



SM Auto Stamping Limited



Manufacturers of sheet metal pressed components & welded assemblies for Automobile & Electrical OEMs.

GSTIN. : 27AAKCS1177K1ZX

CIN NO. : U27109MH2006PLC163789

To,
BSE Limited
PhirozeJeejeebhoy Towers
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CIN: L67120MH2005PLC155188
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Date: 03rd November, 2020.

BSE Symbol: SMAUTO

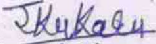
Sub: Press Release.

Dear Sir/Madam,

Please find attached herewith Press Release issued by the Company with respect to investments to be made by the Company for your reference.

Kindly take the same on your record and acknowledge.

Yours Faithfully,
For SM AUTO STAMPING LIMITED


Jayesh Sharad Kulkarni,
Company Secretary
Membership No. A41419

Registered Office : J-41, MIDC Ambad, Nashik - 422010, Maharashtra, INDIA
Telephone : +91-253-6621106/07.
II Plant : C-13, MIDC Ambad, Nashik - 422010, Maharashtra, INDIA
Telephone : +91-253-6621102, 6621103, 6621104, 6601444.
Sinnar Plant : B-198, MIDC, Malegaon, Sinnar, Nashik - 422113. Maharashtra, INDIA
Telephone : +91-253-230009.
Website : www.smautostamping.com **email** : sales@smautostamping.com



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**Press Release
For Immediate Dissemination**

**Date: 03.11.2020
Place: Nashik**

SM Auto Stamping Limited is pleased to inform you that the Board of Directors of the Company in their meeting held on 02nd November, 2020 has approved for making investment of funds of the Company in following entities.

1. Suvidh Engineering Industries (a Registered Partnership Firm).

a) Brief History:

M/s Suvidh Engineering Industries is a Partnership Firm incorporated in August 2012 with Registration No. MA 38187 to Registrar of Firms.

Mr. Vikas Annasaheb Chavan and Mrs. Ankita Vikas Chavan are the existing partners in this firm since incorporation. The Registered Office of the firm and factory are located at Plot No. J-13, M.I.D.C. Ambad, Nashik, Maharashtra – 422010. The firm is engaged in the activity of manufacturing of Automobile Components like Precision Sheet Metal Fabrication, Industrial Sheet Metal Fabrication, Heavy Stainless Steel Sheet Metal Fabrication to name a few. Suvidh Engineering Industries is having vendor registration of well known Automobile Company viz. Mahindra & Mahindra Limited through Vendor Code DS-185.

b) Purchase Consideration:

Total Purchase Consideration for the movable and immovable Fixed Assets of the firm along with the intangible assets in the form of Vendorship of Mahindra & Mahindra Ltd. with a track record of about 25 years, is agreed at Rs. 871.00 lakhs. Out of this actual amount to be paid for acquiring the right in share of partnership shall be Rs. 200.00 lakhs and the outstanding amount of loans (Rs. 671.00 lakhs) will be continued as it is with the repayment schedules defined by the Bank / Financial Institution of the firm.

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Website : www.smautostamping.com **email** : sales@smautostamping.com

c) Capital Structure :

It is proposed that SM Auto Stamping Limited and the individual Directors of SM Group will become the new partners in Suvindh Engineering Industries and the existing partners will retire. The capital structure shall be as follows:

SM Auto Stamping Limited – 97%
Mukund Narayan Kulkarni – 02%
Jayant Suresh Fegde – 01%

With this acquisition SM Group will get a major breakthrough by becoming Tier-I vendor of Mahindra & Mahindra Group. Besides additional margins in the range of 10 to 15% as compared to our present profitability, we will also get access to the manufacturing plants of Mahindra & Mahindra Ltd. all over India and also to their other group entities related to the after sales market across the country.

d) The audit committee has recommended and approved the proposal for making investment and Board of directors in their meeting held on 2nd November 2020 has passed resolution under Section 179 (3)(e) read with Section 186 of the Act for making investment in Suvindh Engineering Industries (a Partnership Firm) as per terms and conditions agreed between the parties.

2. Trinity Steel Profiles Private Limited (a Private Limited Company).

a) Brief History of Company

M/s Trinity Steel Profiles Private Limited is an unlisted company registered with Registrar of Companies (ROC) with CIN U27300MH1996PTC096039.

M/s Trinity Steel Profile Private Limited is a sister concern of M/s Suvindh Engineering Industries and its activities are supplementary to that of the said partnership firm. The activity carried out by the Company is powder coating. Company is doing purely Job Work and no other major activity is carried out in the Company.

Mr. Vikas Annasaheb Chavan and Mrs. Ankita Vikas Chavan are the Directors in the said Company.

b) Purchase Consideration:



Total Purchase Consideration for the movable and immovable Fixed Assets of the company is agreed at Rs. 135.00 lakhs.

c) Capital Structure :

It is proposed that SM Auto Stamping Limited and the individual Directors of SM Group will become the new Share Holders and Directors in Trinity Steel Profiles Private Limited.

The capital structure shall be as follows:

SM Auto Stamping Limited – 49%

Mukund Narayan Kulkarni – 17%

Alka Mukund Kulkarni – 17%

Reshma Jayant Fegde – 17%

d) The audit committee has recommended and approved the proposal for making investment and Board of directors in their meeting held on 2nd November 2020 has passed resolution under Section 179 (3)(e) read with Section 186 of the Act for making investment in Trinity Steel Profiles Private Limited as per terms and conditions agreed between the parties.

Rational behind the acquisitions :

1. Expansion of business of the Company by Acquisition of existing Facilities, Assets, Customers, Contacts, and Market Goodwill of both the entities (Suvidh Engineering Industries and Trinity Steel Profiles Private Limited).
2. Attainment of Inorganic growth resulting in saving of time and cost required for the development of the business organically.
3. There is no such threat of dilution of ownership and control as Company is Public Limited, Listed Company.

About SM AUTO:

SM Auto Stamping Limited was incorporated in 2006, we are one of the auto-component manufacturers located in Nashik catering to the sheet metal components and sub-assemblies requirements of automobile parts/equipment manufacturers. Our range of product primarily covers sheet metal pressed components for clutches, brakes, engine mountings, chassis, shaft drive, body trims, bearings etc. which are used in passenger cars, commercial vehicles and tractors. Our products such as deep drawn components and control panel components also find application in electrical equipments industry.



The acquisition will lead to addition of business activity which can be easily and effectively combined with existing activity of the company without any change of object process.

Disclaimer:

Statements in this Document describing the Company's objectives, projections, estimates, expectations, plans or predictions or industry conditions or events may be "forward looking statements" within the interpretations of applicable securities laws and regulations. Actual results, performance or achievements could differ materially from those expressed or implied. The Company undertakes no obligation to update or revise forward looking statements to reflect developments or circumstances that arise or to reflect the occurrence of unanticipated developments or circumstances after the date hereof.

