



GINNI FILAMENTS LIMITED

CIN : L71200UP1982PLC012550

CORPORATE OFFICE: D-196, SECTOR-63, NOIDA-201 307, INDIA

Ph : + 91-120-4058400 (30 LINES)

Email:secretarial@ginnifilaments.com, Website : www.ginnifilaments.com

January 24, 2024

National Stock Exchange of India td. Exchange Plaza, 5 th Floor, Bandra Kurla Complex, Bandra (East) MUMBAI – 400 051	BSE Limited Phiroze JeeJeeBhoy Towers, Dalal Street, MUMBAI – 400 051
SCRIP CODE: GINNIFILA	SCRIP CODE: 590025

Subject: Signing of Business Transfer Agreement between Ginni Filaments Limited and RSWM Limited for slump sale of Spinning, Knitting and Processing Undertaking

Dear Sir,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we wish to inform that, the Business Transfer Agreement (BTA) has been signed with **RSWM Limited** to transfer the Spinning, Knitting and Processing undertaking of the Company on a slump sale basis as a going concern.

The relevant information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, has been intimated to stock Exchanges on dated 1st December 2023 and further enclosed herewith for reference as “**Annexure-A**”.

You are requested to kindly take the above information on records.

Thanking you,

Yours Faithfully,

for GINNI FILAMENTS LTD.

Digitally signed by
SURESH SINGHVI
Date: 2024.01.24
17:22:42 +05'30'

SURESH SINGHVI
DIRECTOR FINANCE

Encl. : As above



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Annexure-A

Disclosure of information pursuant to Regulation 30 of the SEBI Listing Regulations read with SEBI circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023.

Sr. No.	Particulars	Description															
1	Business division being divested through slump sale	Spinning, Knitting and Processing undertaking situated at 110, KM Stone, Delhi Mathura Road, Chhata - 281401, District - Mathura (U.P.)															
2	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	The financial details based on 31 st March, 2023 is mentioned below: (Amount Rs. Crores) <table border="1"><thead><tr><th>Particulars</th><th>Operation Turnover</th><th>%</th><th>Net Worth</th><th>%</th></tr></thead><tbody><tr><td>Company – Consolidated</td><td>956.82</td><td>100</td><td>278.89</td><td>100</td></tr><tr><td>Spinning, Knitting & Processing undertaking</td><td>631.20</td><td>65.97</td><td>126.50</td><td>45.36</td></tr></tbody></table>	Particulars	Operation Turnover	%	Net Worth	%	Company – Consolidated	956.82	100	278.89	100	Spinning, Knitting & Processing undertaking	631.20	65.97	126.50	45.36
Particulars	Operation Turnover	%	Net Worth	%													
Company – Consolidated	956.82	100	278.89	100													
Spinning, Knitting & Processing undertaking	631.20	65.97	126.50	45.36													
3	Date on which the agreement for sale has been entered into	The Company has entered into a Binding Term Sheet with RSWM Limited on 1 December 2023. The proposed completion of the transaction is subject to execution of definitive agreements which <i>inter-alia</i> include Business Transfer Agreement, completion of conditions precedent and other closing conditions.															
4	The expected date of completion of sale/disposal	Transfer of the Spinning, Knitting and Processing undertaking on slump sale basis to RSWM Limited is expected to be completed within 90 Days after Term Sheet execution, subject to completion of conditions precedent and other closing conditions including approvals, as may be specified in the Business Transfer Agreement to be executed between the Company and RSWM Limited.															
5	Consideration received/to be received from such sale/disposal	A lump sum consideration of Rs. 160 crores is to be received by the Company, subject to the necessary adjustments as may be specified in the Business Transfer Agreement.															
6	Brief details of buyers and	RSWM Ltd is a company engaged in business of Textile, which inter alia include manufacturing of yarn & fabric (including knits).															

REGD. OFFICE & MILLS : 110 K.M. Stone, Delhi-Mathura Road, Chhata-281401, Distt: Mathura (U.P), INDIA

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	whether any of the buyers belong to the promoter / promoter group/group companies. If yes, details thereof	RSWM Ltd, the buyer, does not belong to the promoter / promoter group/ group company of the company.
7	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length"?	No
8	Whether the sale, lease or disposal of the undertaking is outside Scheme of Arrangement? If yes, details of the same including compliance with regulation 37A of LODR Regulations.	<p>Yes, the slump sale has being facilitated through a binging Term Sheet executed on 1st December 2023. Subsequently, a Business Transfer Agreement will be formalized between the company and RSWM Limited.</p> <p>Furthermore, the Spinning, Knitting, and Processing undertaking meet the threshold criteria of an 'Undertaking' as defined under Section 180(1)(a) of the Companies Act, 2013. Consequently, compliance with the provisions of Section 37A of LODR Regulations will be duly adhered to.</p>
9	Rationale for the slump sale	<p>The Spinning, Knitting and processing undertaking is suffering huge cash losses continuously from quarters June'2022 onwards. The reasons for the same has been global slowdown of demand due to Covid-19 and continued adverse global geo-political situation. Particularly, major consumer countries for clothing viz. USA and Europe are facing economic slow down and as a result the demand of clothing has suffered severely. Besides duty free access to countries like Vietnam and Bangladesh is also putting pressure on prices in India. Domestic demand of clothing is also not encouraging due to high inflation in food prices and change of spending pattern.</p> <p>This situation of said undertaking is not likely to improve substantially in near future as machines has become old and requires huge investment. The same is not looking</p>

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		<p>feasible considering present status of the company.</p> <p>The technical textile and consumer product undertaking units which are not part of the slump sale are performing with satisfactory cash profits and have further growth potential.</p> <p>In light of these challenges, the Board of Directors has recommended the slump sale of the said undertaking as a strategic decision to enhance the Company's financial position and focus on its other operations.</p>
10	Area of business of the entity(ies);	The Company operates in two segments viz traditional textile consisting of spinning, knitting processing, garment and technical textile consisting of nonwoven spunlacs fabric & consumer products.
11	Brief details of change in shareholding pattern (if any) of listed entity	No change

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