

**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.com](mailto:sect@kitexgarments.com)Website: [www.kitexgarments.com](http://www.kitexgarments.com)

Ref: KGL/SE/2024-25/FEB/05

February 15, 2025

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

**Sub: Scheme of Arrangement between Kitex Childrenswear Limited and Kitex Garments Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013**

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

This is further to our intimation dated February 14, 2025 wherein we had disclosed the Scheme of Arrangement between Kitex Childrenswear Limited and Kitex Garments Limited and their respective shareholders and creditors under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013. Due to typographical error, we have inadvertently mentioned '54.50% of the total turnover of the Demerged Company' whereas the correct statement is '54.50% to the total turnover of the Resulting Company in the immediately preceding financial year' under disclosure pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with the SEBI Circular dated July 13, 2023.

We further state and confirm that, the other information given in the aforesaid intimation shall remain unaltered and hence, no corrections are required therein.

Enclosed the revised copy of disclosure of information in relation to the Scheme pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with the SEBI Circular dated July 13, 2023.

Kindly take a note of the same.

Thanking You

Yours faithfully,

For **Kitex Garments Limited**

**Dayana Joseph**

Company Secretary & Compliance Officer

Enclosure : As above



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### Annexure I

**Disclosure of information in relation to the Scheme pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with the SEBI Circular dated July 13, 2023**

Sl. No.	Particulars	Details
a)	Brief details of the divisions to be demerged	The Textile Business Division of the Demerged Company engaged in manufacturing, selling, exporting etc of children's garments and apparels and related services, activities, operations as a going concern.
b)	Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year	The turnover of the Textile Business Division of the Demerged Company as on March 31, 2024 was Rs. 34,964.19 lakhs and forms 54.50% to the total turnover of the Resulting Company in the immediately preceding financial year.
c)	Rationale for demerger	<p>The segregation of Textile Business Division of the Demerged Company would allow the management to effectively cater to the independent growth plans (both through organic and inorganic means) by enabling access to availability of increased resources. Moreover, the Resulting Company is engaged in the similar business and a pioneer in the said field. The Board of Directors of the Demerged Company and the Resulting Company believe the following benefits to accrue pursuant to the demerger of the Textile Business Division of the Demerged Company into the Resulting Company:</p> <ol style="list-style-type: none"><li>The demerger would facilitate focused growth, operational efficiencies, business synergies and increased customer focus in relation to the Textile Business Division</li><li>Each business would be able to address independent business opportunities, pursue efficient capital allocation and attract different set of investors, strategic partners, lenders and other stakeholders.</li><li>Combining similar business activities under a single entity shall optimize business operations, achieve economies of scale, create operational efficiency, common pool of production and better utilization of resources</li><li>Facilitating the pursuit of scale and independent growth plans (organically and inorganically) with more focused management, flexibility and liquidity for the shareholders;</li><li>Insulating and de-risking the businesses from one another;</li><li>Unlocking value for the over-all business portfolio through better price discovery of individual platforms.</li></ol>



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		<p>Consequently, the proposed restructuring is expected to open-up windows to unlock value through potential divestments and acquisitions to achieve the scale of business in respective subsidiaries as well;</p> <p>vii. Providing scope for mitigation of overlapping services and enhancing the focus on independent business growth strategies and expansion for each of the business undertakings.</p>
d)	Brief details of change in shareholding pattern (if any) of all entities	<p>i. In the case of Demerged Company</p> <p>The Demerged Company will not undergo any change in equity shareholding pattern as a consequence of the effectiveness of the Scheme.</p> <p>ii. In the case of Resulting Company</p> <p>Upon the Scheme becoming effective, the Resulting Company will issue its fully paid-up equity shares to the eligible shareholders of the Demerged Company, in accordance with the Scheme.</p>
e)	In case of cash consideration - amount or otherwise share exchange ratio	<p>There is no cash consideration discharged under the Scheme.</p> <p>The consideration discharged under the Scheme is as follows:</p> <p>Upon the Scheme coming into effect and in consideration of and subject to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent, acts, instrument or deed, issue and allot, to each shareholder of the Demerged Company as follows:</p> <p>For every 100 (Hundred) equity shares of face and paid-up value of Rs 100/- (Indian Rupees Hundred only) each held in KCL/the Demerged Company, 9,706 (Nine Thousand Seven Hundred and Six) equity shares of face and paid-up value of Re. 1/- (Indian Rupee One only) each in KGL/the Resulting Company to be issued to the equity shareholders of the Demerged Company, whose name is recorded in the register of members and records of the depository as a member of the Demerged Company as on the Record Date</p> <p>The aforesaid share entitlement ratio has been arrived on the basis of Share Entitlement Ratio Report dated February 14, 2025 issued by Bansi S. Mehta Valuers LLP, Registered Valuer.</p>
		<p>Further, ICICI Securities Limited, an Independent SEBI registered Category – I Merchant Banker, vide its report dated February 14, 2025 has confirmed that consideration arrived by the registered valuer is fair.</p>



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f)	Whether listing would be sought for the resulting entity	The equity shares of the Resulting Company are already listed on BSE and NSE. The new equity shares to be issued by the Resulting Company to the equity shareholders of the Demerged Company as consideration under the Scheme, shall be listed and admitted to trading on BSE and NSE (having nationwide terminal), subject to the Resulting Company obtaining the requisite approvals from all the relevant authorities for the same.
g)	Name of the entity(ies) forming part of the amalgamation/merger/demerger	Kitex Childrenswear Limited (being the Demerged Company) and Kitex Garments Limited (being the Resulting Company)
h)	Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arms length”;	The transaction is being undertaken at arms’ length basis. Further, the promoters of KGL/Resulting Company also form part of the promoters of KCL/ the Demerged Company.