

31st May, 2021

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

Company Code: 509472

Dear Sirs,

Sub : Outcome of the Board Meeting held on 31st May, 2021

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

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 a meeting of the Board of Directors of the Company was held on 31st May, 2021 through electronic mode at 4.40 p.m. and concluded at 4.50 p.m. The meeting *inter alia* transacted the following business:

- a) Approved an investment of amount aggregating to Rs.5,01,77,201.36 (Rupees Five crores one lakh seventy seven thousand two hundred one and thirty six paise only) in Cravatex Brands Limited (“**CBL**”), a material subsidiary of the Company, by way of subscription to 2,97,364 (Two lakh ninety seven thousand three hundred and sixty four) nos. of 0.001% Compulsorily Convertible Preference Shares (“**CCPS**”) with a face value of Rs. 100/- (Rupees one hundred) each at a price of Rs.168.74 (Rupees one hundred and sixty eight point seventy four paise) each [including a premium of Rs.68.74 (Rupees sixty eight and seventy four paise) each] which CBL has proposed to offer, issue and allot through a rights issue.

Intimation on specified details pursuant to the SEBI LODR shall be done after subscription to the rights issue.

- b) Approved the execution of a 2nd Supplemental Agreement to the Share Subscription and Shareholders Agreement dated March 9, 2020 (“**2nd Supplemental SSSHA**”) between the Company, Cravatex Brands Limited, Rajesh Batra, Rohan Batra, R.B. Fitness and Trading Private Limited and Paragon Partners Growth Fund – I, in relation to the Company’s further investment into CBL through rights issue as mentioned above in Point (a).

Intimation on specified details pursuant to the SEBI LODR shall be done after due execution of the 2nd Supplemental SSSHA.

Annexure 1

The disclosure pursuant to Regulation 30 of the SEBI LODR read with Para B(11) of Part A of Schedule III and SEBI Circular CIR/CFD/CMD/4/2015 dated 9th September 2015 with respect to the subsidiary is as follows:

Giving of guarantees or indemnity or becoming a surety for any third party:		
Sr. No.	Disclosure	Remarks
1.	Name of party for which such guarantees or indemnity or surety was given.	Cravatex Brands Limited (CBL).
2.	Whether the promoter/ promoter group/ group companies have any interest in this transaction? If yes, nature of interest and details thereof and whether the same is done at “arms length”.	No. Mr. Rajesh Batra (promoter, managing director and shareholder of the Company), Mr. Rohan Batra (director and shareholder of the Company) and Mr. N. Santhanam (independent director) are also directors in CBL. The transaction is being conducted on an arm’s length basis. Except the common directorship, the promoter of the subsidiary/promoter group/ group companies have no other interest in CBL.
3.	Brief details of such guarantee or indemnity or becoming a surety viz. brief details of agreement entered (if any) including significant terms and conditions, including amount of guarantee.	The Company shall extend the existing mortgage charge on its properties located at nariman point (mumbai) and prabhadevi (mumbai) to HDFC Bank Limited (Bank) as security for securing a fresh credit facility of Rs.10,83,00,000/- (Rupees ten crore and eighty three lakhs only) sanctioned by the Bank to CBL and extend its guarantee, pursuant to the emergency credit line guarantee scheme introduced by the government of India through ministry of finance, department of financial services.
4.	Impact of such guarantees or indemnity or surety on listed entity.	If CBL fails to repay, the Company shall be liable to repay to the Bank the said facility along with interest, commission, charges, expenses and all other monies payable by law or under the facility agreement.