

**Kitex Garments Limited**

(CIN: L18101KL1992PLC006528)

Regd Office: Building No. VI/496, Kizhakkambalam,

Vilangu P.O, Aluva, Ernakulam – 683561, Kerala

Phone: 91 484 2585000, Fax: 91 484 2680604

Email: sect@kitexgarments.comWebsite: www.kitexgarments.com

Ref: KGL/SE/2024-25/NOV/06

November 22, 2024

BSE Limited 1 st Floor, New Trading Ring, Rotunda Building, P J Towers Dalal Street, Mumbai – 400 001, Maharashtra BSE Scrip Code : 521248	The National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor, Plot No.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra NSE Symbol : KITEX
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Dear Sir/ Ma'am,

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 read with Part A of Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), this is to inform that BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") have, vide their communication dated November 21, 2024, imposed fine on the Company for alleged non-compliance / delayed compliance of the provisions of Regulation 17(1A) of the SEBI Listing Regulations with regard to appointment of Mr. Amparyil Kurien Mathew (DIN: 02437778) as an Additional Director (Non-Executive Independent Director) of the Company, who has attained seventy-five years of age, without passing a special resolution.

The Company wish to clarify that imposition of fine by BSE and NSE is improper, since the shareholders' approval was obtained by the Company in accordance with applicable laws. We would like to highlight the interpretation of Regulation 17(1A) of the SEBI Listing Regulations by the Securities Appellate Tribunal (SAT) in the cases of Nectar Lifesciences Ltd. v/s. SEBI & Ors. (dated April 27, 2023) and 20 Microns Limited v/s. SEBI & Ors. (dated November 28, 2023), which is as follows:

Regulation 17(1A) of the SEBI Listing Regulations states that, "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

In the above referred cases, the SAT has observed that the word "unless" as depicted in Regulation 17(1A) does not mean "prior approval" nor the requirement of passing a special resolution was a qualificatory condition for appointment of a person as a Director.

Further, Regulation 17(1C) of the SEBI Listing Regulations states that the "listed entity shall ensure that approval of shareholders for appointment or re-appointment of a person on the Board of Directors or as a manager is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier."



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We further wish to submit that Regulation 17(1A) should be read in conjunction with the Regulation 17(1C) of SEBI Listing Regulations. These regulations do not use the word “prior approval” for any appointment / reappointment and allows a company to regularize the appointment / reappointment at the next general meeting or within a period of three months, whichever is earlier. As such, the intent of legislation is clear that prior approval is not required for such appointment / reappointment, and hence, there is no non-compliance of provisions of Regulation 17(1A) of the SEBI Listing Regulations.

Owing to the above, the Company wish to clarify that imposition of fine by BSE and NSE are unwarranted as the Company regularized the appointment of Mr. A K Mathew as an Independent Director in the 32nd Annual General Meeting by passing a special resolution which was within a period of 3 months from the date of appointment of the aforementioned Director, in accordance with the provisions of Regulations 17(1A) and 17(1C) of SEBI Listing Regulations.

We would like to inform that the Company is taking necessary steps in the matter.

The details as required under SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CFD-PoD1/P/CIR/2023/123 dated 13th July, 2023 are enclosed in Annexure–A.

Kindly take the above information on records.

Thanking You,

Yours sincerely,

For **Kitex Garments Limited**

Dayana Joseph

Company Secretary & Compliance Officer

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Name of Authority	NSE and BSE
Nature and details of the action(s) taken, initiated or order(s) passed	Fine of ₹ 1,06,200/- each by BSE and NSE
Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority	November 21, 2024 (BSE at around 22:19 hours and NSE at around 22:21 hours)
Details of the violation(s)/ contravention(s) committed or alleged to be committed	Regulation 17(1A) of the SEBI Listing Regulations, pertaining to delayed approval for appointment of Non-Executive Director who attained the age of seventy-five years.
Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible	Nil except to the extent of penalty amount mentioned above, if not waived