

June 30, 2021

**BSE Limited  
Department of Corporate Services (DCS-Listing)  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001**

**Company Code: 509472**

Dear Sirs,

**Sub : Execution of Debenture Subscription Agreement dated June 29, 2021.**

**Ref : Disclosure as required under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Further to our letter dated June 29, 2021 and in accordance with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), we, Cravatex Limited (“**Company**”), wish to inform you that on June 29, 2021, the Company has executed a Debenture Subscription Agreement (“**DSA**”) with Tata Capital Financial Services Limited (“**Tata Capital**”), Cravatex Brands Limited (“**CBL**”), Paragon Partners Growth Fund – II and Catalyst Trusteeship Limited in relation to the issuance of 15,00,000 (fifteen lakhs) unrated, unlisted, unsecured, redeemable, fully paid up, optionally fully convertible debentures, each having a face value of Rs.100 (Rupees One Hundred only) (“**Debentures**”), by CBL to Tata Capital, on a private placement basis, aggregating upto Rs.15,00,00,000/- (Rupees Fifteen Crores only).

Detailed information in relation to the above, as required to be disclosed in terms of Regulation 30 read with Schedule III of the SEBI LODR is annexed hereto as **Annexure 1**.

Kindly take the above information on record.

Thanking You,  
For **Cravatex Limited**,

SUDHANS  
HU  
NAMDEO

Digitally signed by  
SUDHANSHU NAMDEO  
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NAMDEO c=IN o=Personal  
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Date: 2021-06-30  
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**Sudhanshu Namdeo  
Company Secretary**

## Annexure 1

The disclosure pursuant to Regulation 30 of the SEBI LODR read with Para B(5) of Part A of Schedule III and SEBI Circular CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015 with respect to the subsidiary is as follows:

<b>Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof:</b>		
<b>Sr. No.</b>	<b>Disclosure</b>	<b>Remarks</b>
1.	Name(s) of parties with whom the agreement is entered	Lender: Tata Capital Financial Services Limited (" <b>Tata Capital</b> "), Borrower: Cravatex Brands Limited (" <b>CBL</b> "), Sponsor: Paragon Partners Growth Fund – II (" <b>Sponsor</b> "), and Debenture Trustee: Catalyst Trusteeship Limited (" <b>Debenture Trustee</b> ").
2.	Purpose of entering into the agreement	To raise funds in CBL to support and assist in the working capital of CBL.
3.	Size of agreement	Tata Capital would invest Rs.15,00,00,000/- (Rupees Fifteen Crores only) in CBL by way of subscription to 15,00,000 (fifteen lakhs) Debentures, to be issued by CBL to Tata Capital, on a private placement basis.
4.	Shareholding, if any, in the entity with whom the agreement is executed	The Company is the majority equity shareholder of CBL holding 99.997% of the equity share capital of CBL.  The Company does not have any shareholding in any of the other parties to the DSA.
5.	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.;	The Company does not have any substantive obligations under the DSA which are imposed on its subsidiary, CBL.  Some of the key terms of the DSA are as follows:  (i) The Debentures will be issued for a period of 36 months from allotment; (ii) CBL may redeem the Debentures at the end of 30 months from allotment;

		<p>(iii) Tata Capital/Debenture Trustee shall have the right to call upon the Sponsor to purchase up to 100 per cent of the Debentures at the put option price.</p> <p>(iv) Negative covenants on CBL such as restriction on: (a) issuance on instruments which are superior to the Debentures; (b) declaration of dividend; (c) amendment of charter documents; (d) filing insolvency proceedings; (e) change of business, etc., without the prior written consent of Tata Capital;</p> <p>(v) CL to maintain management control of CBL; and</p> <p>(vi) Event of defaults such as non-payment of coupon, commencement of insolvency proceedings against CBL, the Company or the Sponsor, etc.</p>
6.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	The borrower, CBL, is a material subsidiary and related party of the Company. Tata Capital, the Sponsor and the Debenture Trustee are not related to the promoter / promoter group / group companies in any manner.
7.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”.	While the execution of the DSA does not fall within the definition of a related party transaction, the execution thereof is pursuant to a debenture issuance by CBL which is a related party of the Company.
8.	In case of issuance of shares to the parties, details of issue price, class of shares issued;	Not applicable.
9.	In case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;	<p>Lender: Tata Capital</p> <p>Borrower: CBL</p> <p>Details of the loan: Issuance of 15,00,000 (fifteen lakhs) unrated, unlisted, unsecured, redeemable, fully paid up, optionally fully convertible debentures, each having a face value of Rs.100 (Rupees One Hundred only), by CBL to Tata Capital, on a private placement basis, aggregating upto Rs.15,00,00,000/- (Rupees Fifteen Crores only).</p>

10.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc;	Not applicable.
11.	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): (i) name of parties to the agreement; (ii) nature of the agreement; (iii) date of execution of the agreement; (iv) details of amendment and impact thereof or reasons of termination and impact thereof.	Not applicable.

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