

**KITEX****Kitex Garments Limited**

(CIN: L18101KL1992PLC006528)

Regd. Office: P. B. No. 5, Kizhakkambalam,  
Alwaye, Kochi, Kerala, 683562

Phone: +91 484 4142000, Fax: +91 484 2680604

Email: [sect@kitexgarments.com](mailto:sect@kitexgarments.com) website: [www.kitexgarments.com](http://www.kitexgarments.com)

Ref: KGL/SE/2022-23/JAN/05

January 19, 2023

<b>The Secretary</b> National Stock Exchange of India Ltd. "Exchange Plaza", Bandra-Kurla Complex, Bandra (E), Mumbai - 400051, Maharashtra <b>Code: KITEX</b>	<b>The Secretary</b> BSE Limited Corporate Relationship Department, 1st Floor, New Trading Ring, Rotunda Building, PJ Towers, Dalal Street, Fort Mumbai - 400001, Maharashtra <b>Code: 521248</b>
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Dear Sir/ Ma'am,

Sub: **POSTAL BALLOT NOTICE - DISCLOSURE UNDER REGULATION 30 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI LISTING REGULATIONS")**

Further to our letter dated January 13, 2023 and pursuant to Reg 30 of SEBI Listing Regulations, we are enclosing herewith a copy of the Postal Ballot notice together with explanatory statement for seeking approval of the shareholders of the Company which is being sent only through electronic mode to shareholders of the Company, on following Ordinary/ Special Resolutions as set out in the said Postal Ballot Notice, through remote e-voting:

Sl. no.	Description of Resolution
1.	To make investments, give loans, guarantees, and provide security under section 186 of the companies act, 2013
2	Approval for Material Related Party Transactions with Kitex Apparel Parks Limited
3	Approval for Material Related Party Transactions with Kitex Childrenswear Limited
4	Approval for Material Related Party Transactions with Kitex USA LLC

The calendar of event for postal ballot process is also attached herewith. The said documents are also available on the website of the Company [www.kitexgarments.com](http://www.kitexgarments.com).

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) for the purpose of providing e-voting facility to all its members. Members are requested to note that the voting through electronic mode shall commence from Friday, January 20, 2023 at 09:00 A.M. ('IST') to Saturday, February 18, 2023 at 05:00 p.m. (IST) both days inclusive. Voting by post or by electronic means shall not be allowed beyond the said date and time.

In compliance with the requisite circulars issued by Ministry of Corporate Affairs, the notice of Postal Ballot is being sent by electronic mode only to the shareholders whose names appeared in the Register of Members/ List of Beneficial Owners as maintained by the Company/ Depositories/ Register and Share Transfer Agent ("RTA") respectively, at the close of business hours on Friday, January 13, 2023 ("cut off date") and whose email addresses are registered with the Company/ RTA/ Depositories. In this regard, the Company has provided the facility to exercise the voting rights on business provided in the Postal Ballot notice by using electronic facility ("Remote e-voting") provided by NSDL.

Thanking you,

For **Kitex Garments Limited**

  
**CS. Mithun B Shenoy**  
Company Secretary & Compliance officer  
(ICSI M. No. FCS 10527)

Enclosure: As Above

**CALENDAR OF EVENTS FOR POSTAL BALLOT PROCESS**

Sl. No.	Particulars	Date
1	Date on which consent letter received from the Scrutiniser	11.01.2023
2	Board approval for resolution through Postal Ballot, fixation of cut off date, approval of PB Notice, appointment of Scrutiniser	13.01.2023
3	Appointment letter to Scrutiniser	13.01.2023
4	Cut off date for determining shareholder to whom Postal Ballot Notice will be sent	13.01.2023
5	Dispatch of Postal Ballot Notice through email	19.01.2023
6	Advertisement in Local and English in district circulation	20.01.2023
7	Date of commencement of voting through Evoting mode	20.01.2023
8	Date of closure of voting through Evoting mode	18.02.2023
9	Date on which resolution deemed to be passed	18.02.2023
10	Date of submission of report by Scrutiniser and Declaration of Results	20.02.2023
11	Date of declaration of the results by the chairman	20.02.2023
12	Last date of signing of minutes by the Chairman	19.03.2023

For **Kitex Garments Limited**

  
**CS. Mithun B Shenoy**  
Company Secretary & Compliance officer  
(ICSI M. No. FCS 10527)



**Kitex Garments Limited**

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<b>REMOTE E-VOTING</b>	
<b>Start date:</b>	Friday, January 20, 2023
<b>End date:</b> <i>(facility for remote evoting shall be blocked after end of this date)</i>	Saturday, February 18, 2023

**POSTAL BALLOT NOTICE**

*(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014)*

Dear Member(s),

Notice is hereby given that pursuant to Section 108, 110 and applicable provisions if any, of the Companies Act, 2013 ("the Act") read with Rule 20 and 22 of Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended, Secretarial Standards on General Meetings (SS-2) to the extent applicable read with General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/22 dated December 28, 2022 issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars"), and any other applicable laws and regulations as amended from time to time, the Company is seeking the approval of the Members of Kitex Garments Limited for the matter as considered in the resolutions appended below, through Postal Ballot by remote e-voting process only.

