



ATUL LTD

310-B, Veer Savarkar Marg, Mumbai 400028, Maharashtra, India
Telephone: (+91 22) 39876000 Telefax: (+91 22) 24376061
Email: atul_mum@atul.co.in Website: www.atul.co.in

SEC:A:1

December 5, 2014

To:

The Company Secretary
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

bse.listing@bseindia.com

Telefax (022) 22722082 | 22723132

corp.relations@bseindia.com

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

cmlist@nse.co.in

**Telefax (022) 26598237 | 26598238 |
26598120**

Outcome of the Board Meeting- Merger of Amal Ltd with Atul Ltd

Dear Sir,

- 1) Amal Ltd is a listed company at Ahmedabad Stock Exchange and Bombay Stock Exchange. Atul Ltd is a listed company at Bombay Stock Exchange and National Stock Exchange.
- 2) Amal Ltd is an Associate company of Atul Ltd. Atul Ltd and its wholly-owned subsidiary company, Atul Trading Corporation Ltd (formerly Ameer Trading Corporation Ltd) are promoters of Amal Ltd and hold 36.74% paid-up capital of Amal Ltd. Further, the promoters of Atul Ltd hold 15.34% of the paid-up equity capital of Amal Ltd.
- 3) Amal Ltd is a sick company and registered with the Board for Industrial and Financial Reconstruction (the BIFR) for revival. Amal Ltd does not have any secured creditors other than Atul Ltd. Amal Ltd mainly manufactures Sulphuric acid and downstream products. The BIFR directed for submitting Draft scheme of merger of Amal Ltd with Atul Ltd.
- 4) Accordingly, the Board of Directors of the Company in the meeting held today, based on the recommendation of the Audit Committee, approved the Draft scheme of merger of Amal Ltd with Atul Ltd for submission to the BIFR.

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- 5) The salient features of the merger are as under:
- a) The entire undertaking of Amal Ltd together with all assets and liabilities will be transferred to Atul Ltd as a going concern.
 - b) The unabsorbed depreciation of Rs 28.21 crore and carried forward loss of Rs 15.93 crore of Amal Ltd will be deemed to be the allowance for unabsorbed depreciation and loss respectively of Atul Ltd for tax purpose for the financial year 2014-15.
 - c) Valuation was carried out by Deloitte Haskins & Sells, Chartered Accountants, which has recommended for exchange ratio of shares- **fifty** fully paid up equity shares (of face value Rs 10 each) held in Amal Ltd will be entitled to **one** fully paid up equity share (of face value Rs 10 each) of Atul Ltd. With this exchange ratio, the paid-up equity share capital of Atul Ltd will increase from Rs 29.68 crore to Rs 29.81 crore and the holding of promoters of Atul Ltd in the merged entity (Atul Ltd) will go down from 50.66 % to 50.63%
 - d) Fairness opinion has been given by SBI Capital Markets Ltd
 - e) Subject to all requisite approvals, the merger will be effective from April 01, 2014
 - f) Currently 80% of the products of Amal Ltd are being purchased by Atul Ltd. Thus the merger will give benefit of synergy between both the companies
 - g) Upon the scheme coming into effect, Amal Ltd will be dissolved without being wound up

This is for information of the members.

Thank you,

Yours faithfully,
For ATUL LIMITED

Lalit Patni
Company Secretary and
Chief Compliance Officer

