

# AI CHAMPDANY INDUSTRIES LIMITED

(A TRADING HOUSE, recognised by Govt. of India) (Established in 1873)  
Pioneer Weaves & Spinners of Natural & Synthetic blended Fabrics & Yarns  
CIN : L51909WB1917PLC002767

REGD. OFFICE :  
25, PRINCEP STREET,  
KOLKATA - 700 072, INDIA  
Phone : 91 (33) 2237-7880-85  
Fax : 91 (33) 2225 0221 /  
2236 3754

G.P.O. Box No. 543,  
Kolkata-700001  
E-mail : cil@ho.champdany.co.in  
Web : www.jute-world.com



Date: 31.01.2019

To,  
The Manager  
Department of Corporate Services,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
**Mumbai- 400 001**  
Maharashtra, India,

Script Code: 532806

**Subject: Intimation under Regulation 30 of SEBI (LODR) Regulations, 2015 – Termination of Memorandum of Understanding between AI Champdany Industries Limited and Complement Blends Private Limited dated November 5, 2018 (“MoU”)**

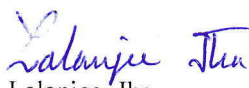
Dear Sir/Madam,

This has reference to our letter dated 06.11.2018, under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, intimating you about the memorandum of understanding dated November 5, 2018 (“MoU”) entered into by us with Complement Blends Private Limited for sale of the Wellington Unit of the Company. A copy of such intimation letter is attached for ease of reference. The MoU now ceases to have effect and stands terminated. Further details regarding the termination of the MoU are provided below:

SNO.	PARTICULARS	DESCRIPTIONS
1.	Name(s) of parties with whom the agreement is entered	Complement Blends Private Limited
2.	Purpose of entering into the agreement	Memorandum of Understanding was entered into for the purpose of sale of the Wellington Jute Mill of the Company.
3.	Size of the Agreement	62,51,00,000/- (Rupees Sixty Two Crores Fifty One Lakhs)
4.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship:	No
5.	Whether the transaction would fall within related party transaction? If yes, whether the same is done at “arms length”	The transaction does not fall within related parties.

SNO.	PARTICULARS	DESCRIPTIONS
6.	Details of termination and impact thereof	<p><u>Reason of termination</u></p> <p>The MoU contemplated that Complement Blends Private Limited shall pay an earnest money deposit of Rs. 6,25,10,000 (Rupees Six Crore Twenty Five Lakhs Ten Thousand Only) to AI Champdany Industries Limited (“<b>Company</b>”). A sum of Rs. 1,00,00,000 (Rupees One Crore) was paid by Complement Blends Private Limited at the time of execution of the MoU. Pursuant to paragraph 3 of the MoU, the balance amount was required to be paid within 21 (Twenty One) days from the date of execution of the MoU or completion of diligence, whichever is earlier. Almost two months has expired since the execution of the MoU, but the balance amount of Rs. 5,25,10,000 (Rupees Five Crore Twenty Five Lakhs Ten Thousand Only) has not been paid by Complement Blends Private Limited.</p> <p>Paragraph 39 of the MoU provides that the terms of this MOU shall not be binding on the Seller unless the earnest money deposit has been received and realized by the Seller from the Buyer within 21 days from the date of the MoU.</p> <p>As mentioned above, the Company has not received the earnest money deposit within the aforesaid timeline, hence the MoU stands terminated and the same is not binding on the Company. The Company has written a letter on 29.01.2019 (copy enclosed) to Complement Blends Private Limited, intimating them about the cessation of the MoU. Pursuant to the said letter the Company has also refunded the sum of Rs. 1,00,00,000 (Rupees one crore) received from Complement Blends Private Limited pursuant to the termination.</p> <p>There is no significant impact on termination, other than what has been stated.</p>

Yours faithfully,  
For **AI Champdany Industries Limited**

  
Lalanjee Jha  
Chief Financial Officer

Encl:A/a

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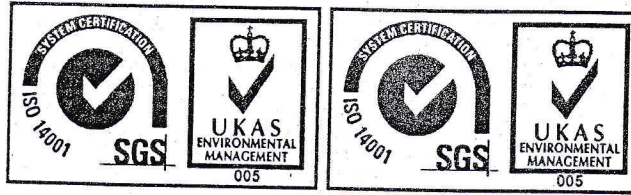
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29 01 19

**Complement Blends Private Limited**  
**1010, Maker Chamber V**  
**Nariman Point**  
**Mumbai-400 021**

**Kind Attn: Mr Arun Dalmia**

**Re: Memorandum of understanding dated November 5, 2018 ("MoU")**

Dear Mr Dalmia,

This has reference to the MoU for purchase of the Wellington Jute Mill, Wellington Yarn Unit and Wellington Weaving Unit (as detailed in the MoU and herein after referred to as the "Mill") by Complement Blends Private Limited ("Buyer") for a consideration of Rs. 62,51,00,000 (Rupees. Sixty two crore fifty one lacs).