The Explanatory Statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act with the rules setting out all the material facts relating to the resolutions mentioned in this Postal Ballot Notice is annexed hereto for your consideration.

In accordance with the MCA Circulars, Members can vote only through the remote e-voting process. Accordingly, the Company is pleased to provide remote e-voting facility to all its members to cast their votes electronically. The Members are requested to read the instructions in the Notes of this Postal Ballot notice so as to cast their vote electronically not later than 5:00 p.m. (IST) on Saturday, February 18, 2023 (the last day to cast vote electronically) to be eligible for being considered.

In compliance with the provisions of Section 108 and other applicable provisions of the Act, read with the Rule 20 of the said Rules and Regulation 44 of the Listing Regulations and the MCA Circulars, the Company is providing option of e-voting facility to all the Members of the Company. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited ("CDSL"), to enable the Members to cast their votes electronically. For e-voting, members are requested to read the notes under this Postal Ballot Notice.

The Board of Directors of the Company has appointed CS. Jayan K. (Membership No: FCS 8154, CP: 7363), Partner, SVJS & Associates, Practicing Company Secretaries, Kochi as Scrutinizer for conducting the Postal Ballot through e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said process. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.

After completion of scrutiny of the votes cast, the scrutinizer will submit his Report on Monday, February 20, 2023 at the registered office of the Company. The results of the e-voting will be announced on Monday, February 20, 2023 at 3:00 PM at the registered office of the Company and will be displayed on the Company's website <https://www.kitexgarments.com> and will also be communicated to the Stock Exchanges in which shares of the Company are listed. The Resolutions, if approved, will be taken as having been duly passed on the last date specified for e-voting i.e. Saturday, February 18, 2023.

The Members holding equity shares of the Company on the cut-off date mentioned in this Postal Ballot notice are requested to carefully read the instructions mentioned under the head "Voting through electronic means" in this Postal Ballot Notice and record their assent ("FOR") or dissent ("AGAINST") on the proposed resolutions through the remote e-voting process not later than 5:00 P.M. (IST) on Saturday, February 18, 2023. Those Members who have not yet registered their e-mail address are requested to register the same by following the procedure set out in the Notes of this Postal Ballot Notice.

**SPECIAL BUSINESS:**

**1. TO MAKE INVESTMENTS, GIVE LOANS, GUARANTEES, AND PROVIDE SECURITY UNDER SECTION 186 OF THE COMPANIES ACT, 2013**

To consider, and if thought fit, to pass the following resolution as Special Resolution:

**"RESOLVED THAT** in supersession of resolution passed by the members through Postal Ballot route dated April 18, 2022 and pursuant to the provisions of Section 186 of the Companies Act, 2013 (the 'Act') read with the Companies (Meetings of Board and its Powers) Rules, 2014, and other applicable provisions, if any, of the Act, Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification, amendment or re-enactment thereof for the time being in force) and other applicable laws and as recommended by Audit Committee, subject to such other approvals, consents, sanctions and permissions as may be required in that behalf and in terms of the Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company to: (a) give loan to any person or other body corporate; (b) give any guarantee or provide any security in connection with a loan to any other body corporate or person and; (c) acquire by way of subscription, purchase or otherwise the securities of any other body corporate, subject to however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of Rs. 2200 Crore (Rupees Two Thousand and Two Hundred crores only) which may, however, be over and above the limit of 60% of the paid-up share capital, free reserves and securities premium account of the Company or 100% of free reserves and securities premium account of the Company, whichever is more, as prescribed under Section 186 of the Companies Act, 2013.

**"RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to do all such other acts, deeds and things as are necessary and expedient in this regard."

**2. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEX APPAREL PARKS LIMITED**





To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution:-

**"RESOLVED THAT** in supersession of resolution passed by the members through Postal Ballot route dated April 18, 2022 and pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with Company's policy on materiality of and dealing with Related Party transactions and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ Transaction(s)/ arrangement(s) with Kitex Apparel Parks Limited, a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations or with third party including lenders as against transactions including term loan availed of from the lender, for such transactions as given in the explanatory statement on such terms and conditions as Board may deem fit, upto a maximum aggregate amount of Rs. 2900 Crore (Rupees Two Thousand and Nine Hundred Crore only) for a period of 10 years w.e.f FY 2022-23, provided that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at arms length basis."

**"RESOLVED FURTHER THAT** the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time be authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company as it may consider appropriate in order to give effect to this resolution."

### **3. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEX CHILDRENSWEAR LIMITED**

To consider and if thought fit to pass with or without modification, the following resolution as an ordinary resolution:-

**"RESOLVED THAT** in supersession of resolution passed by the members at AGM dated September 7, 2021 and pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulations 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with Company's policy on materiality of and dealing with Related Party transactions and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors of the Company to enter into a contract(s)/ Transaction(s)/ arrangement(s)



with Kitex Childrenswear Limited, a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations, for such transactions as given in the explanatory statement on such terms and conditions as Board may deem fit, upto a maximum aggregate amount of Rs. 300 Crores (Rupees Three Hundred Crores only) in each financial year for a period of 10 years w.e.f FY 2022-23, provided that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at arms length basis."

