

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
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Website : www.rajapalayammills.co.in

M/s. BSE Limited,
Floor 25, P.J. Towers,
Dalal Street,
Mumbai – 400 001.

Scrip Code: 532503

Date : 23-02-2022

Dear Sir,

Sub: Outcome of the Board Meeting held on 23-02-2022 - Sale of a portion of our Investments held in the shares of M/s. The Ramco Cements Limited- For funding the Modernization and Expansion Projects

The Company by its letter dated 30-10-2021, had informed the Stock Exchange that the Board of Directors ("Board") at their meeting held on 30-10-2021 had given their approval for Capacity addition of 166 Nos. of Looms and establishment of Fabric finishing process with a capacity of 50,000 meters per day at an estimated Project cost of Rs.330 Crores. It was informed that the mode of finance will be term loan / equity capital / other sources as may be decided by the Board from time to time.

In addition to the above, the Board, in their subsequent meetings had also approved other Capital expenditure proposals for modernizing the Spinning Mills, establishment 110 KVA substation to cater the power requirement of proposed Fabric processing Unit, expanding the capacities of Two for One (TFO) machine capacity and the total Project Cost stands revised as Rs.430 Crores.

The Company has tied up necessary Term Loans from Banks. To part fund the projects, the Board, at their meeting held on 27-01-2022 had given its approval for raising of funds by way of Rights issue of Equity Shares upto the value of Rs.60 Crores. Now, for funding the balance amount of projects and the incremental cost of modernization, the Board at their meeting held today (23-2-2022) has decided to sell further investments held by the Company in the shares of M/s. The Ramco Cements Limited upto a value of Rs.80 Crores.



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The summary of funding plan is given below:

Particulars	Amount Rs. in Crores
Term Loan from Banks	280
Raising of Fund through Equity	60
Sale of M/s. The Ramco Cements Limited Shares to M/s. Ramco Industries Limited (inter-se transfer among Promoter) *	10
Sale of M/s. The Ramco Cements Limited Shares to Public in single or multiple tranches	80
Total	430

* Based on the approval of the Board of Directors dated 27-01-2022, the Company has sold 1,13,050 Shares to M/s. Ramco Industries Limited on 07-02-2022 for a net consideration of Rs.9.97 Crores.

Kindly take note of the above on record.

Thanking you,
Yours faithfully,

For RAJAPALAYAM MILLS LIMITED

A. ARULPRANAVAM
SECRETARY