

March 23, 2017

**The Manager,  
Department of Corporate Services (DSC Listing)  
BSE Limited, 25<sup>th</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001**

Stock Code: **509472**

Dear Sirs,

**Sub: Outcome of the Board Meeting held on March 23, 2017**

In accordance with the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**LODR Regulations**), we hereby inform you that a meeting of the Board of Directors of Cravatex Limited (**Company**) was held today at the Company's registered office at 10.00 a.m. and concluded at 11.30 a.m. The meeting inter alia transacted the following business:

- (a) Approved execution of a binding Subscription and Shareholders Agreement (**SSHA**) between amongst others, the Company, its wholly owned subsidiary - Cravatex Brands Limited (**CBL**) and Paragon Partners Growth Fund – I (**Investor**) and took note of the proposed investment by the Investor in CBL. Subject to the terms of the SSHA, pursuant to the Investor making investment in, and acquiring securities of, CBL under the SSHA, CBL will become a subsidiary from a wholly owned subsidiary of the Company owing to the Investor holding a minority equity stake in CBL at the completion of the proposed investment. The Investor will also have certain rights to protect its investment in CBL. This disclosure is for reporting change in the disclosure made on February 2, 2017.

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

- (b) Under the SSHA, there are restrictions on transferability of securities of the Company and the Company has agreed to indemnify the Investor in certain specified circumstances.

Detailed information in relation to the above, as required to be disclosed in terms of Regulation 30 read with Para A of Part A of Schedule III to the LODR Regulation, is annexed hereto as **Annexure 2**.

- (c) The Board has also resolved to provide the Company's properties located at Nariman Point (Mumbai) and Prabhadevi (Mumbai) to the Bank(s) as security against granting credit facility to CBL which is presently estimated as not exceeding Rs.100 Crores.





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Please note that, in addition to the undertaking not to deal in the Company's securities obtained by the Company from its specified persons forming part of its core team, for the specified persons and their dependants, the trading window in respect of the Company's securities will remain closed for them with effect from 10.55 a.m. on March 22, 2017 being the time and date of the aforesaid Board Meeting Notice and that they shall not deal in the securities of the Company till the opening of the trading window, which shall be 48 hours after this disclosure is made public.

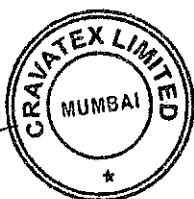
You are requested to kindly take the same on record.

Thanking you,

Yours sincerely,  
For Cravatex Limited

A handwritten signature in black ink, appearing to read "Sudhanshu Namdeo".

Sudhanshu Namdeo  
Company Secretary



### ANNEXURE 1

#### DISCLOSURE UNDER REGULATION 30 READ WITH PARA A OF PART A OF SCHEDULE III TO THE LODR REGULATIONS WITH RESPECT TO THE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

S. No.	Disclosure	Remarks
1.	Name of the target entity, details in brief such as size, turnover etc.	<p>Cravatex Brands Limited (CBL).</p> <p>CBL was incorporated on 22 December 2016. As on date, the authorised and paid up share capital of CBL is as follows:</p> <p>Authorised Capital: Rs.33,00,00,000 divided into 33,00,000 equity shares of INR 100 /- each,</p> <p>Paid up Capital: Rs.3,00,000 divided into 3,000 equity shares of INR 100 /- each.</p> <p>CBL being recently incorporated, the disclosures relating to size, turnover etc., are not applicable.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at "arms length".	<p>Execution of the SSHA by inter alia CBL and the Company falls within the ambit of related party transactions.</p> <p>Mr. Rajesh Batra (promoter, director and shareholder of the Company), Mr. Rohan Batra (promoter and shareholder of the Company) and Mr. N.R. Mahalingam (director and shareholder of the Company) are also directors on CBL.</p> <p>Paragon Partners Growth Fund – I – the Investor is not related to the Company or its promoters.</p> <p>The transaction is being conducted on an arm's length basis.</p>
3.	Industry to which the entity being acquired belongs.	<p>In terms of the main object clause of the memorandum of association, CBL can engage in the business of dealing in footwear, apparel, apparel accessories, bags, socks, belts, caps, inner-wear, sports goods, sportswear, sports accessories, fitness equipment, gym, spa, servicing of equipment, etc.</p>