**"RESOLVED FURTHER that** the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time be authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Directors of the Company or to any one or more Directors of the Company as it may consider appropriate in order to give effect to this resolution."

**4. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS WITH KITEX USA LLC**

To consider and if thought fit, to pass with or without modification, the following resolution as Ordinary Resolution:

**"RESOLVED THAT** in supersession of resolution passed by the members at AGM dated September 7, 2021 and pursuant to Section 188 and other applicable provisions of the Companies Act, 2013 and the Companies (Meeting of Board and its Powers) Rules, 2014 including any modifications or amendments or clarifications thereon, if any, and pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time read with Company's policy on materiality of and dealing with Related Party transactions and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the shareholders be and is hereby accorded to the Board of Directors to enter into a contract(s)/ Transaction(s)/ arrangement(s) with KITEX USA LLC a related party within the meaning of Sec 2(76) of the Act and Reg 2(1)(zb) of Listing Regulations, for such transactions as given in the explanatory statement, on such terms and conditions as may be mutually agreed upon, upto a maximum amount of Rs. 600 Crores (Rupees Six Hundred Crores only) in each financial year from the financial year 2022-23 for a period of 10 years, however that contract(s)/ Transaction(s)/ Arrangement(s) so carried out shall at all times be in the ordinary course of Company's business and also at arms length basis."

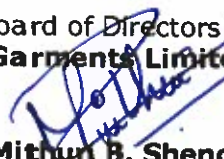
**"RESOLVED FURTHER that** the Board of Directors of the company and/or the Audit Committee as may be applicable from time to time authorized to settle any question, difficulty or doubt that may arise with regard to giving effect to the above Resolution; sign and execute necessary documents and papers on an ongoing basis and to do and perform all such acts, deeds and things as may be necessary or in its absolute discretion deem necessary, proper, desirable and to finalize any documents and writings in this regard."



**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this resolution to Audit Committee of Board of the Company in order to give effect to this resolution."

Kizhakkambalam  
January 13, 2023

By Order of the Board of Directors of  
**Kitex Garments Limited**

  
**CS. Mithun B. Shenoy**  
Company Secretary  
(ICSI M. No. FCS 10527)

**NOTES:**

1. Explanatory statement pursuant to Section 102 and 110 of the Act and other applicable provisions, if any, setting out all material facts relating to resolutions contained in this Postal ballot notice is annexed hereto.
2. As per the MCA circulars and in view of the prevailing COVID-19 pandemic situation, physical copies of this Postal Ballot notice, Postal Ballot forms and pre-paid Business Reply Envelopes are not being sent to Shareholders for this Postal Ballot. Shareholders are requested to provide their assent or dissent through remote e-voting only.
3. The Postal Ballot Notice is being published/ emailed/ displayed for all Members, whose name appear on the Register of Members/ List of Beneficial Owners as received from National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) on Friday, January 13, 2023 (cut-off date). Member(s) whose names appear on the Register of Members/ List of Beneficial Owners as on the cut off date will be considered for the purpose of e-voting. The voting rights of Members shall be in proportion of their shares of the paid-up equity share capital of the Company. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
4. For the purpose of providing remote e-voting facility, the Company has entered into an agreement with CDSL for facilitating e-voting and enabling the Shareholders to cast their votes electronically.
5. Shareholders may please note that the Postal Ballot Notice will also be available on the Company's website at [www.kitexgarments.com](http://www.kitexgarments.com), websites of the Stock Exchanges ie. BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at <https://www.evotingindia.com/>.
6. Relevant documents referred to in the Notice and the Statement are available for inspection by the Members at the Registered Office of the Company or electronically from 11 am to 5 pm on all working days from the date of dispatch of the Notice till the last date for e-voting.
7. Resolutions passed by the Shareholders through Postal Ballot are deemed to have been passed as if the same has been passed at a General Meeting of the Shareholders.
8. The Portal for E-voting will remain open for the Members for exercising their voting from Friday, January 20, 2023 at 09:00 A.M. ('IST') to Saturday, February 18, 2023 at 05:00 p.m. (IST) both days inclusive. Please note that E-voting module will be disabled for voting by CDSL after the said date and time. During this period, the Members of the Company holding shares either in physical form or dematerialised form, as on Friday, January 13, 2023 ('cut-off date'), may cast their vote

