject to the requisite statutory/ regulatory approvals.

### Impact of the Material Event

The merger/amalgamation of entities will not have any material impact on the credit profile, as ICRA has always considered consolidated financials for assessing financial position of the VEL and its subsidiaries. ICRA takes the note of the recent update and would continue to monitor the developments regarding the same going forward.

The previous detailed rating rationale is available on the following link: [Click here](#)

### Company Profile

Incorporated in 1988, VEL is the flagship company of the Aurangabad-based Varroc Group. It is also 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 started as a captive unit for BAL for its auto component supplies and has gradually diversified by adding new customers and products. In 2012, VEL acquired Visteon's global lighting business, which has transformed the company into a global auto component supplier, with presence across Europe, North America, India and China.

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