

**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
Website: www.kitexgarments.com

Ref: KGL/SE/2024-25/FEB/02

February 14, 2025

BSE Limited Dept. of Corporate Services (Listing) 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 Listing Department, 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: Intimation of Board Meeting to NSE and BSE dated February 07, 2025

Ref : Outcome of Board Meeting held on Friday, February 14, 2025

This has reference to our aforesaid intimation regarding the captioned subject and pursuant to Regulation 33, 30 and other applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, the Board of Directors at their meeting held today, i.e., February 14, 2025, has approved and took on record the Unaudited Financial Results (Standalone and Consolidated) along with Limited Review Report for the quarter and nine months ended December 31, 2024 as duly reviewed and recommended by the Audit Committee of Board. The Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2024 along with the Limited Review Report issued by the Statutory Auditor of the Company are enclosed herewith.

The Board meeting commenced at 10.20 A.M and concluded at 5.25 P.M

We request you to kindly take the above information on record.

Thanking You,

Your sincerely,

For **Kitex Garments Limited**

Dayana Joseph
Company Secretary & Compliance Officer

Enclosure : As above

KITEX

KITEX GARMENTS LIMITED

CIN: L18101KL1992PLC006528

Regd. Office : Building No.VI/496, Kizhakkambalam, Vilangu P O, Aluva, Kerala-683561.

Web:www.kitexgarments.com, E mail:sect@kitexgarments.com, Tel.0484 4142000, Fax 0484 2680604

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2024

Particulars	Standalone					
	For the quarter ended			For the nine months ended		Year ended
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from Operations	27,631.61	21,568.15	16,413.13	68,263.51	44,386.84	61,692.20
(b) Other Income	1,156.22	502.96	803.57	2,117.69	1,561.55	2,467.06
Total Income	28,787.83	22,071.11	17,216.70	70,381.20	45,948.39	64,159.26
2 Expenses						
(a) Cost of Materials Consumed	10,999.16	11,014.25	6,056.09	29,884.41	19,185.58	29,742.81
(b) Changes in Inventories of Finished Goods and Work-in-Progress	132.40	(2,968.12)	372.50	(2,919.47)	(175.74)	(4,228.34)
(c) Employee Benefits Expense	4,205.93	4,128.26	2,925.15	11,872.78	8,509.75	11,939.36
(d) Finance Costs	353.39	341.46	188.76	903.88	448.89	733.19
(e) Depreciation and Amortisation Expense	365.51	422.59	519.78	1,256.70	1,562.11	2,070.40
(f) Other Expenses	6,913.48	3,801.11	3,751.90	14,255.96	10,117.31	13,993.67
Total Expenses	22,969.87	16,739.55	13,814.18	55,254.26	39,647.90	54,251.09
3 Profit Before Tax (1-2)	5,817.96	5,331.56	3,402.52	15,126.94	6,300.49	9,908.17
4 Tax Expense						
(a) Current Tax	1,578.00	1,476.00	1,353.00	4,215.00	2,190.00	3,221.00
(b) Deferred Tax (benefit)	(105.03)	(118.88)	(50.06)	(422.14)	(109.19)	(131.60)
5 Net Profit for the period/year (3-4)	4,344.99	3,994.44	2,099.58	11,334.08	4,219.68	6,818.77
6 Other Comprehensive Income/(Loss) (net of tax) for the period / year						
Items that will not be reclassified to profit or loss						
(a) Remeasurements of post employment benefit obligations	-	-	-	-	-	(18.60)
(b) Fair value changes on equity instruments carried through other comprehensive income	(0.31)	(1.12)	1.09	(1.51)	3.44	5.45
(c) Income tax relating to items that will not be reclassified to profit or loss	0.08	0.28	(0.27)	0.38	(0.87)	3.31
Total Other Comprehensive (Loss)/Income for the period/ year	(0.23)	(0.84)	0.82	(1.13)	2.57	(9.84)
7 Total Comprehensive Income for the period/ year (5+6)	4,344.76	3,993.60	2,100.40	11,332.95	4,222.25	6,808.93
8 Paid-Up Equity Share Capital (Face value Re.1 per share fully paid up)	665	665	665	665	665	665
9 Other Equity						
10 Earnings Per Share (In Rupees) (of Re. 1/- each) (Not Annualised)						95,635.45
(a) Basic	6.53	6.01	3.16	17.04	6.35	10.25
(b) Diluted	6.53	6.01	3.16	17.04	6.35	10.25