electronically. Once vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

9. The Postal Ballot notice is being sent to the members who have registered their email IDs for receipt of documents in electronic form with their Depository Participants/ Company's Registrar and Share Transfer Agent (RTA). Shareholders who have not registered their e-mail address are requested to register the same with the Depository Participant(s) where they maintain their demat accounts.
10. In compliance with the MCA Circulars, the Notice is being sent by electronic mode to those Shareholders whose names appear in the Register of Members / Beneficial Owners as received from NSDL and CDSL as on cut-off date, i.e., Friday, January 13, 2023 and whose e-mail IDs are registered with the Company/ Depositories. For Shareholders who have not registered their e-mail IDs, please follow the instructions given in the below notes. Further, the Shareholders whose names appear in the Register of Members/ List of Beneficial Owners as on cut-off date, i.e. Friday, January 13, 2023 are entitled to vote on the Resolutions set forth in this Postal Ballot Notice. A person who is not a Shareholder as on the cut-off date should treat this Notice of Postal Ballot for information purpose only.
11. A shareholder cannot exercise his/her vote by proxy on Postal Ballot.
12. The Scrutinizer will submit his report to the Chairman & Managing Director/ Company Secretary after completion of the scrutiny of the e-Voting, on or before on or before Monday, February 20, 2023 and the result of the Postal Ballot including voting through electronic means will be announced on or before Monday, February 20, 2023 at 3:00 PM at the Company's Registered Office of the Company by the Chairman & Managing Director/ Company Secretary of the Company. The results of the Postal Ballot will also be displayed at the Registered Office at P. B. No. 5, Kizhakkambalam, Alwaye - 683562, Kochi, Kerala and shall be intimated to the Stock Exchanges where securities of the Company are listed (viz., BSE: [www.bseindia.com](http://www.bseindia.com) and NSE: [www.nseindia.com](http://www.nseindia.com)) and will be hosted along with the Scrutinizer's report on the Company's website: [www.kitexgarments.com](http://www.kitexgarments.com) and CDSL website: <https://www.evotingindia.com>.
13. The Board of Directors has appointed Mr. Mithun B Shenoy, Company Secretary and Compliance Officer of the Company as the designated person responsible for the entire Postal Ballot process.

**14. VOTING THROUGH ELECTRONIC MEANS:**

- a) In compliance with provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended from time to time together with relevant clauses in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members the facility to exercise their right to vote at the Postal Ballot route by electronic means and the business may be transacted through e-voting services provided by the Central Depository Services (India) Limited (CDSL).

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.



b) In terms of SEBI circular no SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

**"Cut-off date"** for determining the eligibility for voting either through electronic voting system or ballot is fixed as Friday, January 13, 2023 (cut-off date). A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the E voting menu, the user will be able to see his/her holdings along with links of the respective e-Voting service provider i.e. CDSL/NSDL/KFIN/LINK INTIME as per information provided by Issuer/ Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ol>

<p><b>Individual Shareholders</b> holding securities in demat mode with <b>NSDL</b></p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReq.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
<p><b>Individual Shareholders</b> (holding securities in demat mode) login through their <b>Depository Participants</b></p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.**

- c) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.com/> under help section or write to Mr. Rakesh Dalvi, Manager with email id: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and contact Helpdesk: 18002005533/ 022-22723333.
- d) Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

A Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.



- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders/ Members" tab.
- (iii) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in De-mat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
DOB# or Dividend Bank Details#	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in De-mat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is also to be used by the de-mat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN to choose <KITEX GARMENTS LIMITED> to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- (xvi) If Demat account holder has forgotten the changed password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xviii) Note for Non-Individual Shareholders & Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporate and custodians respectively
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s)/ folio numbers on which they wish to vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address: [sect@kitexgarments.com](mailto:sect@kitexgarments.com), if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

- For Physical shareholders:- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id: [investor@cameoindia.com](mailto:investor@cameoindia.com) with cc to [sect@kitexgarments.com](mailto:sect@kitexgarments.com).
- For Demat shareholders:- please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id : [investor@cameoindia.com](mailto:investor@cameoindia.com) with cc to [sect@kitexgarments.com](mailto:sect@kitexgarments.com).

15. shareholder/members may send a request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) for procuring user id and password for e-voting by providing above mentioned documents.





16. It is clarified that if a shareholder fails to provide or update relevant e-mail address to the Company or to the DP, as the case may be, the Company will not be in default for not delivering the Notice via e-mail.
17. Shareholders holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrar and Share Transfer Agent, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be returned to such Shareholders after making requisite changes thereon.
18. Shareholders may send their queries related to items included in the Postal Ballot Notice or any other matter concerning the Company on the email id [sect@kitexgarments.com](mailto:sect@kitexgarments.com) from their registered email address, mentioning their name, folio number/DP ID-Client ID, as applicable, mobile number, copy of PAN card. Such queries shall be appropriately replied by the Company.
19. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call at toll free no. 1800 22 55 33



### **EXPLANATORY STATEMENT**

*(As per Section 102 read with Section 110 of the Companies Act, 2013)*

#### **Item No. 1**

It is informed to the Members that the Company has been making investments, giving loans and guarantees to and providing security in connection with loans to various persons and bodies corporate (including its subsidiary) from time to time, in compliance with the applicable provisions of the Act. The provisions of Section 186 of the Act read with the Companies (Meetings of Board and

its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of shareholders by means of a Special Resolution is required to be passed at a general meeting. Since the Aggregate amount of the loans and investments so far made, along with the loans, investments, guarantees, provide security to be made/ provided by the Company in the near future, may exceed the limits prescribed under the provision of section 186 (2) of the Companies Act, 2013, so, it is feasible for the Company to get the prior approval from the shareholders of the Company by way of Special Resolution for enhancing the limits specified under Section 186 of the Act.

