SETCO AUTOMOTIVE LTD
LIPE CLUTCH

August 31, 2021

To,

BSE Limited, **Dept. of Corporate Services,** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 **Company Code: 505075**	**National Stock Exchange of India Ltd,** **Listing Department** Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400051 **Scrip Symbol: SETCO**

Dear Sirs,

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Part A of Schedule III of Listing Regulations and our earlier letter dated April 26, 2021, we wish to inform you that in furtherance of the resolutions passed by the Board of Directors on April 26, 2021 and approved by the shareholders of the Company on May 22, 2021 and June 29, 2021 the Company has entered into a Business Transfer Agreement dated August 31, 2021 with its subsidiary, Setco Auto Systems Private Limited, a Wholly Owned subsidiary of the Company for sale, transfer and disposal of the Company's Clutch Business together with the use of all the licences, permits, consents and approvals whatsoever, and all related assets (moveable and immovable, tangible and intangible) and identified liabilities, contracts and employees, as a going concern on slump sale basis, for a lump sum consideration Rs. 5,00,000 (Rupees Five Lakh only). The details in respect of the transaction are set out in Annexure A.

Details as required under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015, are mentioned below:

ANNEXURE A: SALE OF AN UNDERTAKING

PARTICULARS	DETAILS
The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	Turnover of Clutch Business for financial year ended March 31, 2021 was Rs. 31,406.46 lakhs and Net worth of Company as on 31st March 2021 is Rs. 12,613.70 Lakhs
Date on which the agreement for sale has been entered into	The Company has entered into a Business Transfer Agreement dated August 31, 2021 with its subsidiary, Setco Auto Systems Private Limited, a Wholly Owned subsidiary of the Company
The expected date of completion of sale/ disposal	The closure of transaction is subject to satisfactory completion of the conditions precedent (including receipt of shareholders, lenders and other necessary approvals required for Slump Sale) by the parties and in accordance with the other provisions of BTA.
Consideration received from such sale/ disposal	The net worth of the business undertaking pertaining to Clutch Business to be transferred by way of slump sale to SASPL would be in negative and therefore the consideration for the said slump sale is consummated at a nominal consideration aggregating to Rs. 500,000 (Rupees Five Lakh only).

Brief details of the buyers and whether any of the buyers belong to the promoter/ promoter group/ group companies. If yes, details thereof.	Setco Auto Systems Private Limited ("**SASPL**"), a company incorporated under the Companies Act, 1956, is a wholly-owned subsidiary of the Company.
Whether the transaction would fall within related party transactions. If yes, whether the same is done at "arm's length"	Yes, the transaction would be a related party transaction and shall be consummated on an arm's length basis. All requisite approvals including that of the Board of Directors and the shareholders of the Company under Section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable laws and regulations has been or shall be obtained by the Company in respect of the said transaction.
Name of the entity forming part of slump sale, details in brief such as size, turnover, etc.	The Clutch Business pertains to the business of auto parts & equipment, more particularly manufacturing of clutches. It includes: (i) factory located at Vadodara - Godhra Highway, Kalol, Dist. Panchmahal - 389 330, Gujarat – India along with all plant and machinery and right, title and interest in the immovable property; (ii) the factory located at Plot No. 196/A Phase 1, Eldeco Sidcul Industrial Park (E.S.I.P), Village Lalarpatti, P.O. Sia Camp, Udham Singh Nagar, Uttarakhand – 262 403 along with all plant and machinery and right and interest in the immovable property. Turnover and other details for FY 2020-21 from and with respect to Clutch Business Rs. 31,406.46 lakhs and EBIDTA is INR 8.95 Crores
Area of business of the entity(ies)	Manufacturing of auto parts & equipments, more particularly clutches for the medium and heavy commercial vehicles and farm tractors and sale of such products throughout India primarily and also some of the export markets.
Rationale of the proposed Slump sale	To streamline and restructure the business in order to unlock value for the clutch manufacturing business and to create better opportunities for fund raising both in terms of equity as well as debt financing for the future growth and expansion of such business.
In case of cash consideration amount or otherwise share exchange ratio	Nominal consideration aggregating to Rs. 500,000 (Rupees Five Lakh only).
Brief details of change in the shareholding pattern (if any) of the listed entity.	No change in shareholding pattern of the Company on account of the proposed transaction.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,
For Setco Automotive Limited

Hiren Vala
Company Secretary