Notes to Standalone Financial Results:

- 1 The above standalone results of KiteX Garments Limited ("the Company") for the quarter and nine months ended December 31, 2024 were reviewed by the Audit Committee and has been approved by the Board of Directors at its respective meeting held on February 14, 2025 and have been subjected to limited review by the Statutory Auditors of the Company. The unaudited standalone financial results are prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016, as amended.
- 2 In accordance with Ind AS 108 on "Operating Segments", the Company operates in a single business segment viz. Textile - Infant/Kids Apparel Manufacturing and hence has only one reportable segment.
- 3 During the nine month period Company has acquired additional stake of 6,40,22,207 shares in subsidiary Company "KiteX Apparel Parks Limited" (KAPL) to the tune of Rs 6,40,22 lakhs. The Company has also provided guarantee for borrowings availed by KAPL from banks for sanctioned amount of Rs 2,02,300 lakhs of which Rs.82,856.24 lakhs is disbursed up to the current quarter.
- 4 The balance of trade receivable as on December 31,2024 includes foreign currency receivable from its related party amounting to Rs.11,684.19 lakhs. Further, these foreign currency receivables have not been collected by the Company within the stipulated timeline prescribed under the Foreign exchange management Act, 1999, and the Reserve Bank of India (RBI) Master Direction on Export of Goods and Services (FED Master Direction No. 16/2015-16 dated August 29,2024). However, the Company have approached its Authorised Dealer Category I Bank ('AD Bank') for capitalisation of exports. Pending the requisite application and approval of the Regulator, the management of the Company believes no material penalties or fines would devolve on the Company on account of such non-compliances. Accordingly, Company has not accounted for penalties and fines, if any, on account of such non-compliances in the unaudited standalone financial results for the quarter and nine-month period ended December 31,2024.
- 5 The Company holds an investment in an Associate, KiteX USA LLC, which amounts to Rs 2,776.24 lakhs as on December 31, 2024 (March 31, 2024 Rs. 2,776.24 lakhs, December 31,2023 :Rs. 2,776.24 lakhs). Also, the Company has trade receivables from the aforesaid Associate company amounting to Rs.11,684.19 lakhs (March 31, 2024: Rs. 10,225.12 lakhs, December 31,2023:Rs. 9,901.74 lakhs), however, the Associate entity has been reporting continuous losses, and this has fully eroded its net worth as on that date. The management of the Company has assessed and evaluated the fair valuation of the investments and recoverability of receivables by considering various factors like change in business plan due to business deal entered with major customers, who are leaders in market, and with whom the Associate have already started shipping test orders to the targeted customers for their distribution to selected stores. Based on these factors, the management of the Company believes that the store expansion of the above customer in United States, Mexico, Canada and Europe will add value to the business of the Associate, and lead to increased projected revenue and higher contribution margin. Also we are in the process of engagement of business with major business houses like Walmart, H&M, Garren animals which will add to both top line and bottom line of the Company. Accordingly, the management of the Company considers that the fair value of the investment in Associate is higher than the carrying value and trade receivables as good and recoverable as on December 31, 2024, and hence no material adjustments would be required to be made to the carrying value of the investments and trade receivables of the Associate in the unaudited standalone financial results of the Company for the quarter and nine month period ended December 31, 2024.
- 6 Pursuant to resolution passed in meeting of Board of Directors on September 27, 2024, Company has considered the acquisition of business of KiteX Childrenswear Limited and is in the process of obtaining necessary regulatory approvals.
- 7 Pursuant to resolution passed in meeting of Board of Directors held on November 22, 2024 and subsequent shareholders approval dated December 29, 2024, Company has issued Bonus shares in the ratio of 2:1 with the record date being January 17, 2025.
- 8 The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Company will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.
- 9 Previous year's/period's figures have been regrouped/reclassified, wherever necessary, to conform to the classification on the current year's/period's classification.