4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity);	CBL is in the same line of business as the Company. Subject to the terms of the SSHA, pursuant to the Investor making investment in, and acquiring securities of, CBL under the SSHA, CBL will become a subsidiary from a wholly owned subsidiary of the Company owing to the Investor holding a minority equity stake in CBL, and the Investor will have certain rights to protect its investment in CBL.
5.	Brief details of any governmental or regulatory approvals required for the acquisition.	N.A.
6.	Indicative time period for completion of the acquisition.	The investment by the Investor in CBL is proposed to be completed by 31 March 2017 subject to satisfaction of the conditions set out in the SSHA.
7.	Nature of consideration - whether cash consideration or share swap and details of the same.	Cash.
8.	Cost of acquisition or the price at which the shares are acquired.	Subject to the terms of the SSHA, the Investor would invest INR 75,00,10,716/- in CBL as follows: (a) 100 equity shares of face value of INR 100/- each at the issue price of INR 107.16 per equity share; (b) 57,00,000 0.001% compulsory convertible preference shares (CCPS) of face value of INR 100 each at the issue price of INR 100/- per CCPS; and (c) 18,00,000 unsecured optionally convertible debentures (OCD) of face value of INR 100/- each at the issue price of INR 100 per OCD. (d)
9.	Percentage of shareholding / control acquired and / or number of shares acquired.	Subject to the terms of the SSHA, post the Investor making investment in, and acquiring securities of, CBL under the SSHA, the equity shareholding of CBL will be as follows: Company - 99.997% Investor - 0.003%  Additionally, the Investor will hold 100% of 0.001% compulsory convertible preference shares, and 100% of unsecured optionally convertible debentures of CBL. Also, the Investor will have certain rights to protect its investment in the CBL.



<p>10.</p>	<p>Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (in brief).</p>	<p>CBL was incorporated on 22 December 2016 in Mumbai, Maharashtra, India.</p> <p>In terms of the main object clause of the memorandum of association, CBL is engaged in the business of dealing in footwear, apparel, apparel accessories, bags, socks, belts, caps, inner-wear, sports goods, sportswear, sports accessories, fitness equipment, gym, spa, servicing of equipment, etc.</p> <p>CBL is recently incorporated and hence, history of last 3 years turnover is not applicable.</p>
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**DISCLOSURE UNDER REGULATION 30 READ WITH PARA B OF PART A OF SCHEDULE III TO THE LODR REGULATIONS WITH RESPECT TO THE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT**

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:

S. No.	Disclosure	Remarks
1.	Name(s) of parties with whom the agreement is entered	The Company, CBL, Mr. Rajesh Batra, Mr. Rohan Batra, R B Fitness and Trading Private Limited and Paragon Partners Growth Fund – I.
2.	Purpose of entering into the agreement	To raise capital in CBL from the Investor to assist in the development of the business of CBL.
3.	Size of agreement	Subject to the terms of the SSHA, the Investor would invest INR 75,00,10,716/- in CBL as follows:  (a) 100 equity shares of face value of INR 100/- each at the issue price of INR 107.16 per equity share; (b) 57,00,000 0.001% compulsory convertible preference shares (CCPS) of face value of INR 100 each at the issue price of INR 100/- per CCPS; and (c) 18,00,000 unsecured optionally convertible debentures (OCD) of face value of INR 100 each at the issue price of INR 100 per OCD.
4.	Shareholding, if any, in the entity with whom the agreement is executed	Subject to the terms of the SSHA, post the Investor making investment in, and acquiring securities of, CBL under the SSHA, the equity shareholding of CBL will be as follows: Company - 99.997% Investor - 0.003%
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.;	Under the SSHA, the Investor has rights to protect its investment in CBL such as right: - to nominate two directors on board of CBL, - to form quorum for board and committee meetings of CBL, - information rights, - anti-dilution rights, and - exit rights.

6.	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	<p>CBL is a wholly owned subsidiary of the Company. Mr. Rajesh Batra, Mr. Rohan Batra, R B Fitness and Trading Private Limited are promoters of the Company.</p> <p>Paragon Partners Growth Fund – I – the Investor is not related to the Company or its promoters.</p>
7.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length".	<p>Execution of the SSHA by inter alia CBL and the Company falls within the ambit of related party transactions.</p> <p>Mr. Rajesh Batra (promoter, director and shareholder of the Company), Mr. Rohan Batra (promoter and shareholder of the Company) and Mr. N.R. Mahalingam (director and shareholder of the Company) are also directors on CBL.</p> <p>The transaction is being conducted on an arm's length basis.</p>
8.	In case of issuance of shares to the parties, details of issue price, class of shares issued;	<p>Under the SSHA, no shares are to be issued by the Company. Subject to the terms of the SSHA, CBL would against investment made by the Investor of INR 75,00,10,716/- issue securities as follows:</p> <ul style="list-style-type: none"> <li>(a) 100 equity shares of face value of INR 100/- each at the issue price of INR 107.16 per equity share;</li> <li>(b) 57,00,000 0.001% compulsory convertible preference shares (CCPS) of face value of INR 100 each at the issue price of INR 100/- per CCPS; and</li> <li>(c) 18,00,000 unsecured optionally convertible debentures (OCD) of face value of INR 100/- each at the issue price of INR 100 per OCD.</li> </ul>
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;	Not applicable.

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;	As is disclosed in this letter.
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.