In view of the above and considering the long term business plans of the Company, which requires the Company to make sizeable loans/ investments and issue guarantees/ securities to persons or bodies corporate, from time to time, the Board of Directors of the Company proposes to obtain approval of shareholders by way of special resolution as contained in the notice of the Postal Ballot for the purpose of aforesaid loan, investments, guarantees and securities for an amount not exceeding a sum of Rs. 2200 Crores (Rupees Two Thousand and Two Hundred Crores only) in aggregate, outstanding at any time notwithstanding that such investments, outstanding loans given or to be given and guarantees and security provided are in excess of the limits prescribed under Section 186 of the Companies Act, 2013.

Details of the proposed RPTs between the Company and Kitex Apparel Parks Limited ('KAPL'), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are given in explanatory statement to the item no. 2 below.

The Directors recommend the Special Resolution as set out in the accompanying Notice, for Members' approval.

None of the directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the special resolution except to the extent of their shareholding in the Company.

#### **Item no. 2**

Your Company along with its promoter group company viz., Kitex Childrenswear Limited has incorporated a new company i.e., Kitex Apparel Parks Limited ("KAPL") in the state of Telangana for carrying out the same line business of the Company as an expansion plan. Mr. Sabu M. Jacob, Managing Director of the Company also holds position as Managing Director in Kitex Apparel Parks Limited. KAPL is having paid up capital of 200 crores, in which 70% of capital will be subscribed and invested by Kitex Garments Limited and balance portion will be by Kitex Childrenswear Limited. For setting up the business units and other business activities, KAPL proposed to avail loan facilities from various lenders including Banks, for which your Company will be required to provide guarantee to the lenders as and when required. After commencement of the business by KAPL, your Company will be carrying out various business transactions in the form of fabric purchase/ fabric sale/ job work and such other transactions and is dependent on the requirement of both the Companies for its products from time to time and the ability to supply such specified infants garments by these companies



Your company has noted that M/s. Kitex Apparel Parks Limited is falling under the category of a related party of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company shall consider a transaction with a related party as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year exceeds Rs. 1000 Crs or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through an ordinary resolution and all the related parties shall not vote to approve on such resolutions. The Company envisages that the transactions to be entered into with M/s. Kitex Apparel Parks Limited whether individually and/or in aggregate would exceed the above stipulated threshold limit. The company therefore requires the approval of the shareholders by an ordinary resolution for entering into such transaction(s)/ Contract(s)/ arrangement(s) with M/s. Kitex Apparel Parks Limited upto a maximum amount as mentioned in the resolution from the FY 2022-23 for a period of 10 years.

All related parties shall not vote to approve on this resolution.

Details of the proposed RPTs between the Company and Kitex Apparel Parks Limited ('KAPL'), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No	Description	Details of proposed RPTs between the Company and KAPL
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT	
1.a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	<p>KAPL is a Subsidiary of the Company wherein 70% of investment will be made by the Company and balance 30% will be invested by Kitex Childrenswear Ltd. being member of group company. The Company is Promoter of KAPL.</p> <p>KAPL is engaged in establishment and carrying on the business of textile items, such as yarn, fabrics, garments, wearing apparels made from natural or synthetic fibres or from blends of both including children's garments, babywear, Infantswear, menswear, ladies wear irrespective of age limit and the like and also to procure all raw material and other auxiliary materials/ services required for the above and registered in the State of Telangana.</p> <p>KAPL falls within the related party of the Company and promoters of the Company are interested in the subsidiary company to the extent of their shareholding of the Company.</p>
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	<p>The Company and KAPL have entered into/ propose to be entered into the following RPTs for a term of 10 years w.e.f. FY 2022-23, for an aggregate value not exceeding Rs. 2,900 crores p.a.:</p> <ul style="list-style-type: none"> <li>• Investments, loans,</li> <li>• Guarantee,</li> <li>• security,</li> <li>• fabric sales &amp; fabric purchase,</li> <li>• job work and</li> <li>• such other transactions including corporate guarantee against consortium to the extent of Rs. 2033.94 crores availed of by Kitex Apparel Parks Limited.</li> </ul>
1.c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	341%