Place : Kizhakkambalam
Date : February 14, 2025



For KiteX Garments Limited

Sridhu Chandrasekharan
Whole-time Director
DIN:06434415

KITEX

KITEX GARMENTS LIMITED

CIN: L18101KL1992PLC006528

Regd. Office - Building No. V/496, Kirikkambalam, Vilangu P. O, Aluva, Kerala-683561.

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STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2024

Particulars	Consolidated					
	For the quarter ended			For the nine months ended		Year ended
	December 31, 2024	September 30, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
(a) Revenue from Operations	27,631.61	21,588.25	16,413.13	68,263.51	44,386.84	61,692.20
(b) Other Income	804.41	310.21	250.16	1,385.09	1,100.88	1,424.99
Total Income	28,436.02	21,898.46	16,663.29	69,648.60	45,487.72	63,117.19
2 Expenses						
(a) Cost of Materials Consumed	10,999.16	11,014.25	6,056.09	29,884.41	19,185.58	29,742.81
(b) Changes in Inventories of Finished Goods and Work-in-Progress	132.40	(2,968.12)	372.50	(2,919.47)	(175.74)	(4,228.34)
(c) Employee Benefits Expense	4,212.99	4,133.85	2,925.15	11,888.43	8,508.75	11,947.51
(d) Finance Costs	353.39	341.46	188.76	903.88	448.89	733.19
(e) Depreciation and Amortisation Expense	366.28	423.25	519.87	1,258.70	1,562.31	2,070.74
(f) Other Expenses	6,847.30	3,923.49	3,801.24	14,447.40	10,267.52	14,178.82
Total Expenses	22,911.52	16,868.18	13,868.61	55,468.35	39,798.31	54,444.73
3 Profit Before Tax (1-2)	5,524.50	5,030.28	2,794.68	14,180.25	5,689.41	8,672.46
4 Tax Expense						
(a) Current Tax	1,578.00	1,476.00	1,353.00	4,215.00	2,190.00	3,221.00
(b) Deferred Tax (benefit)/Expense	(105.03)	(118.88)	(50.06)	(422.13)	(109.18)	(131.59)
5 Net Profit for the period /year (3-4)	4,051.53	3,673.06	1,496.74	10,392.98	3,608.59	5,583.05
6 Share of Loss of Associate	-	-	-	-	-	-
7 Net Profit for the period /year after Share of Loss of Associate (5+6)	4,051.53	3,673.06	1,496.74	10,392.98	3,608.59	5,583.05
8 Other Comprehensive Income/(Loss) (net of tax)						
Items that will not be reclassified to profit or loss						
(a) Remeasurements of post employment benefit obligations	-	-	-	-	-	(18.60)
(b) Fair value changes on equity instruments carried through other comprehensive income	(0.31)	(1.12)	1.09	(1.51)	3.44	5.45
(c) Income tax relating to items that will not be reclassified to profit or loss	0.08	0.28	(0.27)	0.38	(0.87)	3.31
Items that will be reclassified to profit or loss						
Total Other Comprehensive (Loss)/Income for the period/year	(0.23)	(0.84)	0.82	(1.13)	2.57	(9.84)
9 Total Comprehensive Income for the period/ year (7+8)	4,051.30	3,672.22	1,497.56	10,391.85	3,611.16	5,573.21
10 Net Profit/(Loss) attributable to :						
(a) Equity holders of the Holding Company	4,108.47	3,733.62	1,507.12	10,568.63	3,619.89	5,639.11
(b) Non-controlling interest	(51.94)	(60.56)	(10.38)	(175.65)	(11.81)	(50.06)
11 Other comprehensive (Loss)/Income for the year attributable to:						
(a) Equity holders of the Holding Company	(0.23)	(0.84)	0.82	(1.13)	2.57	(9.84)
(b) Non-controlling interest	-	-	-	-	-	-
12 Total comprehensive Income/(Loss) for the year attributable to:						
(a) Equity holders of the Holding Company	4,108.24	3,732.78	1,507.94	10,567.50	3,622.47	5,629.27
(b) Non-controlling interest	(51.94)	(60.56)	(10.38)	(175.65)	(11.31)	(50.06)
13 Paid-Up Equity Share Capital (Face value Re. 1 per share fully paid up)	665	665	665	665	665	665
14 Other equity						
15 Earnings Per Share (in Rupees) (of Re. 1/- each) (Not Annualized)						89,793.67
(a) Basic	6.17	5.65	2.25	15.89	5.43	8.47
(b) Diluted	6.17	5.65	2.25	15.89	5.43	8.47



