

**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/JAN/06

January 20, 2025

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: Comments of Board Members for the fine levied for non-compliance / delayed compliance under Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”)

In reference to the communications received by the Company from both National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on November 21, 2024 relating to the fines imposed on the Company for non-compliance / delayed compliance of the provisions of Regulation 17(1A) of the SEBI Listing Regulations, the Board Members in their Meeting held today i.e., January 20, 2025, discussed the fines levied by NSE and BSE in the matter of appointment of an Independent Director.

The Board, after due analysis of the provisions of the SEBI Listing Regulations and Companies Act, 2013, emphasized that the appointment of Mr. A K Mathew as the Additional Director in the capacity of Independent Director and subsequent appointment as the Independent Director of the Company in compliance with Sections 149, 152 and 161 of the Companies Act, 2013 read with Regulations 17(1A) and 17(1C) of the SEBI Listing Regulations, whereby the special resolution was duly passed at the AGM held on September 28, 2024, within the mandated time frame of three months from the date of appointment.

The Board further took note of the relevant case laws, particularly Nectar Life Sciences Ltd v/s SEBI wherein the Hon'ble SAT has, inter alia, held that the requirements of Regulations 17(1A) and 17(1C) of the SEBI Listing Regulations are to be read harmoniously and 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 qualifying condition for appointment as a director. This further solidified the Board's belief that the fine levied to the Company by the exchanges was not appropriate.

The Board reaffirmed that the Company had no intention to violate any corporate governance requirements and has acted in good faith.



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The Board noted that the fine has been paid by the Company under protest and supports to seek necessary guidance from legal advisors in case of ambiguity in the language of law and adhere to the applicable compliances.

Yours faithfully,

For **Kitex Garments Limited**

Dayana Joseph

Company Secretary & Compliance Officer