



September 02, 2021

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: ACQUISITION OF 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 and with reference to our earlier disclosures vide letter dated October 30, 2020 and July 30, 2021, Atul Auto Limited ("the Company") hereby informs the stock exchanges that the Company has completed the acquisition of 70% equity share capital of Khushbu Auto Finance Limited ("KAFL") whereby making it Wholly Owned Subsidiary on September 01, 2021. Before the acquisition, the Company was holding 30% equity share capital of KAFL.



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

Further, the Trading Window for dealing in securities of the Company by Designated Persons shall open after forty eight hours from the date of acquisition of shares of Khushbu Auto Finance Limited.

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.	Khushbu Auto Finance Limited ("KAFL") (CIN: U74999GJ1994PLC022816) KAFL is Non-Banking Finance Company registered with Reserve Bank of India ("RBI"). KAFL is having networth of Rs.68.96 Crore as on March 31, 2021 and Turnover of Rs.33.80 Crore in FY 2020-21.
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"	Yes, acquisition would fall within related party transaction(s) and the promoter and promoter group have interest in the entity being acquired. 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"
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)	The acquisition is made with an object to ensure the desired finance support to the retail customers of vehicles of the Company. 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.
5	Brief details of any governmental or regulatory approvals required for the acquisition	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. The said approval of RBI is received vide its letter dated July 29, 2021 which was updated to the stock exchanges on July 30, 2021. The thirty days prior public notice in newspaper was published on July 31,

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		2021 as required by the above mentioned RBI Directions.												
6	Indicative time period for completion of the acquisition	Not Applicable												
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 has been 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	Before the acquisition, the Company was holding 1,18,20,000 (30%) equity shares of KAFL. The Company has now acquired remaining 2,75,80,000 (70%) equity shares of KAFL. After this acquisition, 100% shares are held by the Company.												
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="778 1704 1401 1906"> <thead> <tr> <th>Financial Year</th> <th>Turnover (Rs. In Lacs)</th> <th>AUM (Rs. In Lacs)</th> </tr> </thead> <tbody> <tr> <td>2020-21</td> <td>3380</td> <td>15293</td> </tr> <tr> <td>2019-20</td> <td>3265</td> <td>14686</td> </tr> <tr> <td>2018-19</td> <td>3098</td> <td>13980</td> </tr> </tbody> </table>	Financial Year	Turnover (Rs. In Lacs)	AUM (Rs. In Lacs)	2020-21	3380	15293	2019-20	3265	14686	2018-19	3098	13980
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