for

Notes to Consolidated Financial Results:

- 1 The above consolidated results of Kitex Garments Limited ("the Holding Company"), its subsidiaries (hereinafter referred as the "Group") and its associate for the quarter and nine months ended December 31, 2024 were reviewed by the Audit Committee and has been approved by the Board of Directors at its respective meeting held on February 14, 2025 and have been subjected to limited review by the Statutory Auditors of the Company. The unaudited consolidated financial results are prepared in accordance with the recognition and measurement principles provided in Indian Accounting Standard (Ind AS) 34 on 'Interim Financial Reporting', the provisions of the Companies Act, 2013 (the Act), and SEBI Circular No. CIR/CFD/FAC/62/2016 dated 5 July 2016, as amended.
- 2 In accordance with Ind AS 108 on "Operating Segments", the Group operates in a single business segment viz. Textile - Infant/Kids Apparel Manufacturing and hence has only one reportable segment.
- 3 The balance of trade receivable as on December 31, 2024 includes foreign currency receivable from its related party amounting to Rs 11,684.19 lakhs. Further, these foreign currency receivables have not been collected by the Holding Company within the stipulated timeline prescribed under the Foreign exchange management Act, 1999, and the Reserve Bank of India (RBI) Master Direction on Export of Goods and Services (FED Master Direction No. 16/2015-16 dated August 29, 2024). However, the Holding Company have approached its Authorised Dealer Category I Bank ('AD Bank') for capitalisation of exports. Pending the requisite application and approval of the Regulator, the management believes no material penalties or fines would devolve on the Group on account of such non-compliances. Accordingly, Group has not accounted for penalties and fines, if any, on account of such non-compliances in the unaudited consolidated financial results for the quarter and nine-month period ended December 31, 2024.
- 4 Pursuant to resolution passed in meeting of Board of Directors on September 27, 2024, Holding Company has considered the acquisition of business of Kitex Childrenswear Limited and is in the process of obtaining necessary regulatory approvals.
- 5 The Group has an investment in Kitex USA LLC, an Associate Company amounting to Rs 2,776.24 lakhs (March 31, 2024: Rs. 2,776.24 lakhs, December 31, 2023 : Rs. 2,776.24 lakhs), which has been already written off in unaudited consolidated financial results due to recognition of Group's share of loss of the Associate to extent of investment. Further, the Group has trade receivables from Associate Company amounting to Rs. 11,684.19 lakhs and based on the evaluation of future projected cash flows which is considering the proposed changes in the business plan, forecasted revenue growth and increased margin contribution and positive results of the Associate during the current nine months, the Group considers the trade receivables of Rs 11,684.19 lakhs as good and recoverable.
- 6 Pursuant to resolution passed in meeting of Board of Directors held on November 22, 2024 and subsequent shareholders approval dated December 29, 2024, Holding Company has issued Bonus shares in the ratio of 2:1 with the record date being January 17, 2025.
- 7 The date on which the Code of Social Security, 2020 ('The Code') relating to employee benefits during employment and post-employment benefits will come into effect is yet to be notified and the related rules are yet to be finalised. The Group will evaluate the code and its rules, assess the impact, if any and account for the same once they become effective.
- 8 Previous year's/period's figures have been regrouped/reclassified, wherever necessary, to conform to the classification on the current year's/period's classification.