The MoU contemplated that the Buyer shall pay an earnest money deposit of Rs. 6,25,10,000 (Rupees. Six crore twenty five lacs ten thousand) to the Seller i.e. AI Champdany Industries Limited. A sum of Rs. 1,00,00,000 (Rupees. One crore) had been paid at the time of execution of the MoU. Pursuant to paragraph 3 of the MoU, the balance amount was required to be paid within 21 (twenty one) days from the date of execution of the MoU or completion of diligence, whichever is earlier. Although nearly two months have expired since the execution of MoU, you have still not made payment of the balance earnest money of Rs. 5,25,10,000 (Rupees. Five crore twenty five lacs ten thousand). Please note that in terms of paragraph 39 of the MoU, the MoU is not binding on the Seller if it has not received the earnest money deposit in the manner provided in the MoU, the MoU is not binding on the Seller if it has not received money deposit in the manner provided in the MoU. Since you have failed to pay the earnest money deposit within 21 (twenty one) days from the date of the MoU, we are not bound by the provisions of the MoU.

Consequent to your failure to pay the entire money deposit, the MoU has become a nullity and ceases to have any effect and we are absolved of any obligations/liabilities under the MoU and from the date hereof.

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:2:

We hereby return the sum of Rs. 1,00,00,000 (Rupees One crore) paid by you towards earnest money deposit vide cheque no. 129389 dated 29 01 2019 drawn on Bank of Maharashtra, N.S.Road, Kolkata. Please acknowledge receipt.

Yours sincerely,  
For AI Champdany Industries Limited

  
(Nirmal Pujara)  
Managing Director

Copy to: Complement Blends Private Limited  
C-1149, Kh.No. 78/10C-114 Kh No.  
78/10 Swarn Parka, Mundka  
New Delhi, North East 110065

Complement Blends Private Limited  
A-182, New Friends Colony,  
New Delhi-110 065

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Date: 06.11.2018

To  
The Manager  
Department of Corporate Services  
BSE Limited  
PhirozeJeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.  
Maharashtra, India.  
Scrip Code : 532806

**Sub:** Memorandum of Understanding for the Sale and Disposal of Wellington Jute Mill, Wellington Yarn Unit and Wellington Weaving Unit all located in same place situated and lying within Mouzas Mahesh and Rishra in Rishra Municipality in the State of West Bengal on a slump sale basis.

Dear Sir,

We would like to inform that AI Champdany Industries Limited has on 05.11.2018 executed a Memorandum of Understanding (MOU) with Complement Blends Private Limited for the sale and disposal of the Wellington Jute Mill, Wellington Yarn Unit and the Wellington Weaving Unit all located in same place situated and lying within Mouzas Mahesh and Rishra in Rishra Municipality in the state of West Bengal on a slump sale basis, subject to the approval of shareholders under Section 180 (1)(a) of the Companies Act, 2013 and consent of the lenders and regulatory approval / compliance as may be required in the matter.

The details of transaction / buyer are as under:

1. The MOU has been executed on 05.11.2018.
2. The expected date of completion of sale / disposal is 04.02.2019.
3. Consideration for the proposed sale as per MOU is Rs.62.51 Crores. Rs.1.00 Crore has been received as earnest money deposit on execution of the MOU. The balance amount will be received in phases / completion of sale as per MOU.
4. The detail of the buyer is Complement Blends Private Limited, CIN U15490DL201PTC323323, PAN AAHCC1828J, having its registered office at C-1149, Kh. No.-78/10-C-114-Kh No. 78/10, Swarn Park, Mundka, New Delhi, North East, Delhi, India 110041. The Buyer does not belong to the Promoter Group.
5. The transaction will not fall within the category of the related party transaction.
6. Area of the business of the entities is Manufacturing.
7. Rationale for the slump sale :- 'The Mill is primarily in export of Jute products. Due to loss of export markets and expectation of further losses in the future, the decision has been taken to sell the Mill on a slump sale basis to save company from further losses.

This is for your kind information and records.

Thanking you,

Yours faithfully,

For AI Champdany Industries Limited

*B.K. Chowdhury*  
B.K. Chowdhury  
Company Secretary