



PEARL
Polymers Limited

PET
POLYETHYLENE TEREPHTHALATE
JARS
BOTTLES

Regd. Off. : A-97/2, Okhla Industrial Area, Phase-II, New Delhi-110020, India
CIN NO. : L25209DL1971PLC005535
Tel. No. : +91-11-47385300, Fax, +91-11-47480746
Email : pearl@pearlpet.net, Website: www.pearlpet.net

22nd September, 2020

PPL/SD/LODR/ 2020

<p>The Manager, Listing Department National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor Plot No. C1, G Block Bandra, Kurla Complex Bandra (East), Mumbai- 400051 (Stock Code: PEARLPOLY)</p>	<p>The Manager, Listing Department BSE Ltd. Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Mumbai-400001 (Stock Code: 523260)</p>
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Sub: Intimation regarding slump sale

Ref: Regulation 30 read with Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Dear Sir/ Madam,

In accordance with Regulation 30 and Schedule III of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015, we would like to inform your good office that the Board of Directors of Pearl Polymers Limited ("**the Company**") in its meeting held on Monday, 21st September, 2020, which commenced at 10:45 AM and concluded at 11:10 AM, has approved the sale and transfer of the Company's business undertaking(s) engaged in manufacturing, marketing, and sale of rigid plastic packaging solutions for sale, gift or supply to other business entities for packaging of products ("**B2B Business**") on a going concern basis, by way of a slump sale, for a lump sum consideration without values being assigned to any individual assets and assumed liabilities, to Manjushree Technopack Limited ("**MTL**") on such terms and conditions as provided under the Business Transfer Agreement ("**BTA**") dated 21st September 2020 executed between the Company, MTL, Mr. Chand Seth, Mr. Amit Seth, Mr. Varun Seth and Mr. Udit Seth ("**Promoters**") and subject to such permissions and consents, that may be required including the consent of the shareholders of the Company.

Additional disclosures as required under SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015 are provided below:

S. No.	Disclosures	
1.	<p>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</p>	<p>The amount of turnover contributed by the B2B Business to the total turnover of the Company during the financial year ended on March 31, 2020 ("FY20") is Rs. 125.01 Crore, which is approximately 89.56% (eighty nine point five six percent) of the total turnover of the Company for the FY20.</p> <p>The net worth of the B2B Business at the end of FY20 is Rs.</p>

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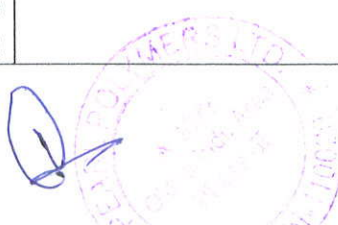
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		45.60 Crore, (excluding net debt, since net debt is not being transferred) which is 78.04% of the net worth of the Company at the end of FY20.
2.	Date on which the agreement for sale has been entered into	21 st September, 2020
3.	The expected date of completion of sale	The sale of Target Business (comprising of B2B Business and relevant asset and liabilities of the B2B Business) to MTL (<i>i.e.</i> closing) is conditional to the completion of customary conditions precedent (including obtaining the approval of shareholders by the Company and other regulatory authorities) by the parties, as applicable or agreed between the parties. The parties expect to achieve closing within a period of approximately 3 (three) months from the date execution of the BTA.
4.	Consideration received from such sale	The cash consideration payable by MTL to the Company for transfer of Target Business is to be determined, by making certain adjustments to the pre-agreed enterprise value of INR 92,50,00,000 (Rupees ninety two crore fifty lakh) of the Target Business. Such adjustments include adjustments on accounts of working capital, capital expenditure and 'debt like items' etc., in the manner agreed between the parties under the BTA.
5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof;	The buyer is Manjushree Technopack Limited (MTL), a company incorporated under the laws of India, having its registered office at 2 nd Floor, MBH Tech Park, Survey No 46P and 47P, Electronic City Phase-II, Begur Hobli, Bangalore – 560100, Karnataka and is engaged in the business of manufacturing and selling of rigid plastic packaging. The buyer does not belong to the Promoter/Promoter Group of the Company.
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length".	No, the transaction would not fall within the related party transaction.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with	Please see below our disclosures against serial No. 8 to 12 below.





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	respect to such slump sale.	
8.	Rationale for Slump Sale	The management is of opinion that other business of the Company <i>i.e.</i> manufacturing, sourcing, distribution, marketing, servicing and sale of rigid and non-rigid plastic packaging products and other non-plastic products for use by the end-use customers for direct consumption under various brand names including the well-known PearlPET brand ("Other Business") has matured at a stage that it requires greater business attention and possess high potential of growth, independent of the Target Business. The sale of Target Business to the Purchaser will allow the Company to focus and grow PearlPET brand to a new level. The Company expects to launch many new product lines in the near future in relation to the Other Business. Pursuant to the sale of Target Business by the Company to MTL, more such growth opportunities may open up for Other Business which may lead to greater profitability of the Other Business.
9.	Name of the entity(ies) forming part of Slump Sale, details in brief such as size, turnover etc.	Please refer to the preamble to this disclosure along with our responses provided under serial No. 1 and 5 above.
10.	Area of business of the entity(ies)	Please refer to the preamble to this disclosure along with our responses provided under serial Nos. 1, 5 and 8 above.
11.	In case of cash consideration-amount or otherwise share exchange ratio	Please see response provided under serial No. 4 above.
12.	Brief Details of change in shareholding pattern (if any) of the listed entity	Not Applicable

Kindly take the above information on record.

Thanking You

Yours faithfully,
For Pearl Polymers Limited


Vineet Gupta
Company Secretary & Compliance Officer