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1.d.	for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided;	KAPL is yet to commence the operations.
2	Justification for the proposed RPTs	The proposed transactions are as a part of new expansion project in the state of Telangana.
3	Details of proposed RPTs relating to the Company or its subsidiary	to any loans, inter-corporate deposits, advances or investments made or given by
3.a.	Details of the source of funds in connection with the proposed transaction	Own share capital / Internal accruals/ liquidity of the Company.
3.b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness, - Cost of funds and - Tenure	Not applicable
3.d.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Investments in KAPL aggregating to Rs. 600 crores (of which Rs. 140 crores already made): <ul style="list-style-type: none"><li>• The pricing is based on valuation/ as per approval of the Board of Directors of the Company.</li><li>• Tenure: Not Applicable.</li><li>• Interest rate: Not Applicable.</li><li>• Repayment Schedule: Not Applicable</li></ul>
3.e.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	To meet working capital requirements of KAPL
4	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The pricing mechanism of RPTs would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/ or services. Valuation report or other external report, as may be applicable, shall be obtained by the parties concerned. In the case of reimbursements/ recoveries, same would be basis actual cost incurred.
5	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship	Mr. Sabu M Jacob and Mrs. Sindhu Chandrasekharan.  Mr. Sabu M. Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) also holds position as Managing Director of KAPL. He is the promoter for both the companies. Mrs. Sindhu Chandrasekharan, Whole Time Director of Kitex Garments Limited, is also a Director of KAPL.
6	Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	KAPL is yet to commence the operations.
7	Any other information that may be relevant.	All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

Apart from above, the other requisite information is also given as follows:

1.	Name of the related parties	Kitex Apparel Parks Limited (KAPL)
2.	Name of the Director or KMP who is related	Mr. Sabu M Jacob Mrs. Sindhu Chandrasekharan



3.	Nature of relationship	Mr. Sabu M. Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) also holds position as Managing Director of KAPL. He is the promoter for both the companies. Mrs. Sindhu Chandrasekharan, Whole Time Director of Kitex Garments Limited is also a Director of KAPL.
4.	Monetary Value	The estimated aggregate transaction value for the matters proposed in the resolution shall not exceed Rs. 2900 Crores for KAPL
5.	Nature, material terms and particulars of arrangements	Investments, loans, Guarantee, security, fabric sales, fabric purchase, job work and such other transactions including corporate guarantee against consortium to the extent of Rs. 2033.94 crores availed of by Kitex Apparel Parks Limited. These transactions would be in the ordinary course of the company's business and at the arm's length basis.
6.	Any advance paid or received for the arrangement if any	Will be considered as per industry norms, custom and uses.
7.	Tenure of Contract	10 years w.e.f. FY 2022-23
8.	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on January 13, 2023 have approved the proposed arrangements with the Related Party M/s. Kitex Apparel Parks Limited and have also decided to seek approval of shareholders by way of ordinary resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

The Company together with Kitex Childrenswear Limited being promoters of the Company are holding 19,99,99,995 shares, Mr. Sabu M. Jacob and Mrs. Sindhu Chandrasekharan hold 1 share each in KAPL as ostensible owner of the Company and are concerned or interested in the ordinary resolution under Agenda Item no. 2.

Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company/ electronically (as per MCA circulars in light of CoVID-19 pandemic) between 11.00 AM and 1.00 P.M. on all working days up to the end of Postal ballot.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the Postal Ballot notice for approval by the members.

The Promoters/ Directors/ Key Managerial Personnel/ their relatives are concerned or interested, to the extent of their shareholding in the Company/ Kitex Apparel Parks Limited, if any, in the resolutions set out at item no. 2 of the accompanying notice.

### **Item no. 3**

Your Company is involved in the business (selling) of processed fabrics to M/s. Kitex Childrenswear Limited, (hereinafter referred to as "the KCL") an unlisted company which is also promoted by Mr. Sabu M Jacob who is also the Director of this company. Your company also takes on rent and also rent out some portion of the factory premises to KCL and also engages KCL for undertaking special job work contracts. The sale of processed fabrics and Job work contracts dependent on the requirement of both the Companies for its products from time to time and the ability to supply such

specified Childrenswear by these companies. During the course of its business, KCL also sells its products to other companies.

Your company has noted that M/s. Kitex Childrenswear Limited fall under the category of a related party of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company consider a transaction with a related party material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year exceeds Rs. 1000 Crs or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through an ordinary resolution and the related parties shall not vote to approve on such resolutions. The Company envisages that the transactions entered into with M/s. Kitex Childrenswear Limited whether individually and/or in aggregate would exceed the above stipulated threshold limit. The company therefore requires the approval of the shareholders by an ordinary resolution for entering into such transaction(s)/ Contract(s)/ arrangement(s) with M/s. Kitex Childrenswear Limited upto a maximum amount as mentioned in the resolution in each financial year from the FY 2022-23 for a period of 10 years.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arms length basis, the same is being sought as an abundant precautionary measure.

All related parties shall not vote to approve on this resolution.

