

# Varroc Engineering Limited

Regd. & Corp. Office

L-4, MIDC, Industrial Area  
Waluj, Aurangabad 431  
136, Maharashtra, India

Tel + 91 240 6653700  
Fax + 91 240 2564540

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



VARROC/SE/INT/2022-23/78

October 7, 2022

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-400051.  
NSE Symbol: VARROC

The Manager – Listing  
The Corporate Relation Department,  
**Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400001.  
BSE Security Code: 541578  
[Debt: 973454 & 973455]

Dear Sir/ Madam,

**Sub: Intimation for divestment of 4-Wheeler Lighting Business of the Company in Americas and Europe/ sale of the whole or substantially the whole of the undertaking / Wholly Owned Subsidiary of the Company**

**Ref: Disclosure under Regulation 30 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”) and our Communication dated April 29, 2022**

This is in continuation to our communication dated April 29, 2022 on the captioned subject. Pursuant to the Regulation 30 read with Schedule III of the Listing Regulation, we wish to inform you the following:

1. Securities Purchase Agreement executed on April 29, 2022 by Varroc Engineering Limited (the Company), along with its Wholly-Owned Subsidiary VarrocCorp Holding B.V. Netherlands, with Compagnie Plastic Omnium Se, France for divestment of the 4-Wheeler Lighting Business of the Company in the Americas and Europe and identified R&D business in India, has been amended by signing an ‘Amendment to the Securities Purchase Agreement’.

2. For completion of the aforesaid Transaction; the Company has entered into a settlement agreement with Valeo Vision S.A.S, France, Valeo S.E., France, Varroc Lighting Systems, s.r.o., Czech Republic for an agreed amount as specified in the Annexure I attached herewith towards out of court settlement of IPR infringement litigation.

3. With requisite approvals obtained from the Audit Committee, Board of Directors on April 28, 2022, May 16, 2022 and October 6, 2022 and the Shareholders of Varroc Engineering Limited on June 18, 2022 through Postal Ballot (the Company) under applicable provisions of Companies Act, 2013 and the Listing Regulation, the Company has divested/transferred/sold its 4-Wheeler Lighting Business of the Company in the Americas and Europe and identified R&D business in India to Compagnie Plastic Omnium SE of France and & its Affiliate/Associate Companies and Subsidiaries by signing Business Transfer Agreement and other related agreements/documents with the subsidiaries and other parties involved. The said divestment / sale of the whole or substantially the whole of the undertaking of the Company will be effective from close of business hours on October 06, 2022.

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4. By way of this transaction the Company has also sold/transferred/disposed of its 100% stake in its Wholly Owned Subsidiary viz. VL Lighting Solutions Private Limited. Post this transaction VL Lighting Solutions Private Limited ceases to be a Wholly Owned Subsidiary of the Company.

The disclosures required under Regulation 30 of the SEBI LODR read with Disclosure Circular, are enclosed herewith in Annexure I & II.

Kindly take the same on record and note the compliance.

**For Varroc Engineering Limited**

**Ajay Sharma**  
**Group General Counsel and Company Secretary**

Encl: A/a

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## ANNEXURE I

**Disclosure/ details as required under Schedule III of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September, 2015 for Point no 1 & 2 above**

| Sr. No | Particulars   | Details   |  |
|--------|---|---|--|
|        |   | <u>Amendment to the Securities Purchase Agreement</u>   | <u>Settlement Agreement</u>  |
| 1      | Name(s) of parties with whom the agreement is entered.  | Varroc Engineering Ltd., India<br>VarrocCorp Holding B.V., The Netherlands and Compagnie Plastic Omnium Se, France  | Varroc Engineering Ltd. India, Valeo Vision S.A.S, France, Valeo S.E., France, Varroc Lighting Systems, s.r.o., Czech Republic and individual Directors. |
| 2      | Purpose of entering into the agreement.   | 1. Securities Purchase Agreement (“SPA”) – to divest its 4-wheeler Lighting systems business in the Americas and Europe<br><br>2. Amendment to Securities Purchase Agreement- to amend certain provisions of the SPA. | Out of Court settlement of IPR infringement litigation between the parties.  |
| 3      | Shareholding, if any, in the entity with whom the agreement is executed   | Nil   | Nil  |
| 4      | Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc. | by way of this amendment, Base Purchase Price for the said transaction has been reduced from €600,000,000 to €520,000,000.  | Settlement of IPR infringement litigation  |
| 5      | Whether the said parties are related to promoter/promoter group/ promoter group companies in any manner. If yes, nature of relationship.  | No  | No   |
| 6      | Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm’s length”  | No  | No   |
| 7      | In case of issuance of shares to the parties, details of issue price, class of shares issued  | No  | No   |

