

RAJAPALAYAM MILLS LIMITED

Regd. Office : Rajapalayam Mills Premises, P.A.C. Ramasamy Raja Salai,
Post Box No. 1, Rajapalayam, Tamil Nadu, Pin : 626 117.

CIN : L17111TN1936PLC002298
PAN : AAACR8897F
GSTIN : 33AAACR8897F1Z1



Telephone : 91 4563 235666 (5 lines)
Fax : 91 4563 236520
E-mail : rajacot@ramcotex.com
rajacot@bsnl.in
Website : www.rajapalayammills.co.in

M/s. BSE Limited,
Floor No.25, P.J. Towers,
Dalal Street,
Mumbai - 400 001.

Scrip Code: 532503

Date : 27-03-2024

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended – Reg.

We wish to inform you that pursuant to the approval of the Board of Directors dated 12-02-2024, the Company had provided Corporate Guarantee to DCB Bank Limited on behalf of M/s. Sandhya Spinning Mill Limited for the value of Rs.35 Crores.

The above Corporate Guarantee is provided today in connection with Loan facility sanctioned by DCB Bank Limited to M/s. Sandhya Spinning Mill Limited.

The disclosure required under Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with SEBI Circular SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated 13th July, 2023 is enclosed in **Annexure**.

Date & Time of occurrence of the event / information: 27-03-2024 at 05:30 PM

Kindly take the above information on record.

For RAJAPALAYAM MILLS LIMITED

K. MAHESWARAN
SECRETARY

Encl: As above.

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Annexure

As per Clause (5) of Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

1.	Name(s) of parties with whom the agreement is entered;	Agreement entered into between M/s. Sandhya Spinning Mill Limited ("Borrower") and M/s. Rajapalayam Mills Limited ("Guarantor") and DCB Bank Limited ("Lender")
2.	Purpose of entering into the agreement;	The Corporate Guarantee is provided in connection with Loan facility sanctioned by DCB Bank Limited to M/s. Sandhya Spinning Mill Limited. Providing of Corporate Guarantee on behalf of M/s. Sandhya Spinning Mill Limited will strengthen the Credit worthiness of M/s. Sandhya Spinning Mill Limited, which will enable them to borrow at competitive rate of interest / better terms & conditions.
3.	Size of agreement;	Rs.35 Crores
4.	Shareholding, if any, in the entity with whom the agreement is executed;	M/s. Rajapalayam Mills Limited is not holding any Shares in M/s. Sandhya Spinning Mill Limited / DCB Bank Limited.
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.;	<u>Significant binding term of the Agreement:</u> If M/s. Sandhya Spinning Mill Limited commits any default on repayment of loan along with interest payment on the due date, then M/s. Rajapalayam Mills Limited in the capacity of Guarantor shall pay to DCB Bank Limited such outstanding amount.

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		<p>Provided that the liability of Rajapalayam Mills Limited under this agreement shall not exceed Rs.35 Crores.</p> <p>DCB Bank Limited is not having any right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.</p>
6.	<p>Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship;</p>	<p>Yes</p> <p><u>Nature of Relationship:</u></p> <p>1) Sandhya Spinning Mill Limited is the Member of Promoter Group of M/s. Rajapalayam Mills Limited and holds 0.01% Equity Shares in Rajapalayam Mills Limited.</p> <p>2) Shri P.R. Venketrama Raja, Smt. R. Sudarsanam, Smt. P.V. Nirmala Raju, Smt. B. Sri Sandhya Raju and Shri P.V. Abinav Ramasubramaniam Raja being the Promoters / Member of Promoter Group of Rajapalayam Mills Limited are also the Promoters of M/s. Sandhya Spinning Mill Limited and they together holds 97.514% of the Equity Shareholding in M/s. Sandhya Spinning Mill Limited.</p>

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7.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length";	<p>Yes</p> <p>The Corporate Guarantee be provided on behalf of M/s. Sandhya Spinning Mill Limited is in same line with the Corporate Guarantees provided by the Company to other Group Companies.</p> <p>M/s. Rajapalayam Mills Limited has not received / has not entered into an arrangement in relation to any commission, brokerage, fees or any other consideration for providing Corporate Guarantee on behalf of M/s. Sandhya Spinning Mill Limited.</p>
8.	In case of issuance of shares to the parties, details of issue price, class of shares issued;	NA
9.	In case of loan agreements, details of lender/borrower, nature of the loan, total amount of loan granted/taken, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders / by the borrowers for such loan or in case outstanding loans lent to a party or borrowed from a party become material on a cumulative basis;	NA

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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;	NA
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.	NA

The Company is also required to provide disclosure for the above said event (i.e. providing Corporate Guarantee to DCB Bank Limited on behalf of M/s. Sandhya Spinning Mill Limited for the value of Rs.35 Crores) under Clause (11) of Para B of Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Since, the details as required to be disclosed under Clause (11) of Para B of Part A of Schedule III of Listing Regulations are already covered in this disclosure, we have not disclosed the same once again.