**Giving of guarantees or indemnity or becoming a surety for any third party:**

S. No.	Disclosure	Remarks
1.	Name of party for which such guarantees or indemnity or surety was given.	Under the SSHA, the Company has agreed to indemnify the Investor i.e. Paragon Partners Growth Fund – I and its parties against amongst others, for losses incurred by them in connection with breach of any warranty, covenant, obligation, agreement, un-waived condition, and any liability on CBL from any prior events.  The Company has agreed to provide its properties located at Nariman Point (Mumbai) and Prabhadevi (Mumbai) to the Bank(s) as security against granting credit facility to CBL which is presently estimated as not exceeding Rs.100 Crores.
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".	Execution of the SSHA by inter alia CBL and the Company falls within the ambit of related party transactions.  Mr. Rajesh Batra (promoter, director and shareholder of the Company), Mr. Rohan Batra (promoter and shareholder of the Company) and Mr. N.R. Mahalingam (director and shareholder of the Company) are also directors on CBL.  The transaction is being conducted on an arm's length basis.





<p>3.</p>	<p>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.</p>	<p>Under the SSHA, the Company has agreed to indemnify the Investor i.e. Paragon Partners Growth Fund – I and its parties against, amongst others, for losses incurred by them in connection with breach of any warranty, covenant, obligation, agreement, un-waived condition, and any liability on CBL from any past events subject to amongst others, the following limitations:</p> <ul style="list-style-type: none"> <li>- amount of each individual loss or series of losses from same event or circumstances should equal to or exceed INR20,00,000/-, and the aggregate of such loss should equal to or exceed INR3,50,00,000/-, and</li> <li>- maximum aggregate liability (including damages) shall not exceed INR 75,00,10,716/-.</li> </ul> <p>The Company has agreed to provide its properties located at Nariman Point (Mumbai) and Prabhadevi (Mumbai) to the Bank(s) as security against granting credit facility to CBL which is presently estimated as not exceeding Rs.100 Crores.</p>
<p>4.</p>	<p>Impact of such guarantees or indemnity or surety on listed entity.</p>	<p>Under the SSHA, the Company has agreed to indemnify the Investor i.e. Paragon Partners Growth Fund – I and its parties against, amongst others, for losses incurred by them in connection with breach of any warranty, covenant, obligation, agreement, un-waived condition, and any liability on CBL from any past events, subject to amongst others, the following limitations:</p> <ul style="list-style-type: none"> <li>- amount of each individual loss or series of losses from same event or circumstances should equal to or exceed INR 20,00,000/-, and the aggregate of such loss should equal to or exceed INR 3,50,00,000/-, and</li> <li>- maximum aggregate liability (including damages) shall not exceed INR 75,00,10,716/-.</li> </ul> <p>The Company has agreed to provide its properties located at Nariman Point (Mumbai) and Prabhadevi (Mumbai) to the Bank(s) as security against granting credit facility to CBL which is presently estimated as not exceeding Rs.100 Crores.</p>



## ANNEXURE 2

### DISCLOSURE UNDER REGULATION 30 OF LODR REGULATIONS WITH RESPECT TO RESTRICTIONS ON TRANSFERABILITY OF SECURITIES OF THE COMPANY

S. No.	Disclosure	Remarks															
1.	Authority issuing attachment or prohibitory orders.	Not applicable.															
2.	Brief details and reasons for attachment or prohibitory orders.	Not applicable.															
3.	Name of registered holders against whom restriction on transferability has been placed.	The following promoters of the Company: <ul style="list-style-type: none"> <li>- Mr. Rajesh Batra,</li> <li>- Mr. Rohan Batra, and</li> <li>- R B Fitness and Trading Private Limited.</li> </ul>															
4.	Total number of securities so affected;	<table border="1"> <thead> <tr> <th>Name of shareholders</th> <th>Number of Securities</th> <th>Percentage shareholding</th> </tr> </thead> <tbody> <tr> <td>Mr. Rajesh Batra</td> <td>60</td> <td>0.002%</td> </tr> <tr> <td>Mr. Rohan Batra</td> <td>10</td> <td>0.001%</td> </tr> <tr> <td>R B Fitness and Trading Private Limited</td> <td>1921570</td> <td>74.36%</td> </tr> <tr> <td><b>Total</b></td> <td><b>1921640</b></td> <td><b>74.363</b></td> </tr> </tbody> </table>	Name of shareholders	Number of Securities	Percentage shareholding	Mr. Rajesh Batra	60	0.002%	Mr. Rohan Batra	10	0.001%	R B Fitness and Trading Private Limited	1921570	74.36%	<b>Total</b>	<b>1921640</b>	<b>74.363</b>
Name of shareholders	Number of Securities	Percentage shareholding															
Mr. Rajesh Batra	60	0.002%															
Mr. Rohan Batra	10	0.001%															
R B Fitness and Trading Private Limited	1921570	74.36%															
<b>Total</b>	<b>1921640</b>	<b>74.363</b>															
5.	Distinctive numbers of such securities if applicable	Not Applicable as the Securities are Dematerialised															
6.	Period for which order would be applicable (if stated).	Not applicable.															

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