

LATL:CS:REG.30:2019-20

Date: 24.02.2020

BSE Limited
Listing Compliance Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

The National Stock Exchange of India Limited
Listing Compliance Department
Exchange Plaza, C-1 Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400051

Company Code : 532796**Company Code: LUMAXTECH**

Subject: Intimation of approval from Board of Directors for acquisition of automotive roto moulded plastic Auto Component Business of OK Play Group comprising of OK Play India Limited and OK Play Auto Private Limited by way of slump sale arrangement

Ref: Disclosure under Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Dear Sir(s)/Ma'am,

With reference to the above mentioned subject and pursuant to Part A of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held on February 24, 2020 have approved the acquisition of roto moulded plastic Auto Component Business of OK Play Group.

OK Play Group comprises of OK Play India Limited and its wholly owned subsidiary viz. OK Play Auto Private Limited. The Group is engaged in manufacture and sale of roto moulded automotive plastic components, plastic molded toys, playground equipment, plastic children's furniture and E-vehicles in India.

The requisite details are attached as Annexure 1 to this letter.

Kindly take this information in your records and oblige.

Thanking you,

Yours faithfully,

For LUMAX AUTO TECHNOLOGIES LIMITED


ANIL TYAGI
COMPANY SECRETARY
M.NO. A-16825



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Information required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

S#	Particulars	Details
a.	Name of the target entity, details in brief such as size, turnover etc.;	<p>Automotive roto moulded plastic component business of OK Play India Limited ("OKPI") and OK Play Auto Private Limited ("OKPA") ("Auto Component Business")</p> <p>Auto Component Business means design, development, manufacture and sale of roto moulded automotive products including plastic fuel tanks, various kinds of combination tanks, fenders, dashboard, bus seats, plastic roofs, interior compartment, panels for commercial vehicles, tractors and off-road vehicles and such other roto moulded automotive product components as housed and being carried out by OKPI and OKPA respectively.</p> <p><u>Revenue and EBITDA for Auto Component Business:</u></p> <p>Revenue FY19 ~INR 1,258 million EBITDA FY19 ~INR 383 million</p>
b.	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";	No, Not a related party transaction
c.	Industry to which the entity being acquired belongs;	Automotive roto moulded plastic components
d.	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);	The acquisition will provide Lumax Auto Technologies Limited ("LATL") access to latest roto molding technologies and will enable LATL to exploit fast-emerging growth opportunities in the automotive roto moulded plastic fuel tanks market for commercial vehicles, tractors and off-road vehicles in view of changing regulatory environment.
e.	Brief details of any governmental or regulatory approvals required for the acquisition;	None
f.	Indicative time period for completion of the acquisition;	Intended execution of definitive agreements and closure of the deal by March 31, 2020.



S#	Particulars	Details
g.	Nature of consideration - whether cash consideration or share swap and details of the same;	Consideration to be paid in cash.
h.	Cost of acquisition or the price at which the shares are acquired;	<p>OKPI and OKPA shall transfer their respective automotive roto moulded plastic component businesses to LATL, by way of slump sale on a going-concern basis, for which the consideration shall be discharged in following tranches:</p> <p>Initial Purchase Consideration - Enterprise value based on EBITDA multiple of 5.67 times, to be applied on 3 years average EBITDA of FY18, FY19 and FY20 of the Auto Component Business. 90% of such value to be paid upfront on transaction closing, subject to adjustments.</p> <p>In addition, LATL to provide a loan of INR 200 million to OKPI on closing, at simple interest of 12% per annum, to be repaid by OKPI along with interest, by July 25, 2023. Loan to be secured against Balance Purchase Consideration mentioned below.</p> <p>Initial Purchase Consideration shall stand adjusted based on ratchet structure (both upward and downward) linked to achievement of revenue and profitability growth for the Auto Component Business till March 31, 2023.</p> <p>Balance Purchase Consideration - Balance 10% consideration to be computed and paid based on 6 times of FY23 EBITDA of the Auto Component Business. The Balance purchase consideration will be paid by July 31, 2023, subject to certain adjustments in accordance with Definitive Agreements to be entered into by the Company</p> <p>Mr. Rajan Handa (Promoter and Managing Director of OKPI) will extend necessary support to LATL for the Auto Component Business. The terms and conditions of such arrangement to be agreed as part of Definitive Agreements.</p>
i.	Percentage of shareholding / control acquired and / or number of shares acquired;	Refer (h) above
j.	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	Based out of New Delhi, OK Play Group is engaged in manufacture and sale of automotive roto moulded plastic components, plastic molded toys, playground equipment, plastic children's furniture and E-vehicles in India.



S#	Particulars	Details
	acquired entity has presence and any other significant information (in brief);	<p>OKPI is an Indian listed entity and was incorporated in 1988. OKPA came into existence in 2009 and is a wholly owned subsidiary of OKPI.</p> <p><u>Revenue and EBITDA for the Auto Component Business is as below:</u></p> <p>Revenue FY17 ~INR 492 million EBITDA FY17 ~INR 96 million</p> <p>Revenue FY18 ~INR 1,096 million EBITDA FY18 ~INR 341 million</p> <p>Revenue FY19 ~INR 1,258 million EBITDA FY19 ~INR 383 million</p>

For LUMAX AUTO TECHNOLOGIES LIMITED

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COMPANY SECRETARY
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