Place : Kizhakkambalam
Date : February 14, 2025



For Kitex Garments Limited

Sindhu Chandrasekharan
Whole-time Director
DIN:06434415

Independent Auditor's Review Report on unaudited standalone financial results of Kitex Garments Limited for the quarter and nine months ended December 31, 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors of Kitex Garments Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Kitex Garments Limited (hereinafter referred to as 'the Company') for the quarter and nine months ended December 31, 2024 ('the Statement') attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Regulations').
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting', prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. **Basis for Qualified Conclusion:**

The Company has an investment in Kitex USA LLC, an Associate Company amounting to Rs 2,776.24 lakhs (March 31, 2024: Rs 2,776.24 lakhs, December 31, 2023: Rs 2,776.24 lakhs), which is incurring losses and this has fully eroded its net worth as on that date. The Company also, has trade receivables amounting to Rs.11,684.19 lakhs from the aforesaid Associate Company. The management of the Company has determined the carrying value of investment and recoverability of trade receivables in the said Associate as recoverable based on valuations performed and future projected cash flows, considering proposed changes in the business plan, forecasted future revenue growth and increased margin contribution. For the nine month period ended December 31, 2024, the management of the Company has not been able to provide corroborative evidence to substantiate the reasonableness of the above mentioned unobservable inputs. Accordingly, we are unable to comment on the recoverability of the carrying value of the investment and trade receivables in Kitex USA, LLC as at December 31, 2024 (Refer Note 5 to the unaudited standalone financial results).
5. Based on our review conducted as stated in paragraph 3 above, except for the matter described in the paragraph 4 above and the effects thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.



MSKA & Associates

Chartered Accountants

6. We draw attention to Note no 4 of unaudited standalone financial results which states about non-realisation of foreign currency receivables as at December 31,2024 aggregating to Rs.11,684.19 lakhs, and remaining outstanding beyond stipulated time period permitted under the Reserve Bank of India ('RBI') Master Direction on Export of Goods and Services (FED Master Direction No. 16/2015-16 dated August 29, 2024). This delay in collection beyond the stipulated time period under the Foreign Exchange Management Act,1999 and its various regulations, circulars and notifications issued under Foreign Exchange Management Act,1999 ("FEMA Regulations") by the RBI has resulted in non-compliances. During the quarter, the Company has approached its Authorised Dealer Category -I Bank for capitalisation of exports. Pending application and requisite regulatory approvals, the penalties or fines, if any, on account of such non-compliances under the FEMA Regulations are presently unascertainable.

Our conclusion is not modified in respect of the above matter.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Geetha Jeyakumar

Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 25029409BAMMKP3436



Place: Chennai
Date: February 14, 2025

Independent Auditor's Review Report on unaudited consolidated financial results of Kitex Garments Limited for the quarter and nine months ended December 31, 2024 pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To The Board of Directors of Kitex Garments Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Kitex Garments Limited (hereinafter referred to as 'the Holding Company'), its subsidiaries, (the Holding Company and its subsidiaries together referred to as the 'Group') and its share of the net profit after tax and total comprehensive income of its associate for the quarter and nine months ended December 31, 2024 ('the Statement'), being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Regulations').
2. This Statement, which is the responsibility of the Holding Company's Management and has been approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued thereunder ('Ind AS 34') and other recognised accounting principles generally accepted in India and is in compliance with the Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33 (B) of the Regulations, as amended, to the extent applicable.

