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CIN No : L99999GJ1982PLC005253

October 20, 2016

To, BSE Limited Corporate Relationship Department, 25 th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400001 SECURITY CODE NO. 514286	To, National Stock Exchange of India Ltd Exchange Plaza 5 th Floor, Plot no. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051. SECURITY CODE NO. ASHIMA5YN
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Dear Sirs,

Sub: Sale/ Transfer of disposable asset in favour of Secured Creditor

Ref. Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In furtherance to our earlier disclosure dated 12.8.2016 as part of the Company's plans to meet balance funds requirements for secured debt settlement as per the Court sanctioned Scheme of Arrangement under Section 391 of the Companies Act, 1956 ("the Scheme" for short) as well as funds requirements for Company's textile operations, the Board has constituted an Empowered Committee which has identified part of land as a disposable asset.

The Company wish to make further disclosure in this regard as under:

1. As part of the secured debt settlement in terms of the Scheme, the amount of the secured debt payable to one of the Secured Creditors is Rs.64.09 Crores payable in deferred mode over a period of next 4 years.
2. The said deferred payment amount has been agreed to be paid on one-time basis and settled at Rs.50.91 Crores by applying a discounting rate of 12% p.a.

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3. The Empowered Committee has been successful in negotiating a deal with the said Secured Creditor and accordingly a surplus land area not required for textile operations of the Company, for which an agreement for sale has been entered into with the said Secured Creditor. The Secured Creditor has agreed to buy 38,022.08 sq. meters of land for a total consideration of Rs.86.40 Crores.
4. Therefore, the Company will be able to repay total debt of the said Secured Creditor at one go and will receive Rs.35.49 Crores as additional funds from the Secured Creditor by March 31, 2017 as part of this transaction.
5. For this purpose, in anticipation of the above transaction, the Company had already taken effective steps to part with the possession of required land to Ahmedabad Municipal Corporation (AMC), as disclosed vide earlier disclosure dated 31.8.2016

We request you to disseminate this information.

This intimation is being made under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you
Yours faithfully


For Ashima Limited
Company Secretary