Details of the proposed RPTs between the Company and Kitex Childrenswear Limited ('KCL'), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No	Description	Details of proposed RPTs between the Company and KCL
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT	
1.a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	KCL is a promoter group company of Kitex Garments Limited.  KCL is engaged in the business of manufacturers, dealers, purchasers, sellers, importers, and exporters of textile items such as yarn, fabrics, garments, wearing apparels, made from natural or synthetic fibers or from blends of both and registered in the State of Kerala.  KCL falls within the related party definition of the Company and are interested in the subsidiary company to the extent of their shareholding of the Company.
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company and KCL have entered into/ propose to enter into the following RPTs for a term of 10 years w.e.f. FY 2022-23, for an aggregate value not exceeding Rs. 300 Crores p.a.:  Purchase and sale of Processed Textiles, job work contracts, also takes on rent and rent out some portion of the factory premises to KCL by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by theses companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis
1.c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding	36.80%

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	financial year, that is represented by the value of the proposed RPTs.	
2	Justification for the proposed RPTs	The company provides fabric sale and also job work to KCL which is an integral part of RPTs.
3	Details of proposed RPTs relating to the Company or its subsidiary	any loans, inter-corporate deposits, advances or investments made or given by
3.a.	Details of the source of funds in connection with the proposed transaction	Own share capital / Internal accruals/ liquidity of the Company.
3.b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments: - Nature of indebtedness, - Cost of funds and - Tenure	Not applicable
3.d.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
3.e.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	NA
4	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The pricing mechanism of RPTs would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/ or services. Valuation report or other external report, as may be applicable, shall be obtained by the parties concerned. In the case of reimbursements/ recoveries, same would be basis actual cost incurred.
5	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship	Mr. Sabu M. Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) and is also the Director of KCL. He is the promoter for both the companies. He is holding 99.69% shares in KCL along with his wife.
6	Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	84.76 % standalone turnover of KCL for FY 22.
7	Any other information that may be relevant.	All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

Apart from above, the other requisite information is also given as follows:

1.	Name of the related parties	Kitex Childrenswear Limited (KCL)
2.	Name of the Director or KMP who is related	Mr. Sabu M Jacob
3.	Nature of relationship	Mr. Sabu M. Jacob is the Chairman & Managing Director of Kitex Garments Limited (KGL) and is also the Director of KCL. He is the promoter for both the companies. He is holding 99.69% shares in KCL along with his wife.
4.	Monetary Value	The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 300 Crores for KCL in each financial year for 10 consecutive years.
5.	Nature, material terms and particulars of arrangements	Purchase and sale of Processed Textiles, job work contracts, also takes on rent and rent out some portion of the factory premises to KCL by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by theses companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis.

6	Any advance paid or received for the arrangement if any	As per industry norms, custom and uses.
7	Tenure of Contract	10 years w.e.f FY 2022-23
8	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on January 13, 2023 have approved the proposed arrangements with the Related Party M/s. Kitex Childrenswear Limited and have also decided to seek approval of shareholders by way of ordinary resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

Mr. Sabu M. Jacob together with his relatives and directors of the company who directly hold in aggregate of 9,49,829 equity shares (99.99%) of the Kitex Childrenswear Ltd (Mr. Sabu M. Jacob: 946960 shares, Mrs. Renjitha Joseph: 2850 shares, Mrs. Sindhu Chandrasekharan: 19 shares) are concerned or interested in the ordinary resolution under Agenda Item no. 3.

Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company/ electronically (as per MCA circulars in light of CoVID-19 pandemic) between 11.00 AM and 1.00 P.M. on all working days up to the end of Postal ballot.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

The Directors/ Key Managerial Personnel or their relatives are concerned or interested, to the extent of their shareholding in the Company, if any, in the resolutions set out at item no. 3 of the accompanying notice.

**Item No. 4**

Your Company sells garments consisting of Baby suits, Sleepwear, Rompers, Burps, Bips and Training Pants to M/s. Kitex USA LLC (hereinafter referred to as "the KUL") a company registered in Delaware, USA under laws of that country having a joint investment of 50:50 by the Company together with M/s. Kitex Childrenswear Limited (KCL), an unlisted Company which was promoted by Mr. Sabu M. Jacob who is also the Managing Director of both the promoter company. The sale of baby garments/ investments dependent on the requirement of both the Companies for its products from time to time and the ability to supply such specified Childrenswear by this company to its clients. During the course of its business, KUL has been selling its products to other companies.

Your company has noted that M/s. Kitex USA LLC fall under the category of a related party of the Company in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as notified and amended from time to time. The provisions of this regulation read with Policy on Related Party Transactions approved and notified by the Board of Directors of the Company consider a transaction with a related party as material if the transaction/ transactions to be entered into individually or taken together with previous transactions during a financial year exceeds Rs. 1000 Crs or 10% of the annual consolidated turnover of the listed entity as per the last



audited financial statements of the listed entity, whichever is lower. Further, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time require all material related party transactions to be approved by the shareholders through an ordinary resolution and the related parties shall not vote to approve on such resolutions. The Company envisages that the transactions entered into with M/s. Kitex USA LLC whether individually and/or in aggregate would exceed the above stipulated threshold limit. The company therefore requires the approval of the shareholders by an ordinary resolution for entering into such transaction(s)/ Contract(s)/ arrangement(s) with M/s. Kitex USA LLC upto a maximum amount as mentioned in the resolution in each financial year from the FY 2022-23 for a period of 10 years.

Although approval of the shareholders would not be required under the provisions of Section 188 of the Companies Act, 2013 and the rules made thereunder and as amended from time to time due to the reason that transactions with related party are in the ordinary course of business and at the arms length basis, the same is being sought as an abundant precautionary measure.

