



Ref: ATULAUTO/SEs/Disclosure/Reg30/ApprovalToAcquire

October 30, 2020

To,
The Department of Corporate Services,
BSE Limited, Mumbai

To,
The Listing Compliance Dept.
National Stock Exchange of India Ltd, Mumbai

BSE Script Code: 531795

NSE Script Symbol: ATULAUTO

Dear Sir/ Madam,

**SUB: APPROVAL TO ACQUIRE EQUITY SHARES OF KHUSHBU AUTO FINANCE LIMITED WHEREBY
MAKING IT WHOLLY OWNED SUBSIDIARY**
REF: DISCLOSURE U/R 30 OF THE SEBI LISTING REGULATIONS 2015

Pursuant to regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Atul Auto Limited hereby informs the stock exchanges that the Board of Directors has at its meeting held on 30th October 2020 approved to acquire 70% of the equity share capital of Khushbu Auto Finance Limited ("KAFL") whereby making it Wholly Owned Subsidiary subject to required regulatory approval. Currently, the Company holds 30% of the equity share capital of KAFL.

Brief details about the approved acquisition, as required under SEBI Circular dated September 09, 2015 are given in the annexure.

Thanking you.

Yours faithfully,

For ATUL AUTO LIMITED,


(Paras J Viramgama)

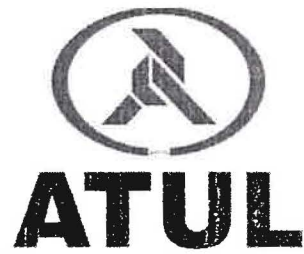
Company Secretary & Compliance Officer

ATUL AUTO LIMITED

(Corporate Identification Number: L54100GJ1986PLC016999)

Regd. Office & Factory: National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Rajkot – 360024 (Gujarat)

Phone: 02827 235500 Website: www.atulauto.co.in E-Mail: info@atulauto.co.in



Annexure

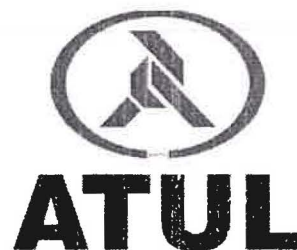
Sr. No.	Particulars	Disclosure
1	Name of the target entity, details in brief such as size, turnover etc.	<p>Khushbu Auto Finance Limited ("KAFL") (CIN: U74999GJ1994PLC022816)</p> <p>KAFL is Non-Banking Finance Company registered with Reserve Bank of India ("RBI"). KAFL is having networth of Rs.63.67 Crore as on March 31, 2020 and Turnover of Rs.32.65 Crore in FY 2019-20.</p>
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length"	<p>Yes, acquisition would fall within related party transaction(s) and the promoter and promoter group have interest in the entity being acquired.</p> <p>Out of total 2,75,80,000 equity shares of KAFL to be acquired, 2,01,43,965 equity shares would be acquired from the related parties which include Directors, their relatives, Promoter and members of the Promoter Group of the Company. The same is acquired at the fair value derived by Independent Registered Valuer hence at "arms length"</p>
3	Industry to which the entity being acquired belongs	Non-Banking Finance Sector
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	<p>The acquisition is made with an object to ensure the desired finance support to the retail customers of vehicles of the Company.</p> <p>With 100% control over KAFL, it will become a captive finance company. The sufficient availability of finance to the retail customers would give positive effect in sales of vehicles of the Company.</p>
5	Brief details of any governmental or regulatory approvals required for the acquisition	<p>KAFL, being a registered Non-Banking Finance Company, acquisition of balance 70% of its equity share capital requires prior approval of RBI in terms of para 3 of Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015.</p> <p>Thus, the acquisition will be made once KAFL gets approval from RBI.</p>

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6	Indicative time period for completion of the acquisition	Six Months, subject to time requires in taking approval of RBI.												
7	Nature of consideration - whether cash consideration or share swap and details of the same	Cash Consideration												
8	Cost of acquisition or the price at which the shares are acquired	Equity Shares of face value of Rs.10 per share will be acquired at Rs.16.16 per equity share with the total consideration amounting to Rs.44,56,92,800/-												
9	Percentage of shareholding / control acquired and / or number of shares acquired	<p>The Company presently holds 1,18,20,000 (30%) equity shares of KAFL.</p> <p>The Company would acquire remaining 2,75,80,000 (70%) equity shares of KAFL.</p> <p>After the acquisition, 100% shares would be held by the Company.</p>												
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief)	<p>Khushbu Auto Finance Limited was incorporated as Private Limited Company on August 19, 1994. It was subsequently converted to Public Limited Company vide fresh Certificate of Incorporation issued on conversion by Registrar Of Companies on March 26, 2003. KAFL has obtained Certificate of Registration as Non-Banking Finance Company from Reserve Bank of India vide certificate no. 01.00311 dated August 19, 1999 and classified as Asset Finance Company (Reclassified as Investment and Credit Company).</p> <p>The Company is engaged mainly in the business of financing of three-wheeler automobiles. KAFL has business presence in the state of Gujarat, Haryana, Andhra Pradesh, Kerala and Karnataka.</p> <p>The turnover and Asset under Management (AUM) of KAFL for last three years are as under:</p> <table border="1" data-bbox="765 1704 1376 1915"> <thead> <tr> <th>Financial Year</th> <th>Turnover (Rs. In Lacs)</th> <th>AUM (Rs. In Lacs)</th> </tr> </thead> <tbody> <tr> <td>2019-20</td> <td>3264.65</td> <td>14686.12</td> </tr> <tr> <td>2018-19</td> <td>3097.56</td> <td>13979.83</td> </tr> <tr> <td>2017-18</td> <td>1533.32</td> <td>11470.47</td> </tr> </tbody> </table>	Financial Year	Turnover (Rs. In Lacs)	AUM (Rs. In Lacs)	2019-20	3264.65	14686.12	2018-19	3097.56	13979.83	2017-18	1533.32	11470.47
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