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|    |  |   |  |
|----|--|---|--|
| 8  | Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.   | No Potential Conflict of Interest arising out of this Agreement.  | No Potential Conflict of Interest arising out of this Agreement.   |
| 9  | In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s):<br><br>a) name of parties to the agreement;<br><br>b) nature of the agreement;<br><br>c) date of execution of the agreement;<br><br>d) details of amendment and impact thereof or reasons of termination and impact thereof. | Amendment of Agreement:<br><br>a. Name of Parties: Varroc Engineering Ltd., India VarrocCorp Holding B.V., The Netherlands and Compagnie Plastic Omnium Se, France<br><br>b. Nature of the agreement: Amendment to the Securities Purchase Agreement executed on April 29, 2022<br><br>c. Date of Execution: October 6, 2022<br><br>d. Details of amendment: Base Purchase Price for the said transaction has been reduced from €600,000,000 to €520,000,000. | N.A.   |
| 10 | Additional Details for Litigation(s) / dispute(s) / regulatory action(s) with impact   | NA  | 1. <u>Brief Details of Litigation</u> viz. name(s) of the opposing party, court/tribunal/agency where litigation is filed, brief details of dispute/litigation;<br>i. Valeo Vision S.A. (Valeo) filed lawsuits with German courts, asserting the infringement of the German parts of the certain European patents.<br>ii. Each lawsuits aims at obtaining injunction regarding lighting products and disclosure requirements regarding past sales.<br>iii. Despite the fact that the Company had also initiated nullity proceedings for the stated IPR held by Valeo, in the interest of achieving a clear transfer of the parameter entities for the sale of 4 wheeler lighting business, the Company had entered into a Settlement Agreement with Valeo.<br>iv. The agreement provides for a Settlement compensation for past and future license of the affected products.<br>v. Under the stated settlement, Varroc shall pay a compensation of 51.1 million Euro to Valeo. |

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|  |  |  |   |
|--|--|--|---|
|  |  |  | <p>2. The details of any change in the status and / or any development in relation to such proceedings; NA</p> <p>3. In the case of litigation against key management personnel or its promoter or ultimate person in control, regularly provide details of any change in the status and / or any development in relation to such proceedings: NA</p> <p>4. In the event of settlement of the proceedings, details of such settlement including - terms of the settlement, compensation/penalty paid (if any) and impact of such settlement on the financial position of the listed entity: Please refer point 1 above.</p> |
|--|--|--|---|

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## ANNEXURE II

### **Disclosure for the Sale or disposal of unit(s) and/or division(s) / and/or Undertaking(s) and/or subsidiary of the Company for point no 3 & 4 as mentioned above**

| S.N. | Particulars   | Details  |
|------|---|--|
| 1    | The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year i.e., 31st March 2022 | Total Revenue contributed by such unit or division of the Company during the last financial year i.e., 31st March 2022 (excluding VL Lighting Solutions Private Limited, Wholly Owned Subsidiary which is incorporated after the closure of last Financial Year) Amount: Rs. 127,876.48 Million, Percentage: 54% |
| 2    | Date on which the agreement for sale has been entered into  | Securities Purchase Agreement (the governing document) was entered on April 29, 2022 and amended subsequently on October 6, 2022 vide Amendment to Securities Purchase Agreement   |
| 3    | The expected date of completion of sale/disposal  | October 6, 2022 and afterwards as mutually agreed between the parties  |
| 4    | Consideration received from such sale/disposal  | € 520,000,000/- (Euro Five Hundred and Twenty Million)   |
| 5    | Brief details of buyers   | Compagnie Plastic Omnium SE of France & its Affiliate/Associate Companies and Subsidiaries. French automotive supplier specializing in the manufacturing and commercialization of plastics   |
| 6    | Whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof   | NA   |
| 7    | Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"  | No   |
| 8    | Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale                     | N.A.   |
| 9    | Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc.;   | As above   |
| 10   | Area of business of the entity(ies);  | Seller: Varroc Engineering Limited and its subsidiary VarrocCorp Holding B.V., The Netherlands<br>Buyer: Compagnie Plastic Omnium SE of France & its Affiliate/Associate Companies and Subsidiaries. French automotive supplier specializing in the manufacturing and commercialization of plastics              |
| 11   | Rationale for amalgamation/ merger  | The purpose of entering into the agreement is to divest Company's 4-wheeler Lighting business in the Americas and Europe and identified R&D Business in India. The divestments is effected through the sale of shares held by the Company's Wholly Owned subsidiaries in the Netherlands and India               |
| 12   | In case of cash consideration – amount or otherwise share exchange ratio;   | Please refer point no 4 above  |
| 13   | Brief details of change in shareholding pattern (if any) of listed entity   | Since this is sale of Business, there will be no consequent change in the shareholding of the Company  |