All related parties shall not vote to approve on this resolution.

Details of the proposed RPTs between the Company and Kitex USA LLC ('KUL'), including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as follows:

S. No	Description	Details of proposed RPTs between the Company and KUL
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPT	
1.a.	Name of the Related Party and its relationship with the Company or its subsidiary, including nature of its concern or interest (financial or otherwise).	KUL is an Associate company of Kitex Garments Limited.  KUL is into Purchase and sale of Garments by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by these companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis.  KUL falls within the related party definition of the Company and are interested in the company to the extent of their shareholding of the Company.
1.b.	Type, material terms, monetary value and particulars of the proposed RPTs	The Company and KUL have entered into/ propose to enter into the following RPTs for a term of 10 years w.e.f. FY 2022-23, for an aggregate value not exceeding Rs. 600 Crores p.a.:  KUL is into Purchase and sale of Garments by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by these companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis.
1.c.	Percentage of the Company's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed RPTs.	73.60%
2	Justification for the proposed RPTs	The company executes RPT with KUL by selling products/ investments which in turn sells to its client is an integral part of RPTs.
3	Details of proposed RPTs relating to any loans, inter-corporate deposits, advances or investments made or given by the Company or its subsidiary	
3.a.	Details of the source of funds in connection with the proposed transaction	Own share capital / Internal accruals/ liquidity of the Company.
3.b.	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments:	Not applicable

*M*

	- Nature of indebtedness, - Cost of funds and - Tenure	
3.d.	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	NA
3.e.	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT.	NA
4	Arm's length pricing and a statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through registered email address of the shareholder.	The pricing mechanism of RPTs would be as per Arm's Length criteria based on the market price or alternative pricing method of relevant materials and/ or services. Valuation report or other external report, as may be applicable, shall be obtained by the parties concerned. In the case of reimbursements/ recoveries, same would be basis actual cost incurred.
5	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any, and the nature of their relationship	Mr. Sabu M. Jacob is the Chairman & Managing Director of the Kitex Garments Limited (KGL) and the Director of Kitex Childrenswear Limited (KCL). He is the promoter for all these companies. KGL and KCL jointly invested in KUL in the proportion of 50:50.
6	Percentage of counterparty's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	120.54% standalone turnover of KUL for FY 22.
7	Any other information that may be relevant.	All relevant information is mentioned in the Explanatory Statement setting out material facts, pursuant to Section 102(1) of the Act, forming part of this Notice.

**The relevant information is as follows:**

1.	Name of the related parties	Kitex USA LLC (KUL)
2.	Name of the Director or KMP who is related	Mr. Sabu M Jacob
3.	Nature of relationship	Mr. Sabu M. Jacob is the Chairman & Managing Director of the Kitex Garments Limited (KGL) and the Director of Kitex Childrenswear Limited (KCL). He is the promoter for all these companies. KGL and KCL jointly invested in KUL in the proportion of 50:50.
4.	Monetary Value	The estimated aggregate contract value for the matters proposed in the resolution shall not exceed Rs. 600 Crores for KUL in each financial year for 10 consequent years w.e.f. FY 2022-23
5.	Nature, material terms and particulars of arrangements	Purchase and sale of Garments by the company as these are dependent on the requirement of both companies for its products from time to time and the ability to supply of specified material by theses companies. However such transactions would be in the ordinary course of the company's business and at the arm's length basis.
6	Any advance paid or received for the arrangement if any	As per industry norms, custom and uses.
7	Tenure of Contract	10 years w.e.f FY 2022-23
8	Any other information relevant or important for the members to take a decision on the proposed resolution	Nil

The Audit committee and the Board of the Directors of the Company have considered these proposed arrangements and limits at their meeting held on January 13, 2023 and have approved the proposed arrangements with the Related Party M/s. Kitex USA LLC and have also decided to

seek approval of shareholders by way of ordinary resolution pursuant to section 188 of the Companies Act 2013 read with the Companies (Meeting of Board and its Powers) Rules, 2014 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as amended from time to time.

Mr. Sabu M. Jacob together with his relatives and directors of the company who directly don't hold any shares in Kitex USA LLC.

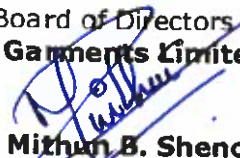
Relevant documents in respect of the said items would be made available, for inspection by the members without payment of any fee, at the Registered Office of the Company/ electronically (as per MCA circulars in light of CoVID-19 pandemic) between 11.00 AM and 1.00 P.M. on all working days up to the end of Postal ballot.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

The Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested in this resolution to the extent of their shareholding if any, in the Company, in the resolutions set out at item no. 4 of the accompanying notice.

Kizhakkambalam  
January 13, 2023

By Order of the Board of Directors of  
**Kitex Garments Limited**

  
**CS. Mithun B. Shenoy**  
Company Secretary  
(ICSI M. No. FCS 10527)

**KITEX**