4. This Statement includes the results of the Holding Company and the following entities:

Sr. No	Name of the Entity	Relationship with the Holding Company
1	Kitex Littlewear Limited	Wholly owned subsidiary
2	Kitex Babywear Limited	Wholly owned subsidiary
3	Kitex Kidswear Limited	Wholly owned subsidiary
4	Kitex Knits Limited	Wholly owned subsidiary
5	Kitex Packs Limited	Wholly owned subsidiary
6	Kitex Socks Limited	Wholly owned subsidiary
7	Kitex Apparel Parks Limited	Subsidiary
8	Kitex USA LLC **	Associate

****As the Group's share of profit in the Associate has not exceeded the accumulated losses which was not recognized by Group in excess of the cost of investment in earlier years, results for the quarter has not been considered in the unaudited consolidated financial results.**



MSKA & Associates

Chartered Accountants

5. Basis for Qualified Conclusion:

The Group has an investment in Kitex USA LLC, an Associate Company amounting to Rs 2,776.24 lakhs (March 31, 2024: Rs 2,776.24 lakhs, December 31, 2023: Rs 2,776.24 lakhs), which has been written off in consolidated financial results due to recognition of Group's share of loss of associate to extent of investment. The Group also, has trade receivables from Associate amounting to Rs. 11,684.19 lakhs which is considered good and recoverable by management of Holding Company based on future projected cash flows considering the proposed changes in the business plan, forecasted future revenue growth and increased margin contributions. For the period ended December 31, 2024, the management of the Holding Company has not been able to provide corroborative evidence to substantiate the reasonableness of the abovementioned unobservable inputs. Accordingly, we are unable to comment on the recoverability of the receivable balances from Kitex USA, LLC as at December 31, 2024. (Refer Note 5 to the unaudited consolidated financial results).

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and except for the matter described in the paragraph 5 above and the effect thereon, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other recognised accounting principles generally accepted in India has not disclosed the information required to be disclosed in terms of the Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. We draw attention to Note no 3 of unaudited consolidated financial results which states about non-realisation of foreign currency receivables as at December 31, 2024 aggregating to Rs 11,684.19 lakhs, and remaining outstanding beyond stipulated time period permitted under the Reserve Bank of India ('RBI') Master Direction on Export of Goods and Services (FED Master Direction No. 16/2015-16 dated August 29, 2024). This delay in collection beyond the stipulated time period under the Foreign Exchange Management Act, 1999 and its various regulations, circulars and notifications issued under Foreign Exchange Management Act, 1999 ("FEMA Regulations") by the RBI has resulted in non-compliances. During the quarter, the Holding Company has approached its Authorised Dealer Category -I Bank for capitalisation of exports. Pending application and requisite regulatory approvals, the penalties or fines, if any, on account of such non-compliances under the FEMA Regulations are presently unascertainable.

Our Conclusion is not modified in respect of the above matter

8. The Statement includes the interim financial results of six subsidiaries which are not subject to review, whose interim financial results reflect total revenue of Rs. 1.59 lakhs and Rs. 5.37 lakhs, total net loss after tax of Rs. 50.87 lakhs and Rs. 147.26 and total comprehensive loss of Rs. 50.87 lakhs and Rs. 147.26 lakhs for the quarter and nine months ended December 31, 2024, respectively. The Statement also includes the Group's share of net profit after tax of Rs. Nil and Rs. Nil and total comprehensive income of Rs. Nil and Rs. Nil for the quarter and Nine months ended December 31, 2024, respectively, as considered in the Statement, in respect of one associate, based on their financial results which is not subject to review. These interim financial results have been furnished to us by the Management and our conclusion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate is based solely on such management prepared unaudited interim financial results. According to the information and explanations given to us by the Management, these financial results are not material to the Group.

Our conclusion is not modified in respect of the above matter with respect to our reliance on the financial results certified by the management.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No.105047W

Geetha Jeyakumar

Geetha Jeyakumar
Partner
Membership No.: 029409
UDIN: 25029409BMMIKQ5312



Place: Chennai
Date: February 14, 2025